Workforce Development Board (WDB) – Executive Committee

Date       Monday, February 03, 2020
Time       12 – 1:30 pm
Place      9246 Lightwave Avenue, Suite 210, San Diego, CA 92123

WELCOME
   Sammy Totah – Chair
   o Call the meeting to order
   o Non-agenda public comment

ACTION ITEMS
  1. Minutes of Prior Executive Committee Meeting
  2. Membership Prospect Review

INFORMATION ITEMS:
  3. Membership Update
  4. Audit Committee Update
  5. Income Share Agreement Fund Strategy
  6. Executive Team Realignment & 2020 Staffing Strategy
  7. Working Groups & Councils Update
  8. Review WDB Agenda

ADJOURNMENT

PUBLIC COMMENT: Members of the public may address the Board on issues on this agenda (three minutes per subject) and/or other items within the Board’s scope. To speak, submit a “Request to Speak” form prior to the meeting. The SDWP will provide accommodations to persons who require assistance. Questions: (619) 228-2301.
Item #1: Minutes of the November 18, 2019 Executive Committee Meeting

Members Present
Sam Totah (Chair), Phil Blair, Althea Salas, Rick Vaccari, Ky Lewis

Staff Present
Peter Callstrom, Andy Hall, Ellen Class

Location: 9246 Lightwave Avenue, Suite 210, San Diego CA 92123

All reports, memoranda and letters contained in the agenda or distributed at the meeting shall by this reference become part of the original minutes.

The meeting was called to order by Sam Totah at 11:34am.

Non-Agenda Public Comment: None

Action Items

Item 1: Minutes of the October Executive Committee Meeting

Moved (Blair), Seconded (Lewis), Carried unanimously.

Information Items

Item 2: Budget Update

Ellen Class, CFO, provided fiscal year 2020 Q1 financial updates, including the confirmed funding of $990,000 in private grants in Q1. The committee discussed the upcoming budget presentation at the December WDB meeting and budget informational session in May 2020.

Item 3: Audit Committee Report

Rick Vaccari, Audit Committee Chair, discussed the prior Audit Committee meeting and future goals. The Audit Committee Charter will be finalized at the January 2020 meeting.
Item 4:  WDB Membership Practice/Policy

Peter Callstrom, CEO, discussed suggested language for WDB members when a change in employment occurs. The committee discussed the content and provided suggestions. Peter will share another draft with committee members.

Item 5:  Workforce Income Share Agreement Fund Update

Andy Hall, COO, updated the Committee on the Workforce ISA Fund including programs and partnerships in development, fundraising goals, and grant-funded research.

Item 6:  December 5th WDB Meeting Preparation

The agenda for the December 5th WDB meeting was reviewed.

Item 7:  2020 Board Meeting Calendar Review

The Committee reviewed the 2020 meeting dates. Adding executive committee dates was suggested.

Item 8:  Set Next Executive Committee Meeting

Next meeting will be February 3, 2020 at 12:00pm.

Adjournment: The meeting was adjourned at 12:47 pm.

Next Meeting: February 3, 2019 at 12:00 pm.
**Item #2: Membership Prospect Review**

**Action Required:**
Executive Committee to discuss the nomination of new proposed member Mimi Rosado.

**Organization**
Naval Information Warfare Center (NIWC) Pacific

**Job Title**
Total Force Manager | Deputy, Corporate Programs

**Bio**
Mimi has been with NAVWAR since 1998 and has held her current position since 2014 and is currently transitioning to a newly created position as the Deputy of Corporate Programs. She has a Bachelor’s in Cognitive Psychology and a Masters in Global Business. Mimi began her career with the Space and Naval Warfare Systems Command (SPAWAR) as a network vulnerability consultant. In 2001, she took leave from defense work to support health providers with patient privacy as an IA consultant and HIPAA implementation expert. Returning to SPAWAR in 2003 supporting the Navy Marine Corps Intranet (NMCI) Program, Mimi led process management teams focused on the Information Technology Infrastructure Library (ITIL) methodology and service management frameworks. In 2006, Mimi joined the SPAWAR Systems Center Pacific team, advising leadership on service management and governance models, transferring to the SSC Pacific Corporate Operations team soon after as the SSC Pacific Corporate Strategy Division Head. Mimi also focuses on building partnerships with the Wounded Warrior community and local colleges and universities for student recruitment, as well as collaborating with leadership in addressing retention challenges. Mimi’s passion for inclusive strategies initiated a career transition and pivot for NIWC Pacific and NAVWAR. As the Deputy for Corporate Programs, she is responsible for building partnerships with regional organizations focused on workforce initiatives, representing NAVWAR in collaborations with the San Diego EDC, the Cyber Center of Excellence and the San Diego Community College District. Mimi has volunteered as a Court Appointed Special Advocate (CASA) for foster youth, has served as President of the Academy of Business & Technology Foundation, and mentored students at Clairemont High School.

**Why are you interested in serving on the SDWP board?**
NAVWAR is setting the pace for cyber security across the country. Our organization is also investing time and resources in building new talent pipelines across San Diego and in my role, I am responsible for building new partnerships to make that happen. I can contribute from the perspective of a large IT / Cyber Security employer that is creating and setting standards for the industry. Our commitment to the community is changing the way we interact with San Diegans, not only requiring out-of-box strategies, but stretching the boundaries of those boxes.
Please describe any other community involvement activities:
Professionally, I engage with the Wounded Warrior Battalion in Camp Pendleton, the San Diego Community College District, the San Diego Economic Development Council (EDC) and the Cyber Center of Excellence (CCOE). Personally, I work with Clairemont High School in various projects including a new Life Skills & Wellness workshop (in proposal phase), and serve as a corporate officer and practitioner (as a transformation coach) with YesHope!, a non-profit organization offering support to individuals recovering from traumatic events.

Org/Company description (mission, industry, customers):
Naval Information Warfare Center (NIWC) Pacific provides the U.S. Navy and military with essential capabilities in the areas of command and control, communications, computers, intelligence, surveillance, and reconnaissance (C4ISR), cyber, and space.

A recognized leader in the cyber domain and cyberspace, and for autonomous unmanned systems, NIWC Pacific is providing the technological and engineering support critical to naval information warfare. While most of our work addresses the Navy’s requirements, we actively support Marine Corps, Air Force, Army and Coast Guard programs. Other government agencies, such as the Department of Homeland Security, frequently call on our C4ISR expertise. Systems development and support includes basic research and prototype development through systems engineering and integration to life cycle support of fielded systems.

The Center’s Workforce
- NIWC Pacific employs a highly educated, diverse, multidisciplinary workforce of more than 4,700 scientists, researchers, engineers, technicians, technical specialists and more, who hold 194 Ph.D./J.D. degrees, and 1,356 master's degrees.
• The lab, located in San Diego, California, is ranked as a top generator of patents and license agreements (155 patent disclosures, 100 patent applications filed, and 50 patents issued in fiscal year 2017).

• NIWC Pacific's workforce includes the largest number of active-duty military personnel stationed at any naval laboratory or warfare center. This unique arrangement combines the fleet and operational expertise of the warfighter with the skills of the Center's research staff to tackle real-world problems facing the U.S. today and in the future.
Item #3: Membership Update

Discussion Item (No Action Required):

Executive Committee to review Board membership, including the resignation of Matt Kriz.
Item #4: Audit Committee Update

Discussion Item (No Action Required):

Audit Committee Chair Rick Vaccari and CIO Andy Hall to report on January 23rd Audit Committee meeting.
Item #5: Income Share Agreement Fund Strategy

Discussion Item (No Action Required):

With input from City and County legal and compliance, in December, the Policy Board approved the use of a mission-aligned third-party for the administration of Income Share Agreements (ISA) servicing, collections on current and future contracts, and new contract originations.

There are three primary goals of the Policy Board with this action:

1. Risk management: This move will reduce risk exposure to the Workforce Partnership (and the City and County) by moving the financial transactions, as well as any associated remediation activities, to ISA contracts outside of our existing 501(c)(3).

2. Access additional capital: Moving the fund management to a third party opens up the fund to significant new capitalization opportunities including social impact investments, program related investments (PRI) from banks and foundations, and other capital outside of traditional philanthropy and government grants such as Community Reinvestment Act (CRA) funding from financial institutions.

3. Focus on core competencies: The Workforce Partnership’s core competency is not long-term financial transactions, cash flow collections, and/or investor relations. This move will keep the Workforce Partnership focused on its core competency of service delivery as the ISA project continues to scale while enabling us to leverage the necessary fund management expertise.

Now that this has been approved, Workforce Partnership staff will negotiate and execute a service agreement with a third-party entity for the above-mentioned services prior.

Background: The Workforce ISA, launched by the Workforce Partnership in July 2019, is an innovative new way to provide access to post-secondary education. This is the first and only workforce ISA fund in the public workforce system to date. SDWP is leading the country in this important new way of serving working learners. Our work has been profiled in Forbes, CNBC, the San Diego Union Tribune, the US Chamber of Commerce, and several other local, national, and industry-specific media outlets.

To date, the Workforce Partnership has raised approximately $3.5M from multiple philanthropic investors. Currently, 69 students are currently receiving training from UCSD Extension and career services from the Workforce Partnership through an ISA contract. The first cohort of 45 students will be graduating in March of 2020 and begin remitting payments in April 2020 per the terms of their ISA contracts.

Additionally, the Workforce Partnership has identified a $25M - $30M funding shortage for customers visiting the career centers. Sources of financing in addition to government grants and philanthropy are needed to cover the shortage and the Workforce Partnership has set a
goal to bring $25M into the region through the workforce ISA fund by 2025. To learn more about our strategic goals, see https://workforce.org/outcomesfocused/.

In 2020, the Workforce Partnership has plans to execute an additional 200 contracts for a total value of $1.3M in career services, classroom training, and job placement services. While 2019 was focused on creating the fund, building the team and implementing the proof of concept, the long-term success of the Workforce ISA is predicated on two important pillars:

• **Service delivery, the Workforce Partnership’s Core Competency:** Recruiting participants and delivering high quality services from education through wrap around supports and job placement, a role that the Workforce Partnership is uniquely positioned to play, either directly or through partnership with education and training institutions, as the region’s workforce board. In 2020, this line of work will continue as the Workforce Partnership supports a growing number of students in their course work, provides placement support for program completers and recruits new education providers to expand the number of educational offerings from IT to other in demand fields such as healthcare and the trades. Through this work, the Workforce Partnership directly lives out our mission of connecting businesses and job seekers, maintaining a pulse on evolving market needs and working closely with employers to fill gaps with trained students.

• **Financial Management of the Workforce ISA Fund:** Now that the fund has been launched the Workforce Partnership is turning its attention to structuring the financial management portion of the project for the long term. Since the inception of the fund, the Workforce Partnership has stayed keenly aware that education financing, particularly payment collection from students, is not core to the existing 501(c)(3)’s expertise or organizational and governance structure. Providing financial management of the fund including collection of student payments, origination of agreements, risk management related to legal actions and capitalization from a diverse set of sources outside of philanthropy.

Leveraging the services of a third party which is 100% dedicated to financing workforce training will allow us to more rapidly meet compliance requirements and access alternative pools of capital associated with education financing. Such a third-party entity will be:

• Singularity focused on providing financing and technical assistance related to workforce financing in San Diego County, allowing the Workforce Partnership to remain singularly focused on providing high quality training, job placement and wrap around services to our clients;
• Legally structured to pursue and accept diverse sources of investment, such as social impact investments from foundation endowments, as well as pay returns to investors, limitations inherent in the existing 501(c)(3) structure
• Able to bring in high dollar funds from a variety of untapped sources beyond traditional government or philanthropy
• Separate and independent to shield the existing 501(c)(3) from risks and compliance associated with operating a venture capital fund
• Able to publicly report workforce outcomes (job quality measures, employment outcomes, wage, wealth building, contribution to tax base, etc.) for all projects funded.

To catalyze this work, the James Irvine Foundation has granted the Workforce Partnership $25K to research and engage legal counsel by early 2020 regarding what would be required for an independent, 501(c)(3) with the intention of making impact investments into the fund in the future.

Additionally, the new entity will ultimately have or obtain Community Development Financial Institution (CDFI) status to provide the Workforce Partnership with access not only to impact investment funding but also to Community Reinvestment Act (CRA) funds from banks, for which workforce development is a qualified activity.

In summary, by outsourcing the financial management portion of the Workforce ISA fund to a third-party, the Workforce Partnership (and City and County of San Diego) is far better protected from risk and can stay focused on its core competency of program service delivery. Furthermore, the San Diego region will benefit from additional funds for workforce development if an entity singularly focused on workforce financing is leveraged and able to tap into additional capital, such as social impact investments.
Item #6: Executive Team Realignment & 2020 Staffing Strategy

Discussion Item (No Action Required):
Brief update on SDWP’s leadership team structure.
**Item #7: Working Groups & Councils Update**

**Discussion Item (No Action Required):**

**SDWP Working Groups**
Informal groups working on specific topic areas to report back to the Board. Members include board members and community members.

**Youth RFP**

**Board Members:** Omar Passons, Ed Hidalgo and recruiting for members

**Purpose:** To advise and support Workforce Partnership’s Youth RFP for up youth programs and services.

**Update:** Actively recruiting board members and community leaders for first kick-off meeting. Goal is to help design, release, and evaluate RFP submission from organizations bidding on Workforce Innovation and Opportunity Act (WIOA)-funded youth programs (16-24 age). The Workforce Partnership invests approximately $5M to winning bidders to serve 2,500+ youth and young adults. The goal is to launch the RFP for the next four-year procurement cycle in the summer of 2020.

**Staff Lead:** Andrew Picard, Chief Programs Officer (andrewpicard@workforce.org)

**Next meeting:** February 20, 2020, 11:30am – 1:00pm (same day as the Board meeting).

**Apprenticeships**

**Board Member:** Tom Lemmon

**Purpose:** To advise and support SDWP’s development of pre-apprenticeship and apprenticeship programs related to SB1 grant award.

**Update:** The Workforce Partnership is seeking partners to help develop our regional strategy. Through Prop 39 (Clean Energy Job Creation Act), SB1 (Road Repair and Accountability Act), and related state programs the California Workforce Board is investing nearly $40M in pre-apprenticeship partnerships across the state. These partnerships link local building trades councils to workforce boards, community colleges, and community-based organizations, creating structured pathways — with a standard core curriculum and critical supportive services — to state-certified apprenticeships in a variety of crafts.

**Staff Lead:** Andy Hall, Chief Impact Officer (andrewhall@workforce.org).

**Next meeting:** TBD in March.
Reentry Services (Inactive)

Board Members: David Blake (lead), Carlos Turner Cortez, Shandon Harbour, Tom Lemmon

Purpose: To inform and expand SDWP’s justice-involved services strategy for those reentering society.

Update: The State Board has yet to execute grant Prison2Employment funding for all Workforce Boards throughout California so further updates are pending. Once funding is in place from the State, we will reconvene and provide updates on program implementation.

Staff Lead: Andrew Picard, Chief Programs Officer (andrewpicard@workforce.org)
Next meeting: TBD and will be scheduled when needed.

Industry Councils & Initiatives

Business-led advisory groups that help SDWP design and execute workforce development strategies specific to sectors.

Healthcare Council

Chairs: Ky Lewis and Sam Totah

Community Members: Multiple in healthcare leadership roles in the community.

Purpose: To validate labor market data with employer input; identify trends impacting large and small entities within the health care sector; explore innovative approaches to support the attraction, training, and retention of talent; and guide investment of funding in the sector.

Update: There are 4 job quality experiments in process with healthcare providers with survey and data analysis to follow. Representatives will present findings at council meeting in the fall.

Staff Lead: Shannon Tuhn (ShannonTuhn@workforce.org)
Next meeting: Fall 2019 - TBD.

Tech Council

Chair: Kurling Robinson

Purpose: To create a plan to increase the pipeline of qualified candidates and to upskill incumbent workers for in-demand technology jobs in San Diego and Imperial Counties.

Update: Working Groups (Marketing, Training, and Sourcing) met to discuss challenge and map solutions for each group. Staff is completing the drafts for each group and will share with council in the fall.
Staff Lead: Shannon Tuhn (ShannonTuhn@workforce.org)

Next meeting: Fall 2019 - TBD.
**Item #8: Review WDB Agenda**

**Discussion Item (No Action Required):**
Strategic Pillar Theme: Outcomes Focused Financing

1. WDB Chair Update
2. Faces of Workforce

**Action:**
3. Minutes of December 5, 2019 Meeting
4. KRA Contract Modification & Quarterly Report
4. New Board Member Nomination

**Information:**
5. Audit Committee Report
6. Income Share Agreement Update
7. Fiscal Year 2020 Q2 Financial Report
8. CEO & Staff Report