

San Diego Workforce Partnership
Consortium Policy Board
Minutes of the August 28, 2020 Meeting

Members Present

Greg Cox, San Diego County Supervisor, District 1 (Chair)
Barbara Bry, Council President Pro Tem, City of San Diego, District 1
Jacob Richards, Board Member, United Way of San Diego County

Legal Counsel Present

David Powell, Deputy City Attorney, City of San Diego
Tom Bosworth, Senior Deputy County Counsel, County of San Diego

Staff Present

Peter Callstrom, President & CEO
Andy Hall, Chief Impact Officer
Andrew Picard, Chief Programs Officer

Location

Via Zoom

Per [Executive Order N-25-20](#), the requirement to which members of the public shall have the right to observe & offer public comment at the public meeting, consistent with the Brown Act, has been suspended.

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 Supervisor Cox at 3:00pm, with a quorum present. G. Cox stated for the record N. Fletcher is presiding over a County press conference for COVID-19 response updates during the time of the meeting, and therefore was not able to attend. Councilmember Montgomery informed the SDWP prior to the meeting that she would be unable to attend.

Non-Agenda Public Comment

None

Action Items

Item 1 **Minutes of the June 28, 2020 Meeting**

Motion: Board approves the meeting minutes.

Moved (B. Bry), Seconded (J. Richards), Carried on unanimous consent

Item 2 **Expanded Subsidized Employment (ESE) Contract Renewal**

Andrew overviewed the ESE Program, which support families making the transition from public assistance to self-sufficiency through employer wage subsites. ESE contract item was not included in the June Policy Board agenda, at the time the funding stream was suspended in the state’s draft budget. Governor Newsom has since restored full funding.

Motion: Board approves the contract renewal.

Moved (B. Bry), Seconded (J. Richards), Carried on unanimous consent

Information Items

Item 8

COVID-19 Economic Impact and Response

Andy noted that after a strong June that added back 53,000 jobs in San Diego, the recovery has slowed in July. Andy noted that local economists are forecasting a “K-shaped” recovery, with a relatively quick bounce back for workers with 4-year and advanced degrees in industries not as impacted by Covid-19, but with a slow, painful recovery for workers in lower-paying jobs in sectors heavily impacted by Covid-19, like tourism, restaurants, and retail.

Andy also highlighted strength and resiliency in the construction and utilities industries throughout the pandemic and discussed how this is informing SDWP’s training investments with partners such as SDG&E and the San Diego Building and Construction & Trades council.

Andy then discussed the service delivery strategy for SDWP going forward, including and expansion of remote service delivery and an improved and integrated online experience. Specific tools highlighted included an updated career portal, a new on-demand training library and online chatbot. SDWP has also made the chatbot available via SMS text.

Peter highlighted this strategy and implementation as unique in SDWP’s field because many other workforce entities have not been able to make the shift to provide other resources online. He added that the SDWP wants to share with our counterparts, working with Microsoft to package the chatbot so other workforce entities can use it to serve their regions.

Andy also covered “My Next Move”, SDWP’s career exploration tool that is distributed widely in the community to workers, K-12 secondary schools, and higher education institutions. The tool provides users with the ability to explore growing jobs in the San Diego region as well as individual strengths, interests, and values.

Andy also provided an update on the impact of the High Roads Kitchens, with 3,000 free meals distributed throughout the community to dislocated restaurant and hospitality workers. Currently, \$125,000 in new funding is needed to add 20 new restaurants to the program. Independent restaurants are the target. G. Cox asked if

franchises qualified. Andy replied franchises usually have a hard time making the program's commitments around training and wage payments because of their corporate structures, but that SDWP was open to working with any and all restaurants able to make the commitments to quality jobs required in the high road kitchens program.

Andy also shared an update on new efforts related to Employer Stock Ownership Plans (ESOP) and other employee ownership models (worker collaboratives). He shared that this is a new area of focus for SDWP as it presents a good opportunity to promote broader based ownership and wealth generation for San Diego workers and ESOP feasibility is an allowable use of federal layoff aversion funds to promote succession planning for companies with retiring owners.

SDWP is assisting R.E. Staite Engineering Inc. in the transition to an ESOP, along with 2 other companies in the pipeline. G. Cox commented that he was very pleased to see a company that of the size of R.E. Staite, with a workforce of 70 and \$30M annual revenue, interested in employee ownership and that it is a good service to provide to companies interested in a transition.

B. Bry, added that SAIC, founded by Bob Beyster, was a local company that was an early adopter of ESOPs and that when B. Bry was an employee of Connect they worked with the Beyster Institute on several programs and education events related employee ownership to help promote the tax benefits and job quality benefits of an employee owned company. Andy thanked B. Bry for the connection and stated that Kim Blaughner, the Executive Director of the Beyster Institute, has been the primary technical assistance partner for ESOP feasibility thus far, and they have had a great experience.

Jacob Richards commented that his banking network has a strong ESOP practice and have worked with a few different companies on financing ESOP transactions and other business matters. He offered to connect SDWP to a local executive at an ESOP-owned company. Andy said that would be great as SDWP is trying to expand its network with the local ESOP community.

Jacob Richards also shared that he is hearing from many of his banking clients that after the federal Paycheck Protection Program (PPP) loan forgiveness paperwork is processed, many companies may need to lay off workers and asked what the SDWP is doing to prepare for this potential increase in dislocated workers. Andy responded that they are working hard to expand their online offerings to meet a potential second wave of layoffs, and also asked to follow up with Jacob to learn more about what his contacts anticipate timing of new layoffs to continue efforts at SDWP to prepare.

Item 9

CEO & Staff Report

Andrew updated the board on the upcoming Youth RFP, currently in the design phase and on track for release in October. Andrew shared that we are recruiting 20

volunteer evaluators to review and score the bids. If Policy Board members would like to participate or refer community leaders to volunteer, the time commitment is 3 1-hour meetings and reading time for 3-5 proposals.

Peter reviewed new board members, Carmen Summers of Microsoft and Mimi Rosado of the Naval Information Warfare Center. Ricky Shabazz, President of San Diego City College, will be heading SDWP's new Diversity Equity and Inclusion Working Group, with members of the board as well as staff. SDWP encourages the participation of Policy Board members or aides if interested.

Peter & Brooke wrote a piece distributed on SDWP's channels and directly to elected officials regarding funding needs for workforce development during COVID and throughout the recovery. The current federal proposals offer \$1B in workforce development funds nationwide, but analysts recommend \$15B to properly serve our dislocated workers and employers. SDWP had been aggressively advocating for funds at the state and national level.

Congressman Mike Levin hosted a virtual meeting to discuss his bipartisan bills that support veterans. SDWP ISA analyst and veteran, Matt Roman, was invited to participate and discussed his experience in transition.

Peter concluded with a budget update. SDWP remains in a healthy fiscal position. He shared a profile with external private/philanthropic partners that have been created that amount to approximately \$5M in new revenue. We continue to aggressively seek out new funding sources to put into the community. SDWP's budget is now comprised of 59% in federal funds. Ten years ago, our budget was 99% federal funds, where many workforce boards are currently. Peter expressed pride in the team for budget diversification and success in building relationships with funding partners.

G. Cox commented that the organization has come a long way and the team has done a great job. Peter stated that the organization is well poised for more innovative times ahead.

Adjournment: The meeting was adjourned at 3:43 pm

Next Meeting: Friday, October 30, 2020 at 3:00pm