ACTION ITEM – VOTE REQUIRED

Members Present
Monica Montgomery Steppe, Councilmember, City of San Diego, District 4 (Chair)
Joel Anderson, San Diego County Supervisor, District 2 (Vice Chair)
Sean Elo-Rivera, Councilmember, City of San Diego, District 9
Nora Vargas, San Diego County Supervisor, District 1
Nancy Sasaki, CEO, United Way of San Diego County

Legal Counsel Present
David Powell, Deputy City Attorney, City of San Diego
Shiri Hoffman, Senior Deputy County Counsel, County of San Diego

Staff Present
Peter Callstrom, President & CEO
Andy Hall, Chief Impact Officer
April House, Chief Administrative 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 at 1:03pm, with a quorum present.

Non-Agenda Public Comment
None

Action Items

Item 1 Minutes of the March 8, 2021 Meeting

Motion: Board approves the meeting minutes.

Moved (S. Elo-Rivera), Seconded (J. Anderson), N. Sasaki abstained.

Items 2-3 Membership Nominations
Peter proved details board composition requirements prescribed by the Workforce Innovation & Opportunity Act (WIOA). Peter then overviewed the qualifications of 2 private-sector nominees: Veronica Dela Rosa of San Ysidro Health and Terry Kurtenbach of the San Diego Convention Center Corporation. M. Montgomery Steppe thanked SDWP for consistently bringing forward excellent nominees. Peter also noted that upon the approval of the nominations, WDB will be women majority led for the first time in SDWP’s history.

Motion: Board approves the nominations.

Moved (N. Vargas), Seconded (N. Sasaki), Carried unanimously

**Item 4**

**Appointment of the Joint Personnel Committee (JPC)**

Peter detailed the purpose and requirements of the annual review process for the CEO role, conducted by the JPC. 3 members of each SDWP board (WDB and Policy Board) serve on a committee that reviews the CEO’s work, collectively known as the JPC. The Chairs of each board along with two other members of each board constitute the JPC. Jacob Richards, who was not in attendance, informed Mr. Callstrom of his interest in serving on the committee as he has served on the JPC in the past. N. Vargas volunteered as the third member of the Policy Board.

Motion: Board approves the nominations of M. Montgomery Steppe, N. Vargas, and J. Richards to the JPC.

Moved (M. Montgomery Steppe), Seconded (S. Elo-Rivera), Carried unanimously

**Item 5**

**2019-20 Audit Report**

A. House overviewed the results of the audit report. SDWP remains a low risk organization and received an unmodified opinion. An unmodified or "clean" opinion is the best type of outcome. An unmodified opinion provides a high level of assurance that a professional, independent examination of financial statements has not revealed any actual or possible material misstatements in those financial statements. Additionally, there were no material weaknesses, deficiencies, or instances of non-compliance within SDWP’s financial statements or federal awards. Peter added that SDWP has come a long way in internal controls and the management of new funding sources. He added that coming out of a difficult year with the highest audit outcome possible is a testament to all staff. Additionally, the audit results are instrumental in SDWP’s pursuit of additional funds and investments to bring to the region.

Motion: Board approves the 2019-20 Audit Report.

Moved (J. Anderson), Seconded (N. Vargas), Carried unanimously

**Information Items**
Item 6

Income Share Agreement Annual Report

Andy provided an overview on the ISA as an alternative financing approach for higher-education and workforce training. SDWP is partnered with UCSD Extension for certifications in technology: business analytics, java programming, and digital marketing. Upon graduation, if and only if students get a job making above $40,000/year they pay 5-8% of their income back into the fund. The program serves as a renewable learning fund – enabling more students to participate as funds are reinvested back to the ISA pool. The SDWP is the only Workforce Development Board in the country with an ISA program.

Andy updated the Policy Board on key ISA performance indicators. Due to the pandemic, the program goal of 60% of graduates to be placed 3 months after graduation has not been met. Placement rates are now at 43% and climbing weekly. SDWP remains confident in the program’s design. The ISA fund, not the students, is bearing the impact created by the pandemic. The 2021 focus includes raising $2M for technology programs, operational improvements, and expanding into new sectors.

S. Elo-Rivera emphasized the importance of tackling the student debt crisis. He asked Andy why SDWP partnered with UCSD Extension over the San Diego College of Continuing Education or the Community College system, which can provide some of the ability and agility for programs like this. Andy responded that SDWP released an RFP for various schools to apply. Per the guidance of a technology council of various businesses, it was determined that the UCSD curriculum met more of their hiring needs and criteria. He added that moving forward there is opportunity to work with other partners and SDWP is looking forward to doing so. S. Elo-Rivera thanked Andy and added that to the extent SDWP and the Board are able to disrupt the educational elitism that occurs and negatively affects community colleges, it should be noted that assumptions made about the quality of education affect opportunity equity. He added that the ISA program is a form of debt, while manageable and less risky than traditional student loans. He continued, that debt in any form can perpetuate the racial wealth gap, and that every dollar directed in that direction is a dollar not directed toward wealth building. He appreciates the program but would like to consider the work SDWP can do to make education less of a commodity and less money-driven, for example, encouraging participation in the community college system.

Peter thanked S. Elo-Rivera for his perspective. The initial proof of concept for ISAs has been positive and SDWP wants to expand to other educational partners. He added that SDWP works to ensure every participant is well-informed as to what the program entails, what it costs, the payback system. Additionally, some of strengths of the program are the ability assist individuals is making a career change quickly and pathways into high-paying jobs. Currently, there are 6 participants making above six-figures in their new careers. N. Vargas discussed bridging the gap between the healthcare sector and community colleges to develop ISA programs at a lower cost. The Supervisor would be happy to partner on this.
Item 7  
Revenue and Strategy Briefing

Andy overviewed SDWP revenue by fund source and the strides in diversification the organization has made in recent years. For most of SDWP’s history the organization was funded almost entirely from federal funding, typical of workforce boards around the country. SDWP has been proactively diversifying its funding sources. In FY 2021, only 59% of the budget was federal funding, with the remainder being a combination of state, county, city, and private sector philanthropic funds. Andy discussed the long-term revenue strategy, with increased diversification and expanded growth in ISAs, CalFresh E&T, and fee for service revenue. Andy thanked S. Elo-Rivera and M. Montgomery Steppe for their assistance in approval of $1.5M in community block grant programs for FY 21/22.

Peter announced that SDWP will be awarded $300k through the San Diego Foundation’s “Black Community Impact Fund” to fund the TechHire and Career Construction Jumpstart programs. Additionally, the James Irvine Foundation awarded a $1.5M grant to SDWP to create “CyberHire San Diego”, a new workforce talent pipeline initiative that aims to increase the number of unemployed/underemployed and low-wage workers in cybersecurity careers.

Item 8  
CEO & Staff Report

Due to time constraints, the CEO & Staff Report was deferred to the next meeting.

Adjournment: The meeting was adjourned at 3:58 pm

Next Meeting: Friday, June 25, 2021 at 3:00pm