

**Workforce Investment Board  
Executive Committee  
1880 Wardrobe Ave.  
January 26, 2004, 7:30 – 9:00 a.m.  
Meeting Agenda**



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- I. Call to Order/Roll Call .....
  - II. Approval of Agenda .....
  - III. Approval of November 24, 2003 Minutes .....
  - IV. Public Opportunity to Speak .....
  - V. Action Agenda
    - a. Self Sufficiency Wage Policy ..... Joanne Presnell
    - b. Supportive Services Policy ..... Joanne Presnell
    - c. Update on WIB Goals (discussion w/possible action)..... Committee Chairs
    - d. Regional Strategic Issues Forum for March 11, 2004 – Castle Reuse (discussion w/possible action)..... John Heading
  - VI. Information Agenda
    - a. Conference Committee – WIA Reauthorization ..... Andrea Baker (5 min)
    - b. Merced County Workforce and Economic Development System and Its Challenges White Paper ..... Andrea Baker (5 min)
  - VII. Director’s Comments ..... (5 min)
  - VIII. Chair Comments..... (5 min)
  - IX. Other .....
  - X. Next Meeting – February 23, 2004, 7:30-9:00 a.m.....
  - XI. Adjourn.....

**Workforce Investment Board  
Executive Committee  
1880 Wardrobe Ave.  
November 24, 2003, 7:30 – 9:00 a.m.  
Meeting Minutes**



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**Members Present:**

Kathleen Crookham  
Rick Osorio

Nellie McGarry  
Mike Smith

Albert Montejano

**Members Absent:**

John Heading

Mike Sullivan

**Other Presents:**

Andrea Baker  
Donna Ornelas

Dave Davis  
Joanne Presnell

Holly Newlon  
Jackie Walther-Parnell

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- I. Call to Order – The meeting was called to order by the Vice-Chair Nellie McGarry in the absence of the Chair, John Heading.
- II. Approval of Agenda – It was M/S/C Montejano/Crookham to approve the Agenda as written.
- III. Approval of Minutes – It was M/S/C Montejano/Osorio to approve the minutes of October 27, 2003.
- IV. Public Opportunity to Speak - None
- V. Action Agenda
  - a. Private sector WIB member recruitment – There was discussion on the need for representation from the business sector on the WIB. Ms. Presnell noted the requirement is 51% of the membership is to be from the business sector. Currently, the board composition meets the law, however, if one or more representatives leave the board, the composition would be out of compliance. It is being recommended that a process be developed to identify and target representation for the board. Mr. Osorio noted that the Program Planning and Development Committee decided to target the construction industry to seek out potential business sector representatives. In addition, it was noted that the automotive industry would also be a good target. There were several names recommended to staff to follow up with. Additionally, members of the Executive Committee were asked to forward any other contact names to staff.
  - b. Central Valley California Regional Economic Forum, February 2004 – There have already been four forums held throughout California. Fresno will be hosting the Central Valley Forum for the Valley LWIAs in February 2004. The purpose of the forums will be to identify an industry within each region in order to prepare a request for funding to the Governor for infrastructure in that particular industry. It was noted that locally, two industries have been identified as mentioned above. The structure for input will be done through a survey. It was the consensus of the committee to support this effort.
- VI. Information Agenda
  - a. JCG Update – Ms. Jackie Walther-Parnell reported the department is still working with the Auditor’s office and gathering invoices and bank statements. Once the documentation is received, and the books are reconciled, it will be determined if any outstanding payments are due to JCG .

- b. MCOE Out-of School Youth Program – Ms. Holly Newlon from MCOE gave a presentation on what has transpired with the Older Youth Program since the closure of JCG. Ms. Newlon went over a program timeline. She noted there have been a lot of coordination and communication over the last two months in an effort to continue the delivery of services. During the meetings there has been discussion with partners, staff, and participants in order to provide up-to-date information. She noted that case managers are meeting and contacting participants to evaluate the status of each participant. It is anticipated those contacts will be completed by the end of December. Ms. Newlon noted the greatest challenge appears to be childcare. She indicated MCOE will be working with Children’s Services Network, CalWorks and Child Development Centers in a collaborative effort to meet the needs of the participants. It was requested that Ms. Newlon give a presentation to the full WIB. Staff will coordinate this.
- c. January 2004 State Advocacy Meeting for WIB Chairs, Directors and Legislators – California Workforce Association is framing a letter for all 50 WIB Chairs to sign. Merced is drafting a white paper on these issues to be shared with the new Governor and legislators.

VII. Director’s Comments – Ms. Andrea Baker shared that Merced received the CSAC award for its RN program. The award is one of eleven Challenge Awards given. Merced County received three of the eleven in the state. Ms. Crookham noted the Board of Supervisors will recognize the awards at the board session on November 25, 2003.

VIII. Chair Comments – Nellie McGarry noted the Youth Council received an award from the state. The award is the Architecture of Change award.

IX. Other - None

X. Next Meeting – December 29, 2003, 7:30-9:00 a.m.

XI. Adjourn – Meeting was adjourned at 8:35.

**TO: WIB Executive Committee**

**DATE: 01/26/04**

**FROM: WIB Staff**

**For Action**

**For Information**

**For Discussion**

**SUBJECT: Self Sufficiency Wage**

**PROPOSED MOTION(S):** To add the following language to the Self-Sufficiency Wage Policy, "The Self-Sufficiency Wage will be based on full-time employment which is an individual working 40 hours/week, 52 weeks/year of work" to ensure time sensitive compliance with WIA directives.

**DISCUSSION:** On November 13, 2003 the WIB approved (1) establishing the Self-Sufficiency Wage for Adults at \$11.06 per hour and (2) establishing the Self Sufficiency Wage for Dislocated Workers at 85% of the individual's dislocation (layoff) wage but in no event less than the Adult Self -Sufficiency Wage. Further clarifying language is needed to define how the Self-Sufficiency wage is applied.

**ATTACHMENT(S):**

WIA (at Section 134(d)(3)(A)(ii)) and the regulations (at 20CFR 663.220) stipulate that, in order to receive Intensive or Training Services, employed Adults and Dislocated Workers must have received at least one core service and be determined by a One-Stop operator to be in need of Intensive or Training services to obtain or retain employment that leads to self-sufficiency. The regulations (at 20 CFR 663.230) state that Local Boards must set the criteria for or definition of self-sufficiency. The Board further directed that said wage shall be reassessed at least once per year.

Based upon the methodology<sup>1</sup> previously agreed and the latest wage statistics, the committee proposed an Adult hourly wage derived as follows:

	<b>Current</b>	<b>Proposed</b>
<b>Wage Data:</b>	<b>Q1-2002</b>	<b>Q2-2003</b>
H.S. or less weighted average <sup>2</sup> :	\$9.09	\$9.37
Adjustment for Cost of Living <sup>3</sup> :	+14.9%	+14.9%
Adjusted Wage:	\$10.45	\$10.77
Annual Wage Inflation <sup>4</sup> :	+3.2%	+2.7%
<b>Final Adjusted Wage:</b>	<b>\$10.62</b>	<b>\$11.06</b>

1- The methodology agreed by the Committee and the WIB states that the Self-Sufficiency Wage

**shall be the weighted national average at the 25th percentile of wages of adults (aged 25 years and older) who have a high school diploma or less and are in full time employment and that said hourly rate shall be adjusted to take into account the difference between the cost of living in Merced County and the US and further adjusted to consider secular trends in wage inflation for the twelve month period after the wage is set.**

**2-Current Population Survey - Table 4. Quartiles and selected deciles of usual weekly earning of full-time wage and salary workers by selected characteristics, second quarter 2003 averages, not seasonally adjusted - The Current Population Survey (CPS) is a monthly survey of households conducted by the Bureau of Census for the Bureau of Labor Statistics. It provides a comprehensive body of data on the labor force, employment, unemployment, and persons not in the labor force.**

**3-CNN "Best Places to Live" Cost of Living Index for Merced County as of May 2003.**

**4-Bureau of Labor Statistics, Changes in Wages and Salaries Cost, Second Quarter 2003.**

**TO: Executive Committee**

**DATE: 01/26/04**

**FROM: WIB Staff**

**For Action**

**For Information**

**For Discussion**

**SUBJECT: Revision to Supportive Services Policy**

**PROPOSED MOTION(S): Approve revised Supportive Services Policy to ensure time sensitive compliance with WIA directives.**

**DISCUSSION: The Supportive Services Policy has been modified in three areas. The amounts available for supportive services for Merced College Licensed Vocational and Registered Nursing Program participants have been increased by approximately \$300 to reflect increased costs. Additionally, new wording has been added to define the maximum Flexible Account limits for cross-referral participants.**

**The maximum limits for a participant's Flexible Benefits account will be:**

- 1. Enrolled in Licensed Vocational Nursing program at Merced College - \$1,764.**
- 2. Enrolled in Registered Nursing program at Merced College - \$3,051.**
- 3. Enrolled in a full-time training activity with a training provider, not on the ETPL, known as a cross-referral. The amount will not exceed the actual costs associated with the training such as books, uniforms, supplies, fees such as health and parking but in no case will it exceed the maximum amount of \$1,000 nor will it pay for such items as registration or tuition. A cross-referral will also be eligible for the actual calculated costs for additional services such as child-care and transportation but in no case will it exceed the maximum amount of \$1,500.**

**ATTACHMENT(S): Supportive Services Policy**

**DEPARTMENT OF WORKFORCE INVESTMENT  
SUPPORTIVE SERVICES  
POLICY**

- **Section 1 - General Provisions**
- **Section 2 - Supportive Services**
- **Section 3 - Merced College Licensed Vocational Nursing Program**
- **Section 4 - Merced College Registered Nursing Program**
- **Section 5 - Pell Grants**
- **Section 6 - ITA's, Limitations of Financial Support**

Effective January 26, 2004, participants may be provided supportive services using the criteria stated in this policy.

**Section 1 - General Provisions**

The Merced County Workforce Investment Board (WIB), through the Merced County Department of Workforce Investment (WI), will make available supportive services to appropriate Workforce Investment Act (WIA) participants. All requests for participant supportive services and all collaborating information detailing the need will be documented in the Individual Employment Plan and/or the participant's diary. To the best of its ability, the Department of Workforce Investment ensures that:

- Services provided under this policy are necessary to enable participants to participate in activities authorized under Title I of WIA;
- Services provided do not duplicate services available from other sources and are coordinated with the services and resources of the One-Stop partners and other community service partners;
- Financial assistance does not include post-exit services;
- Bonus and incentive payments, if provided, are based on the attendance and performance by the participants receiving them;
- To the extent possible, similarly situated participants receive similar services;
- The Workforce Investment Area will meet applicable Internal Revenue Service and Fair Labor Standards Act requirements; and
- Needs-related supportive services are based on the program activity in which an individual is enrolled and the ongoing assessment related to the participant, such information to be documented in the Individual Employment Plan.
- Provision of supportive services under this policy is contingent upon WIA funds availability. Additionally, at the discretion of the Local WIB this Supportive Services Policy is subject to review and change.

Supportive services will be provided through a Flexible Benefit Account for each eligible participant. The Flexible Benefit Account is a maximum amount of dollars available to each eligible participant, based on the daily allowance for transportation and child care and/or the actual cost of other services provided, to offset any authorized supportive

service needs for which the participant is eligible, as agreed to, and documented by, an Employment and Training Specialist. Each eligible participant may select how their allocation will be used to assist them during training and or job search activities. At no time will a participant's use of any one service, or combination of services, exceed the total amount of money available in his or her Flexible Benefit Account.

The maximum limits for a participant's Flexible Benefit Account are:

- Enrolled in Core B/Intensive services - \$150.
- Enrolled in a full time training activity (as defined by the training provider) - \$1,500. (Note: this allowance is not authorized for the LVN and RN programs at Merced College).
- Enrolled in Licensed Vocational Nursing program at Merced College, whether a cross referral or under contract – \$1,764.
- Enrolled in Registered Nursing Program at Merced College, whether a cross referral or under contract – \$3,051.
- Enrolled in a full-time training activity with a training provider, not on the ETPL, known as a cross-referral. The amount will not exceed the actual costs associated with the training such as books, uniforms, supplies, fees such as health and parking but in no case will it exceed the maximum amount of \$1,000 nor will it pay for such items as registration or tuition. A cross-referral will also be eligible for the actual calculated costs for additional services such as child-care and transportation but in no case will it exceed the maximum amount of \$1,500.

Exceptions may be made to this policy, on a case-by-case basis, should individual circumstances warrant exception and are documented in the case diary by an Employment and Training Specialist.

## **Section 2 – Supportive Services**

The Department of Workforce Investment, in accordance with the Workforce Investment Act and its implementing regulations, will provide supportive services deemed appropriate for payment or reimbursement to participants and/or other agencies or businesses for pre-approved necessary services, equipment and/or materials provided to the participant. Such services, equipment and/or materials may include, but are not limited to, the following:

- Transportation <sup>1</sup>
- Childcare <sup>2</sup>
- Placement Incentives <sup>3</sup>
- DMV printouts;
- Physicals;
- Tools;
- Uniforms/shoes/boots;
- Immunizations;
- Testing costs;
- Fees;

- Licensing or endorsements;
- Application fees;
- Haircuts;
- Work clothes.

<sup>1</sup> In-county residents attending out-of-county full-time training, and in-county residents with a round trip commute of 50 miles or more (including to and from child care provider) to attend in-county full time training, are eligible to be reimbursed at the rate of \$10 per day (daily attendance for training to be verified by training provider). For those individuals who reside within 50 miles of training, issuance of bus passes are authorized. The Internet website Map Quest, or similar site will be used to verify mileage. Also, participants who are eligible to receive a transportation allowance must provide proof of driver's license, vehicle registration and insurance.

<sup>2</sup> Participants with a child 12 years of age or younger may be eligible for childcare. Participants with a child 13 through 18 years of age may be eligible for childcare if the child is physically or mentally incapable of caring for him or herself, as determined by a legally qualified professional, or who is under court supervision. If the participant's spouse or significant other is neither working, looking for work, nor in a training program and is not incapacitated or does not have special needs, childcare is not authorized. Participants qualifying for childcare will be reimbursed at the rate of \$15.00 per day, regardless of the number of qualifying children. Documentation for reimbursement for childcare is the participant's time and attendance for days in training, furnished by the training provider. Referrals to Children's Services Network will be made for those participant's that appear to be eligible for childcare services through Children's Services Network.

<sup>3</sup> A participant who has successfully completed their enrollment component and has entered full time employment is eligible for the placement incentive of \$25.00 cash payment. Verification from the employer is required to qualify, and there must be adequate money in the participant's Flexible Benefit Account to cover the cost of the incentive.

Needs-Related / Incidental Payments will not be authorized for this program year.

Participants who obtain unsubsidized employment shall have their Supportive Services (Flexible Benefit Account) reduced or terminated as of the date of their employment, unless they can show proof that such reduction would create a hardship upon them. The participant's needs will be reassessed to determine if further assistance from WIA funding is required.

An Employment and Training Specialist, in collaboration with the participant, will develop a plan for services, equipment and/or materials that are typical for a participant's area of training, job search, and/or program activity.

### **Section 3 – Merced College Licensed Vocational Nursing Program Participants**

Participants enrolled in the Merced College Licensed Vocational Nursing program are eligible for a Flexible Benefit Account that is for direct training support only, as per the

attached list<sup>4</sup>, and excludes transportation and child care. The individual Flexible Benefit Account limit for each participant enrolled in the Merced College Licensed Vocational Nursing program is \$1,763.95

#### **Section 4 – Merced College Registered Nursing Program Participants**

Participants enrolled in the Merced College Registered Nursing program are eligible for a Flexible Benefit Account that is for direct training support only, as per the attached list<sup>5</sup>, and excludes transportation and child care. The individual Flexible Benefit Account limit for each participant enrolled in the Merced College Registered Nursing program is \$3,050.72.

#### **Section 5 – Pell Grants**

Participants enrolled or accepted for enrollment at an accredited college, in a course of study eligible for federal or State financial aid and, leading to the award of a professional certificate, degree, etc., must apply for a federal Pell Grant. No Supportive Services will be provided until this action is accomplished, as verified by a copy of the Pell Grant application or award letter. Any other grants, which the participant has applied for, must also be verified. Copies of the verification documents will be maintained in the participant's file.

Note. Preliminary Pell Grant eligibility can be established prior to enrollment into a training program. The Free Application for Federal Student Aid (FAFSA) form is used to determine eligibility and is available through the Internet or the financial-aid offices of accredited colleges. Applications can be submitted on-line through the One-Stop. One-Stop counselors will be familiar with the proper completion procedures for these forms and be able to assist customers in the filing process. Pell Grants are awarded only once in a program year, and only for one academic institution. The maximum award amount for the 2003/2004-program year is \$4,050 per student.

For WIA participants enrolled in the RN and LVN programs at Merced College, Supportive Services may be provided while a Pell Grant application is pending. Supportive Services for these programs will not exceed the established funding limits. Expenditures for Supportive Services will be tracked through the Department's fiscal client database.

On a monthly basis, case managers will coordinate with Merced College's Financial Aid Office – through Ms. Karyn Wiens, Director, Employer-Focused Training Center (ETC) #722-5090 - regarding the status of their clients' Pell Grant applications. Note. Merced College publishes a Student Financial-Aid Report that documents the status of Pell and other grant applications. The report also details the amounts and disposition of any grants awarded. These reports are provided to the One-Stop (Employment Resource Center) on a semester basis.

Upon award of a Pell Grant, full or partial, the participant's Supportive Services (Flexible Benefit Account) may be reduced or terminated. The participants "needs" will be reassessed and documented to determine the appropriate level of assistance from WIA funding.

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<sup>4</sup> List to be verified with Merced College at the beginning of each semester, and adjustments made to the list, and LVN flexible benefit account limit, as necessary.

<sup>5</sup> List to be verified with Merced College at the beginning of each semester, and adjustments made to the list, and the RN flexible benefit account limit, as necessary.

## **Section 6 - ITA's, Limitations of Financial Support**

For those clients who elect to attend occupational classroom training within the local labor market area (defined as from Fresno County to the South to Stanislaus County to the North), the maximum amount of funds available will be limited to the needs identified in the Individual Employment Plan and be consistent with the criteria set forth in this policy.

The Department of Workforce Investment will make no Supportive Services available to clients who elect to attend occupational classroom training outside of the defined labor market area.

For those clients who must attend occupational classroom training outside of the defined local labor market area because there are no providers of the training within the local area, the provisions set forth in this policy (electing to attend within the local labor market area) will apply.

**TO: WIB Executive Committee**

**DATE: 01/26/04**

**FROM: WIB Staff**



**For Action**



**For Information**



**For Discussion**

**SUBJECT: WIB Goals**

**PROPOSED MOTION(S): Update by Committee Chairs on progress of WIB Goals**

**DISCUSSION: On October 27, 2003, the Executive Committee approved the WIB Goals established at the October 2, 2003 WIB Strategic Planning Session. Those goals are:**

**Goal 1: Train and attract adaptable workers to fill industry needs.**

- **Focus initially on a single industry; do a pilot project which will focus on understanding and addressing its needs.**
- **Develop a focus group for that industry to identify needs.**
- **Formulate a plan to address the needs of that single industry.**
- **Implement the plan.**

**Goal 2: Influence the K-12 education system to design and implement strategies that provide students knowledge of employee skills and attitudes and develop metrics to assure success.**

- **On November 19, 2003, the Goal 2 Working Group met with key individuals of the County's education system.**
- **The next action is to meet again to define the target student population.**

**Goal 3: Become an active advocacy voice and take political action on workforce development issues at the local, state and national levels.**

- **Create the story with a talking piece, an agenda platform of the issues.**
- **Develop a tiered strategy for public awareness for students and parents, business, and local and state elected officials.**
- **Public awareness and engagement.**

**ATTACHMENT(S): N/A**

**TO: Executive Committee**

**DATE: 01/26/04**

**FROM: WIB Staff**

**For Action**

**For Information**

**For Discussion**

**SUBJECT: Regional Strategic Issues Forum, March 11, 2004**

**PROPOSED MOTION(S): Concur with the choice of “Castle Reuse” as the topic for the March 11, 2004 Regional Strategic Issues Forum.**

**DISCUSSION: Three Regional Strategic Issues Forums have been held as part of the Workforce Investment Board’s bi-monthly meeting. The issues have covered Education, Economic Development, and Affordable Housing.**

**It has been suggested the Castle Reuse and Childcare be future Forum topics. The WIB Chair has selected Castle Reuse as the next Forum topic to be presented March 11, 2004.**

**ATTACHMENT(S): N/A**

**TO: Executive Committee**

**DATE: 01/26/04**

**FROM: WIB Staff**

**For Action**

**For Information**

**For Discussion**

**SUBJECT: White Paper on Merced County's Workforce and Economic Development System and its Challenges**

**PROPOSED MOTION(S): Information Only**

**DISCUSSION: The attached Whitepaper will be presented to the new California Administration, department heads and legislators during a January 28, 2004 meeting in Sacramento. Mr. John Headding, WIB Chair, and Ms. Andrea Baker, Director, Department of Workforce Investment will represent the Workforce Investment Board of Merced County.**

**ATTACHMENT(S): White Paper**

***WHITEPAPER***

***ON***

***MERCED COUNTY'S***

***WORKFORCE AND ECONOMIC***

***DEVELOPMENT SYSTEM***

***AND ITS***

***CHALLENGES***



**WORKFORCE  
INVESTMENT BOARD  
MERCED COUNTY**

### **Merced County Today**

Merced County is in the midst of a workforce crisis among the worst in the entire nation. While workforce development efforts face significant challenges nationwide, Merced County's obstacles to creating a workforce capable of meeting current and future demands are enormous. The skills gap in Merced County is significant and is only expected to increase over the next few years. In ten years, available jobs could outnumber workers by 6.7 million nationwide.

Merced County is exceptionally hard hit by the skills gap due to a number of factors. The County ranks extremely low in major indicators of educational attainment for its residents. Only 63.8% of Merced County residents age 25 or older have graduated high school, and only 11% have attained a bachelors degree or better, compared to the state average of 76.8% and 26.6%, respectively (nationwide, 42% of new job growth requires some post high school education). Dropout rates exceed the state average, only 23.4% of Merced County high school graduates are eligible to attend a California State University or University of California campus, and only 3.8% of those actually enroll. Skill gaps identified among the population include basic reading and math skills, management skills, computer skills, chemical related skills, materials related skills, and commercial driving skills. Local employers have identified these skill gaps as being significant barriers to filling current and future job vacancies. (See Graph #1)

Demographic patterns in Merced County add to the severity of the workforce crisis. Large proportions of the Merced County population are children under 15 and adults over 65, two groups that do not contribute to the labor pool. In fact, 31% of Merced County residents are under the age of 15, making Merced the "youngest" of all of California's 58 counties. However, even with the labor pool being proportionately smaller than many other areas, even comparably sized rural areas, Merced County's unemployment rates are consistently in the double digits with the average unemployment rate for 2002 at 14.4%, compared to the state average of just 6.7%.

Agricultural and retail industries remain the dominant industries in Merced County, which due to their seasonal nature, contribute to the high levels of unemployment. However, the economy of Merced County shows great potential for diversification, with agriculture's impact on local employment declining over the next 20 years. A primary factor inhibiting local residents from finding jobs or advancing in their current jobs is not only a lack of opportunities, but also a lack of skills among the local workforce. Local workers are not prepared to fill the jobs that are coming to the community. Despite the wide availability of labor suggested by the unemployment figures, existing and prospective employers consistently report having difficulty in finding qualified, skilled workers to fill even entry-level jobs. High unemployment among working-age adults in the region is compounded by what is commonly referred to as the "brain drain", or the perception that the region's most talented young adults leave the area due to lack of opportunities, thereby further contributing to the low skills base and sluggish economy. This theory is supported by statistics that show Central Valley counties lagging state population averages for all age ranges except 0-18 and 65+, suggesting that some

working-age adults are in fact opting to attend college and pursue careers elsewhere in California.

### **Merced County's Future**

As the Merced County economy continues to change, so does the composition of our labor force. The County is expected to grow by 57% by the year 2020, exceeding the state growth rate by 26%. Today, the median age of a Merced County resident is 29 years. It is projected that the median age will decrease over the next 20 years, and the proportions of the population who are either too old or too young to work will increase. Contributing to this problem is the skill gap that exists between different age groups in the Merced County labor pool. Currently, the County's most educated demographic group is the 45-64 year age group. This is the same group that will be exiting the workforce in large numbers over the next few years, and younger workers who will need to "move up" and replace retirees have, in most cases, considerably less education. (See Graph #2). In addition to age-related issues, the ethnic diversity of the County will continue to shift in the future. Currently, nearly 60% of the population is from "minority groups" who, in Merced County, have a lower level of educational attainment and lower level of English language proficiency than other groups, and these are the same groups whose numbers are growing the fastest in the County.

Indicative of the problems facing Merced County is the skill gap among residents and the corresponding wage gap that contributes to the high poverty rate in the area (25.4% of residents are living below the federal poverty line, compared to 16% statewide and 13.3% nationally). As long as poverty is a persistent problem throughout the County, low educational attainment, low skill levels, and low employment rates (which are all correlated with poverty) will continue to plague the area.

The public and private sectors in Merced County have been very active in recent years in creating and implementing economic development strategies designed to create and retain more jobs in the area. Some of the successful examples of these efforts were hard won, including bringing a federal penitentiary and the University of California campus to the area. These efforts at creating jobs will have little positive impact on the current residents of Merced County if those residents are not prepared and are ill equipped to respond to employer demands and fill the new jobs. The University of California campus will ultimately employ thousands of people, but already the majority of jobs there are being filled by people commuting in from other areas, or who are relocating to Merced, leaving unemployed Merced residents no better off. The federal penitentiary received hundreds of local applications for its numerous job openings, but only a handful of the jobs actually went to Merced County residents because so many did not meet the minimum requirements.

The health care industry is also growing dramatically in Merced County. There is a huge demand for virtually all health professionals, especially nurses, and Mercy Medical Center Merced anticipates needing an additional 220 nurses in the next 24 months. However, despite high unemployment rates, Mercy and other health care providers are

finding it nearly impossible to fill their current nursing slots, and it took the average health care employer over 6 months to fill their most recently advertised nursing vacancy.

### **Merced County's Challenges**

Merced County's challenges to creating a workforce prepared to meet current and future demands are numerous. Three of the industries that have been targeted for growth in the area; identified as high tech, medical services & research, and manufacturing, are excellent examples of industries where the County's existing labor pool is woefully unprepared to meet demand. In order to properly address these challenges, the following must be accomplished:

- Growing industries and the specific job descriptions they will employ must be identified and communicated to all players within the local economic and workforce development system.
- Steps must be taken to ensure that training and educational programs and opportunities exist to prepare local workers in the growing industries, and that those programs are accessible and meet the skill standards being required.

### **Merced County's Response and Strategies**

In order to address the challenges detailed above, a variety of changes must be made in the way Merced County approaches workforce development. Workforce and Economic Development professionals must coordinate their activities closely with local educators and training providers to ensure that the local supply of labor can meet the demand that will be created by new jobs. In the event that the existing labor supply is capable of filling new jobs in a particular growing industry, workforce development professionals must make sure to connect qualified local labor with the opportunities in a timely manner. In the event that the local labor supply cannot meet the demand created by new jobs, all the players must collaborate to provide training that will better qualify local residents for these jobs.

- **Local Strategy:** A Business Competitiveness Team was formed in response to the Merced County Economic Development Strategic Plan to address specific issues such as a single point of contact for employers, identifying industry clusters and conducting forums to address employer needs. Two forums called Workforce Academies, with curriculum customized for businesses by the U. S. Chamber of Commerce, were conducted with Roundtables. These forums served to address the specific needs and issues of employers and to facilitate the responsiveness of education and training providers.

As Merced County's economy becomes more diversified, more of these new jobs will require high school and college diplomas. Because of this, the time needed to prepare a local worker to fill changing employer needs may be years. This is why local educators and training providers must be informed on the growing and emerging industries in the area, employment projections, and the specific types of jobs that will be in demand so that they can create appropriate training. Employers must also partner with educators, as well as workforce and economic professionals, to ensure that employer's needs are

known, and that every effort is being made, with assistance from the employers, to prepare local residents to fill local jobs.

- **Local Strategy:** The local Workforce Investment Board (WIB) has had Strategic Issues Panel forums on Education and Economic Development. These panels have established an ongoing dialogue to discuss relevant and important strategic issues affecting the community.

To be successful, future economic and workforce development strategies must concentrate on the sectors that are predicted to grow in Merced County over the next five, ten, and twenty years. In the County's recently adopted Economic Development Strategic Plan, 12 target industries and 25 target occupations were identified for the County, based on the sectors that are expected to grow in the area in the coming years. While some Merced County workers are currently employed in these occupations, and other occupations do not even exist as of yet, all of the occupations need to be fostered in order to retain existing companies and attract new ones. These occupations cannot be fostered if local residents are not adequately being prepared to fill them.

- **Local Strategy:** There have been Regional Economic Forums relating to industry sectors. One of the local WIB goals is to identify a single sector so that concentrated efforts are achieved to mitigate the above challenge.

Some possible local solutions to fill skill gaps are in development, and include:

- Development of Vocational Education Certificate Programs created to address the specific skill requirements of the target industries.
- Development of Apprenticeship and Internship programs in the growing industries to provide on-the-job training and mentorship opportunities for young workers and students.
- Development of a Manufacturing Institute that would allow the County to further capitalize on its strength as a manufacturing center, raise the visibility of manufacturing as a profession, and create certificate programs for manufacturing occupations (currently, manufacturing is considered one of Merced County's strongest potential growth areas, yet little is being done to prepare local workers for manufacturing professions.)
- Development and implementation of employed worker training to improve the workforce and promote a "move up" strategy.

Basic skill deficiencies among the working population must be addressed if there is any hope of preparing Merced County workers for the opportunities that lay ahead. The County has a number of education and training providers that offer programs to address the most basic skill gaps for the target populations, and the University of California campus will fill the need for four-year degree programs. However, few workers are

taking advantage of this training in the skill gap areas. The challenge for the education and training community, and the strategy that will lift Merced County out of double-digit unemployment, is to create a lifelong learning system that will build career ladders for workers, and make education at all levels accessible. This will require developing strong linkages between the pre K – 16 sector, community colleges, vocational education institutions, and four-year institutions so that courses are complementary, students can easily navigate a system that supports the career ladder concept, and courses are designed to prepare local workers for local occupations.

- **Local Strategy:** There is ongoing dialogue through the local Pre K-16 Education Advisory Council.

The strategies identified will require strong partnerships between all players in the community development arena: employers, educators, economic development professionals, workforce development professionals, and local policy makers. The community development strides that have occurred in Merced County over the past several years, and continuing into the future, will do little to raise existing Merced County residents out of poverty and unemployment unless those developments occur in tandem with educational and training improvements designed to ensure that Merced County residents can fill the new jobs.

### **LEGISLATIVE ACTION**

While Merced County strives for a unified and collaborative partnership with all stakeholders to address its unique challenges, we need and would appreciate your support in the following ways in order to achieve workforce and economic success:

- Support the workforce and economic development systems - they have essentially become the same business.
- Support policies/legislation that support businesses that drive our local economy.
- Support reauthorization and implementation of the Workforce Investment Act in order that the above identified strategies can be successful.
- Support flexible Workforce Investment Act policies so that decisions may be made at the local level in order to best serve the particular needs and challenges of our county.
- Strengthen the Workforce Investment Act's One Stop delivery system through infrastructure funding so that stronger collaborative partnerships can be established and then nurtured.
- Distribute discretionary dollars more equitably to the local workforce investment areas.

- Design the formula for infrastructure dollars based on the more specific challenges and issues relating to individual counties.
- Alleviate the state level administrative barriers so that Workforce Development Professionals may administer programs more efficiently and effectively. This will also allow for more collaboration and involvement from both public and private community organizations.
- Support local Workforce Investment Act Youth programs.