

TO: Workforce Investment Board

DATE: 11/18/10

FROM: Executive Committee

For Discussion

For Action

For Information

SUBJECT: Performance Measures - Negotiations

PROPOSED MOTION(S): Ratify the 10/4/2010 Executive Committee's decision to approve the attached letter to the State recommending reductions in local performance measure goals in WSDD-49 for Average Earnings for Adult and Dislocated Worker as well as reductions in the Literacy and Numeracy goals for out-of-school youth for Program Years 2009-10 and 2010-11.

DISCUSSION: On September 3, 2010 the State Employment Development Department issued a draft directive WSDD-49 entitled LWIA Final Performance Goals for PY 2009-10 and 2010-11. The purpose of the draft directive is to publish the final Local Workforce Investment Area (LWIA) performance goals for the Program Year (PY) 2009-10 and PY 2010-11 Adult, Dislocated Worker, and Youth Programs.

On September 15, 2010; the Quality Employment and Development Ad Hoc Committee (QUED) recommended that a letter be sent to the State from the WIB to request lowering the State recommended local investment area goals to better match the current environment of the Merced workforce area. The specific goals and reasons are spelled out in the attached letter.

ATTACHMENT(S): Performance Negotiations Letter



**WORKFORCE
INVESTMENT BOARD**
MERCED COUNTY

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September 23, 2010

Cynthia Hobart
WSD/P.O. Box 826880, MIC 69
Sacramento, CA 94280-0001

Dear Ms. Hobart:

This letter is a resubmission in response to WSDD-49 LWIA Final Performance Goals for PY 2009-10 and PY 2010-11. The local goals presented by the State for the Merced County Department of Workforce Investment for Adult and Dislocated Worker average earnings are \$13,000 and \$13,900 respectively for both program years. In past years, we have been able to sponsor Licensed Vocational Nurses and Registered Nurses which are high wage earners. December of 2009 was the graduation of the last cohort of a total of 80 LVNs sponsored by a Department of Labor grant. Due to other funding cuts we can only offer very limited support to Registered Nurses. In addition, with the local economy in such flux and high paying jobs being very limited, many participants are being forced to take stop-gap jobs in order to pay bills in the interim until higher paying jobs become available. Our Los Banos satellite One-Stop services 33-40% of our customers. Many have been recently laid off from their high paying jobs in the Silicon Valley/Bay area. Many of these customers have been seeking local employment which is at least 30% lower pay than their previous positions. All of the factors mentioned have and will contribute to much lower average earnings measures in both Adult and Dislocated Worker funding streams. Stanislaus County to the north has many more high paying jobs than Merced County and their goals are at \$10,800 for Adult and \$12,500 for Dislocated Worker. Fresno to the south (the State's 10th most populous County with a population of almost one million) has goals at \$10,500 for Adult and \$11,000 for Dislocated Worker. The Merced WIB respectfully requests that performance goals for average earnings be lowered to \$10,500 for adult and \$11,000 for Dislocated Worker for PY 2009-10 and PY 2010-11.

Regarding Youth Literacy and Numeracy Gains: Realizing that the Draft Directive states that the Youth goals will not be negotiated for PY 2009-10 and PY 2010-11, we feel it is important to note that in PY 2008-09 the negotiated local percentage was 15%. The area's final performance in this goal was 20.2%. This performance goal for 2009-10 and 2010-11 is at 40%. This is a 266% increase. While the area understands the extreme importance of this measure, is expending a huge effort, and is making progress to increase the percentage in this measure, we respectfully submit that 25% for the PY 2009-10 and the recommended 40% for PY 2010-11 is a great improvement and attainable.

"Merced County's Workforce Investment system will keep pace with the new growth, the emerging economy, and the ever changing needs of the employers by creating a better educated, highly skilled workforce, that's capable, and prepared, and thoroughly knowledgeable."

In summary, please consider the following changes to the Performance Goals for PY 2009-10 and PY 2010-11 stated in WSDD-49 for the Merced County LWIA:

Performance Measure	Current	Recommended Change
Adult Average Earnings	\$13,000	\$10,500
Dislocated Worker Average Earnings	\$13,900	\$11,000
Youth Literacy and Numeracy Gains	40%	PY 2009-10 25%
Youth Literacy and Numeracy Gains	40%	PY 2010-11 40%

Sincerely,

Alfonse Peterson
WIB Chair