

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Social Services	(2) MEETING DATE 5/19/2015	(3) CONTACT/PHONE Reva Bear / 781-1838 Michael Coughlin / 781-1908	
(4) SUBJECT Request to approve 1) a Program Year (PY) 2015-16 through PY 2016-17 application for the Initial Local Area Designation and 2) PY 2015-16 Local Board Certification under the Workforce Innovation and Opportunity Act (WIOA) of 2014, and the accompanying Corrective Action and Technical Assistance Plan. All Districts.			
(5) RECOMMENDED ACTION It is recommended that the Board: 1) Approve an application and the submission of the Initial Local Area Designation and Local Board Certification under the Workforce Innovation and Opportunity Act of 2014 (Public Law 113-128 Sections 106 and 107) which supersedes the Workforce Investment Act of 1998. 2) Authorize the Chairperson of the Board to sign the application and the accompanying Corrective Action and Technical Assistance Plan.			
(6) FUNDING SOURCE(S) Workforce Innovation and Opportunity Act funds	(7) CURRENT YEAR FINANCIAL IMPACT \$0	(8) ANNUAL FINANCIAL IMPACT \$0	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR)		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? N/A	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Morgan Torell			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Lee Collins, Social Services Director

DATE: 5/19/2015

SUBJECT: Request to approve 1) a Program Year (PY) 2015-16 through PY 2016-17 application for the Initial Local Area Designation and 2) a PY 2015-16 Local Board Certification under the Workforce Innovation and Opportunity Act (WIOA) of 2014, and the accompanying Corrective Action and Technical Assistance Plan. All Districts.

## **RECOMMENDATION**

It is recommended that the Board:

- 1) Approve an application and the submission of the Initial Local Area Designation and Local Board Certification under the Workforce Innovation and Opportunity Act of 2014 (Public Law 113-128 Sections 106 and 107) which supersedes the Workforce Investment Act of 1998.
- 2) Authorize the Chairperson of the Board to sign the application and the accompanying Corrective Action and Technical Assistance Plan.

## **DISCUSSION**

### **Background**

The Workforce Investment Act (WIA), signed into law on August 7, 1998, provided the framework for a unique national workforce preparation and employment system designed to meet both the needs of the nation's businesses and the needs of job seekers and those who want to further their careers. The WIA mandates that the Chief Local Elected Official (CLEO) designate a Local Workforce Investment Board (WIB) to set policy direction and to oversee WIA funded operations. The WIA mandates that the WIB maintain a business majority and its composition include representatives from business, local educational entities, labor groups, community based organizations, economic development agencies, and job center partners. On March 11, 2008, the Board designated the Department of Social Services (DSS) as the Administrative Entity and Fiscal Agent for the local workforce investment area. DSS receives WIA funds directly from the State, distributes WIA funds to program providers, issues purchase orders and contracts, provides oversight through annual programmatic and fiscal reviews, and participates in annual State fiscal and programmatic reviews. In its capacity as the Administrative Entity, DSS is submitting the Initial Local Area Designation and Local Board Certification Application for approval under revised regulations, as described in further detail in this report.

### **Workforce Innovation and Opportunity Act (WIOA)**

On July 22, 2014, the WIOA, the first legislative reform of the public workforce system in 15 years, was signed into law. WIOA supersedes the WIA of 1998 and amends the Adult Education and Family Literacy Act of 1998, the Wagner-Peyser Act of 1933, and the Rehabilitation Act of 1973 and is designed to strengthen and improve the public workforce system and put job seekers back to work by helping workers acquire the skills employers need and help employers access the talent pool needed to compete in a global economy. The Law has four components, including sections affecting the following federally-funded programs:

- Title I "Workforce Development System" (services provided by various workforce contractors and partners, the Department of Social Services, and the California Employment

Development Department via Memorandums of Understanding)

- Title II Adult Education and Literacy Programs (services provided by Cuesta College/School Districts)
- Title III Wagner-Peyser Act labor exchange and Unemployment Insurance (services provided by California Employment Development Department)
- Title IV Rehabilitation Act programs (services provided by the CA Department of Rehabilitation)

Local elected officials and the workforce board will have direct administrative involvement in the Title I “Workforce development” activities (Subtitles A, B, and E) and limited cross-connect involvement with the other WIOA Titles/Subtitles and programs.

The most notable changes for the public workforce development system include:

- greater alignment with economic development and education to create a collective response to economic and labor market challenges;
- a new paradigm for an employer-centric system, with many new provisions that mandate employer engagement and strengthened business services;
- emphasis on training and subsidized work experience for both adults and youth in in-demand occupations with career pathways in high growth industry sectors;
- prioritization of services to the disabled and to out-of-school youth;
- a mandate for new, innovative, and regional approaches to the delivery of workforce development services based on economic intelligence and labor market information;
- a requirement that states designate workforce regions, and
- a requirement that local boards engage in regional planning that results in the preparation of a regional plan, establishment of regional service delivery strategies, development and implementation of sector initiatives, and establishment of a regional administrative cost-sharing arrangement.

The transition is to occur across the current 2014-2015 program year (as an initial planning period) and upcoming 2015-2016 program year (as the official transition year). The new program is to be fully in place and compliant as of July 1, 2016.

### **Application for Initial Local Area Designation and Local Board Certification**

In accordance with Sections 106 and 107 of the WIOA, San Luis Obispo County, through the San Luis Obispo County workforce board, seeks to submit an application for Existing Local Area Designation and Local Board Certification under WIOA. The State of California Employment Development Department (EDD) issued a final Directive on February 20, 2015 (revised March 6, 2015) setting forth policy and procedures regarding 1) the initial designation of local areas (the local workforce development geographical area) and 2) the initial certification of local boards under the new WIOA. During the first two full program years following enactment, WIOA Section 106 directs State governors to approve requests for initial designation for any area that was designated under WIA as long as the area has “performed successfully” and “sustained fiscal integrity” during Program Years (PYs) 2012-2013 and 2013-2014.

The Existing Local Area Designation and Local Board Certification under WIOA identify the geographic area for the local workforce development area (San Luis Obispo County) and the composition of the local Workforce Development Board (described in Attachment 1). After the Initial Designation period, further designation will be based on the development and submission of a regional workforce development plan based on regional labor market and economic development priorities.

### **Performance**

One of the key elements required in the application for Initial Local Area Designation and Local Board Certification under WIOA is the local area’s achievement of workforce program performance measures for the past two program years. The State Employment Development Department (EDD) negotiates performance rates with local areas. Local areas must achieve eighty percent of the negotiated performance rate to receive credit for successful performance. The local area’s performance levels identified in the application show that the Entered Employment Measure for both the Adult and Dislocated Worker programs for the PY 2013-2014 were not met (i.e. the local area did not achieve at least eighty percent for these measures). The local area missed this success mark by two to three percentage points which is approximately

five and eight job seekers respectively (shown in more detail in the table below). Beginning with the PY 2011-2012, the local area has increased job seeker enrollments by 450%. This increase in numbers served impacted performance achieved.

	<b>Total New Enrolled Job Seekers</b>	<b>Total Exits*</b>	<b>Entered Employment Rate</b>	<b>EDD Performance Rate</b>
Adults	599	1272	77%	80% or above = successful performance
Dislocated Workers	183	212	78%	80% or above = successful performance

\*Exits per year exceed enrollments as the exits include those job seekers enrolled in prior program years.

Therefore a Corrective Action and Technical Assistance Plan is required and attached to the application. As part of the plan, the local board is making every effort to ensure performance with an improved system of local technical assistance to the contracted provider, program monitoring, and performance outcome measure assessment and reporting.

**OTHER AGENCY INVOLVEMENT**

The San Luis Obispo County Workforce Investment Board (WIB), EDD, and the California Workforce Investment Board were involved in the development of the Corrective Action and Technical Assistance Plan which accompanies the Initial Designation Application. This recommendation is made by the WIB, which approved the application at its March 11, 2015 Executive Committee meeting for submittal to the State pending formal execution by the Board.

**FINANCIAL CONSIDERATIONS**

The County must secure local area designation under WIOA in order to receive WIOA funding for use in the local area. The County has historically received \$2,200,000 in WIA funds from the State for services to adults, dislocated workers, employers, recipients of layoff notices, and youth. The WIOA formula budget estimate is included in the DSS budget for Fiscal Year 2015-2016 and the local area’s budget, including uses of the WIOA allocation, will be included in an item seeking your board’s approval of a Subgrant Agreement with the State in the coming months. This item has no impact on the County’s General Fund as WIOA programs are fully financed by federal funding.

**RESULTS**

The recommended action will prevent the disruption of workforce services in the County by allowing workforce development programs and services to continue to be provided under the current local workforce area designation for PYs 2015-2017, and will ensure current local board certification for PY 2015-2016. The WIB supports the countywide goal of a prosperous community through its actions and recommendations.

**ATTACHMENTS**

- 1) Local Area Designation Application
- 2) Correction Action and Technical Assistance Plan