

**WORKFORCE DEVELOPMENT
BOARD MEMBERS**

STACI ANDERSON
PRO Youth and Families

EDWARD W. BAKER
Pacific Ethanol, Inc.

AMANDA BLACKWOOD
Sacramento Metro Chamber of Commerce

LARRY BOOTH
Frank M. Booth, Inc.

N. LISA CLAWSON – Secretary/Treasurer
Kaiser Permanente

LYNN R. CONNER
Better Business Bureau

RONALD J. ELLIS
2SS.com

KEVIN FERREIRA
Sacramento Sierra's Building & Construction
Trades Council

KRISTIN GIBBONS
Department of Human Assistance

TROY GIVANS
County of Sacramento, Economic
Development

DAVID W. GORDON
Sacramento County Office of Education

MICHAEL JASSO
City of Sacramento

GARY R. KING
SMUD

KATHY KOSSICK
Sacramento Employment & Training Agency

CHRISTINE LASTER
Siemens

MATT LEGE
SEIU – United Healthcare Workers

FRANK A. LOUIE
Sacramento Asian Chamber of Commerce

JANET NEITZEL
Employment Development Department

DR. JAMEY NYE
Los Rios Community College District

RONALD R. ORR, JR.
VSP, Inc.

SHARON O'SULLIVAN
California Department of Rehabilitation

JOHNNY PEREZ
SAFE Credit Union

KARL PINEO
Ironworkers Local 118

JORDAN POWELL - Vice Chair
Associated General Contractors of California

FABRIZIO SASSO
Sacramento Central Labor Council

ANETTE SMITH
Five Star Bank

RICK WYLIE – Chair
Villara Building Systems



SACRAMENTOWORKS

SACRAMENTO WORKS, INC.
Executive Committee

Date: Monday, August 24, 2020

Time: 4:00 p.m.

Location: <https://us02web.zoom.us/j/86542074801>

In response to the Governor's Executive Order N-29-20 relating to the COVID-19 Pandemic, the Sacramento Works Executive Committee is conducting this meeting on Zoom at <https://us02web.zoom.us/j/86542074801>. Members of the public may join the meeting by clicking the link above or typing the meeting address above into their web browser, or listen to the meeting by telephone by dialing (for higher quality, dial a number based on your current location): US: +1 669 900 6833 or +1 346 248 7799 or +1 253 215 8782 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099. Webinar ID: 865 4207 4801. International numbers available: <https://us02web.zoom.us/j/86542074801>. Members of the public are encouraged to participate in the meeting by submitting written comments by email to: Nancy.Hogan@seta.net. Any member of the public who wishes to speak directly to the board regarding any item on the agenda may contact Nancy Hogan at (916) 263-3827, or Nancy.Hogan@seta.net. Please include in your request which item you would like to participate on. Additionally, during the meeting any questions or comments may be submitted via the Q&A or chat features on Zoom. Public comments will be accepted until the adjournment of the meeting, distributed to the Executive Committee and included in the record.

Closed captioning will be available. This document and other Board meeting information may be accessed through the Internet by accessing the SETA home page: www.seta.net.

AGENDA

1. Call to Order/Roll Call
2. Approval of Minutes of the July 20, 2020 Meeting
3. Discussion of Board Member Expectations Documents
4. Review of Fundraising Parameters (Phil Cunningham)
5. Update of Board Committees
6. Adjournment

COMMITTEE MEMBERS: Lisa Clawson, Ron Ellis, David Gordon, Kathy Kossick, Dr. Jamey Nye, Jordan Powell, Rick Wylie

DISTRIBUTION DATE: WEDNESDAY, AUGUST 19, 2020

SACRAMENTO WORKS, INC.

Executive Committee

Minutes

(The minutes reflect the actual progression of the meeting.)

Location: Meeting held electronically

Monday, July 20, 2020
4:00 p.m.

1. **Call to Order/Roll Call**

Mr. Wylie called the meeting to order at 4:00 p.m. The roll was called and a quorum was established.

Members Present: Ron Ellis, David Gordon, Kathy Kossick, Lisa Clawson, Rick Wylie, Dr. Jamey Nye (joined at 4:03 p.m.)

Member Absent: Jordan Powell

Others Present: Phil Cunningham, Terri Carpenter, Roy Kim, Monica Barber, Ralph Giddings, William Walker, Julie Davis-Jaffe, Michelle O’Camb

2. **Approval of Minutes of the June 22, 2020 Meeting**

The minutes were reviewed; no corrections.

Moved/Ellis, second/Kossick, to approve the June 22 minutes.

Roll call:

Aye: 5 (Clawson, Ellis, Gordon, Kossick, Wylie)

Nay: 0

Abstentions: 0

Absent: 2 (Powell & Nye absent)

3. **Review of the July 22, 2020 Sacramento Works Agenda Packet**

Dr. Nye joined at 4:03 p.m.

Mr. Wylie reviewed the board packet. The report should be reports out on the committees. He and Ms. Clawson have been calling board members to find their interest in joining committees. Mr. Wylie stated that the phone numbers are office numbers for the most part and this does not work in this new world. Mr. Wylie asked to have an updated roster with cell numbers.

Mr. Wylie wants to share feedback from the members he has talked to. For the most part, they were good conversations. Mr. Wylie stated that when talking to members, it was a feeling that we are more of an oversight board. He thinks board members are excited that there is important work to do. He will be

encouraging committee participation; there are a number of members not on a committee and they will be asked to join a committee. While there was discussion of monthly board meetings, Mr. Wylie wants to continue meeting every other month but ask the committees to meet on a monthly basis. The majority of the board work is done at the committee level. Mr. Ellis agreed except he wants flexibility for the EOC to meet when they want to and perhaps not meet every month. Mr. Wylie agreed that he does not want members to meet just because a date is scheduled.

Mr. Wylie stated that there has been some talk about a board retreat; Mr. Ellis has been asking good questions about our mission/statement. Mr. Wylie thinks that we need to get our committees back on line with new members and activities and then later this year or early 2021 try to schedule a retreat. It would be nice in person but it depends on public health concerns. Ms. Clawson agreed that we need more stability and make sure we can get something accomplished when we do meet. Ms. Kossick stated that we will be bringing on two new members in August: the economic development Manager from the City and the Senior Director of VSP. It would be great to get these two new members up and running and then consider having a retreat in the Spring, 2021.

Mr. Ellis provided an overview of the Employer Outreach Committee. Mr. Ellis reported that Janet Neitzel has agreed to join the committee and he is trying to get in touch with Christine Laster.

Ms. Kossick stated that Sharon O'Sullivan from the Dept. of Rehabilitation has a person interested in participating on the Youth Committee. She will discuss with Mr. Gordon issues surrounding quorum requirements.

Mr. Ellis stated that EOC has a desire to involve people around the community. Ms. Blackwood expressed a desire to be involved but does not have the time. Ms. Blackwood has agreed to a few guidelines for her designating an alternate to represent her on the EOC. We need to set the process up to identify the need for people individually. He expects to do something similar with other organizations in the area. Mr. Ellis stated that after the member signed the agreement, they would attend a couple of meetings and then the EOC would consider the new members for the committee at their third meeting.

Mr. Wylie wants part of the meeting (committee reports) to be a bit of a recruitment session. Board members will be asked to look at what committee they will join.

Mr. Gordon reported that the next Youth Committee meeting will be 8/12/2020.

Dr. Nye reported that the Planning/Oversight Committee consists of himself, Lisa Clawson, Matt Lege, Frank Louie, and Anette Smith-Dohring. He is hoping to replace Jay Onasch with Sharon O'Sullivan. This committee has not had a

meeting since January. The committee will be the point person for GSEC or Valley Vision. There is no meeting planned for this committee yet. Ms. Kossick stated that Mr. Kim is exploring opportunities for more research with Valley Vision. Mr. Kim stated that someone from Valley Vision would be a good addition to the Planning/Oversight Committee. Mr. Cunningham stated that we must be careful when recruiting. Although there may not be a direct conflict, there would be the appearance of a conflict; we contract with Valley Vision. Mr. Kim stated that the board will soon have a new member from the City Economic Development; he or his representative will be a good addition.

Mr. Wylie stated that he wants to launch the Board Funding Committee. Mr. Cunningham stated that we have to figure out the committee charge and how it will work before it is launched. Perhaps the Executive Committee can discuss. Mr. Cunningham has some minor concerns and thinks we have to define policies. Under current law, he does not think any board member can make a direct ask for money. He wants to discuss how and why we want to do it. Mr. Wylie, Ms. Kossick, Mr. Ellis, and Ms. Kossick will meet to discuss and come to an understanding of what the 'guardrails' are legally speaking.

Mr. Kim stated that Ralph Giddings and Clare Vanderpool will be reviewing the placement rates and credential earned data. The report is real-time and the numbers are significantly better than the last report. Mr. Kim stated that all of the Job Centers were reviewed utilizing these numbers. The Planning/Oversight Committee will review this report and decide whether it is relevant or not.

Mr. Wylie stated that if there is time, he wants to get input from board members on what they are seeing in the marketplace, what is happening in their businesses, and what are the influences on their business.

Ms. Kossick stated that as members reach out to GSEC, we know from over the last two years that CEO Mr. Broome is not a big fan of the workforce system in our community. As we reach out and try to get GSEC to participate on our committee, those reaching out should be aware of this.

4. **Adjournment:** The meeting was adjourned at 5:10 p.m.

Sacramento Works, Inc.

Board Responsibilities & Expectations Agreement

Introduction

The Sacramento Works Job Center System provides resources and services to employers and job seekers in Sacramento County. Planning, policy, and oversight for the system is the responsibility of the Sacramento Works, Inc. Workforce Development Board. Services, resources, workforce development sector strategies, training programs, and services to employers are provided by the staff of the Workforce Development Department of the Sacramento Employment and Training Agency, the Employment Development Department and over 40 community workforce development partners.

The Goals of Sacramento Works are to:

1. Prepare prospective employees for viable employment opportunities and career pathways in the region by improving the job center system.
2. Support regional employers' efforts to hire, train, and transition employees by enhancing and communicating the availability and value of Sacramento Works' employer and business services.
3. Prepare youth to thrive and succeed in the regional workforce by providing relevant work readiness and employment programs and engaging regional employers and academia.

Composition of the Board

Sacramento Works actively seeks Board members from throughout the county to fill available seats on the 27-member volunteer board. The majority representation on the board is business and industry from the private sector. Other sectors represented include education, labor, rehabilitation and state employment services, public assistance agencies, community-based organizations as well as local economic development interests. Sacramento Works, Inc. strives to maintain a board with diverse interests and ethnic backgrounds.

Private Sector

Representatives of the Private Sector constitute a majority of the membership of the Board and are to be owners of business concerns, chief executives or chief operating officers of non-governmental employers, or other private sector executives who have substantial management or policy responsibility.

Education Sector

Education representatives are selected from nominations made by local educational agencies, vocational education institutions, or institutions of higher education. Institutions, institutions of higher education, or general organizations of such agencies or institutions can also nominate an education representative. Private proprietary schools within the City and County of Sacramento are also eligible to have representation on the Sacramento Works, Inc. Board.

Labor Sector

Labor representatives are recommended by recognized State and local labor organizations or appropriate building trades councils.

Community-based Organizations

Community-based Organization representatives are recommended by community organizations.

Other Represented sectors of the Sacramento Works, Inc. board are:

- Economic Development Sector
- Public Employment Service Sector
- Rehabilitation Service Sector
- Public Assistance Agency

Time Commitment

Board members should be active and engaged in the organization to understand its operations and deliver its message. Serving on the Sacramento Works, Inc. Board will require a commitment of approximately 20-30 hours per year in addition to attendance at periodic Board retreats held in the region. The time commitment includes:

1. Six Board meetings held every other month at 8:00 a.m. at the Sacramento Employment and Training Agency, 925 Del Paso Boulevard, Sacramento, CA. or via Zoom.
2. Serve on at least one committee and attend its regularly scheduled meetings.

Term of Office

Board members may serve four consecutive three-year terms. Members who have regularly fulfilled board responsibilities (see below) may serve additional consecutive terms upon Executive Committee approval.

Board Responsibilities

1. Develop and oversee the organization's mission.
2. Encourage and educate board member employer organizations and affiliations to leverage Sacramento Works job centers.
3. Tour one Sacramento Works Job Center within the first six months of appointment to the Board.
4. Participate on one Committee as well as the Board of Directors.
5. Engage in strategic planning.
6. Recommend for appointment and orient new Board members.
7. Enhance the organization's public image and deliver its message.

8. Ensure Board efficiency in its operations.
9. Prepare for and actively participate in meetings, including engaging other resources as needed.
10. Miss no more than two consecutive Board meetings (absent Executive Board approval).
11. Complete periodic ethics training as required by California law.
12. Participate and/or support Fundraising activities that support non-funded programs of Sacramento Works, Inc.

Print: _____, Sacramento Works, Inc. Board Member

Signature: _____

Date: _____

Sacramento Works, Inc.

Annual Board Member Self-Evaluation

Use the following questions to discuss 2020-2023 commitment.

	Yes	No	Not Sure
1. Do I understand and support the mission of the Sacramento Works?			
2. Am I knowledgeable about the organization's programs and services?			
3. Am I able to commit to attending at least 5 out of 6 annual Board Meetings?			
4. Am I able to act as a goodwill ambassador to the organization?			
5. Am I able to actively participate with at least one committee and attend required meetings? Which committee? _____			
6. Do I receive enough information to actively participate in regular Board meetings?			
7. Do I find serving on the board to be a satisfying and rewarding experience?			
8. Am I able to help the Board reach its fund-raising goals this year?			

Suggestions for improving the board:

(PROPOSED) SACRAMENTO WORKS, INC.
FUNDRAISING POLICIES AND GUIDELINES

Both Rick Wylie, the newly elected chair of the Workforce Development Board (“WDB”), and Ron Ellis, the newly appointed chair of the Employer Outreach Committee, have expressed an interest in developing a more robust fundraising program on the part of the WDB. Mr. Wylie has proposed establishing a new Fund Development Committee and Mr. Ellis has led his committee in developing a new “Introduction, Solicitation and Sponsorship” package for use by the Employer Outreach Committee during its employer outreach efforts.

In light of these efforts Phillip M. Cunningham, Counsel for Sacramento Works, Inc. (“SWI”) and for the WDB, has begun reviewing the various issues affected by this strategy, as well as the publications being developed to represent SWI and the WDB in these efforts. The goal of this review is to recommend a set of fundraising policies and guidelines for consideration by the WDB and SWI. As a result of this review and counsel’s discussions with Mr. Wylie and Mr. Ellis, it has become clear that many members of the WDB, especially the newer members, do not fully understand and appreciate the differences between their service as WDB members, their service as SWI corporate directors, and the roles and responsibilities of the Sacramento Employment and Training Agency (“SETA”) and its Governing Board. So before getting to the recommended policies and guidelines it seems prudent to provide an overview of the roles of the SETA, the Governing Board, SWI and the WDB.

BACKGROUND

I

THE NEW LAW

In early 2014 Congress adopted, and the President signed, a new law to replace the existing Workforce Investment Act which had been in place since 1998. In adopting the new “Workforce Innovation and Opportunity Act” (“WIOA”) Congress said its purpose was to better align the workforce system with education and economic development in order to create a collective response to economic and labor market challenges on the national, state, and local levels. Congress also indicated that the changes under WIOA were intended to prompt Boards such as yours to become more engaged in designing effective workforce development programs that fit the local area’s needs. Quoting directly from WIOA the purposes of the new Act consist of the following:

To increase, for individuals in the United States, particularly those individuals with barriers to employment access to and opportunities for the employment, education, training, and support services they need to succeed in the labor market.

(1) To support the alignment of workforce investment, education, and economic development systems in support of a comprehensive, accessible, and high-quality workforce development system in the United States.

(2) To improve the quality and labor market relevance of workforce investment, education, and economic development efforts to provide America’s workers with the skills and credentials necessary to secure and

advance in employment with family-sustaining wages and to provide America's employers with the skilled workers the employers need to succeed in a global economy.

(3) To promote improvement in the structure of and delivery of services through the United States workforce development system to better address the employment and skill needs of workers, jobseekers, and employers.

(4) To increase the prosperity of workers and employers in the United States, the economic growth of communities, regions, and States, and the global competitiveness of the United States.

(5) For purposes of subtitle A and B of title I, to provide workforce investment activities, through statewide and local workforce development systems, that increase the employment, retention, and earnings of participants, and increase attainment of recognized postsecondary credentials by participants, and as a result, improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet the skill requirements of employers, and enhance the productivity and competitiveness of the Nation.

II

THE SACRAMENTO EMPLOYMENT AND TRAINING AGENCY

Designated Federal Workforce Development Funds granted to the Sacramento County region under WIOA are administered by the Sacramento Employment and Training Agency (“SETA”).

SETA is a Joint Powers Agency, formed under state law. In this case it is a consortium of two governmental entities; the City of Sacramento and the County of Sacramento. Under state law, as a joint powers authority, SETA is a distinct governmental entity which operates separately from both of its sponsoring agencies. It is not a part of the City of Sacramento nor is it a part of the County of Sacramento; it is its own distinct legal entity, separate and apart from the City and the County. SETA is governed by a five-member board consisting of two elected officials from the City, two from the County and one additional outside member. This board is known as the SETA Governing Board.

SETA was formed in 1978 and has operated continuously ever since. It has two major operating departments;

1) The Children and Family Services Department which operates a number of Head Start Early Learning Centers and is the grantee for the entire Head Start program in Sacramento County, and

2) The Workforce Development Department which administers WIOA funded programs and oversees other federal programs such as the Community Services Block Grant program and the Refugee Social Services program. WIOA programs operated by SETA are advertised and marketed under the brand name “*Sacramento Works*”.

As the designated grant administrator for WIOA in the Sacramento Region SETA provides all staffing and administrative services necessary to operate the WIOA programs funded in this region. It also staffs the Governing Board, the WDB and Sacramento Works, Inc. Actual services

to consumers are delivered under a number of different scenarios using direct SETA staff, independent subcontractors (often referred to as “Program Operators”) and various “partner” agencies, such as the Employment Development Department, the Department of Rehabilitation, and local education agencies at all levels.

SETA is responsible for the actual day to day implementation, administration, and service delivery under WIOA for the Sacramento area. SETA staff work under the direction of the SETA Governing Board, which is ultimately responsible for the operation of SETA. This means they are hired, fired, paid by and answerable to the Governing Board, not the WDB. Kathy Kossick is the Executive director of SETA and Roy Kim is the Deputy Director in charge of the Workforce Development Department.

To further complicate matters, it is the SETA Governing Board who is legally liable for all funds received by SETA, including WIOA funds. To help the Governing Board fulfill its legal responsibilities regarding management and use of SETA funds the SETA Fiscal Department reports to the County Director of Finance and advises SETA’s Executive Director. All SETA funds are maintained in the County Treasury and all SETA payments are issued via the County Department of Finance.

III

THE SETA GOVERNING BOARD

The SETA Governing Board is a five-member board of directors comprised of local elected officials and one public representative responsible for the oversight and administration of the federal Workforce Innovation and Opportunity Act (WIOA), Head Start (HS), Community Services Block Grant (CSBG), Refugee funds and any other federal or state statutes under which financial assistance is provided, or under which financial assistance is received by SETA from private sources.

The Governing Board consists of five members, each serving in an individual capacity as a member of the Governing Board. Two members are appointed by the Board of Supervisors of the County of Sacramento, and two members are appointed by the City Council of the City of Sacramento, and one member is jointly appointed by the Board and Council. Members are appointed in November of even numbered calendar years. The current members are Councilmember Larry Carr, City of Sacramento; Supervisor Patrick Kennedy, County of Sacramento; Supervisor Don Nottoli – Chair, County of Sacramento; Councilmember Jay Schenirer, City of Sacramento; and Sophia Scherman – Vice Chair, Public Representative.

The Governing Board is also designated collectively as the “Chief Elected Official for the Sacramento Local Workforce Development Area” as those terms are defined under WIOA. As will be explained below the Governing Board in its capacity as the Chief Elected Official (“CEO”) under WIOA and the WDB as the Local Board under WIOA must work together to implement the requirements of WIOA for this county.

In light of this requirement the Governing Board, acting in its capacity as the CEO under WIOA and SWI, acting in its capacity as the WDB under WIOA, have entered into a written Operating Agreement, which sets forth the terms for how these two boards work together to implement and manage WIOA in this county. Among other things, the Operating Agreement defines the duties and responsibilities of each Board under WIOA, when and how concurrence is required or agreed to, and how to resolve disputes when concurrence cannot initially be reached.

IV

SACRAMENTO WORKS, INC.

Sacramento Works, Inc. (“SWI”) is a standalone, not for profit, California corporation formed originally in 1979. SWI has obtained IRS and FTB tax exempt status as a 501 (c) 3 charitable entity. SWI was formed to support the mission of SETA’s Workforce Development Services Department. It does not provide any direct workforce services or operate any programs of its own. It has a 27-member board of directors, who are appointed to three-year terms by the Governing Board.

SWI was originally organized as a 501 (c) 4 “social welfare” organization. This means it was recognized by the IRS as tax exempt, but it was not eligible to accept tax deductible donations. On the other hand, it was able to lobby on behalf of its social welfare mission. In 1987 the SWI Board of Directors decided to move in a different direction and converted the entity to a 501 (c) 3 tax exempt charitable organization, eligible to accept tax deductible donations and apply for grants. This change in direction was driven by the stock market crash and the substantial change in economic conditions which resulted in substantial cuts to workforce funding. The Board hoped it could offset some of the federal funding reductions with outside private funds. The Board had limited success in this area and as the economy improved and federal funding increased less and less attention was given to private fundraising by SWI, however the corporation does retain that ability to this day.

With the adoption of WIOA and the need to appoint a local workforce development board as well the long and successful relationship between the Governing Board, SETA and the board of SWI the Governing Board determined that it made sense to designate SWI as the Local Board under WIOA. In addition, since WIOA specifically authorizes and encourages WDBs to pursue grants and solicit non-federal funds to supplement its work SWI was already positioned to implement this provision of WIOA. The Governing Board therefore appointed the board of directors of SWI to serve as the WDB under WIOA and entered into an Operating Agreement with SWI for the administration and implementation of WIOA in this region. SETA serves as the fiscal agent for Sacramento Works, Inc.

V

THE WORKFORCE DEVELOPMENT BOARD “WDB”

The members of the Board of Directors of Sacramento Works, Inc. have also been appointed by the CEO, in accord with the provisions of WIOA as the members of the WDB. The WDB derives its legal authority from the provisions of WIOA. It is a board which is required under the act to represent the local communities in its region. It must be composed of 50% private sector representatives and it must be chaired by a private sector member.

WIOA ascribes to the WDB responsibilities which were implied in the old law, but now are more clearly articulated. Under WIOA the WDB’s responsibility is to serve as a convener, a collaborator, and the host of community conversations to better align workforce resources and better understand the complexity of local markets. Congress intended that the WDBs have a greater impact in defining the workforce needs of their local communities.

The new law specifically authorized and encouraged the use of committees composed of both WDB board members and *non-board members having appropriate experience and expertise*. It also specifically encourages WDBs *to solicit and accept grants and donations from non-federal fund sources and allows for the incorporation of Boards in order to operate as tax exempt 501 (c) 3 charitable entities*.

WIOA defines 13 specific functions which WDBs are responsible for, either alone or in concert with the Governing Board. Those 13 functions are as follows:

- 1. In partnership with the Governing Board to develop and submit to the Governor a Local/Regional Plan;*
- 2. To carry out research and conduct regional labor market analysis;*
- 3. To convene, broker, and leverage local workforce development stakeholders to assist in the development of the Local Plan;*
- 4. To engage employers;*
- 5. To develop and implement, with representatives of local secondary and post-secondary education programs, career pathways;*
- 6. To identify and promote proven and promising practices;*
- 7. To develop strategies for using technology to maximize accessibility and effectiveness of local workforce programs;*
- 8. In partnership with the Governing Board to provide program oversight;*

9. *To negotiate local performance accountability measures in conjunction with the Governing Board and the Governor;*
10. *To select One-Stop Operators and Youth Providers, with concurrence of the Governing Board, and to identify eligible training and career services providers;*
11. *To coordinate with local education providers;*
12. *To develop a budget and plan for administration of its programs with the approval of the Governing Board;*
13. *To annually assess the physical and programmatic accessibility of all one stop centers in its jurisdiction.*

The WDB has several committees:

1. *The Executive Committee is a committee of the Board with limited legislative authority to act on behalf of the Board between meetings. This committee is limited to members of the board only;*
2. *The Youth Committee, composed of both Board and non-board members;*
3. *The Planning/Oversight Committee, which may be composed of both Board and non-board members;*
4. *The Employer Outreach Committee, composed of both Board and non-board members;*
5. *The Board Development Committee, which may be composed of both Board and non-board members;*
6. *The Fund Development Committee (in formation) which may be composed of both Board and non-board members.*

The WDB has assigned these committees various tasks to better accomplish the above 13 functions of the WDB. These assignments overlap in some cases but generally work as follows:

The full Board:

Function 1: development, negotiation, and approval of a local/regional plan with the Governing Board;

Function 3: Convening, Brokering and Leveraging local workforce development stakeholders;

Function 7: Technology;

Function 8: Program Oversight;

Function 9: Negotiation of Local Performance Accountability;

Function 10: Selection of Operators and Providers;

*Function 12: Budget and Administration; and
Function 13: Accessibility for Individuals with Disabilities.*

The Planning/Oversight Committee:

Function 2: Workforce Research and Regional Labor Market Analysis is led by the Planning and Oversight Committee with assistance from the Youth Committee and the Employer Outreach Committee.

Function 5: Career Pathways Development is led by the Planning/Oversight Committee

Function 6: Proven and Promising Practices is led by the Planning/Oversight Committee with input from the Employer Outreach Committee and the Youth Committee;

Function 11: Coordination with Education Providers is led by the Planning/Oversight Committee with assistance from the Employer Outreach Committee and the Youth Committee

The Employer Outreach Committee:

Function 2: Workforce Research and Regional Labor Market Analysis

Function 4: Employer Engagement is led by the Employer Outreach Committee with assistance from the Planning/Oversight Committee and Youth Committee.

Function 5: Career Pathways Development

Function 6: Proven and Promising Practices

Function 11: Coordination with Education Providers

The Youth Committee:

Function 2: Workforce Research and Regional Labor Market Analysis

Function 4: Employer Engagement

Function 5: Career Pathways Development

Function 6: Proven and Promising Practices

Function 11: Coordination with Education Providers.

In its capacity as the WDB, SWI, in conjunction with the Governing Board, provides oversight and planning direction to SETA staff who are responsible for carrying out the general administration and day to day operation of the WIOA grants administered by SETA.

VI

FUNDRAISING

It is clear to me that any major fundraising activities intended to supplement, or benefit WIOA programs operated by SETA, the Governing Board and the WDB should be conducted under the auspices of SWI. In support of this proposition I point out that federal rules governing allowable costs under WIOA prohibit fundraising activities by SETA. In addition, elected officials, such as most of the Governing Board members, are subject to much more oversight and regulation when it comes to fundraising. This is part of the reason that Congress included a provision allowing the formation of separate 501 (c) 3 corporations by WDBs under WIOA. SWI is uniquely

situated as an established and viable charitable organization with established 501 (c) 3 tax exempt status to conduct fundraising activities.

As most of you are already aware, fundraising, which is what “fund development” really means, is not an easy task. The Sacramento Region is not known as an overly generous community. In addition, there are a few minefields which must be negotiated before embarking on any fundraising campaign.

WIOA has given SWI, in its capacity as the WDB, a green light to fundraise under the Act. However, under California state law WDB members are considered “appointed public officials”. As “appointed public officials” you are all subject to various state “good government” laws and regulations, including conflicts of interest rules and regulations. That is why you are required to complete the FPPC Form 700 Statement of Economic Interests before being seated on the board and annually thereafter. In addition to applicable state and federal laws, SETA has adopted its own internal Conflict of Interest Code which applies to all members of the WDB.

These laws, rules and regulations affect the manner and method by which SWI might conduct fundraising. There are two main concerns which I believe must be addressed in any fundraising campaign undertaken by SWI; 1) the direct solicitation of gifts to SWI by WDB members, and 2) applying for grants. My concerns are almost exclusively centered around direct solicitations.

Grants are a different animal from direct solicitations. I am generally not concerned about grant applications filed with any national, state, or local grant fund, such as the Irvine Foundation, the Wallace Foundation, the Sacramento Region Community Foundation, the Gates Foundation, or some other charitable organization. Unless one of our WDB members is connected to the grantor (in which case a private consultation with counsel would likely lead to a way to proceed without triggering a conflict situation which could lead to avoidance of any award) grants are not likely to trigger direct conflicts of interest or the appearance of a conflict .

On the other hand, direct solicitations present a multitude of concerns. I am talking about a situation where a WDB member directly solicits a donation to Sacramento Works, Inc. When a public official requests or recommends a donation to a charitable entity named by the public official the resulting donation is termed a “Behested Payment”. Behested Payments are not illegal per se, but they are of concern for two reasons; 1) they raise the specter that the public official is selling a service or vote, and, 2) they raise the possibility the donor expects a quid pro quo favor in return.

If you were an elected official, you would be required to report all “behested” payments which equal or exceed \$5,000 in a twelve-month period by each donor who gives that amount or more. Fortunately, WDB members are appointed rather than elected so the reporting requirements do not apply directly to you. However, just because you do not have to report “behested” payments this does not mean you are free from scrutiny.

The SETA Governing Board has intentionally adopted a conservative approach to conflicts of interest **and the appearance of a conflict**. Under SETA’s Conflict of Interest Code, which applies to all WDB members, every WDB member is disqualified from using his/her official

position as a WDB member to influence the making of a decision to donate to SWI because every WDB member is also a Director of the recipient charitable entity, SWI.

Therefore, I believe it would be prudent for SWI, in running any fundraising campaign directly soliciting donations, to follow the guidelines applicable to behested payments relating to elected officials. That rule provides that to be considered a “Behested Payment” the solicitation must “feature” a public official. A solicitation “features” a public official if it contains his or her: 1) photograph, 2) signature, 3) otherwise singles out the official by name or office; or 4) includes a roster or letterhead listing the public official.

To avoid the appearance of any conflict of interest I am proposing that SWI and the WDB adopt a strict policy against any solicitation sent out on behalf of SWI or the WDB or any of its committees that features any WDB members. I believe there are numerous outside entities and individuals who have benefitted from the receipt of SETA’s services and would be happy to provide testimonials. The WDB does not need self-serving testimonials and by prohibiting them it avoids even the appearance of a conflict of interest.

I am therefore recommending that the Sacramento Works, Inc. board of directors adopt formal written policies to guide the board in its future fundraising efforts. Given the unique nature of the relationship between Sacramento Works, Inc. and the WDB, wherein the same people serve as both public officials who are members of the WDB and are also the corporate directors of Sacramento Works, Inc., a 501 (c) 3 tax exempt charitable entity the overlap between these roles dictates the need for specific policies and guidelines to avoid conflict and misunderstanding.

I am proposing that SWI and the WDB adopt the following set of policies and guidelines:

1. No fundraising campaign on behalf of Sacramento Works, Inc. or the WDB shall be launched without the approval of the Board of Directors;
2. Every campaign proposal presented to the Board for approval shall contain a statement describing how the campaign is intended to benefit Sacramento Works, Inc. and further its mission. In addition, the proposal shall set forth which function(s) of the WDB under the Workforce Innovation and Opportunity Act the funds raised through the campaign will help to fulfill and how the funds will be used to fulfill such function(s), together with an official request from the WDB for such financial support by Sacramento Works, Inc.;
3. Every campaign proposal shall include a section describing the impact of the campaign on local workforce development system stakeholders or provide their approval for the campaign;
4. Each campaign shall be fully defined as to purpose, fundraising goal, time-period for fundraising, budget, and solicitation materials;
5. No member of the WDB or his or her company, agency, or employer, nor a member of his or her immediate family, shall be featured in any fundraising solicitation by Sacramento Works, Inc. or the WDB.

F4015 v5 fundraising