

CAREER CENTERS

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Sacramento, CA 95818
(916) 324-6202

CITRUS HEIGHTS

7640 Greenback Lane
Citrus Heights, CA 95610
(916) 676-2540

FRANKLIN

7000 Franklin Blvd., Ste. 540
Sacramento, CA 95823
(916) 262-3200

GALT

1000 C Street, Suite 100
Galt, CA 95632
(209) 744-7702

HILLSDALE

5655 Hilldale Blvd., Ste. 8
Sacramento, CA 95842
(916) 263-4100

LEMON HILL

5451 Lemon Hill Avenue
Sacramento, CA 95824
(916) 433-2620

MARK SANDERS COMPLEX

2901 50th Street
Sacramento, CA 95817
(916) 227-1395

LA FAMILIA COUNSELING CENTER

5523 34th Street
Sacramento, CA 95820
(916) 227-2577

MATHER

10638 Schirra Avenue
Mather, CA 95655
(916) 228-3127

RANCHO CORDOVA

10665 Coloma Rd., Ste. 200
Rancho Cordova, CA 95670
(916) 942-2165

SOUTH COUNTY

8401 - A Gerber Road
Sacramento, CA 95828
(916) 689-3560

Administrative Offices & Employer Services

925 Del Paso Blvd.
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SACRAMENTO
WORKS CAREER
CENTER

SACRAMENTO WORKS, INC. PLANNING/OVERSIGHT COMMITTEE

Date: Monday, February 9, 2004

Time: 3:30 p.m.

Location: SETA Board Room
925 Del Paso Blvd.
Sacramento, CA 95815

A G E N D A

1. Call to Order/Roll Call
2. **Action Item:** Approval of Resource Allocation Plan for Fiscal Year 2005
3. **Discussion Item:** Developing a Plan and Timeline for Identification of Regional Critical Industries
4. Input from the public
5. Adjournment

Committee Members: Larry Suddjian (Chair), Rick Dibble, Mark Erlichman, Barbara Hayes, Jim Lambert, Anne Moore, James Pardun, Bruce Parks, Clayton Thomas, Dennis Trinidad.

DISTRIBUTION DATE: TUESDAY, FEBRUARY 3, 2004

ITEM 2 – ACTION

APPROVAL OF RESOURCE ALLOCATION PLAN FOR FY 2005

BACKGROUND:

It is the responsibility of the Planning Committee to determine the types of services and activities that should be funded with the Workforce Investment Act formula funds and to make a “resource allocation” recommendation to both the Sacramento Works, Inc. Board and the SETA Governing Board. The resource allocation recommendation is a determination of what activities and services should be offered through the one stop career center system and how much money, or what percent of next years funds, should be allocated to each activity.

For the current fiscal year (July 1, 2003 through June 30, 2004), the Planning Committee approved the following Workforce Investment Act activities and resource allocation plan for the Sacramento Works One Stop Career Center system:

ACTIVITIES:

1. **One-Stop Services (34% of funds):** This activity includes the infrastructure, operating and staffing costs for 11 Sacramento Works One Stop Career Centers which provide
 - access to information, computers, faxes, copiers, and telephones to assist customers with core job search activities;
 - intensive case management services for all customers who are enrolled or receive scholarship funds;
 - job development, job placement, job retention and follow-up services to customers seeking employment after training.
2. **On-the-Job Training (OJT) (13% of funds):** This activity provides wage subsidies to employers willing to train workers on-the-job. OJT is an effective workplace activity because it provides a commitment to hire by the employer, reimburses wages at 50% or less, and results in wage gain and job retention.
3. **Scholarships/Workforce Skills Preparation (30% of funds):** This activity can be used for tuition or for supportive services while a customer receives training or to provide workforce skills preparation services on-site at career centers.
 - **Scholarships** are the costs associated with training customers in critical industries selected by Sacramento Works, Inc. (tuition, supportive services, and incentive payments).
 - **Workforce Skills Preparation** are individualized services purchased “off-the-shelf” from approved vendors. Workforce Skills Preparation services include Vocational Assessment, Small Business Development, Financial

Literacy, Interpretation/Translation and Job Retention/Life Skills Workshops.

4. **Board Initiatives (4% of funds):** This activity sets aside funding for Initiatives developed by Sacramento Works, Inc. The Current Board initiatives include collaborative business outreach, marketing services to the employer community, researching newly emerging industry clusters and critical industries in the region, developing Workforce Skills Certification systems for the critical industries selected by the Board, and training staff and providers.
5. **Administration/Overhead (19% of funds):** These activities are the costs of administering the workforce development programs and the one stop career center system, including personnel, payroll, program monitoring, fiscal monitoring, purchasing, contracting, planning, board staffing and support, information technology, client tracking and reporting, and marketing.

FY2004 RESOURCE ALLOCATION PLAN

Last year, the allocation for the adult and dislocated worker programs of the Workforce Investment Act was \$5,711,406. The following resource allocation plan was approved by the Board:

Activity	% of Total Allocated to Activity	WIA Formula Funds
One Stop Services	34%	\$1,941,878
On-the-Job Training	13%	\$742,483
Scholarships/Workforce Skills Preparation	30%	\$1,713,422
Administration/Overhead	19%	\$1,085,167
Board Initiatives	4%	\$228,456

IMPACT OF RESOURCE ALLOCATION PLAN ON SYSTEM:

The approved resource allocation plan increased the funds allocated to scholarships and workforce skills preparation in a year in which SETA experienced a 27% reduction in funds, closed three career centers, reduced contracts with services providers by \$1,000,000, and eliminated 18 positions. Shifting funds from intensive one stop services to scholarships resulted in:

- Career center staff spending the majority of their time on intensive case management and training for adults and dislocated workers.
- Less staff and partners available to assist customers in the resource room core job placement services and to conduct outreach to employers

- Reduction in information technology staff available to maintain computers in the one stop system
- Elimination of funds to replace/update computer equipment in career centers.

HIGH PRIORITIES FOR FISCAL YEAR 2004-2005

In the fall of 2003, career center managers, supervisors, staff and partners were surveyed about the workload, the needs of the customers, and what needed to be done to improve services to customers. The results of the surveys indicate that the priorities which offer the greatest promise of achieving success in the next two years are:

1. **Emphasis on high quality Customer services.** The Centers must have staff who are customer friendly and all customers, including special populations (disabled, limited-English speaking, offenders, veterans, etc.) must have access to the services they need.
2. **Investment in Technology.** The Centers must have the latest technology and software for job seekers and the equipment must be kept up to date and working properly.
3. **Emphasis on meeting the needs of Employers.** The Centers must be able to meet the needs of employers by providing recruiting, screening and referral services, serving small business through the Business Information Centers, providing upward mobility and job retention services, and integrating employers as career center system partners.

ONE STOP CAREER CENTER PERFORMANCE

Core Services Outcomes:

Despite the funding reductions and the change in emphasis to intensive case management, many job seekers continue to successfully find employment using the core services available at the Sacramento Works One-Stop Career Centers. In November, 2003 the Sacramento Works, Inc. One-Stop Oversight Committee requested that the Employment Development Department compare the roster of Sacramento Works, Inc. core service customers to the EDD Base Wage File (the list of employees who paid taxes) for the first three quarters of FY2003 (July 2002 – March 2003). The names and social security numbers of 30,116 Sacramento Works Career Center customers were compared to the base-wage file, and 22,463 or 64% of the customers showed earnings in the quarter after their visit.

The number of people that can be served in core services is significantly higher than intensive services, and the cost of providing core services is significantly lower than intensive and training services, but core services are not the most effective strategy for serving special populations and low-skilled job seekers. There are no retention or wage gain outcomes available for core service customers, however, staff is developing a strategy that will allow core service customers to be included in performance measures.

In the first six months of Fiscal Year 2004 (July to December, 2003) 20,472 job seekers received 80,015 core services through the Sacramento Works Career Center system, for a cost of \$122.50 per job seeker and \$31.33 per core service.

Intensive and Training Services Outcomes:

67% of adults and 80.7% of dislocated workers enrolled in intensive training are employed in the quarter after they exit services. 82% of adults and 89% of dislocated workers retain their jobs after completing intensive and training services and the wage gain averages about \$4,045 per year. The average cost for customers enrolled in intensive and training services is \$3,450. The benefit of intensive and training services appears to be in the retention and wage gain rates. Customers taking part in the intensive and training programs tend to be able to stay employed and increase wages.

Programmatic Changes that affect the Resource Allocation Plan:

1. In the first six months of the fiscal year 1,663 customers were served in intensive and training service through the Sacramento Works One Stop Career Center system by 35 case managers. Caseloads are planned to be between 50 and 60 customers per case manager, depending on time spent on other career center duties including, resource room coverage, workshop facilitation, job development and follow-up. As of December 31, 2003, the average caseload per case manager was 48 cases (numbers do not include customers that are being provided job retention and follow-up services, which is an additional 10-20 per case manager). At the current rate of enrollment, each case manager will have a full caseload by mid-March. At the current rate of obligation, 25% of the scholarship fund will remain unobligated unless more case managers are added..

# Served	Total Case Managers	Average Cases 12/03	Full Caseload Projected by 3/04
1,663	35	48	60

2. Customers enrolled in intensive and retraining services are remaining enrolled in case management for 16-24 months. Planned caseloads are based on annual figures and do not reflect the length of time that customers receive intensive case management.
3. SETA is preparing for public sector layoffs which will begin in July, 2004. Current estimates are that up to 1,700 local public sector workers will be dislocated and will be eligible to use the career center system for job search assistance. EDD planning assumptions indicate that public sector dislocated workers will not need retraining services, but will need assistance in identifying transferable skills and finding jobs in the private sector.
4. Sacramento Works and SETA invested in computer technology when the Sacramento Works One Stop Career Center system was developed in Fiscal Year 1999-2000. Many of the computers are now obsolete and must be upgraded in

order to meet the needs of the customers. SETA has invested in Citrix/Metaframe and has purchased the SMARTware case management system, which will, in the long-term, reduce costs, but this year we must upgrade our software products, replace about 40 obsolete computers, and maintain the Information Systems staffing levels necessary to keep the system operational.

5. Last year the Scholarship fund was increased from 22% to 30% of the allocation to ensure that workforce skills preparation services and training were available to meet the needs of job seekers.
6. Workforce Skills Preparation services were planned to provide core and intensive services on-site at the career centers, including vocational assessment services, job search workshops, legal services, including expungement and driver's licenses reinstatement, and small business assistance. These services have not been utilized to the extent that was planned, and less than \$10,000 in Workforce Skills Preparation has been obligated.
7. In August, 2003 the Sacramento Works, Inc. Board approved a recommendation by the Planning Committee to cap scholarships on tuition at the following levels:
 - High Tech: \$7,000
 - Construction: \$6,000
 - Call Center/Customer Service: \$5,000
 - Hospitality/Tourism: \$3,000
 - Healthcare: \$10,000
 - Non-Critical Industries: \$5,000
8. A maximum supportive service allowance of \$2,500 per job seeker was approved in November, 2003. It is anticipated that caps on tuition and supportive services will save approximately \$15,000 during the second half of this fiscal year, and allow services to more customers without increasing the resource allocated to training services. The savings could be transferred to one stop services to hire additional staff or could be used to increase the number of customers served.
9. The Board Initiative set aside for FY2004 included the following components:
 - Marketing of Sacramento Works, Inc.,
 - Economic Reports and LMI Research
 - Develop Workforce Skills Certification System for critical industries
 - Staff support for the Youth Service Provider Network

The Workforce Skills Certification should be complete by June 30, 2004 and the Youth Service Provider Network support would be more appropriately allocated to the WIA Youth program. The Board Initiative set-aside could be focused on marketing Sacramento Works, Inc. and providing economic reports and research.

RECOMMENDATION:

Staff is recommending the following Resource Allocation Plan for FY2005: Final allocations for next year have not yet been determined. Using last year's funding level, the amount available for each activity would be:

Activity	Recommendation for FY2005 % of Total Allocation	FY2004 Resource Allocation Approved Plan	\$ Based on FY2004 Allocation	\$ Increase/ Decrease based on FY 2004 Allocation
One Stop Services	39%	34%	\$2,227,448	\$285,570
On-the-Job Training	13%	13%	742,483	-
Scholarships/Workforce Skills Preparation	26%	30%	1,484,965	(228,456)
Administration	19%	19%	1,085,167	-
Board Initiatives	3%	4%	171,342	(57,114)
			\$5,711,405	

ITEM 3 - DISCUSSION

DEVELOPING A PLAN AND TIMELINE FOR IDENTIFICATION OF REGIONAL CRITICAL INDUSTRIES

BACKGROUND:

At the last Sacramento Works, Inc. board meeting, members discussed that the change in the labor market and economic conditions may require that the critical industries chosen in 2001 may not be the critical industries of the future.

It is the responsibility of the Planning Committee to:

1. proactively identify employment needs in critical industries;
2. conduct industry cluster needs assessment; and
3. identify specific skills needed by employers.

Discussion: Today's discussion will review the process used in 2001 to identify critical industries, identify collaborating agencies to include in the process, information to be gathered, objectives to be accomplished, and a timeline for the process.

Attached is a copy of the Sacramento Works, Inc. Strategic Business Plan, as well as the current critical industries.

**SACRAMENTO WORKS
STRATEGIC VISION
Jobs for People and People for Jobs**

MISSION

Sacramento Works unites business, education, and public agencies to assure qualified and trained workers are available to meet the needs of the region's economy

GOAL 1

Increase employer involvement and satisfaction with the workforce system

Strategies/Projects:

1. Develop a comprehensive employer outreach and marketing plan.
2. Measure employer customer satisfaction

GOAL 2

The workforce system will become more visible, accessible and better coordinated

Strategies/Projects:

1. Develop and establish guiding principles.
2. Engage the business community, educators and workforce professionals in creating a workforce that attracts high-wage jobs

GOAL 3

The Board will take a proactive role in engaging the business community

Strategies/Projects:

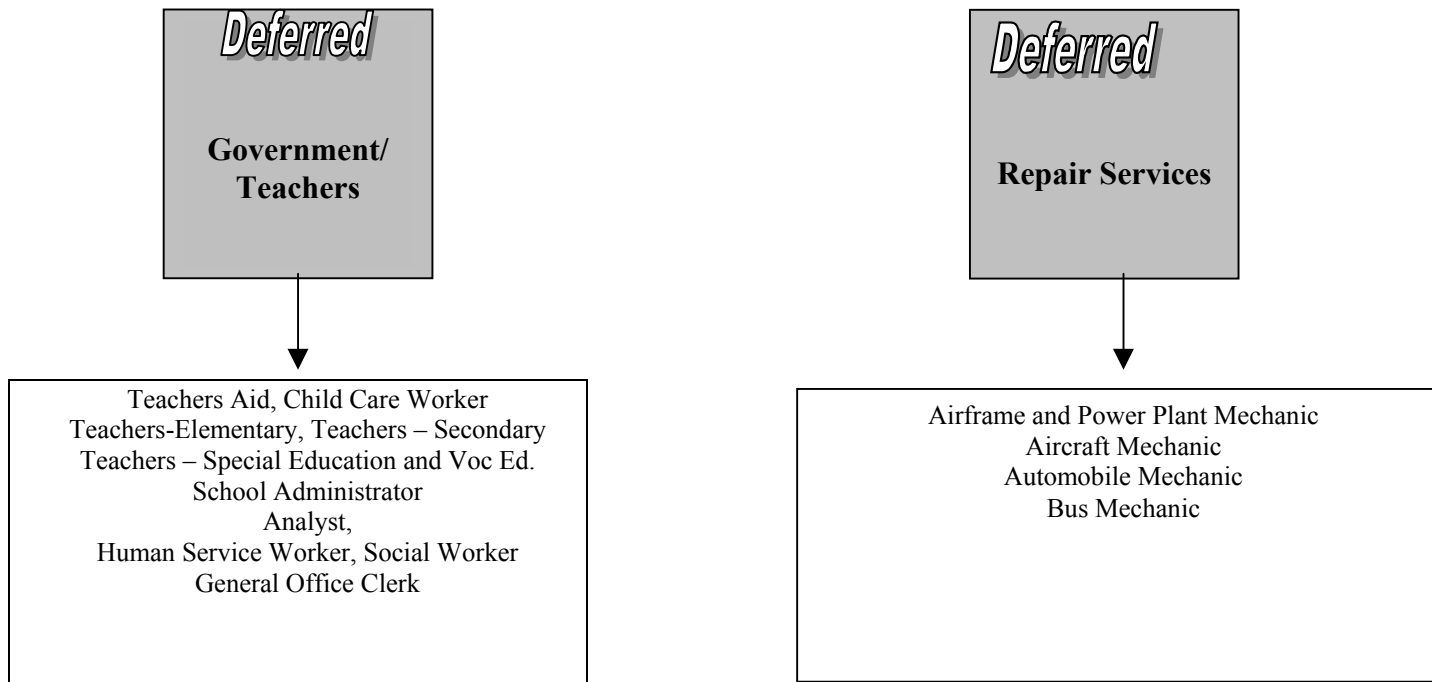
1. Assess the regional labor market to identify critical needs by selecting critical industries.
2. Develop a plan to train workers for critical industries.

Project Team 3
Proposed Critical Industries in the Labor Market

1. Proposed Critical Industries were selected according to the following criteria:
 - Industry has high growth rate
 - Employers from the industry are engaged in the process
 - Industry needs job seekers that can be recruited through the system
 - Jobs in the industry are consistent with our goal of building lifelong career lattice
2. Career Lattice is a term used to define an upward mobility path which may include more than one industry. Entry level jobs from one industry may well prepare a job seeker to transfer their skills to another industry into a higher paying position. For example, a job seeker may enter the labor force as a Janitor through the Tourism/Hospitality Industry and learn skills that prepare him/her for higher paying jobs in the Construction or Repair Service Industries.
3. The Project Team is recommending that the Government/Teachers Industry be deferred until such time as the Workforce Investment Board can engage local school districts to work as partners in developing strategies for recruiting and training teachers. The team supports continuing to train and place clerical workers in government as a viable entry level job.
4. The Project Team is recommending that the Repair Service Industry is deferred and more research is conducted into the growth of aeronautic industries at Mather and McClellan Park.

Project Team 3
Proposed Critical Industries in the Labor Market

5. The Project Team is recommending that the Customer Service/Call Center Industry be included in the Critical Industries because of the fast growth in this industry and the commitment of the employer community. Since an existing and successful training program is in existence for this industry that includes education, government and private employers, the Project Team recommends using the training methodology developed for the call center as a template for the other industries.



Project Team 3

Proposed Critical Industries in the Labor Market

