



Advisory Committee Meeting Economic & Workforce Development Wednesday, March 28, 2012



I. Dr. Patricia Hsieh, Chair, Advisory Committee, called the meeting to order at 10:00 a.m.

II. Members Present:

- ✓ Dr. Patrick Ainsworth, Assistant Superintendent, Secondary Education, Career and College Transition, California Department of Education
- ✓ Ms. Yolanda Benson, Government Strategies
- ✓ Dr. Benjamin Duran, Superintendent/President, Merced College
- ✓ Dr. Douglas Houston, Chancellor, Yuba Community College District
- ✓ Dr. Patricia Hsieh, President, San Diego Miramar College
- ✓ Ms. Laurel Jones, President, Mission College, Santa Clara
- ✓ Dr. Erlinda Martinez, President, Santa Ana College
- ✓ Ms. Renee Martinez, Vice President Workforce Education, East Los Angeles College
- ✓ Mr. Brian McMahon, Executive Director, California Employment Training Panel
- ✓ Mr. Wheeler North, Academic Senate, San Diego Miramar College
- ✓ Dr. Jessica Pitt, Coordinator, Bay Area Workforce Funding Collaborative, c/o San Francisco Foundation
- ✓ Mr. Ken Quesada, California Workforce Investment Board
- ✓ Mr. Tim Rainey, Executive Director, California Workforce Investment Board
- ✓ Mr. Wayne Schell, President/CEO, California Association for Local Economic Development
- ✓ Dr. Ron Taylor, Superintendent/President, Feather River College
- ✓ Ms. Van Ton-Quinlivan, Vice Chancellor, Economic & Workforce Development, Chancellor's Office
- ✓ Mr. Spencer Wong, Deputy Division Chief for Labor Market Information Division, California Employment Development Department

Also Present:

- ✓ Ms. Erin Larson (representing Mr. Ray York)

III. Approval of Minutes

The Minutes from the October 26, 2011, were moved and seconded for approval.

IV. Budget Update and Discussion

Ms. Diane Brady, Fiscal Budget Division, gave updates on the current budget and 2012-13 budget. In the current year, the governor's budget is not settled. In original estimate, there was to be \$400 million cut expected to be offset by an increase in student fees of \$10 per unit bringing in \$110 million, netting \$290 million. Triggers were put into place in December to be released if the money did not come in as estimated. December brought in \$72 million plus \$30

million on top of the \$400 million already in effect. As a result, all triggers applied along with another \$10 increase in student fees to offset the \$30 million dollars. The fees will go into effect in summer term.

There are three main sources of financing: student fees, property taxes and state general fund. The estimate is put in by Department of Finance. If the first two estimates are low, the state doesn't put in more money to make up the shortfall. The shortfall is now at \$149 million, due to a shortage in property taxes and student fees. As fees increase, more students are qualifying for fee waivers resulting in shortage to the original estimate and the state does not backfill. The first fee increase did not bring in the money that was anticipated and the second fee increase will not make a dent in the \$30 million dollar shortage. Because of a lack of automatic backfill for shortages, advocacy was focused on Advocacy Day visits.

For the 2012-13 budget, the May Revision will be able to consider the tax revenue received, then the governor's budget will be revised. Parts of the proposal: one, the categorical programs or \$411 million will go into one pot; and two, the general apportionment money will not be tied to anything like FTS. The Governor proposes to change how community colleges are funded and start from a blank slate. He proposes that the amount of funding will increase 4% per year, if colleges are meeting a current unknown criteria. There is no detail to the new "plan". The Board of Governors has the option of coming up with a new plan, as to how the funding would be distributed to the colleges but can't be done in time for 2013. The January version of the budget will not happen because the Legislature has the control of how colleges are funded and is recommended that the Legislature keep control. Currently, what will happen on the budget is unknown. Cal Grant proposals have been made by the Governor and rejected by the Legislature. There will be no major cuts prior to seeing the May revision. All is contingent to the November ballot and tax proposal. If tax proposal passes, the anticipated \$218 million increase to the budget will be used to unwind some of the present deferrals. The amount of \$961 million dollars in deferrals is currently being bumped from year to year. If everything passes on the November ballot, the community colleges would get \$218 million, there will be no new money available for any growth, COLAs, etc. If tax proposal does not pass, there will be a new way of how money is calculated. The system will have to pay for general obligation bonds up to \$300 million dollars, absorbed into the present money costs in the budget with no additional money. Budget hearings will be starting next week in both the senate and assembly. The attendees were urged to discuss the situation with their own districts. Put together a Q and A Fact sheet between the CCC Chancellor's Office and the League. Discussion of Federal Funds being available, there are no details at this time.

V. Doing What Matters for Jobs and Economy

Ms. Van Ton-Quinlivan unleashed problem solving ideas. Strategize and be proactive. Key theme is "Jobs and the Economy". To deliver what the State of California needs. The brochure was created by the Chancellor's Office and will be continually updated. The brochure will be used as a tool to communicate key strategic issues.

The community college system has regional economies and local decision making with a state focused on sectors. The challenge of California is how to deliver. To navigate the response a framework was developed, "Doing What Matters for Jobs and the Economy". The framework is broken down into four quadrants:

1. Give priority to what matters
 - Consider labor market needs.
 - Decide on program capacity as a region.

2. Make room for what matters
 - Retool programs that are not meeting current market need, provide technical assistance. Revitalize.
 - Need to know what jobs are vacant.
 - Colleges collaborate.
 - Concerned that cuts may occur in more expensive programs rather than desirability of program.
3. Student success matters
 - Adopt common metrics and skills panels in CCCCCO RFAs.
 - Assess for career readiness (basic and academic).
 - Job readiness, articulation with K-12 aligned with colleges.
 - To have a study of regions, must agree on common set of regions.
 - Through various methods of funding want to strengthen regions with four skillsets; data mining, convening, technology, and curriculum approval.
 - Top level participation from all CEOs and Chancellor's Office should broadcast what is regionally important on basic practices.
 - Two initiatives that add value (Department of Labor Tact Grant and CA Education Policy Fund). Currently in discussion with Smarter Balance and need to have a stronger voice from CCCCCO because it is not well represented by California.
 - The "common core" has adopted implementation plan and is work in progress. The common core is just Math and English. What is the definition of career readiness? Need distinction between career readiness and career preparedness. Direction of SB70 is now being looked to better the goals in systemic way.
4. Innovate what matters
 - Solve complex workforce training needs so that our system can better deliver for employers and sectors.
 - Curriculum approval.
 - EWD's programs have strength.

Mr. Rainey had brought together multiple sectors together with community colleges. Challenge was how to figure out how to make the money work. Built model that moves from growth sectors, applied industry partnerships to regional partnerships to a state leadership body, then up to the Governor to develop shared goals, methods for meeting those goals, monitor progress and course correction, as needed. The plan is to use model and roll it out statewide. If funding doesn't come through, the partners are committed to continuing their work and seek alternative funding. Mr. McMahon commented that he is interested in pushing CTE into the initiative to work with workforce intermediaries. It takes coordination to bring all parties together. The community colleges are one piece of large puzzle and take a lot of coordination to push initiative forward. Themes discussed were "sectors" and "regions".

Ms. Ton-Quinlivan broke the meeting members into three groups based on three questions:

1. How to better affect college decision making around budgets, courses, and programs to better align with labor market needs?

Discussion from the first group: There were two streams, one on challenges and the second on possible solutions. It was noted that it would be helpful if the state would come back with a codification of the revised missions. Discussed data and the procurement of data and there were suggested talking points on data: operational views with definitions to allow an across the board application; preparedness and follow-up on students; funding models and problems; tools that

would be helpful with businesses, student tracking and case studies; validation of results; and talking to the companies with surveys to open dialogues.

2. What to do with tenured faculty whose programs are being retooled?

Discussion from the second group: Reframed the question, "making the programs more responsive and more responsible and the impact it has on faculty". There were four suggestions. First, include faculty leave for retraining by setting up a tuition account. Second, technicians for externships, and third, operational challenges addressing internal skills gap due to leaving faculty. Forth, career laddering and career latticing providing folk's the resources and having faculty, Human Resources, labor, and systems office at the table. The systems office intent is to enable these best practices. The kind of resources being asked of the Chancellor's Office are human capacity and dollar resources, it is about restructure systems and how systems meet.

3. What strengthens regional decision making and regional accountability?

Discussion from the third group: Started discussion on how to define "regions". Most of the conversation focused on convening, coordinating and aligning. Who needs to be at the table and acknowledged a need to create forums for various groups to come together to express specific interests and what entities should convene at these meetings. Need to have a compelling reason to be at this table, it should be focused around economic growth and prosperity. It was suggested that the right entity would be like that of "Lead Sacramento" where it has all key leaders from education and chamber. There was a discussion regarding aligning high school skills on into college programs creating linkages and pathways. Also, acknowledged accountability. The discussion was concerned with data and its alignment throughout the community colleges. The context of the data needs to be good and reliable data, and be able to share that data. Lastly, there was discussion on fragmentation and diversity of California regions and a need to collaborate.

Because of the existing structure on how EWD works today, it was felt that the questions were being answered by community colleges and outside entities. One question unanswered was how initiative directors work today and how much change will be involved for them.

Ms. Ton-Quinlivan moved on into the vision on how to galvanize state resources in order to support regional activities. Focused on community colleges and realizing the role needed to be involved in sector strategy and the state's economic development. Introduced the idea to integrate, for a greater impact, by "braiding" funding streams, which is what the Federal Government is doing. The three pots of funds include: EWD, Perkins, and SB70. Each will move forth different elements of the same architecture. There's also a larger pot available called state apportionment, about \$5.5 billion that colleges make local decisions on. By blending these pots it would be collectively more impactful. Several suggestions were made for funding sources (DOL leveraged, basic skills initiative dollars, SB734, Perkins, and Initiatives).

"Braiding" as a policy change is ultimately the idea to change how dollars would be distributed. Rather than just looking at EWD money, look at all money and use dollars to support regional structures and EWD support overlay of these structures.

Another model shared that would simplify the system for our partners starts with the regions self-identifying their sector priorities. To get result of how to use the EWD funds: deploy Initiative Directors to deal with complexity; by dealing in multiple regions, designate sector navigators and simplify system for all the partners; sector navigators reduce complexity; and sector creates system of stackable credentials. Once the stack is modularized, you focus on tier and the skill gap can be closed.

Next discussion reviewed the high value EWD program and its three strengths through the Initiative Directors and the community college system to move the needle on jobs and the

economy: 1) Labor market information to inform decision making, 2) Moderate complexity through system of sector navigators, and 3) Skills panel, how EWD reacts to industry need. The navigators would be multiregional.

Who will be needed at the EDPAC table beyond those already committed to forward the strategy, was the last topic discussed. What are the action items that EDPAC can contribute?

- Skills Panel could have an advisory committee and foundation element.
 - The foundation element would translate into who would be called to the table
 - Examples of those called to table: CEOs, Political leaders, training agencies, employers, certification organizations, Deans of universities
 - Invite those from industry to a round table
 - Utilize initiative and invite those people representing the initiative
 - Have a small auditorium between businesses and colleges
 - Need alliances in whatever is shaped. Use industry groups statewide and national because they have already started working on integrated issues. Use one of these groups from a broader base. Under the existing statute there should have an advisory group for each one of the industry sectors.
 - Currently, the Advisory Committee should support community colleges at better labor market analysis, system measures, etc., to make community colleges most affective at the skills panel tables. The next step should be to develop a tangible action plan. Skills panels are triggered when there is an industry need, have data exchange. It could be possible for the agencies that hold the credentials have their data interact with CCCEWD data. There needs to be a mechanism to invite and welcome industry leaders to hear that CCCEWD is a solution.
 - State standards have an advisory committee already established.
- The participation needs to translate into action.

Ms. Brosseau, Facilitator, opened to comments on what worked with meeting format:

- Positive comments: advice, more interaction amongst board members, small groups that did not have the same assignment, sequence (preparation, address challenges, sharing outcomes with large group).
- Negative comments: missing Advisory Members, make sure representative metric works.

EWD Updates

Ms. Erin Larson gave update on the EWD reauthorization. SB 1402 is being carried by Senator Lieu. The bill aligns and includes some of the changes that have been discussed in the meeting today. A change to the EDPAC members, the membership will not be limited to the ten regional economies. The bill is scheduled for Senate Education Committee hearing on April 18, 2012. An extended invitation was asked of members to send in a letter of support prior to hearing. The SB1070 and SB 1402 bills being reauthorized, the Chancellor's Office will have a webinar and will invite all members.

The EDPAC members strongly urged that all these issues and processes of the bill reauthorization be shared on continual bases (start to finish). Members are concerned with language of bill. Members suggested that Initiative Directors be involved in legislative visits.

The Initiative Directors were involved in Advocacy Day and have done follow up to all visits. They have also invited industry, business and labor representatives, to attest to the success of program.

A discussion was raised about UCCI funding in 1070 that involves UC Chancellor's Office, what it is and whether it will continue and the process for bringing concerns before the legislature prior to the hearing on bills in general. The UCCI is being funded with carry over and is not being called out. It is a joint planning with Department of Education and Chancellor's Office. Need to move forward and at June EDPAC have an in depth discussion about the implementations and concerns.

Industry and Educational Programs

Mr. John Chocholak shared a benefit story for the education system. Due to a manufacturing error from a Chinese manufacturer, Koehler allowed teachers and colleges in California to be rewarded with \$4 million dollars of equipment at only \$8 per engine rather than \$50. He shared a short presentation from the California Resources Board on the engines donated to education. The program introduced students to automotive technology with a complete source of study. He noted that a problem that exist in California, there was not a specific entity for contact.

VI. Public Comment

Ms. Gaertner shared a study on a key briefing, on new emerging, rapidly changing industries and how the research and tools that are being used for reports.

Dr. Hsieh summarized:

- Group know ahead of time for preparation
- Follow-up on presentation "Vital to Jobs and the Economy"

Adjournment

Meeting adjourned at 2:10 p.m.