



MEMORANDUM

DATE: NOVEMBER 1, 2016

TO: MENDOCINO COUNTY BOARD OF SUPERVISORS

FROM: DEBRA HOLMES, ADMINISTRATOR WORKFORCE DEVELOPMENT BOARD

SUBJECT: LOCAL AREA CONSOLIDATION

BACKGROUND: The Workforce Innovation and Opportunity Act (WIOA), replaces the Workforce Investment Act of 1998. This new law represents a renewed commitment to workforce development with an eye to the future through innovation and support for individual and local area economic growth. It is aimed at increasing opportunities, particularly for those facing barriers to employment, and invests in the important connection between education and career preparation. It looks to the prosperity of workers and employers and focuses on the economic growth of communities, regions, and states to enhance our global competitiveness as a country. Mendocino County receives an annual formula fund allocation of approximately \$821,000. The Workforce Development Board additionally oversees \$110,000 in funding from Northern California Career Pathways Grant (non recurrent funds) and \$156,000 from the Slingshot Grant (non recurrent funds).

In response to the WIOA programs' increasing dependence on county general fund contribution, the Workforce Development Board (WDB) gave direction at its May 11, 2016 meeting that consolidation with a neighboring county should be researched by staff. At the June 7, 2016 Mendocino County Board of Supervisors (BOS) meeting, the topic of consolidation was briefly discussed. At that time, staff informed the BOS that due to WDB interest, research and outreach regarding consolidation with a neighboring county was already underway.

Mendocino County is assigned by the State Employment Development Department (EDD) to the North Bay Regional Workforce Development area which includes the Workforce Board of Sonoma, and Solano counties as well as the Workforce Alliance of the North Bay (WANB Counties of Lake, Napa & Marin). Staff has met with Bruce Wilson, Executive Director of the WANB, to discuss the possibility of a consolidation. In response to those meetings, a proposal has been discussed that would include Mendocino County in that regional group.

THE PROPOSAL: As currently configured the WANB governing board is comprised of two elected Supervisors from each county. Negotiations may include a change to the Governing Board structure. This board serves as the Chief Local Elected Official for the region and is accountable for all WIOA funding and functions for the expanded four county area. In accordance with WIOA, the JPA appoints the regional Workforce Development Board, which must meet regulatory requirements for membership. The JPA will seek to add representation from Mendocino County on its regional WDB and will also establish a Mendocino County Workforce steering committee to maintain local control of program design. As a part of this agreement, the JPA would initially seek to contract with Mendocino County for 2.0 FTE's to provide WIOA staffing to the expanded region.

All Mendocino County WIOA formula monies and special project funds will be received directly by the JPA. Initially, Mendocino County would retain 2 full time positions dedicated to the administration of the WIOA program (1 Administrator and 1 Senior Program Specialist). Mendocino County will bill the JPA for



the costs associated with those employees, in an amount to be agreed upon by both agencies, any county costs exceeding the agreed upon amount would be an additional expense to the County of Mendocino.

FISCAL IMPACT: The JPA will retain 10% of WIOA funding from the formula allocations for each county, Rapid Response funding as well as regional grants that have already been awarded. Mendocino County will continue to receive the majority of the base allocations from the state for service delivery. However, instead of going through the Board of Supervisors, the funds will be received and contracted through the WANB.

SUMMARY: A consolidation would allow for economies of scale and would also allow for other strategic advantages. Should the Workforce Alliance and Mendocino WDB agree to combine, functions of the consolidated local Workforce Development Board would include:

1. Submission of a local plan
2. Workforce research and regional labor market analysis
3. Convening, brokering, and leveraging of local stakeholders
4. Sector partnerships and employer engagement
5. Education partnerships and career pathways development
6. Promote and disseminate information on proven and promising practices
7. Develop strategies for using technology to maximize accessibility and effectiveness of local workforce development system
8. Program oversight
9. Negotiation of local performance measures
10. Competitive selection of one stop operator
11. Coordination with education and training providers, including reviewing the applications to provide adult education and literacy activities in the local area to ensure alignment with the local plan
12. Budget and administration
13. Annual assessment of one stop to ensure accessibility for individuals with disabilities
14. Development of regional workforce development plan.

POTENTIAL DISADVANTAGES: The current proposal raises an equity concern by offering Mendocino County one position on the JPA Board, where every other participating County holds two positions. Additionally, participation in this type of regional approach may create a perceived loss of local identity. Program contractors may fear the loss of the provision of certain formula funds and change to the local area demographics. It should also be noted that if the County moves forward, it would be difficult as a practical matter to return to a single county Local Workforce Investment Area.

STRATEGIC ADVANTAGES: Regionalization is the approach taken by most local workforce investment areas; Mendocino County's sole-county approach is not typical. Participating in the WANB Joint Powers Agency to oversee a regional Workforce Development Board will allow Mendocino County to maintain the greatest possible local control while also achieving economies of scale to best meet the requirements of the Workforce Innovation and Opportunity Act.

- A combined WDB is likely to be more successful in grant applications.



- A regional approach would allow us to play to each county's strengths. For example, Marin has a much faster process for approving client training and on-the-job training contracts, while Napa has a robust youth service program structure that could be modeled in other areas. Mendocino has a strong history of overseeing outsourced program service delivery providers and monitoring their performance.
- Having a regional WDB with strong local service areas would allow us to more effectively protect and insulate funds allocated to the area, rather than allocations being returned to the State. For example, instead of returning unused grant funds to the State the regional WDB could spread the funds through the region to implement workforce initiatives.
- Centralized staff for a combined WDB would be able to work on the new requirements for boards under WIOA, including conducting labor market research; promoting and disseminating best practices; and using technology to ensure program accessibility and effectiveness.
- Centralized staff for the combined WDB could also more efficiently accomplish a number of tasks that are currently done by each county separately, including:
 - Provide staffing to local steering committees/key sub committees
 - Centralized procurement and monitoring of contracts
 - A single point of contact for interfacing with the state
 - Helping to write local and regional strategic plans
 - Better coordination and economies of scale for employer events
 - Jointly held staff development opportunities
 - Marketing
 - Regional convening of industry sector partners
 - Data reporting and coordination with state
 - Data reporting to the state
- A combined WBD would allow us to meet the procurement requirements for the one stop operator.

EXECUTIVE COMMITTEE RECOMMENDATION: At their August 10, 2016 meeting, the Workforce Development Board's Executive Committee recommended that the Mendocino County Board of Supervisors pursue consolidation with the WANB, with the stipulation that 2 members of the Mendocino County Board of Supervisors be appointed to the JPA Governing Board to maintain a sense of equity and ensure local concerns are adequately represented on the regional board.