

A. **WIB Youth Council Meeting Agenda**

Documents: [YC agenda 03.10.15.pdf](#)

B. **WIB Youth Council Report #158b**

Documents: [WIB 158b YC WIOA changes.pdf](#)

Humboldt County Workforce Investment Board

YOUTH COUNCIL MEETING



Tuesday ♦ March 10, 2015 ♦ 3:30 – 5:00 p.m.
Prosperity Center: 520 E Street, Eureka, CA

AGENDA

Vision: *It is the vision of the Council to provide leadership, direction, and support in coordinating workforce related services to meet the needs of all youth in the County.*

Mission: *It is the mission of the Council to provide the youth of the County a coordinated system that ensures opportunities to become productive, contributing, and socially responsible adults.*

Members: *Terry Coltra, Bill Damiano, Connie Lorenzo, Dennis Mullins (Chair), Kelly Mendonca (Vice Chair), Shelley Nilsen, Dale Maples and Jon Sapper*

DESIRED OUTCOMES: (By the end of the meeting, all participants will have...)

1. Heard public comment on issues not on the agenda.
2. Approved minutes from January 13, 2015 meeting.
3. Reviewed report about WIOA changes and discussed.
4. Considered and recommended action on supportive services spending.
5. Considered and recommended action on the 20% work experience spending requirement.

AGENDA:

1. OPENING

- a. Call to Order
- b. Self-introductions of Youth Council members, staff and public
- c. Adjustments to the Agenda

2. PUBLIC COMMENT for items not on the agenda

3. DISCUSSION and ACTION ITEMS

- a. Minutes (~:05)
- b. WIOA discussion (~:70)

4. INFORMATIONAL

- a. Staff Reports (~:10)

5. CLOSING

- a. Announcements
- b. Adjournment (5:00 p.m. or earlier)

SUPPLEMENTAL INFORMATION TO THE AGENDA

- 1. OPENING:** Chair, Dennis Mullins will call the meeting to order at 3:30 p.m., review the agenda and invite those present to introduce themselves.
- 2. PUBLIC COMMENT:** Members of the public wishing to address the Youth Council on a topic NOT on the agenda may do so at this time. Please notify the staff or chair prior to the meeting.
- 3. DISCUSSION and ACTION ITEMS**
 - a. Minutes: Approve the minutes from January 13, 2015 meeting.
 - b. WIOA Discussion: Continue to discuss new policy outlined in report#158b.
 1. New requirement - 75% OSY spending
 2. New requirement - 20% WEX requirement
 3. Importance of providing supportive services
- 4. INFORMATIONAL**
 - a. Staff Reports:
- 5. CLOSING**
 - a. Announcements
 - b. Meeting is adjourned

The next scheduled YC meeting date will be March 25, 2015 from 3:30 -5:00 at the Prosperity Center, 520 E Street Eureka.

Humboldt County Workforce Investment Board

For the meeting of: March 10, 2015

Date: February 25, 2015
To: Humboldt County Workforce Investment Board
From: Jacqueline Debets, Executive Director
Subject: Changes to youth services under WIOA

RECOMMENDATION (S):

That the Youth Council of the Workforce Investment Board:

1. Receive staff report on Workforce Innovation and Opportunity Act (WIOA) of 2014; and
2. Require 25% of program funds be used for work experience (WEX); and
3. Require that 10% of program funds be used for supportive services.

SOURCE OF FUNDING:

Formula funds through the Workforce Investment Act (WIA), United States Department of Labor, California Employment Development Department/ Workforce Investment Division.

DISCUSSION:

Among the changes under WIOA, there are two specific priorities highlighted for youth—focus on out-of-school youth (OSY) and work experience (WEX)—that will require significant changes to youth program operations. WIOA ensures these policy priorities through limitations on how funding is utilized.

Prepared by Cindy Harrington, Economic Development Specialist

REVIEW: Executive Com _____ Youth Council x _____ Other _____

| | |
|---|--|
| TYPE OF ITEM: _____ Consent _____ Informational <u>X</u> _____ Action _____ Other _____ | YC-WIB, County of Humboldt Upon motion of WIB Member Seconded by WIB Member And unanimously carried by those members present, The WIB hereby adopts the recommended action contained in this report. |
|---|--|

PREVIOUS ACTION/REFERRAL:

WIB Report No. 158EC
Committee: Executive Committee
Meeting Date: October 9, 2014

Dated: _____
Secretary of the Workforce Investment Board

By: _____

Priority on Out-of-School Youth

For any program year, not less than 75% of the funds shall be used to provide workforce investment activities for OSY by June 30, 2016. Currently the requirement is 30% for out-of-school youth spending (per your Council action, 40% locally).

Up until this year, the youth programs in Humboldt County have been primarily in-school youth (ISY) programs that included some OSY (see Table A below).

Table A - previous years ISY/OSY enrollments

| Program Year | 2012-2013 | 2013-2014 |
|---------------------|-----------|-----------|
| In School Youth | 135 | 102 |
| Out of School Youth | 26 | 20 |

By July 1, 2016 enrollments will need to be primarily OSY that include some ISY. Program year 2015-2016 will be a transition year, beginning on July 1, 2015 and ending on June 30, 2016. In order to meet the WIOA Law, staff will be implementing the following timeline to take effect as of July 1, 2015:

- End of First Quarter - 50% OSY spending
- End of Second Quarter - 60% OSY spending
- End of Third Quarter - 70% OSY spending
- End of Fourth Quarter - 75% OSY spending

At the last Youth Council meeting that took place on January 13, 2015, staff was asked to determine how much it costs to serve an OSY compared to an ISY. Every youth's situation is unique and every youth receives services based on their Individual Service Strategy (ISS). While some youth require minimal services other require more, this is not determined by whether they are ISY or OSY; it depends on the individual's needs. As a result of the custom nature of the program, staff cannot provide an average cost for OSY or ISY without oversimplifying.

The current \$4,000 per youth was a figure established by the Youth Council to determine the *minimum* number of youth that each operator must enroll. It was not intended to become a target or limit on spending on youth to fulfill their ISS.

Priority on Work Experience

In addition to the change in focus to serving OSY, WIOA adds a requirement that 20% of the funding be expended on WEX for youth. This will also have a significant effect on budgeting and program design for operators.

There has been no prior requirement on how program funds are spent aside from the ISY and OSY spending. This new requirement shifts the program focus, and the spending requirement will have an impact on salaries and overhead. It will be likely that the contractors will need to leverage funds in other ways to compensate for the change.

WIOA defines work experience activities as "Paid and unpaid work experiences that have as a component academic and occupational education, which may include:

- ✓ Summer employment opportunities and other employment opportunities available throughout the school year
- ✓ Pre-apprenticeship programs
- ✓ Internships and job shadowing
- ✓ On-the-job training opportunities"

In order to understand the impact that this will have on the current contractors, it is necessary to look at the current budgets.

Table B - Program funding for program year 2014-2015

| | |
|--|-----------|
| Total Program Budget | \$380,152 |
| 20% WEX requirement | 76,030 |
| HCWIB TA | 22,809 |
| ETD TA | 19,007 |
| Program total going to contractors (\$76,030 of this amount is required for WEX activities) | \$338,335 |

- 20% of the total program funds is \$76,030, this amount has to be reported to the State for WEX.
- Two technical assistance pots of funds are deducted from the program dollars, leaving \$338,335 allocated to the contractors.
- \$76,030 is 22.47% of \$338,335. In order to meet the WEX requirement, it would be necessary for all contractors to adjust budgets to spend at a minimum 22.47% on WEX activities. In order to meet this requirement every contractor would have to perform at 100%.
- Staff recommends the WEX requirement be 25% in order to create a safety net in the case that one or more contractor does not meet their requirement.
- With budgets being adjusted to meet the 23-25% WEX requirement, some regions will need to move funds from salary/overhead into youth services.
- The next concern is supportive services. In most regions, once the funds are shifted to meet the WEX requirement, there are little to no supportive service dollars remaining. Supportive services include transportation, childcare, books, supplies, fees/tuitions, clothes, work supplies, etc. Supportive services are mandated in WIOA law and will be instrumental in assisting youth prepare for WEX. The program cannot exist without them. Staff recommends a minimum of 5% be required for supportive services, but 10% would be favored.

The table below is an example of the contractors current year's budgets and how the WEX requirement and supportive service recommendation adjusts future budgets.

Table C - Example of budget adjustments

| | 2014-2015 Budget | Current Amount Youth \$ budgeted | 23% WEX requirement to meet LAW | 25% WEX requirement Staff Suggested | 5% Supportive Services | 10% Supportive Services Staff Suggested | Estimated Total youth requirement based on 25% and 5% | Estimated Total youth requirement based on 25% & 10% Staff Suggested | Estimated Adjustment from Salary / Overhead to Youth – Amount in red is Staff Suggested |
|-----------|------------------|----------------------------------|---------------------------------|--|------------------------|--|---|---|--|
| ECS | 100,000 | 12,000 | 23,000 | 25,000 | 5,000 | 10,000 | 30,000 | 35,000 | 18,000- 23,000 |
| NHUM | 79,000 | 24,000 | 18,000 | 20,000 | 4,000 | 8,000 | 24,000 | 28,000 | 0- 4,000 |
| SHUM | 45,000 | 4,000 | 10,000 | 11,000 | 2,500 | 4,500 | 13,500 | 15,500 | 9,500- 11,500 |
| DQ | 46,000 | 22,000 | 11,000 | 11,000 | 2,500 | 4,500 | 13,500 | 15,500 | 0 |
| EEL RIVER | 69,000 | 7,000 | 16,000 | 17,000 | 3,500 | 7,000 | 20,500 | 24,000 | 13,500- 17,000 |

Considerations for Program Redesign

Currently four of the five Youth Program Operators (YPO) in the regions operate on school district grounds with school staff serving youth. The changes that WIOA brings—focus on OSY and requirement for WEX—require that these operators re-think their program design and develop a plan for transitioning their programs to serving primarily OSY. Staff has been meeting with YPO staff, and is now meeting with the Superintendents of each district to discuss the changes and how they expect to respond. Some questions District YPOs are asking include:

- How can school district staff attract and serve OSY?
- What rules support or prevent OSY from being served on campus?
- How can our district provide pre-WEX programs to prepare youth for success in WEX?
- How can our district be the employer of record for pre-WEX and WEX?
- How does the 20% for WEX requirement change our budget and how will we operate the program under a new budget?

The non-profit organization, Dream Quest in Willow Creek, which recently took over as the contractor for the Eastern Humboldt region has historically served OSY, and can accept OSY onsite during all hours of operation. Their budget for program year 2014-2015 is set to meet the 75% OSY spending requirement. They have a considerable amount of funds directed at youth services so will not have an issue meeting the WEX requirements and offering supportive services. Dream Quest is able to provide the employer of record component.

At the previous Youth Council meeting, staff was asked to research using an agency to act as employer of record for the contracts. WIA/WIOA law classifies payroll activities as an administrative function and program funds cannot be used for this. In the past, we had a payroll firm provide payroll for WEX, but we received a finding that this was administrative expense. The administrative budget cannot afford this cost, so the County cannot contract with an agency to provide employment and payroll services.

Contract Amendments

The following components of a contract amendment are being prepared to take effect July 1, 2015.

- A. With the 20% WEX requirement there are several changes that will be reflected in contract amendments that will take effect on July 1, 2015:
- Budgets will need to be revised.
 - The employer of record component will need to be resolved and needs to be provided for ISY and OSY.
 - A Pre-work experience component (job readiness) will need to be developed and required.
 - The work experience component will need to be developed to include wages.

There are two different systems that will be used to pay for pre-WEX and WEX. This will be clearly defined in the contract amendment:

1. Stipends. These are not wages and cannot be paid for actual WEX. Stipends can be used as the pre-work experience readiness to achieve the skills necessary to step into WEX. Stipends can pay for competencies gained and is a short-term plan. The contractor still needs to be the employer of record and participants need to be covered by workers' compensation insurance.
 2. Wages. An employer of record will need to be established in order to carry out this function. The County cannot be the employer of record. It will be up to the contractor to resolve this issue by either becoming the employer of record themselves and/or partnering with businesses.
- B. 75% of program funds must be spent on OSY.
- C. A spending timeline will be added to contracts:
- End of First Quarter - 50% OSY spending
 - End of Second Quarter - 60% OSY spending
 - End of Third Quarter - 70% OSY spending
 - End of Fourth Quarter - 75% OSY spending
- D. Age Change for OSY - The ISY age remains from 14-21 and the OSY age changes to 16-24. The majority of the program funding will be spent on older OSY youth. One important change is that low-income is no longer a requirement for OSY. The definition for OSY follows:
- A. *Out-of-school Youth - in the WIOA title, the term "out-of-school youth" means an individual who is -*
 - i. *Not attending any school (as defined under State Law);*
 - ii. *Not younger than 16 or older than age 24; and*
 - iii. *One or more of the following:*
 - a. *A school dropout.*
 - b. *A youth who is within the age of compulsory school attendance, but has not attended school for at least the most recent complete school year calendar quarter.*
 - c. *A recipient of a secondary school diploma or its equivalent who is a low-income individual and is-*

- (i) Basic skills deficient; or*
 - (ii) An English language learner.*
- d. An individual who is subject to the juvenile or adult justice system.*
- e. A homeless individual, a homeless child or youth, a runaway, in foster care or has aged out of the foster care system, a child eligible for assistance under section 477 of the Social Security Act, or in an out of home placement.*
- f. An individual who is pregnant or parenting.*
- g. A youth who is an individual with a disability.*
- h. A low-income individual who requires additional assistance to enter or complete an educational program or to secure or hold employment.*

Staff recommendations:

- 1) Continue to calculate enrollment obligations based on current methodology, that includes the minimum amount of funds spent per youth is \$4,000.
- 2) Require 25% of program funds be used for WEX which creates a safety net in the event one or more contract does not meet their requirement.
- 3) Require 10% of program funds be used for supportive services which provides some assurance that funds will support youth to succeed in WEX.

FINANCIAL IMPACT: The policy change provides more funding for youth services and work experience. Contract budgets will need to be revised to meet WIOA Law and contracts will be amended as of July 1, 2015.

OTHER AGENCY INVOLVEMENT: Current youth contractors.

ALTERNATIVES TO STAFF RECOMMENDATIONS: Council discretion.

ATTACHMENTS: None.