

# Should the Workforce Development Board Update Its Resume?

## SUMMARY

Job opportunities and employment are major issues in Humboldt County. The Workforce Development Board (WDB) is a mandated citizen committee with access to funding to encourage employment growth in the County. The Humboldt County Civil Grand Jury (HCCGJ) wanted to find out how the WDB is dealing with persistent reports of few desirable job opportunities while employers note the lack of qualified applicants.

Established under federal law and directed by California's Employment Development Department, the WDB works as a grant recipient, developing and sponsoring programs that are administered by the Department of Health and Human Services (DHHS). WDB's annual funding from federal/state grants is currently \$2.3 million, including a competitive \$1 million grant awarded directly to the WDB.

The HCCGJ investigated the effectiveness of the WDB's overall role in programs, focusing on the issue of whether there are meaningful results for job seekers as well as for employers.

We found that major programs, such as the Job Market, maintain an overall count of jobs gained. However, the details of skill and salary levels of job postings that are filled through Job Market listings, in combination with its classes, workshops, and counseling, are not available. The retention rate of new hires is also unavailable for most of those employed.

We noted that WDB educational training partners offer classes and public events related to employment opportunities. However, the more generally available programs do not provide critiques from former students or other measurable outcomes so that prospective attendees can determine their potential effectiveness.

Targeted WDB programs, e.g., the recently initiated "Slingshot," address acute shortages of workers in a given field (in this case, nursing and other healthcare professionals), and are designed to provide specific measurables and outcomes.

The HCCGJ concludes that the WDB could improve its impact by 1) focusing its programs on the most critical needs in our employment picture, 2) clearly measuring program outcomes, and 3) making its results transparent to the public.

## BACKGROUND

The Humboldt County Workforce Development Board (WDB) is mandated by the Federal Workforce Innovation and Opportunity Act (WIOA), under Public Law 113-128.

WIOA's stated purpose is

*...to provide workforce investment activities, through statewide and local systems that increase the employment, retention, and earnings of 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.*

WIOA funds are federal funds that are administered and distributed by the State Employment Development Department (EDD). In Humboldt County, WIOA/EDD funds are received by the Department of Health and Human Services (DHHS) Economic Development Division (EDD). After deducting 10% for administrative costs, the remainder is available for programs. The County Administrative Office (CAO) with EDD subcontracts the majority of program funds to DHHS's Employment Training Division (ETD) with the oversight of the WDB. The CAO/EDD also contracts WIOA Youth funds to centers in McKinleyville, Fortuna, and Willow Creek.

All WIOA contracts and program operators "are selected through appropriate public bidding processes conducted by the CAO/EDD and approved by the Workforce Development Board." Since WDBs are mandated by the state, they have oversight authority over state grants to counties for workforce development, much like other citizen boards have over Measure Z and Headwaters funds.

The Humboldt County WDB-related programs include oversight of the Job Market, mandated by WIOA, which stipulates that several WIOA-funded workforce programs co-locate in a shared facility ("One Stop") in order to coordinate and integrate services to the public. These services include both job-seeker and job-provider access to counseling and currently listed opportunities, as well as job training classes, and workshops. The Employment Training Division currently contracts about \$725,000 in WIOA funds as part of the One-Stop and Step-Up Youth programs, as well as to the combined funding for Adult literacy/training, Dislocated Workers, Regional Youth, Technical Assistance, and Rapid Response funds. Rapid Response funds are contracted to Sequoia Personnel Services and to the North Coast Small Business Development Center to help with layoff aversion and layoff counseling events.

In its 2015-2016 annual report to the WDB, the Job Market noted that 4,754 individuals received staff-assisted services. This included 3,438 Adults, 77 Dislocated Workers, 162 Youth and others who received individual counseling. Self-directed services, at the front desk or via use of computers in the lobby, were accessed a total of 12,861 times. There were 1,959 resumes and 2,734 work orders added to the CalJOBS database, and 1,455 services were provided to employers.

During the same period, 1,798 adults, 50 dislocated workers, and 40 youth (aged 14-21) entered employment.

The College of the Redwoods (CR) Learning Lab at the Job Market was used by 1,371 individuals. During the year, 81 adults completed the Adult Education and Literacy program. Of 87 Dislocated Workers enrolled, 30 completed. Of 142 Youth program trainees, one-third found employment.

In a more recent quarterly report, the Job Market Usage & Services for the second quarter of 2017 (October through December) reported 1,647 individuals receiving staff assisted services out of 3,073 total job-seekers served, with 986 services provided to employers, and 346 using the CR Lab. The CR Lab is open for individual resume writing and job-search research.

The Job Market provided six workshops in the second quarter of 2017, include resume writing, workplace skills, career assessment, and training in computer business applications. The per-workshop average number of sign-ups was 22, with an average of 13 attending.

Besides the Job Market, WDB procures and awards contracts to partner agencies, including the College of the Redwoods, Small Business Development Center, Sequoia Personnel, and the Humboldt County Office of Education.

Our local WDB is comprised of an Executive Director and Committee, with 26 Board members representing our business community, labor unions, educators, county economic development staff, councils, member(s) of the Board of Supervisors, and the Office of our State Senator. WIOA mandates that 51% of WDB members are private companies, and that area labor unions have 20% representation. There is no payment for service on the WDB, and members or their organizations cannot receive funding for WDB programs. The HCCGJ was told that members serve because they want to make a difference in training or preparing workers for various jobs in the private sector. At the same time, WDB members do have opportunities to network for their businesses and/or programs that could be of interest to their own organizations. For example, it is possible for an individual to leave the WDB in order to become a compensated program partner.

WIOA encourages WDBs nationwide to “further engage the private sector to lead local workforce development efforts and focus on increased flexibility and accountability of board members.” In addition, it urges WDBs to be increasingly engaged in the business of **collaboration, convening, and partnership.**

## METHODOLOGY

- The focus of our investigation was the question, “Do WDB programs and activities produce meaningful results for job seekers and employers, resulting in increased employment and earnings in Humboldt County?”
- We used the following questions to help evaluate WDB’s effectiveness:
- How well does the WDB understand the needs of Humboldt County job-seekers and employers?
- Are WDB partners required to report each year on how well their service results in clients finding jobs appropriate for their skills?
- Are job seekers significantly helped to find a job as the result of class participation, direct counseling, job fairs, as measured by participant reporting?
- For the WDB as a whole, how many job openings are created and filled on average in a year that can be directly traced to the services and programs it provides?
- How many failing businesses did WDB members work with over the past three years, and what was the nature of the work or support, as well as the outcome?
- Does the WDB keep records of numbers of individuals served and percentage of former clients currently employed?

## DISCUSSION

Humboldt County’s unemployment rate is historically low, ~4.5%, with a total number of almost 60,000 employed, and 3,000 unemployed (presumed looking for work). Such a relatively low rate seems to support anecdotal evidence from employers about their inability to find suitable employees. But much information about our workforce does not appear in this simple statistic.

For example, given the low rate of unemployment, average wages have not been significantly rising as we might have expected. In addition, most agree that Humboldt County employers are predominantly looking for lower-skilled, lower-paid workers.

The HCCGJ talked with members of the WDB to find out how it is succeeding in its mission of “*increasing the employment, retention, and earnings of participants*” of Humboldt County, given its multi-faceted employment issues.

Few would dispute that our County lacks higher paying jobs relative to California’s larger urban areas. Two observations are commonly given: Humboldt’s economy does not proportionately support higher wage jobs because we do not have many large private employers who offer them and, second, wage rates for those jobs that do require higher-skilled employees are considerably lower because of lack of competition for those skilled workers. These “reasons” are purportedly the cause of many of our citizens being underemployed, i.e., either forced to take lower-skilled jobs than their experience and training would support, or simply being paid less for the same work than they would be paid in other areas.

At the same time, we were told by WDB members that some jobs in Humboldt County pay “nearly as well as in larger areas,” including those available to skilled tradespeople, as well as Humboldt State University (HSU) graduates in certain “sought-after” fields, such as accounting, business, and engineering. Degreed nursing was also mentioned as a potential well-paid job for college graduates. (The development of a special program in this area is discussed below.)

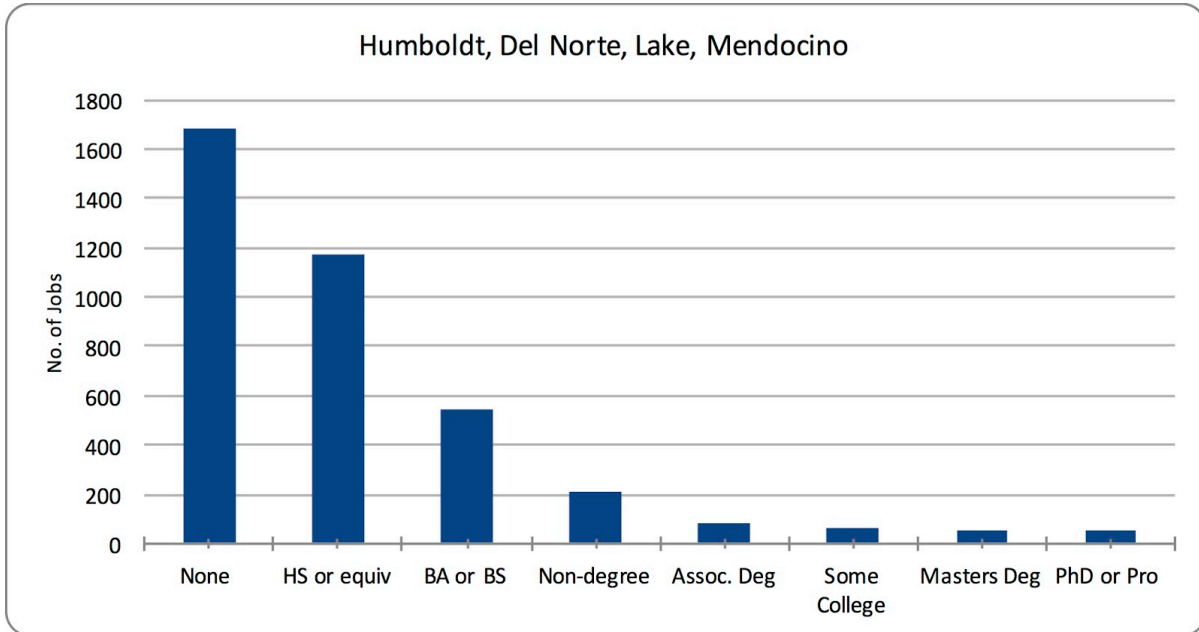
The situation for entry level or lower-paid jobs is also problematic in Humboldt County. The major reasons cited for lack of traditional employment in this category include:

- Many entry-level job seekers lack basic job skills and motivation.
- Professionals who place workers with willing employers report that many job choices are available for entry-level job-seekers who are willing to show up on time, be responsible, have a good work ethic and good attitude. High school graduates, as well as willing workers without high school diplomas, can start at entry level and progress as they learn skills on the job. WDB staff maintains that these opportunities are well-represented at the Job Market.
- Employment in the so-called “trades” is a good possibility for trained workers, as well as those willing to get the necessary training. Welders, plumbers, truck drivers, and millwrights are examples of skills that are in high demand here. The need is for good quality training programs for those considering these jobs and willing to acquire the basic skills, and for employers willing to provide on-the-job training. WDB staff expressed the “hope to encourage” more training programs, and report good placement opportunities with area employers.
- Marijuana growers are attracting workers at higher pay (in cash) compared to “traditional” jobs. The Grand Jury was assured that this phenomenon is a significant draw, especially for untrained job seekers. Whether the legalization of the marijuana industry will eventually work in favor of a more traditional job market is not yet clear.

Since the Job Market is the largest program within the WDB’s activities, and a microcosm of the County workforce community, the relatively low number of participants who complete Job Market-related activities raised the HCCGJ’s concern. Little is known about actual end-user experiences beyond the generalized data collected and reported to the EDD, since there is no direct reporting of

individual user experience. Average annual salaries for those who do find employment through the Job Market were reported in 2015-2016 to be around \$26,000, but data confirming the specific jobs and categories of employees included in the average was not available.

### Average Annual Job Openings by Entry Level Education



The Job Market is the only program required to report end-user results, such as those shown above, and these are generally unavailable to the public. Also, available reports do not include the number of jobs filled as a result of specific programs. Non-Job Market programs may report bare attendance numbers, but some do not report at all. Administrators from the County Employment Training Division (ETD) and WDB, were uncertain if anyone monitors outcomes, or does any quality control, for the many “training” programs that WDB partners have done (except for counting the numbers of attendees). Anecdotal reactions of attendees to “employment opportunity” events is that many were not helpful.

WDB members seem to have a generally “advisory only” role. They do not have a clear function in designing, presenting, or reporting on programs. One WDB member reported that members who are WIOA-mandated representatives, other than those in private business, do not take an active role in WDB proposals or partnering programs. We could not find a clear indication that anyone on the Board monitors outcomes or performs any kind of quality control for its programs. Involvement of the broader outside community in developing programs is also unclear.

On the other hand, the State EDD requires complex reporting for compliance with WIOA regulations, as evidenced by the February 2017 report submitted by WDB’s Executive Director. Each of the many entangled, yet separately administered, programs requires a separate accounting of how funds are spent, and how they fit into pre-established demographic categories. Even so, little if any of the reported information feeds back to the programs in a way that is useful for program improvement.

We note that the Workforce Development Board is not structured nor mandated to deal with Economic Development per se. WDB’s focus is within the existing supply and demand for area employment. Overall Economic Development has a larger scope, and includes attracting

employers and major projects to the area, often by making infrastructure improvements, and offering tax and other incentives for employers. We found no evidence that Humboldt County is effectively addressing this level of economic development.

### **Slingshot to the Future**

“Slingshot” is a new targeted WDB program, which is being funded by a \$1 million competitive grant won by WDB staff. It addresses a severe lack of healthcare workers limiting access to healthcare in our County, particularly a **critical shortage of nurses**.

In January 2017, the North Coast Journal reported on a worsening situation, citing data showing that the number of registered nurses serving our County has dropped 7% in the past six years. The Journal went on to detail the 2012 demise of the HSU nursing program as a contributing factor, and pointed out the current recognition of “need for a program that will both bring more nurses into the local workforce and give the ones here opportunities for advanced education.”

The Slingshot grant was directed to this critical need in our County. It entails a basket of component programs to both support new academic degree programs and develop interest and necessary basic skills for admission. According to a staff report, WDB’s Slingshot program is “partnering with an existing healthcare workforce working group consisting of 26 healthcare professionals that represent 15 agencies...organized through the California Center for Rural Policy, to find unique solutions for healthcare challenges that stem from geographic isolation.”

The report states that WDB is working with education partners to develop and align pathways between K-12, CR and HSU. WDB is the coordinator of the educational entities and private partners. Significantly, “outcomes and measurables” are built into the program objectives, to be reported to WDB on a quarterly basis.

WDB staff, along with Department of Health and Human Services (DHHS) administrators, reported that HSU and CR are “working together to bring the RN-BSN program back to Humboldt,” with estimates that it could be operational by Fall of 2018. At the same time, the program does not neglect lower levels of interest and preparation for future participants, e.g., the K-12 segment.

Slingshot represents a new approach and promises an effective answer to a critical employment market challenge. By emphasizing direct assessment of results, including feedback from participants as well as follow-up and detailed reporting of results, the program can adjust, continue to evolve, and improve its impact.

### **More “slingshot” innovations needed**

WDB members comprise a list of prominent and successful citizens in our County. They have rallied around the mission of finding opportunities for our workforce as well as matching workers with employers who need them. But the format and content of most traditional WDB programs often no longer serve the mission. Generalized workshops, Job Fairs, and classes are geared to entry level employees, who can get the same advice from basic internet sources, newspaper columns, and their school counselors. Grand Jury members have heard attendees describe some of these traditional programs as “worthless,” as they rarely are helpful in developing direct job contacts.

The Job Market, while serving many job seekers and providers, can seem daunting and unfriendly, partly because of its bureaucratic insistence on requiring much personal identification

information as a condition of service: “Create a profile for the CalJOBS database” and “Complete a Job Market registration form” are Step One and Step Two, required even before “Sign up at the Front Desk.” The Times-Standard recently reported on a (non-WDB-sponsored) very successful “Pathway to Payday” workshop series, stressing the importance of a welcoming environment where employers and job-seekers openly discuss experience and requirements, have extended conversations, as well as actual interviews where jobs are offered and accepted.

Besides revitalized workshops, more up-to-date means of communicating existing job needs and success stories, e.g., using sponsored social media for success stories and local job search, WDB could expand community involvement in planning and producing specific programs, again following the Slingshot approach. Slingshot could be the secret sauce for revitalizing the WDB, as well as the community it is mandated to serve.

## FINDINGS

F1. Some broad measures of changes in total employment figures for Humboldt County are used to claim overall effectiveness for WDB programs, but these are not directly correlated to specific programs, and many details of the outcomes are not available to the public. The CalJOBS database is inaccessible to all but program administrators.

F2. WDB does not record end-client experiences, including results of job searches or number of jobs filled. For Job Center clients, reports are made directly to the state CalJOBS database.

F3. Neither WDB nor its service partners survey former class or workshop participants, beneficiaries of counseling and/or job fair participants, to measure satisfaction or perceived help in their job search.

F4. The number and variety of WDB activities that require detailed reporting to California EDD indicates a large proportion of a small staff’s time required for reporting rather than on service planning and delivery.

F5. WDB’s engagement in WIOA’s directive for increasing collaboration, convening, and partnership is compromised by a lack of transparency and communication.

F6. The Slingshot program is designed to leverage a relatively small grant to achieve outsized results via collaboration and shared resources. Its construction is a model for involving many stakeholders in design and planning, as well as in emphasizing and communicating results.

## RECOMMENDATIONS

R1. The Humboldt County Civil Grand Jury recommends that Workforce Development Board increase its effectiveness by focusing on targeted employment needs and opportunities, and broaden program descriptions to include clearly defined skill levels. **(F1, F2, F3)**

R2. The Humboldt County Civil Grand Jury recommends that the Workforce Development Board review all programs for the level of detail needed to produce useful outcomes for the job seekers expected to attend. **(F2, F3)**

R3. The Humboldt County Civil Grand Jury recommends that the Workforce Development Board monitor outcomes of all programs for quality and attendee satisfaction. **(F3)**

R4. The Humboldt County Civil Grand Jury recommends that the Workforce Development Board publish outcomes and user ratings, making them easily available to potential attendees. **(F3, F4)**

R5. The Humboldt County Civil Grand Jury recommends that Workforce Development Program use the Slingshot program as a model for targeted programs to serve specialized critical County needs, e.g., skilled trades workers, medical and mental health specialists, foster care providers, child care providers, home health workers, construction workers, city planners, law enforcement workers, etc. **(F5)**

R6. The Humboldt County Civil Grand Jury recommends that the Workforce Development Board reach modern job seekers and job providers via social media (such as LinkedIn and Instagram) to publicize success stories, promote Job Market services and to promote specific jobs and situations of direct interest in the County. **(F6)**

### **REQUIRED RESPONSES**

Pursuant to Penal code section 933.05, the Humboldt County Civil Grand Jury requires responses as follows:

- Workforce Development Executive Board and Staff **(R1, R2, R3, R4, R5, R6)**

### **INVITED RESPONSES**

- Program Manager, Department of Health and Social Services, Employment Training Division **(R1, R2, R3, R4, R5, R6)**

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.
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### **SOURCES**

*“Nurses, Stat,”* North Coast Journal, Thadeus Greenon, Jan 19, 2017

*“Slingshot”* program, WDB website

*“Job-seeking workshop offers hope”*, Times-Standard, Brian Millett, April 30, 2017

Interviews with WDB members and staff

Interviews with CAO and DHHS managers

Visits to Job Center and to employment opportunity events