Workforce Development Board
Business Services/CEDS Committee
Wednesday, August 5, 2020
18 W. Beach Street, Watsonville
3:00 p.m.

Click Here to Join the Meeting Online
If you don’t have Microsoft Teams: Select the “Continue on this browser” option
Call in: (916) 318-9542
Meeting ID: 920 977 245#

Agenda

I. Call to Order/Welcome

II. Public Comment

III. Business Services Manager Report

IV. Service Provider Activity Report
SBDC (Layoff Aversion)

V. Informational Item
I.1 Labor Market Information .......................................................... 2-4

VI. Consent Items
C.1 Approval of Minutes from April 7, 2020 Meeting ...................... 5-9
C.2 Committee Dashboard ................................................................. 10-11
C.3 Contractor Financial and Performance Report ...................... 12-13
C.4 WIOA Program Monitoring PY2019/20................................. 14

VII. Administration
A.1 Committee Member/Jurisdictional Roundtable ...................... 15

VIII. Chairperson’s Report

IX. Adjournment

Next Meeting: Workforce Development Board Meeting
September 16, 2020 @ 8:30 a.m.
Watsonville Career Center, Room 2
18 W. Beach Street, Watsonville, CA.

Next Committee Meeting:
October 7, 2020

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefit of the services, programs, or activities. This meeting is located in an accessible facility. If you are a person with a disability and require special assistance in order to participate in the meeting, please call (831) 763-8900 (TDD/TTY - 711) at least 72 hours in advance of the meeting in order to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format. As a courtesy to those affected, please attend the meeting smoke and scent free.
I.1 Labor Market Information

<table>
<thead>
<tr>
<th>COMMITTEE:</th>
<th>Business Services/CEDS Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEETING DATE:</td>
<td>August 5, 2020</td>
</tr>
</tbody>
</table>

| STAFF NAME: | Andy Stone - WDB Director, Laurel Gazza - Administrative Aide |

SUMMARY:
The current unemployment rate in Santa Cruz County was 13.0 percent in June 2020, down from a revised 14.6 percent in May 2020, and above the year ago estimate of 4.2 percent. This compares with an unadjusted unemployment rate of 15.1 percent for California and 11.2 percent for the nation during the same period.

N/A

SUGGESTED MOTION: (if applicable)
N/A

<table>
<thead>
<tr>
<th>COMMITTEE DATE</th>
<th>COMMITTEE APPROVAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Yes □ No Other:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BOARD DATE</th>
<th>BOARD APPROVAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Yes □ No Other:</td>
</tr>
</tbody>
</table>
**IMMEDIATE RELEASE**

**SANTA CRUZ-WATSONVILLE METROPOLITAN STATISTICAL AREA (MSA)**

(Santa Cruz County)

The unemployment rate in the Santa Cruz County was 13.0 percent in June 2020, down from a revised 14.6 percent in May 2020, and above the year-ago estimate of 4.2 percent. This compares with an unadjusted unemployment rate of 15.1 percent for California and 11.2 percent for the nation during the same period.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, All Industries</td>
<td>92,400</td>
<td>95,800</td>
<td>3,400</td>
<td>118,200</td>
<td>95,800</td>
<td>(22,400)</td>
</tr>
<tr>
<td>Total Farm</td>
<td>4,700</td>
<td>4,900</td>
<td>200</td>
<td>12,100</td>
<td>4,900</td>
<td>(7,200)</td>
</tr>
<tr>
<td>Total Nonfarm</td>
<td>87,700</td>
<td>90,900</td>
<td>3,200</td>
<td>106,100</td>
<td>90,900</td>
<td>(15,200)</td>
</tr>
<tr>
<td>Mining, Logging, and Construction</td>
<td>4,500</td>
<td>4,700</td>
<td>200</td>
<td>4,600</td>
<td>4,700</td>
<td>100</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6,100</td>
<td>6,300</td>
<td>200</td>
<td>7,000</td>
<td>6,300</td>
<td>(700)</td>
</tr>
<tr>
<td>Trade, Transportation &amp; Utilities</td>
<td>14,800</td>
<td>15,600</td>
<td>800</td>
<td>16,900</td>
<td>15,600</td>
<td>(1,300)</td>
</tr>
<tr>
<td>Information</td>
<td>500</td>
<td>500</td>
<td>0</td>
<td>600</td>
<td>500</td>
<td>(100)</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>3,400</td>
<td>3,400</td>
<td>0</td>
<td>3,600</td>
<td>3,400</td>
<td>(200)</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>10,100</td>
<td>10,200</td>
<td>100</td>
<td>11,000</td>
<td>10,200</td>
<td>(800)</td>
</tr>
<tr>
<td>Educational &amp; Health Services</td>
<td>14,900</td>
<td>16,100</td>
<td>2,200</td>
<td>17,900</td>
<td>16,100</td>
<td>(1,800)</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>8,900</td>
<td>11,600</td>
<td>2,700</td>
<td>15,900</td>
<td>11,600</td>
<td>(4,300)</td>
</tr>
<tr>
<td>Other Services</td>
<td>3,300</td>
<td>3,700</td>
<td>400</td>
<td>5,200</td>
<td>3,700</td>
<td>(1,500)</td>
</tr>
<tr>
<td>Government</td>
<td>21,200</td>
<td>18,800</td>
<td>(2,400)</td>
<td>23,400</td>
<td>18,800</td>
<td>(4,600)</td>
</tr>
</tbody>
</table>

Notes: Data not adjusted for seasonality. Data may not add due to rounding. Labor force data are revised month to month. Additional data are available online at www.labormarketinfo.edd.ca.gov
The unemployment rate in the Santa Cruz County was 14.4 percent in May 2020, down from a revised 17.0 percent in April 2020, and above the year-ago estimate of 4.1 percent. This compares with an unadjusted unemployment rate of 15.9 percent for California and 13.0 percent for the nation during the same period.

### Unemployment Rate Historical Trend

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total, All Industries</td>
<td>91,800</td>
<td>92,500</td>
<td>700</td>
<td>114,400</td>
<td>92,500</td>
<td>(21,900)</td>
</tr>
<tr>
<td>Total Farm</td>
<td>4,100</td>
<td>4,700</td>
<td>600</td>
<td>9,400</td>
<td>4,700</td>
<td>(4,700)</td>
</tr>
<tr>
<td>Total Nonfarm</td>
<td>87,700</td>
<td>87,800</td>
<td>100</td>
<td>105,000</td>
<td>87,800</td>
<td>(17,200)</td>
</tr>
<tr>
<td>Mining, Logging, and Construction</td>
<td>4,100</td>
<td>4,500</td>
<td>400</td>
<td>4,400</td>
<td>4,500</td>
<td>100</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>6,200</td>
<td>6,100</td>
<td>(100)</td>
<td>7,200</td>
<td>6,100</td>
<td>(1,100)</td>
</tr>
<tr>
<td>Trade, Transportation &amp; Utilities</td>
<td>15,500</td>
<td>14,800</td>
<td>(700)</td>
<td>16,800</td>
<td>14,800</td>
<td>(2,000)</td>
</tr>
<tr>
<td>Information</td>
<td>600</td>
<td>500</td>
<td>(100)</td>
<td>600</td>
<td>500</td>
<td>(100)</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>3,400</td>
<td>3,400</td>
<td>0</td>
<td>3,600</td>
<td>3,400</td>
<td>200</td>
</tr>
<tr>
<td>Professional &amp; Business Services</td>
<td>9,900</td>
<td>10,200</td>
<td>300</td>
<td>11,000</td>
<td>10,200</td>
<td>(800)</td>
</tr>
<tr>
<td>Educational &amp; Health Services</td>
<td>15,200</td>
<td>14,900</td>
<td>(300)</td>
<td>18,200</td>
<td>14,900</td>
<td>(3,300)</td>
</tr>
<tr>
<td>Leisure &amp; Hospitality</td>
<td>7,200</td>
<td>9,000</td>
<td>1,800</td>
<td>15,200</td>
<td>9,000</td>
<td>(6,200)</td>
</tr>
<tr>
<td>Other Services</td>
<td>3,100</td>
<td>3,300</td>
<td>200</td>
<td>5,100</td>
<td>3,300</td>
<td>(1,800)</td>
</tr>
<tr>
<td>Government</td>
<td>22,500</td>
<td>21,100</td>
<td>(1,400)</td>
<td>22,900</td>
<td>21,100</td>
<td>(1,800)</td>
</tr>
</tbody>
</table>

Notes: Data not adjusted for seasonality. Data may not add due to rounding. Labor force data are revised month to month. Additional data are available online at www.labormarketinfo.edd.ca.gov
C.1 Approval of Meeting Minutes

<table>
<thead>
<tr>
<th>COMMITTEE:</th>
<th>Business Services/CEDS</th>
<th>MEETING DATE:</th>
<th>August 5, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAFF NAME:</td>
<td>Andy Stone, WDB Director; Laurel Gazza, Administrative Aide</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SUMMARY:

Requesting Consent approval of the April 7, 2020 Business Services/CEDS meeting minutes.

SUGGESTED MOTION: (if applicable)

I move to approve the April 7, 2020 Business Services/CEDS meeting minutes.

<table>
<thead>
<tr>
<th>COMMITTEE DATE</th>
<th>COMMITTEE APPROVAL:</th>
<th>BOARD DATE</th>
<th>BOARD APPROVAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
<td>No</td>
<td>Other:</td>
</tr>
</tbody>
</table>
NOTE: Due to the COVID-19 pandemic, and the directive of Governor Gavin Newsom in adjusting the Brown Act rules, public meetings will be allowed to be attended virtually until further notice. A public meeting room was made available for this meeting, but all participants chose to attend virtually, via Zoom.

MINUTES

Chair Marshall Delk called the meeting to order at 3:00 pm, and a quorum was established through virtual attendance.

Committee Members in Attendance
Beyer, Casey – Santa Cruz Chamber of Commerce
Delk, Marshall – Chair
Destout, Elyse – Vice Chair
Elliott, Candice – Fortress and Flourish
Herlihy, Katie, City of Capitola
Lipscomb, Bonnie – City of Santa Cruz
Mason, Barbara – for County Economic Development
Morse, Rob – PG&E
Siegel, Carol – SC Seaside Company

Committee Members Absent
Brady, Gerlinde – Cabrillo College
Friend, Tina – City of Scotts Valley
Huffaker, Matt – City of Watsonville

Staff in Attendance
Barr, Belinda- WDB Business Services Manager
Gazza, Laurel – WDB Administrative Aide
Gray, Lacie – WDB Sr. Analyst
Stone, Andy – WDB Director

Guests
Hunt, Nate – BW Research
Mason, Shelby – Goodwill Central Coast
Napoli, Brandon – Cabrillo College SBDC
Unitt, Rebecca – City of Santa Cruz
Williams, Josh – BW Research
Winter, Amanda – Career Center Operator
**Subject: II. Public Comment**

There was no public comment. No members of the general public were present in person.

**Subject: III. Business Services Manager Report**

Business Services Manager Belinda Barr noted that report outs were a quarter behind and gave an update on the current state of the workforce, which would show the effects from COVID-19 starting in April. She also stated that the one week waiting period for Unemployment Insurance eligibility was waived by Governor Newsom. WDB Director Andy Stone also noted that information regarding the CARES Act is not readily available.

**Subject: IV. Service Provider Activity Reports**

Brandon Napoli, Director of the Small Business Development Center (SBDC) at Cabrillo College, discussed the challenges they have faced in light of the COVID-19 pandemic, with increased clients needing help, and the difficulties they have in getting funding to help businesses.

**Subject: V. Informational Item**

**I.1 – Labor Market Information**

Business Services Manager Belinda Barr gave an update on the latest unemployment figures for February 2020 which were not yet available when the agenda packet for this meeting was posted. (January 2020 figures provided in meeting materials). The unemployment rate for Santa Cruz County was 6.4% in February 2020, up from a revised 6.1% in January 2020, and below the year ago estimate of 6.7%. This compares with an unadjusted unemployment rate of 4.3% for California and 3.8% for the nation during the same period.

**Subject: VI. Consent Items:**

- C.1 – Approval of Minutes from February 12, 2020 Meeting
- C.2 – Committee Dashboard
- C.3 – Contractor Financial and Performance Report

**Action:** It was moved to approve the Consent Agenda Items

**Status:**
- Motion to Approve: 
- Motion Seconded: Rob Morse
- Abstentions: Carol Siegel abstained on Minutes item
- Committee Action: All in favor, minus noted abstention, motion passed.
Subject: VII. Administration Items:

**A.1 CEDS 5-Year Plan/Public Comment Review/John Williams presentation**

Business Services Manager Belinda Barr stated that the 30-day public comment review period for the proposed CEDS 5-Year Plan had ended on April 7, 2020 and no public comments were received. She also noted that the wording in the review period read “Public Hearing” instead of “Public Meeting” and noted that correction. She then introduced Josh Williams of BW Research who presented a slide presentation on the proposed plan.

**Action:** It was moved to accept the 5-Year CEDS Plan with the additional direction of allowing WDB staff to make non-substantial edits to the plan.

**Status:**
- Motion to Approve: Carol Siegel
- Motion Seconded: Elyse Destout
- Abstentions: None
- Committee Action: All in favor, motion passed

**A.2 – Committee Member Jurisdictional Roundtable**

Committee members present from City and County jurisdictions (City of Capitola, County of Santa Cruz, City of Santa Cruz, Santa Cruz Chamber of Commerce, and business sector members gave a report out on their current projects and how the COVID-19 pandemic and subsequent shut down of the economy was affecting their respective areas. Chair Marshall Delk gave his feedback from a banking/finance perspective. All members present spoke on the challenges of getting funding for businesses and ideas for flexibility in relaxing city fee revenue sources.

**Action:** No action taken, discussion only.

Subject: VII. Chairperson’s Report – No report given
Meeting adjourned at 4:35 p.m.

Next Meeting: Workforce Development Board Meeting
Wednesday, May 27, 2020 @ 8:30 a.m.
TENTATIVE: Seacliff Inn
7500 Old Dominion Ct.
Aptos, CA 95003 (or virtual)

Business Services Committee Meeting
Date/Time/Location: TBD
C.2 Business Services Dashboard

SUMMARY:
In addition to the Data Dashboard, Workforce Santa Cruz County identified and responded to 5,125 layoffs or furloughs in PY 19/20.

Attachment(s)

SUGGESTED MOTION: (if applicable)

<table>
<thead>
<tr>
<th>COMMITTEE DATE</th>
<th>COMMITTEE APPROVAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Yes □ No Other:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BOARD DATE</th>
<th>BOARD APPROVAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Yes □ No Other:</td>
</tr>
</tbody>
</table>
Business Services Dashboard
Program Year 2019 - 2020 (through Q4)

Business Services

- Rapid Response/Business Downsizing Assistance: 190
- Employer Information and Support Services: 85
- Workforce Recruitment Assistance: 67
- Incumbent Worker Training Services/Training Services: 36

Business Services by Location

- Santa Cruz: 38%
- Other: 25%
- Watsonville: 20%
- Scotts Valley: 9%
- Capitola: 8%

Top 5 Job Ads by Company (Q4 Only)

<table>
<thead>
<tr>
<th>Company</th>
<th>Jobs</th>
</tr>
</thead>
<tbody>
<tr>
<td>431 University of California, Santa Cruz</td>
<td>159</td>
</tr>
<tr>
<td>105 Job Aviation</td>
<td>105</td>
</tr>
<tr>
<td>103 Pajaro Valley USD</td>
<td>103</td>
</tr>
<tr>
<td>91 The Gypsy Nurse</td>
<td>91</td>
</tr>
</tbody>
</table>

Layoffs Averted by Sector & Location

- Healthcare and Social Assistance: 24
- Retail Trade: 19
- Other Services Except Public...: 15
- Unclassified: 11
- Educational Services: 11
- Arts Entertainment and Recreation: 8
- Accommodation and Food Services: 7
- Agriculture Forestry Fishing Hunting: 6
- Manufacturing: 5
- Management of Companies and...: 2
- Professional Scientific and...: 2
- Real Estate and Rental Leasing: 2
- Construction: 2
- Wholesale Trade: 1

Footnotes:

1. Served 241 businesses and activities are organized by new EDD Reporting Categories for employer services.
2. Contacted 110 businesses and confirmed 5,125 layoffs/furloughs (Q1-10, Q2-269, Q3-2,007 & Q4-2,839) with 91 businesses and provided 56 Rapid Response Orientations. Layoffs/furloughs by EDD industry categories were Accommodation and Food Services (1,926), Arts Entertainment and Recreation (1,399), Retail Trade (617), Manufacturing (289) & All Other Industries (894).
3. Connected with 94 businesses to avert layoffs related to Improvements in Business Operations or Cash Flow (84), Hiring Layoffs (8) & Business Succession Planning (2).
4. SBDC served 135 new at-risk businesses & averted 115 layoffs, which exceeded annual goal of serving 40 new at-risk businesses & averting 60 layoffs.
5. Employer information and support services includes Networking (69), Community Resource Referrals (10) & Labor Market Information (6).
6. Recruitment services includes Job Listings & Candidate Referrals (51), Job Fairs at Watsonville Career Center (21) & Job Fairs at Capitola Career Center (5).
7. Online job postings in PY 19/20 Q4 per JobsEQ.
8. Surveyed 70 employers of services provided through Q2 and 29% of employers surveyed rated service. One respondent provided a low rating of Business Services due to the offering not being a priority for them at the moment but they will consider additional services in the future.

9 out of 10 surveyed employers would recommend Business Services to a colleague or are satisfied with service.
C.3 Contractor Budget & Performance

COMMITTEE: BS/CEDS Committee  MEETING DATE: August 5, 2020

STAFF NAME: Andy Stone, Workforce Development Board Director

SUMMARY:
Report attached tracking Small Business Development Center (SBDC) spend and performance for layoff aversion. SBDC exceeded annual targets.

Attachment(s)

SUGGESTED MOTION: (if applicable)

<table>
<thead>
<tr>
<th>COMMITTEE DATE</th>
<th>COMMITTEE APPROVAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Yes □ No Other:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BOARD DATE</th>
<th>BOARD APPROVAL:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>□ Yes □ No Other:</td>
</tr>
</tbody>
</table>
Small Business Development Center (SBDC) Layoff Aversion - Budget v. Expenditures
(Through 3/31/2020)

<table>
<thead>
<tr>
<th>SBDC Layoff Aversion</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget</td>
<td>$44,000</td>
</tr>
<tr>
<td>Invoiced Amount</td>
<td>$29,358</td>
</tr>
<tr>
<td>Percent Invoiced</td>
<td>66.7%</td>
</tr>
<tr>
<td>Remaining Budget</td>
<td>$14,643</td>
</tr>
</tbody>
</table>

SBDC - Contract Performance Objectives (Through 6/30/2020)

<table>
<thead>
<tr>
<th>SBDC Layoff Aversion Contract Outcomes</th>
<th>Actual</th>
<th>Annual Goal</th>
<th>% Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of new at-risk businesses to be served</td>
<td>135</td>
<td>40</td>
<td>337.5%</td>
</tr>
<tr>
<td>Number of actual jobs retained or layoffs averted</td>
<td>115</td>
<td>60</td>
<td>191.7%</td>
</tr>
</tbody>
</table>

SBDC exceeded Layoff Aversion annual targets.
C.4 WIOA Program Monitoring PY 2019-20

SUMMARY:

WDB Staff monitored the Small Business Development Center (SBDC) - Layoff Aversion contract.

The monitoring includes the following:

- **Contract Questionnaire**: covers work environment, program and site accessibility, administrative requirements, staffing requirements, grievance, and program operations.
- **Financial Questionnaire**: covers fiscal management, program income, cost allocation, facilities and property, and audit.
- **Program Operations**: covers contractor specific operations, assessment, service delivery, and specific services.
- **Participant Questionnaire**: asks about services and recommendations from the randomly chosen participants, services important to the customer, and overall satisfaction with services on a 1-10 scale.
- **Financial Sampling**: A fiscal sampling review was conducted by Edwin Ogu, HSD Accountant for all WIOA programs. This is an annual review of program fiscal records.

SBDC had two (2) findings. Next steps include the following:

- Submit the Corrective Action Plan as outlined
- Review during future contract negotiations
- Review at the next annual monitoring visit.

The complete monitoring reports are available for your review at the following links: [https://bit.ly/3f8VGsH](https://bit.ly/3f8VGsH)

SUGGESTED MOTION: (if applicable)

I move to approve the monitoring reports as drafted by WDB staff.
A.1 Committee Member/Jurisdictional Roundtable

<table>
<thead>
<tr>
<th>COMMITTEE:</th>
<th>Business Services/CEDS Committee</th>
<th>MEETING DATE:</th>
<th>August 5, 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>STAFF NAME:</td>
<td>Andy Stone, WDB Director</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

SUMMARY:

In order to determine its local focus and actionable items, committee members will provide a report out on their respective jurisdiction or industry sector. Topics such as the latest developments in their industry, emerging issues or trends can be presented.

Industry:
* Financial Activities
* Hospitality
* Professional Services
* Trade

☐ Attachment(s)

SUGGESTED MOTION: (if applicable)

N/A

<table>
<thead>
<tr>
<th>COMMITTEE DATE</th>
<th>COMMITTEE APPROVAL:</th>
<th>☐ Yes</th>
<th>☐ No</th>
<th>Other:</th>
</tr>
</thead>
<tbody>
<tr>
<td>BOARD DATE</td>
<td>BOARD APPROVAL:</td>
<td>☐ Yes</td>
<td>☐ No</td>
<td>Other:</td>
</tr>
</tbody>
</table>