

LMI ADVISORY GROUP

Thursday April 23, 2009

Meeting Minutes

Attendees:

Anthoine, Nelson
Blake, Dan
Carrese, John
de Cos, Patricia
DiCaro, Gino
Harris, Laura
Kelly, Neil
Lease, Tom
Lim, Ruby
Maglinte, Janet
Merris-Coots, John
Odom, Beverly
Quesada, Ken
Reid, Dennis
Rubenking, Janet
Wenzel, Joanne
Wible, Julie
Wiseley, Chuck

NHA Consulting
California State University Northridge
Center of Excellence
California Research Bureau
California Manufacturers & Technology Assn
Riverside Workforce Development Center
California Department of Education
California Business Investment Services
Department of Rehabilitation
California Labor and Workforce Agency
California Career Resources Network
California Workforce Investment Board
California Workforce Investment Board
Department of Labor, Bureau of Labor Statistics
Krause-Rubenking, LLC
Transition Consultant
California Department of Education
California Community Colleges Chancellor's Office

LMID Staff:

Graybill, Bonnie
Koller, Jeff
Wessen, Paul
Janet Peters
Margo Gonzales
Esther Ruiz
Dave Dahlberg
Robyn Jensen
Karen Yuke
Joanie Ornelas
Joseph Lee

Recorder: Danielle Costello

Housekeeping – Bonnie Graybill

Welcome – Bonnie Graybill welcomed the advisory group to the meeting and announced that Steve Saxton was out of the office and would not be attending the meeting today. Each participant introduced themselves.

Economic Update – Paul Wessen Handouts: (1) PowerPoint Presentation

Paul began by saying that it is safe to say that the economy has gotten worse since the last advisory group meeting. In the fourth quarter numbers fell and the drop in GDP is the worst since 1992.

Since the Department of Finance has not yet released their economic forecast, he has used UCLA's numbers. Since 1947, this is the most consecutive periods of decline. UCLA forecasts that in 2009 the economy will start slowly growing, but will not really begin to take off again until 2011.

Nothing is unique to California about the recession as compared to the national decline. The recession started earlier here due to the deflation in our housing market. The housing market will not start growing again until the end of 2009.

Consumers have stopped spending dramatically. The last time we had two negative quarters of consumer spending was in the 90s. Consumers will still cut back for three more quarters. Consumption drives about $\frac{3}{4}$ of the economy, so the decline in spending ripples through the economy. Businesses have also cut back. We now have a deep recession and a financial crisis which won't moderate until the end of the year. Investment growth will not pick up until 2011.

The International Monetary Fund predicts that the global economy will shrink by 1.3%. This is the first time that it has shrunk in 60 years.

Federal spending is up and expected to keep increasing (for several quarters at least) due to the economic stimulus package.

The unemployment rate experienced a 63% increase from March 2008 to March 2009. This is the largest increase since May 1975. The U.S. nonfarm unemployment has been experiencing huge increases and shows no signs of abating. Unemployment in California is much the same story with a record 11.2% in March of 2009, the highest number since the 1940s. There were around 2.1 million people unemployed in California in March of 2009. In California there were 913,000 more people unemployed in March 2009 than one year before. This rate increase is unprecedented and it is the fastest year over increase since 1943.

Paul noted that these are "noisy" estimates due to the estimation models being used and adjustments at the federal level. However these are official estimates.

Q: Are these numbers accounting for the “discouraged” worker, or could such workers be skewing the numbers?

A: For numbers including the discouraged worker there is a national calculation conducted on a monthly basis. Because the discouraged worker estimated is based upon the Current Population Survey sample (5500 households are surveyed in California, 60,000 nationally), the national survey offers a more valid estimate.

Patricia de Cos made the point that some retirees are entering back into the workforce, which could be throwing the numbers off a little bit as well.

Nonfarm payrolls in California have had a sharp downturn. However the drop in March was smaller than previous months. This was the first time that it was not an exponential increase since October 2008. However, it does not mean that the downturn is over; we still need more data points to be able to say that. California’s losses are greater than the nation’s. There was a 4.2% decline in nonfarm payroll job since 2008. Again, we would have to go back to WWII for comparable numbers.

Paul noted the performance of three sectors of the economy—housing and finance, consumer spending and the rest of the economy. He demonstrated how the housing crisis gradually affected the other sectors over several years, deepened in 2008 and became a drag on the rest of the economy.

The only growing job sector is education and health, everything else is decreasing. Job losses are spread throughout the state.

Other recessions had the characteristic of sharp bursts of unemployment and a drop in spending, creating a “v” or “u” shaped recession. Today the drop in unemployment and spending has been much more dramatic, and we do not know when the drops will bottom out. The recession has affected all industries.

Q: How does furlough (private and state) affect the recession?

A: These furlough days do not show up in the unemployment numbers (since workers are still employed), but may show up in reduced consumer spending and have a ripple effect through the rest of the economy.

California Research Bureau Presentation on Careers Project – Patricia de Cos
Handout: (1) PowerPoint Presentation

Patricia began by introducing the California Research Bureau and explaining that she had been working on the “Careers Project,” which she would talk about today. She let the Group know that there were copies of four of the five reports on the back table. The reports are also available on the CRB website at: www.library.ca.gov/crb.

The project examined the preparation that all middle and high school students receive to explore their career options and the relationship between that preparation and varied opportunities in California’s nine regional economies. This was done at the request of a

bipartisan group of 11 legislative members, with funding support from the James Irvine Foundation.

The study consisted of three phases. The first was a statewide survey of middle and high school principals and counselors. The second was an economic analysis and survey of representatives of business and industry in California, and the third was school focus groups.

There were two main objectives of the school survey. The first objective was to identify resources available to students to prepare them for career options, improve their employability, and orient them to California's state and regional economies. The second was to identify ongoing local business and community partnerships that assist students to explore the world of careers (or barriers that impede the creation or the continuity of such partnerships). These could include internships or mentoring.

The survey included schools that serve grades 7 through 12 and included all realms of schools (elementary (K-8), middle, comprehensive high schools, court schools, special education schools, continuation, etc.). There was a 64% overall response rate.

The objectives of the employer survey were; (1) to determine what involvement businesses have with their local public schools, (2) verify government-collected information regarding the fastest growing and largest occupations in California through 2014 and their corresponding job skills, and (3) identify any emerging trends (that were not included in the data).

The objectives of the school focus groups were: (1) to assess the understanding of students, teachers, counselors, principals, and parents of California's economy and the future of students as workers in that economy, (2) identify any existing obstacles to providing all students with access to the tools, services, programs they need to gain that understanding. Twelve schools participated in the focus groups.

Findings from the survey:

- About half of respondents offered a curriculum for career development
- A large majority provided career guidance in addition to academic or personal/social counseling
- Roughly half provided career development services to all students at their schools, including English learners and students with disabilities in a regular school year
- About 10 percent used an assessment to evaluate the effectiveness of their career development activities, programs, or tools.

Findings from school focus groups

- Awareness of an interest in potential careers in their local regions
- Consultation with school counselors regarding exploration or development
- Teacher's role
- Access to career development services
- Demand for programs

- Conflicting enrollments

Patricia noted that there was a big distinction between high school and middle school students' career awareness. Middle school students had much less of an idea what they wanted to do. This also varied between the high schools that were visited. Comprehensive high school student had less specific awareness of jobs available than students enrolled at schools with a Career Technical Education (CTE) focus.

Much of the information that students are getting about careers comes from their teachers, if they are getting it at all. Adults who have good intentions of setting up programs for students need to remember who their customer is, and tweak their program to be attractive to students, so that it can be useful. Many of the programs that were being offered were unavailable to students, or students were not aware of them.

A graph of the findings from the school survey was presented. The role of counselors varied from school to school. At some schools counselors spent a lot of their time scheduling classes and keeping kids in school, and less on career development. The student to counselor ratio varied dramatically. One thing is certain: state reported counselor to student ratios do not reflect the variance found at different schools and among different counselors.

About half of the schools were providing career services, the other half had a lack of counselors or the counselors were busy dealing with other student issues (personal/social).

Since we ran out of time, Patricia agreed to come back to the next meeting to finish her presentation. Bonnie asked her to give a summation comment, which was:

The amount of diversity that was found in schools was also found among employers (because employers do not have the same needs as noted in the slide).

Bay Area Efficiency Study Center of Excellence – John Carrese and Laura Coleman
Handout: (1) Energy Efficiency Occupations pamphlet
(Not distributed, but available online along with these minutes—power point presentation)

John is the Director of the Center of Excellence Bay Area region, but there are nine other Centers of Excellence statewide.

The reports that are put out by the Center of Excellence are a great tool to get grant sources. The Centers serve local community colleges in their geographic region.

The research objectives were:

- Estimate the current number and size of firms involved in energy efficiency, as well as geographic concentration.
- Project future job growth over three years in energy efficiency occupations relevant to community colleges.
- Identify employer needs and challenges for hiring and training employees.
- Define skill sets and education requirements needed for key occupations.

- Identify industry interest in accessing community college education and training programs.

The energy efficiency sector in the Bay region has three industries most likely to be connected to energy efficiency:

1. Public or Private Utilities or Agencies
2. Building Design and Construction
3. Building or Facility Maintenance

The full report is available online at: www.coecc.net/energy

The study methodology included:

- Extensive literature review
- Built a database of findings
- Surveyed regional employers (700 respondents)
- Extrapolated survey data to population of firms
- Industry validation (People in the industry helped to review the findings and assure that they made sense to the industry).

The Center's Research Partners for this study are:

- The Environmental Training Center
- BW Research Partnership
- Lawrence Berkeley Lab
- Laney College

The Center's Industry Partners are:

- ASHRAE
- BCA – Southwest Chapter
- California Building Performance Contractors Association
- PG&E
- BOMA
- CACX
- IFMA
- USGBC – Northern California

Eight occupations were studied, all of which fell into three groups; (1) Auditor/manager/analyst, (2) Building and design, (3) Operation and maintenance of buildings and facilities.

The survey asked employers to look into the future and estimate how many more jobs they expect to create in 1 year. The results showed that in 1 year as many as 3,470 jobs could be created in the Bay Area. The data showed that 13,000 new jobs could be created in 3 years.

Over 50% of those surveyed had at least some sort of trouble finding skilled workers. 2 out of 3 employers prefer applicants with a related degree or certificate.

Employers are interested in community colleges providing education and training programs such as internships.

In order to fulfill industry needs it is necessary to build a pipeline of skilled workers, create and expand industry partnerships, and provide on-going professional development for faculty.

The Bay Area Center for Excellence has pushed the survey out to eight other regions. They are collecting regional data to replicate this study and additional regional reports will be available soon.

The Bay Area Center is going to do a follow-on study with Lawrence Berkeley National Labs to look deeper at this data.

John and Laura opened up the floor for questions

Q: Have there been any reports done on green programs at the high school level?

A: There have not been any studies done by the Centers of Excellence, but John supported the concept that green training and education needs to start earlier.

Q: Do you anticipate there being varying levels of certification?

A: Yes, in some occupations. It will most likely depend on the labor demand. Getting education and certifications is always better. However if there is a large labor demand, workers may be able to get into a job and obtain their certifications later.

Q: Are some of the occupations identified as growing because the jobs are transitioning from other industries.

A: This particular question was not asked on the survey, but research shows that there are several reasons for the growing number of jobs. Building codes are getting increasingly tighter and businesses are beginning to anticipate the need for green services and products.

Contact Numbers

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Green Update – Joseph Lee

Joseph gave a brief history of LMID's green research efforts and stated that the LMID's Understanding the Green Economy web page can be found on the website at:
<http://www.labormarketinfo.edd.ca.gov/?pageid=1032>.

There is a consortium of around a dozen different states that are collaborating to study and analyze green industries and occupations. Their information is offered on our web page. Part of the work we have done includes development of a "green digest" which is a compilation of green articles, books, and reports. A summary and the link to the source are available in the digest index. LMID staff developed a step-by-step outline for filling out a digest summary, this way anyone can fill one out and the index and the digests will be uniform. As of now there are more than 90 reports on the website.

California's definition of Green is:

Generating and storing renewable energy

Recycling existing materials

Energy efficient product manufacturing, distribution, construction, installation, and maintenance

Education, compliance, and awareness

Natural and sustainable product manufacturing

(The complete definition is also available on the Understanding the Green Economy web page, under Analysis.)

Staff derived lists of green industries, occupations and definitions extracted from the "digests." North American Industry Classification System (NAICS) codes were assigned to green industries. Work groups tried to narrow the NAICS code down to 6 digits. Industries were also assigned a G.R.E.E.N. code corresponding to the state's green definition. Occupations were coded to the Standard Occupational Classification (SOC). All the staff's work is available on the LMID green website, under Analysis. LMID recommended to Bureau of Labor Statistics that 5 new green NAICS codes to be included in the 2012 revisions, and 9 new green occupations be included in the SOC revision in 2010.

Green Survey – Joannie Ornelas, Karen Yuke, and Esther Ruiz

Handout: (1) Green Economy survey and instructions

LMID's green survey covers the supply and the demand side. The overall goal is to obtain information on green jobs. A pretest of the survey was conducted by the Centers of Excellence and the results were incorporated into the final draft. It is expected to be mailed out in early May.

Q: Where do we draw the line at who is considered green (is anyone who does work on a green project “green”)?

A: Green jobs are an emerging trend and eventually all workers will be green workers (hopefully). There is a difference between a green worker and one that is not (certain knowledge, training etc).

Karen Yuke stated that the survey sample is drawn to reflect all 2 digit NAICS industries, and in some cases, greater precision was added at the 3 or 4 digit level. The sample size is 51,000 or so and includes small, medium, and large size companies, and all geographic areas. The sample of businesses is proportionate to the amount of businesses in each size class in the state and the region.

Esther wrapped up the survey section of the update. She said that survey documents are currently being duplicated. LMID is in the process of testing the online version of the questionnaire and is encouraging employers to access and respond online.

Q: The green issue is not new. Two times before in recent history the green issue has become popular and then died out, why do you think it will not die out this time?

A: The “what’s in it for me” factor was not satisfied previously, but is now. Businesses and individuals alike can see that they can benefit. New laws, regulations and incentives have changed the climate of acceptance. In addition substantial funding both at the national and state levels has been made available to stimulate the growth of this “sector”.

Green Collar Jobs Council Update – Ken Quesada (California Workforce Investment Board) Handout: (1) Action Plan Categories

The California Workforce Investment Board has engaged in a large scale project, which has come out of legislation. The goal is to make strategic investments to support the growth of a green economy in California. Assembly Bill 3018 established the California Green Collar Jobs Council under the California Workforce Investment Board.

Ken thanked the LMID for the information and help that they have given the Green Collar Jobs Council, and said the information pertaining to the employment aspects of green jobs was particular useful.

The first meeting of the CA Green Collar Jobs Council was focused on educating the member of the council and getting a feel for where the economy is now. The second meeting was more about getting into the details. The minutes from the March 24, 2009 meeting are available at:

http://www.calwia.org/doc_files/Agenda%20Packet%20March%202024,%202009.pdf.

One of the main points of the council is to formulate a long term strategy around fostering and preparing workers for the green industry in California.

In the next meeting of the California Green Collar Jobs Council an organization that just got funding to do retrofitting on 15 buildings in L.A. is going to be speaking.

Assembly Bills 32 and 118 are high impact bills regarding spending and the way California does its business while reducing carbon emissions.

The California Green Collar Jobs Council is meant to bring all fields together to create a comprehensive approach to the green economy. Three different times the issue of “what is green” has come up in their meetings. The Board staff decided to utilize LMID’s definition and see if the Council will agree to that and then it can move on from finding a definition. The Council represents a range of interests which adds to the diversity of the group.

Q: Will there be some sort of report that comes out of this groups’ work?

A: There may be, it is still uncertain how long this project is going to last. It will most likely be anywhere from 18 to 24 months long, depending on if the council gets additional sectors (besides green) to work on. A first report to the Legislature has been drafted and is awaiting the Governor’s Office approval before being submitted to the Legislature.

Wrap Up / Closing / Next Agenda:

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Great Information	Time was tight
LMID staff was included, and offered presentations	Need more time for Q and A’s
Refreshments	Stick to times specified on the agenda
Handouts	Give Paul more time
The Center of Excellence Presentation	
CRB report	

Next LMI Advisory Meeting: Thursday, July 9, 2009

Agenda Items:

- Economic update
- Info about Federal Stimulus funds and how they are being disbursed and used
- CRB – Patricia de Cos finish presentation
- SB 70 (Career Technical Education) Update—implementation at both high schools and Community College
- Potential to tie in “Road Trip Nation” career exploration with the CRB and SB 70 presentation, both also focused on career exploration and preparation