LMI ADVISORY GROUP
Thursday, July 9, 2009
Meeting Minutes

Attendees:

Anthoine, Nelson	NHA Consulting
Arcangel, Lynne	Cosumnes River College – Los Rios CC Dist.
Blake, Daniel	California State University, Northridge
DellaValle, Richard	California Community Colleges - EWD
Garcia, Socorro	CA Employment Development Department
Harris, Laura	CEAC/Riverside Co. Workforce Division
Holden, Richard	Department of Labor, Bureau of Labor Statistics
Jensen, Warren	California State University, Chico
Kearny, Mather	California Business Investment Services
Maglinte, Janet	California Economic Strategy Panel
Marriner, Mike	Roadtrip Nation
Merris-Coots, John	California Career Resources Network
Militzer, David	California Department of Education
Moss, Cliff	California Department of Education
Odom, Beverly	California Workforce Investment Board
Reid, Dennis	Department of Labor, Bureau of Labor Statistics
Selge, Ron	California Community Colleges Chancellor's Office
Wilson, Stacy	California Postsecondary Education Commission
Wiseley, Chuck	California Community Colleges Chancellor's Office
Yates, Mindi	California Department of Education

LMID Staff:
Graybill, Bonnie
Peters, Janet
Ruiz, Esther
Saxton, Steve
Styron, Fran

Recorders:
Michael Boucher
Adam Neighbours

Housekeeping – Bonnie Graybill

Welcome – Steve Saxton welcomed everyone to this "very interesting session." He stated that there is lots of information in demand. He stated that, following Paul's economic update, the morning session would deal with the Department of Labor's solicitation of $50 million in stimulus funds earmarked for labor market improvement related to the green economy. The afternoon session would contain presenters on career information, including SB70 Career Technical Education and Roadtrip Nation. He said that he "appreciated everyone taking the time out to join us."

Review of the April 23, 2009 minutes – Bonnie Graybill
Minutes were reviewed by members and approved.

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

Paul began by saying that things are bad and that the recession is deep and long, but things appear to be bottoming out, which is the first stage of recovery.

Paul related that the latest GDP data from spring 2009 shows that the U.S. economy remained mired in a deep recession, but there are signs that things are improving. After a long expansion, the U.S. economy experienced negative growth during the 4th quarter of 2007 and the bottom fell out after the 2nd quarter of 2008. The bottom fell out of the economy in the 4th quarter of 2008 and 1st quarter of 2009.

He stated that the roots of the recession began in the overheated housing market. After the housing bubble burst in 1st quarter 2006, the market crashed and subprime mortgages "went toxic." UCLA is forecasting a moderation in the housing market through the end of 2009, followed by a little growth in 2010. The stabilization of the housing market will lead to more stable consumer spending, which suffered when consumers became indebted once housing crashed. Consumer spending accounts for about two-thirds of U.S. economic activity.

U.S. business investments followed suit and experienced a slight downturn in 3rd quarter 2008, followed by a plunge in 4th quarter 2008 and the 1st quarter 2009. U.S. business investments in equipment and software experienced the same plunge as U.S. nonresidential fixed business investment dropped by 28.1 % in 4th quarter 2008. This led to mounting job losses in the high-tech sector.

The commercial real estate sector was not hit by the recession until relatively late, generally in the past 18 months. However, it is now expected to struggle for the foreseeable future.

U.S. consumers have been fueling the export boom globally, but with American consumers and businesses cutting back and the financial system in crisis, the global economy also plunged into recession. California's international trade-oriented industries have been hard hit. The plunge in U.S. exports hit California exports harder than most.

Federal government spending was down the 1st quarter of 2009, falling 4.5% since the end of 2008.

How has the recession affected U.S. labor markets? In June 2009, the U.S. Unemployment Rate rose to its highest level (9.5 %) since August 1983 and there are no signs of this rate slowing. Year-over, the 3.9 percentage point increase over the last three months ties May 1975, as the largest year-over increase since October 1949. There were 14.7 million unemployed Americans in June 2009, an increase of nearly 6.1 million (70 %) over the year. You have to go back to spring 1975, and before that, to 1958, to find a larger year-over rate of increase. The number of employed Americans fell by over 5.5 million from June 2008 to June 2009. This 3.8 % year-over employment decrease is the nation's largest on record (i.e., since January 1949).

Paul related that it looks like the worst job losses in U.S. nonfarm employment are over. Compared to January 2009, there was a relative decline in job losses. This is a "lagging indicator," meaning that conditions in the labor market often lag those in the overall economy by several months. In other words, signs of recovery in labor markets will likely appear in the data only after the overall economy has begun strengthening. Paul stated that it "will not be a smooth recovery – things will likely bounce up and down for awhile." In June, U.S. nonfarm payrolls fell to their lowest level since August 2004. Year-over nonfarm job losses in the U.S.

totaled nearly 5.7 million (4.1 %) in June 2009. This was the largest year-over percentage job loss since June 1958.

The key characteristic of this recession is that it is felt across most industries. While natural resources and mining used to be the fastest growing sector during the oil boom, it is now showing a loss. The hardest hit was the manufacturing industry, because if consumers are not buying, the manufacturer is not producing. The good news is that now companies are filling consumer demand through surplus and working through their inventories.

The California unemployment rate rose to a new record in May 2009 (11.5 %). Historical data suggest that the May 2009 unemployment rate was the State's highest since January 1941. California was ground zero for the recession, because the crash hit California first due to the declines in the housing market. Thus, California's unemployment rate is worse than the nation's. Paul cautioned that although the unemployment data series has been noisy the trend of rising unemployment is very pronounced. The number of unemployed Californians continues its unprecedented climb up 885,000 (70.6 %) over-the-year in May 2009; up 1.2 million (127 %) over two-year; and up 1.3 million (149 %) since the November 2006 trough.

California's nonfarm employment dropped to 14.3 million in May 2009, down from 15.1 million in May 2008. Paul stated that California was more vulnerable to the collapse of the housing market and that things are going down at a steep pace. The situation really got bad when consumers withheld spending during the holidays and it peaked in February 2009, when 114,000 Californians lost their jobs. There was some moderation from March to May, but not much. California's job losses over the past 22 months have more than erased the gains of the prior, four-year expansion. The nation has not gotten to this point, but is approaching it and Paul warned that improvement is not expected in the June numbers. In May 2009, California's year-over nonfarm job losses totaled 739,500 (4.9 %), the largest year-over percentage job loss since March 1946.

Paul advised that things have to moderate eventually. In the last three months, job losses have abated, but they're still large. The job losses have been widespread across industries, except for education and health. When consumers are buying things, the products come through ports (Long Beach, Oakland, or Los Angeles). Thus, when these items are not coming through ports, the ripple effect is large and it is not isolated. Earlier recessions were more industry specific (i.e. the defense and aerospace industries in Southern California in the '90s), but this recession is broader and generalized over many areas and industries.

All regions in the State have been hit hard by the recession, with the Greater Sacramento region having the largest year-over percentage job losses of the larger regions. The agriculturally-centered San Joaquin Valley region had the smallest percentage loss.

Beverly Odom asked if GDP was the only indicator being used to measure the economy. Paul answered that a variety of economidc indicators are used nationally. In California employment and wage data from QCEW and CES are the key indicators.

Stacy Wilson asked if there is information regarding the differences in specific counties (i.e., agriculturally-centered Yuba County). Paul answered that things are really generalized, but one can find small differences at the county level due to differing economies.

Paul stated that the history of California's recessions in the '70s and '80s has generally shown that there were rapid job losses followed by rapid recovery and that the same number of months needed to lose the jobs was needed to get them back. This resulted in V-shaped recovery curves. In the '90s and 2001, due to the restructuring of the economy following the decline and restructure of the defense-oriented economy, employment stayed in troughs longer than the older recessions before significant recovery. This resulted in U-shaped recovery curves. The current recession has dropped employment further than any other recession.

Compared to other states, California has the fifth highest unemployment rate. Agricultural and natural energy-based states, such as Alaska, Iowa, Nebraska, and North Dakota, have the lowest unemployment rates.

Paul stated that, to most people, things are improving and he cited UCLA and Chris Thornburg (Beacon Economics) as believing that things are starting to bottomed out and will stabilize in the next 6 months. Slow growth is expected through 2010, and in 2011 things will pick up even more. That being said, UCLA is predicting the weakest recovery in years due to this being the deepest and longest recession in years. The imbalances in the economy (housing, oil prices, commodities, stock market values, etc.) will take time to correct themselves. Overvalued assets led to unsustainable consumer spending; as the perception of wealth related to equity is taken away, the consumer won't spend. Since it is harder to get loans, people have to save. The self-adjustments are starting to run their course – when the housing market stabilizes, then the consumers and business will start to spend. The stock market has bottomed out and has now begun to rise again, while a tenth of the stimulus money is now in the pipeline. The global economy should wake up once the United States economy does. This should happen once inventories are exhausted, leading to increased production to meet increased consumer demand. Looking forward, consumers are expected to spend more modestly than they have in the recent past. California will exceed 1 million job losses, because we still have months before real improvement.

Chuck Wiseley asked if the folks leaving California are the ones that were laid off and if we know anything of the migration patterns. Paul answered that we don't know the details of the migration, just the raw data.

Beverly Odom asked why employment is expected to grow at a slower rate than the GDP. Paul answered, growth is needed just to accommodate the population – the labor force is expanding. Additionally, before new hiring takes place, employers will first increase the hours of workers who had their hours reduced due to the weak economy.

Ron Selge asked what sectors or industries will recover most robustly. Paul answered that it may not go back to what it was before and that the education cuts will not help. Generally, all industries should see recovery and not one more than another, much like the decline. California is well-poised for solid recovery in the green-tech, health, and education sectors.

Paul stated that Chris Thornburg is bullish on the future of California, mainly because workers can now be recruited due to the lower housing prices. This also goes for young professionals with families. California's comparative advantage has not changed – things have been so bad mostly because of the size of the necessary adjustment in the economy.

Information on Federal Stimulus Funds – Bonnie Graybill

Handout: (1) PowerPoint Presentation

Bonnie began by handing out the printed PowerPoint presentation and advising that the handout was a discussion starter. There is additional recovery act money and the state workforce development programs have not been able to staff up for years. Now there is a strong demand to ramp up training programs. Many are asking where are the Federal Stimulus funds going to go and to which jobs? These funds are supposed to stimulate the economy.

Steve related that the Labor Secretary has appropriated $750 million to award to states to help with the recovery and that $500 million was earmarked for green jobs. $50 million was given directly to LMI, which should to be spent on four different enhancements of the LMI product:

1) Data collection activities
2) Data dissemination activities
3) Related research activities
4) Provide better information to labor exchange system

Money is available to state workforces, encouraging collaboration between states to apply for grants. There is a limit of one state-specific grant solicitation, but a given state can be part of as many multi-state consortia as possible. California is currently talking with other states about collaboration opportunities. However, the time window to develop grant proposals is very short; the deadline to apply for these grants is August 14 and time is becoming an issue. Adding to the time crunch are levels of approval within the state, including the Governor's Office. Steve relayed a number of ideas that LMID has already considered, including:

- Design of survey and data analysis tools since California, Oregon, Washington, and Michigan are working on how they each define "green" and conducting surveys of green employers. Potential for offering technical assistance to other state LMI shops.
- Study of skills identified through survey results – What skills are associated with green jobs? How are they used? How might education and training allow people to upscale to those jobs?
- Develop tools to better connect skill assessments to jobs – there are some valid assessment tools, some not so valid tools. Which ones are accessible, valid, and cost-efficient? Also an important issue, ability to connect the assessment to occupations and labor market information.
- Enhance online delivery of LMI products – update and improve means of presenting information to people, including RSS feeds, mapping, web 2.0 features such as Facebook, etc.
- Acquire better tools to better analyze data - automated and real-time access – What jobs are available today and what skills are needed for those jobs? One idea was using an occupational comparison tool named TORQ to evaluate skills transferability from one occupation to another.
- Establish consortium and create learning communities in order to share knowledge that is available now.
- Update Unemployment Insurance Profiling model–-a system that identifies workers likely to be unemployed for longer periods—for more intervention, connection to occupational training and opportunities. We need to improve these models.
- Establish consortium to build career tools, ladders, and lattices – possibly a green dashboard, or industry competency models.

Steve then advised the group that there would be a conference call to expand the list of advisors and asked members to be involved. This list of possible projects would then be pared down to a more manageable number for our grant proposal. He then opened up the floor for suggestions and ideas concerning LMID's portion of the California stimulus money, how the funding should be used, and ideas for which multi-state consortia that California should participate. The discussion was as follows:

Laura Harris mentioned that she has seen a need for skills assessment – about 10-15 people a day ask about this aspect.

Stacy Wilson wondered if additional research could be done to determine which jobs should be for baccalaureate holders and non-baccalaureate holders. He advised that 657,000 have B.A.s, but work in lower-level jobs that do not require a degree. This makes it more difficult for non-B.A. holders to be in those types of jobs. It is "a waste of state resources to train baccalaureates for non-baccalaureate jobs."

Chuck Wiseley suggested that identifying what jobs are green and what skills are needed for those green jobs is important. He advised that a strong link between the assessments and available green jobs would enable people to find the little piece of training needed to get into these jobs.

Janet Maglinte suggested that there should be some sort of mediation from assessment tests to assist job seekers, analogous to what the counselors have done before. Steve asked if we could make this whole mediation process automated.

Dan Blake advised that, generally, the greatest service we can do is to identify the skills sets needed to be "green," what opportunities are out there for people, and what kind of wages they will earn. We need to know how additional skills could affect productivity and wages. Janet added that we must build in California-specific needs. Bonnie stated that we can't do it all, we're looking for partners. Steve remarked that the money is available for 18 months, and we don't know when the ETA will release the funds.

John Merris-Coots suggested that we have available translations of products and web resources, especially into Spanish.

Warren Jensen suggested that data on green jobs be broken down to the lowest geographical area possible. He stated that economically-diverse communities make up counties, so information at the community level would be more beneficial than at the county level.

Dan Blake asked about the "green" potential for occupations. In other words, what percentage of green or amount of time spent on green aspects make an occupation "green?" What is needed to green-up an occupation? Steve stated that there are 34 emerging "green" occupations that have been identified as part of our green economy survey– the grant is to determine what we know and what we don't know. Beverly asked how all of this can be tied in to get the missing pieces. She wondered how we can leverage the existing tools. Steve replied that the tie-in was built into the solicitation. Bonnie remarked that "we need to be more systematic. One needs to keep a vision in mind and how does any choice connect to that vision."

Janet Maglinte suggested that we incorporate a question concerning green occupation identifier on UI wage record. She stated, through technology, we can gather more timely or ongoing data from the employer.

Bonnie stated that there is a proposal to collect data (through the Bureau of Labor Statistics OES program, envisioned to be a 35,000-employer national annual survey) and that she is part of a national group committed to sharing information and working together. Janet Maglinte added that, afterwards, we need to improve the sampling and improve the data's validity. Bonnie remarked that we must integrate our efforts between the states and at the national level. Janet Peters asked if we (CA LMID) have approached other states to work together and Steve responded to the affirmative.

Chuck Wiseley asked if having a "green" job changed the way one works. For instance, what practices make a "green" carpenter? What specifies an occupation as green – making something green, using green methods or a combination? Steve answered that there is a differentiation between green industries and green occupations. It depends on the worker's and company's practices. Richard DellaValle added that "the regulations are going to drive it." He gave the example of the difference between a roofer and a photovoltaic installer and how OSHA looks at the retraining of these employees. Bonnie also added that "over 20 years, the definition of 'green' will evolve heavily."

Steve ended the discussion by stating that this is a rapidly developing exercise and that there is little time to put proposals together. He asked the group, "Who has something to contribute and who wants to participate in multi-state consortia? What is the level of interest? What contributions can be made by everyone?"

Status of SB 70 Career Technical Education (CTE) Program, Department of Education (K-12), & Community Colleges (CC) – Ron Selge and David Militzer
Handout: (1) Overview sheet

Ron Selge stated that this was Jack Scott's vision, a partnership between K-12 CTE and community colleges. It was started with carry-over funds in 2005 for research and development and eventually morphed into a joint CC/K-12 plan. It was very deliberate with locations that were "ready to move." During the first year, the program was dedicated to quick starts, grants to locales that were appropriate. It moved beyond animation and high-tech to more general industries and it became statewide. The program directors wanted to broaden their approach to careers and strengthen the professional development capacity of CTE. They also needed to streamline the system and scale up.

Fifty percent of SB 1133 and Prop 98 monies were allotted to every community statewide for reinvigoration of the CTE program. Fifty-two regions use $20 million a year to build CC/K-12 CTE pathways. Now we're dealing with a budget crisis – the most recent version of the budget lops off the $20 million a year, leaving the $38 million from Proposition 98.

The second largest grant made, after building infrastructure, was outreach – "if we build it, will they come?" Ron acknowledged that there is a bias towards CTE and most parents don't want their kids to train for what they perceive to be "second-tier jobs." However, fueled by labor demand, this sector (occupations that need some education, but not quite a B.A.) might be the most robust during the recovery.

Ron then discussed the idea of "articulation," the aligning of CC and K-12 programs. Before SB 70, the various educational and training programs led to limited transportability – if a student took one class in one location, perhaps that class was not transferable to another location. The best entity to start the articulation process was a statewide entity, the Statewide Academic Senate for Community Colleges, a body theretofore resistant to major changes, but the Academic Senate now counts among the most enthusiastic. Ron then turned the floor over to David.

David acknowledged that CTE does have an identity problem. He remarked that there has been a great deal of interest in the past 5-10 years to strengthen CTE and re-establish it in the 21st Century economy. There has been the development of CTE standards - 15 CTE sectors, or "clusters", and 58 career pathways that relate to CTE courses and ROP/K-12 programs. He cited two striking findings from a study by Patricia De Cos – 1) efforts that are multi-year give counselors and teachers better tools and 2) the "boots on the ground" (these teachers and counselors) are not getting these tools – more consistent implementation in the field is needed across the state. Before SB 70, articulation was only from teacher to faculty; now it is from school to institution and program to program. The SB 70 expands the articulation agreements to give portability.

David stated that," We're making progress through the SB 70 process." There are now articulation pathways that will strengthen the connection –the "Who Do U Want 2B" promotional campaign (www.whodouwant2b.com). This is an external site for youth, ages 12-18, who were not likely being talked to about life after high school or what they want to be. David advised that kids need to know who they are before they can answer who they want to be. Focus groups of students and counselors were created to find out what the kids wanted and what the counselors needed to help these students.

David gave a demonstration of the website, which includes the "Resource Room," a repository of media spots, "Sharing Your Story," an area that houses testimonials from past students that underwent the experience of finding a career, and interactive games geared toward career developments, which helped kids start thinking about what they wanted to do for a career. There is also information on the 15 career sectors and 58 career pathways.

Ron added that the role of this website is to give kids ideas of wages, pathways, etc. The media spots have made 50 million impressions that have driven students and others to the Web site.

David also added that there are numerous links to other career sites, including CalCRN, where a student can take an assessment, California Career Zone, CCC Apply, www.Icanaffordcollege.com, and Fastweb. At the website, students can start the career planning process by taking assessments and looking at industry sectors. The database is designed specifically by CTE-based pathways.

David remarked that in the third year, the Web site is increasing interest with students and parents. A major goal of this year is to develop the tool kits for CTE using the same graphics and colors as the Web site. The tool kits include:

- 30-month CTE calendar that goes through 2011 and has two months for each of the 15 sectors. This is used primarily to stimulate thought and recognition of the resources available.
- glossy for each of the 15 sectors that lists the pathways, introduction courses, concentration courses, capstone courses, and the jobs available.
- summary about every sector and, on the flip side, an academic planning guide starting at 9th grade and continuing through 6 years of college.

David stated that these kits were sent to every high school in the state with the goal of "bringing academic and career goals into focus together." He wagered that 95 % of the high schools don't even know these kits are available. He stated that he wants to go to conferences, meetings, etc., to let the people know of this valuable resource. He stated, "People need to know about careers – it's become more important."

Stacy Wilson asked whether the pathway information for students explains the differences between an AA degree and a certificate, wage premiums and the types of courses needed. Ron answered that it does not get into the differences between the AA and certificates.

Chuck Wiseley advised that the pathways are out there and it's a matter of building regional relationships. Ron added they are trying to make it really transparent, particularly by using an online survey-collected data that is available to anyone that can access the Internet and it is based on regional assessments for job opportunities in the future. David also added that SB 70 is supporting a lot of resources for K-12, CC, and CTE. The tool kit starts the thinking and the conversation and is a "very bright spot." Bonnie remarked that kids have not been properly informed of the courses to take and the resources available; thus, there is the need to have career counselors. Students need to start thinking about careers before high school graduation rather than after. That's what SB 70 is trying to do with CTE. Academic performance is related to having a goal and SB 70 is possibly decreasing the dropout rate. Ron added that kids need to know that "there is more than one way to win."

There was a question about the timeliness of the training programs. The answer was that keeping the overall training programs up-to-date was difficult to do.

Introduction to Roadtrip Nation Career Videos – Mike Marriner

Roadtrip Nation was started 8 years ago by three friends that did not know what they wanted to do after graduating college. They wanted to know more about different career paths. The graduates took a "road trip" and interviewed various individuals about their careers and the process they were involved in to get to the position they currently hold. The three young men were profiled in Forbes magazine, other publications, and were interviewed on numerous television programs. Later, they created a PBS television series chronicling their informative adventure and the people they met along the way. They are now a global organization with the purpose of helping young adults experiencing the same lack of direction in choosing a career.

Last year, Roadtrip Nation wanted to make their work more meaningful. The dropout rate of kids in America was at 30% and students were underexposed to career options. The Roadtrip Nation has been working with the California Department of Education to develop a program to help these kids for the last eighteen months. They now have a Web site with over 500

archived interviews from all over the nation. The curriculum started as a broad group of national interviews and are now more community-based programs. It consists of a three-part program with 25 lessons. There are DVDs and workbooks for the low-tech options, while an online option is also available.

Part 1) Exposure
Part 2) Self-construction
Part 3) Hit the road

The program is intended more for high-school and middle school kids, and is geared toward kids completing specific programs that they are interested in, although it can be used by different populations.

Eventually, they would like to be able to cross-reference from the existing archives to some keywords or related occupations and topics…possibly even to green jobs.

Q: Do you consider where the interview is done as far as what position may be available elsewhere?
A: Interviews are from community-based road trips.

Q: Is the curriculum of the program showing how to do the research, interview process, or preparation?
A: Yes, there are different steps with tips, guides, videos, and corresponding activities in the workbook.

Q: Is this available in tech schools too?
A: Not yet. They are working with other groups to expand their user base.

Q: Where did you get all the business skills that you seem to have today?
A: Learned along the way from the different people that they interviewed.

Q: Did you have a vision in mind when starting the Roadtrip Nation?
A: We wanted to give kids the opportunities and information that we thought were missing.

Q: Is there any research being conducted to see if the program is making a difference?
A: Yes, 95% of the students in the program feel more prepared and 92% know more when they exit the program. This can really help kids stay in school to get the proper education for the job they want.

Wrap Up/Closing/Next Agenda :

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Good presentations	Technology coordination
Fruit & dip	
Started on time	
Presentations were interconnected	
Ample time for discussion	

Next LMI Advisory Meeting : Thursday, October 22, 2009
Agenda Items :

Some results of the “green” survey
Stimulus money – proportion/outcome state and consortia
Education side of stimulus money
Economic update
CalCRN resources