2011-2013

San Bernardino County Workforce Investment Board

Strategic Plan

TABLE OF CONTENTS

EXECUTIVE SUMMARY

The San Bernardino County Workforce Investment Board (WIB) met June 2-3, 2011 for a strategic planning and training retreat. The overall purpose of this retreat was to engage the WIB in developing its focus and actions for the next two years.

The agenda included an overview of the Workforce Investment and the Brown Acts, the responsibilities of workforce boards, Roberts' Rules of Order, review of accomplishments over the last two years, brainstorming, and a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. The retreat's training initiatives resulted in an outcome of an overarching two-year goal and action plans and steps to support these goals. The overarching goal developed by the WIB is for the WIB to become the “go to” place for workforce development and job training services in San Bernardino County by July 2013.

The WIB has through economic data and labor market information; identified the five highest demand industry sectors that will employ the largest number of individuals in the region. The demand sectors are:

- Healthcare
- Aviation
- Transportation and Logistics
- Manufacturing
- Green Technology

The work of WIB's working committees will be organized around the adopted core values of branding/marketing, strategic partnerships and securing alternative funding. All work over the next two years will be benchmarked and evaluated against the strategic directions' performance measures.

The action plans and steps are organized in WIB working committee order. The committees will review these items at their upcoming meetings, prioritize, and calendar for implementation. Action plans are considered living documents and will be evaluated and adjusted on a continuous basis by WIB members and staff.

At a time of high unemployment and reduced WIA funding, the WIB has identified the need to seek alternative funding sources to support local programs and strategies aimed at creating a comprehensive workforce system that meets the needs of business and job seekers

Finally, it was decided that the WIB would engage in a higher-level dialogue with the San Bernardino County Board of Supervisors on the direction and activities of the WIB. WIB members will meet with County Board of Supervisors to develop strategies that will assist the County and the WIB in attracting and retaining prominent businesses and highly educated job seekers to the area. This dialogue shall include coordination with the County Plan and to accomplish the goals and directions of the County of San

Bernardino Comprehensive Economic Development Strategy (CEDS) 2012 Five-Year Plan. Streamlining cost replications and elimination of duplicate efforts countywide. Working with the Board of Supervisors to consolidate duplicate programs and coordinate job training and placement services under one umbrella and eliminating waste.

STRATEGIC AND ACTION PLAN

PREFERRED OPTIONS

Workforce Investment Board's 2-Year Goal

The San Bernardino County Workforce Board (WIB) will be the leader in developing and directing a regional approach to employment-related opportunities by assisting business, industry, and the community to access available resources and services that promote economic well-being, increase employment opportunities, and provide employment training and services to job seekers. The WIB will be the leader in driving innovative workforce development that meets the changing needs of employers and our local labor market, resulting in the enhancement of economic development for our region.

With the assistance of the County's economist and examining labor market data, the WIB has identified the five highest demand industry sectors that will employ the largest number of individuals in the region. The demand sectors are:

- Healthcare
- Aviation
- Transportation and Logistics
- Manufacturing
- Green Technology

ANALYSIS

An organization's identity is the set of characteristics that defines who they are and why they exist. Often articulated in the form of vision or mission statements, it' is the most fundamental reason the organization has been formed.

San Bernardino County Workforce Investment Board Mission

"The San Bernardino County Workforce Investment Board develops and promotes economic and employment opportunities for businesses, employees, and job seekers by understanding emerging economic trends, listening to employers, creating partnerships and providing services in a caring manner."

San Bernardino County Workforce Investment Board's Vision

By July 2013, the WIB leads workforce development and job training services in San Bernardino County, driving innovative workforce development that meets the changing needs of employers and our local labor market, resulting in the enhancement of economic development for our region.

GOALS AND OBJECTIVES

STRATEGIC DIRECTIONS

Strategic directions will drive the activities of the WIB over the course of the next two years. The work of WIB's working committees will be organized around the adopted core values of branding/marketing, strategic partnerships and securing alternative funding. All work over the next two years will be benchmarked and evaluated against the strategic directions' performance measures.

BRANDING/MARKETING

Through marketing and branding, the organization informs the community of the needs it intends to fill or the problems it intends to solve. The strategic directions the WIB adopted are:

- Implement a successful branding/marketing campaign that will deliver consistent messaging to our community about the WIB and Employment Resource Centers (ERC), our services, and effectiveness.

- Use all types of technology (including social media) to deliver our message, the primary focus will continue to reiterate that our priority is delivering allowable activities and services.

- Enhance recognition by businesses as well as elected officials at the Federal, State and local level.

- Lead the National conversation on workforce development and ultimately attract additional resources to assist our community in meeting its needs.

STRATEGIC PARTNERSHIPS

At a time of high unemployment and reduced WIA funding, the WIB is looking to expand its strategic partnerships to support local strategies and programs aimed at creating a comprehensive workforce system. No one organization on its own can be more effective than many organizations working together for common causes. Strategic alliances are a powerful means of enriching solutions and the values we provide to our customers. Additional strategic partnerships will enhanced and expand access to new markets, customers and increase WIB's knowledge and capabilities. The WIB will:

- Work to create new and strengthen current partnerships that leverage organizations' services provided throughout the County concentrated on employment and training. This includes organizations such as: the Employment Development Department, Human Services Departments, Department of Rehabilitation, Probation, Community Colleges, Universities and other training providers, community-based organizations, and etc.

- Reach out to all County departments to ensure that we are aware of each other's services and to assist those departments needing a qualified workforce.

- Reach out and partner with the business community, enabling us to market, deliver services, form effective partnerships with business and economic development entities, service to new customers, and understand the economy at a deeper level.

- Seek to identify overlap in Workforce Development services within the County.

- Leverage funding and activities with other County departments and encouraged, additionally, partnering with other WIBs.

ALTERNATIVE FUNDING SOURCES

At a time of high unemployment and reduced WIA funding, the WIB has identified the need to seek alternative funding sources to support local programs and strategies aimed at creating a comprehensive workforce system that meets the needs of business and job seekers. The WIB will:

- Reach out and collaborate with these agencies on service design to meet the communities' needs.

- Identify resources to support the wide range of customers we serve: dislocated workers, youth, business, individuals with disabilities, Veterans, etc.

ACTION PLANS

COMMITTEE ACTIONS

The action plans and steps are organized in WIB working committee order. The committees will review these items at their upcoming meetings, prioritize, and calendar for implementation. Action plans are considered living documents and will be evaluated and adjusted on a continuous basis by WIB members and staff.

Fiscal Committee will:

- Establish a task force to research funding sources including County, City, non-profit, and philanthropic funding sources.
- Identify new partners for collaboration, as well as new funding/grant opportunities.
- Continue to develop alternative organizational structures, such as developing a 501c3, which will enable us to diversify our funding sources.
- Establish collaborative relationships with other funding entities' program managers, budget analysts, and grant writers to understand their planning and use of funds.
- Analyze data gathered from our research and draft customized presentations, proposals and presentation to encourage entities to collaborate with the WIB and/or fund our programs.
- Identify areas where the grant application processes can be streamlined to be more efficient and responsive by developing and using boilerplates, and "canned" language to be included in applications.

Business Resource Committee will:

- Establish formal Employment Resources Centers (ERC) "Open Houses" in which local business leaders are invited to their local ERC to meet-and-greet other local business leaders and hear about the services provided to local businesses.
- Examine the use of electronic media. Utilize Search Engine Sponsorship and key word searches on the various search engines like Yahoo or Google to optimize web presence. Consolidate websites to reduce confusion and increase brand/name recognition. Rename the www.csb-win.org website to something recognizable and memorable.
- Employ social media outlets such as LinkedIn to create networking and information sharing groups for both Businesses and job seekers.
- Create speakers bureau of WIB members. Assign members to join business associations in industries where there is a lack of representation in order to develop collaborations, conduct presentations, and educate members about the WIB.
- Research and develop a list of funding sources for education/training that can supplement and complement existing WIA funding.

- Participate in public relations campaign (see Executive Committee work) to ensure outreach and engaging business is a key ingredient in planning. Identify ways to increase branding of the Business Services Unit (i.e. – Business Services Rep's cars can be affixed with small removable signage that displays our logo and website.

- Display testimonials from job seekers and business in our flyers and promotions.

Economic Development Committee will:

- Analyze our existing clients, businesses, and programs (demographics, industry mix, barriers, etc.) to identify needs and funding sources to support those needs.

- Analyze our current partners and explore the possibility of collaborating with additional partners including but are not limited to other LWIAs, local governmental departments/agencies, Community Colleges, Community Based Organizations, businesses, and labor unions.

- Identify partners, with the goal of developing common visions and values among partners that will ultimately lead to the creation of a vibrant economy for businesses and job seekers.

- Create a mission statement as well as develop short and long-term goals that are beneficial for all partners.

- Seek commitments from partners to provide resources and share information that will allow limited resources to be leveraged to achieve the overall vision.

Legislative Committee will:

- Develop a WIA and workforce development legislative strategy and platform for the WIB.

- Review the 2011 State and Federal legislative platform of the County to ensure consistency.

- Recommend mechanisms to track key legislation in Sacramento and D.C. and inform the Committee of possible current and future effects and status.

- Develop WIB official positions on state and federal Workforce legislation.

- Develop and advocate WIB's strategic direction for Workforce Investment Act reauthorization.

- Develop and present position papers.

Executive Committee will:

- Design and implement strategies that ensure that all staff of the WIB and ERCs are informed and trained on the WIB vision and goals.

- Staff will implement the actions developed by the WIB to achieve the goals.

- Create five to seven pre-approved templates for each of the Departmental units, Business Services, and Employment Resource Centers and Administration.

- Templates should be very similar in layout and bearing the same color scheme with only slight variations permitted, such announcements, both in house and public, should have the Department logo, "slogan" and website prominently displayed.

- Create an ad-hoc committee to review current public relations strategy and revise as necessary.

- Revised strategies will be based on a gap analysis that identifies and looks at the greatest need.

- Strategies will be developed to fill gaps. Consultants will be brought in to assist the WIB in performing a branding blueprint exercise that will create an image that solidifies the WIB as the "Go-To" organization in our customers' minds by 2013.

- Examine the make-up of the WIB Board. Identify gaps and create recruitment strategies to attract key business, government, and civic leaders.

- Engage in a higher-level dialogue with the San Bernardino County Board of Supervisors on the direction and activities of the WIB. WIB members will meet with County Board of Supervisors to develop strategies that will assist the County and the WIB in attracting and retaining prominent businesses and highly educated job seekers to the area.

APPENDIX A

EXTERNAL ENVIRONMENT AND CHALLENGES

Challenges Facing WIB Today

- There is an unfriendly business climate in California (high tax rate, regulations, and lacking the monetary incentives offered by neighboring states). Jobs are leaving California. Currently there are barriers to businesses obtaining capital and governmental support. Business organizations need to strengthen partnerships through collaboration.

- Our identity is defined by community and business. The perception of County agencies and government are often less than desirable. Need to do a better job public relations, outreach and marketing. WIB's are challenged by the system's reputation. Need to invest in intergovernmental relations and understand partnering opportunities.

- Our funding – must show Return on Investment, currently almost 100% Federal funding. Need to seek alternative funding opportunities, i.e. 501c3. Need to clearly identify and articulate our spending priorities.

- Overall Workforce Board member participation and engagement needs improving. Need more members from rural area to serve; more representation from banking and energy/alternative fuel industries on WIB. There is a need to enhance the WIB's relationships with labor organizations. Need to identify who is our customer: Job seeker/Businesses/Other entities that have job training and placement responsibilities.

- There is a need to connect with college programming in a multifaceted manner. Current cap on adult students in ROP is creating waiting lists; the WIBs need other alternatives to serve them. K-16 faculty and administration need to know what new world of work requirements are mid-level technical skills as well as career paths to upper level (professional).

INTERNAL ANALYSIS

Culture and Climate

The County's vision statement sets the culture and climate in which the WIB operates and functions. "We envision a complete county that capitalizes on the diversity of its people, its geography, and its economy. ...We envision a vibrant economy with a skilled work force that attracts employers who seize the opportunities presented by the county's unique advantages..." (Olhasso, Sun Newspaper, Sunday, October 16, 2011)

"Despite high unemployment corporations in San Bernardino County remain challenged by a lack of skilled labor. WIB is focused on capitalizing on industries that already exist, helping broker innovative work-force solutions between the public and private sectors, engaging business in the strategies needed for long-term work-force solutions, and changing the paradigm in regard to business investment in employment development"... (Olhasso, Sun Newspaper, Sunday, October 16, 2011)

Resources

WIB is experiencing a time of high unemployment and reduced WIA funding.

SWOT ANALYSIS

The WIB retreat goal and objective was to provide training and strategic planning session for the WIB members and staff over the course of the two-day retreat. The agenda included an overview of the Workforce Investment and the Brown Acts, the responsibilities of workforce boards, Roberts' Rules of Order, review of accomplishments over the last two years, brainstorming, and a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis. The retreat's training initiatives resulted in an outcome of an overarching two-year goal and action plans and steps to support these goals. The overarching goal developed by the WIB is for the WIB to become the “go to” place for workforce development and job training services in San Bernardino County by July 2013.

Throughout the two days, many ideas and areas of action were discussed. From this, three main strategic directions emerged. These directions will drive the activities of the WIB over the course of the next two years and move them closer to meeting their overarching goal. The three strategic focus areas are Marketing/Branding, Strategic Partnerships, and Alternative Funding Sources.

EVALUATION

All work over the next two years will be benchmarked against the strategic directions and the performance measures assigned to each of the core values.

APPENDIX B

SAN BERNARDINO COUNTY WIB AND THE ECONOMIC LANDSCAPE

San Bernardino County is the largest county in the contiguous United States, encompassing a total area of 20,160 square miles. Comprised of 24 incorporated cities, the County is the fifth fastest growing county in the nation with more than two million residents. Its $96 billion dollar economy is built upon a diverse base of industries ranging from international trade to manufacturing and professional services. On its own, the County's economy would rank 48th in the world, placing it among the top quarter of all nations. The County's greatest strengths derive from its strategic position within the powerful Southern California market.

Despite the large economic base full of opportunities, San Bernardino County faces many challenges. The Inland Empire has been one of the hardest hit regions by the Country's economic crises. High unemployment and poverty rates, declining construction industry, massive foreclosure rates, and its unskilled, under-educated workforce are some of the issues that currently exist. According the Kyser Center for Economic Research, the San Bernardino County unemployment rate had escalated to a peak of 14.9% in July of 2010, and currently sits at 14%. Additionally, the official unemployment rate underestimates the stress in the labor force. Many workers have received pay cuts and unpaid furloughs. Some are working part-time even though they would prefer full-time work. Many more are working at jobs well below their skill level. The Workforce Board estimates the County's "underemployment rate" to be over 23%.

Despite these current challenges, opportunities exist in the County to capitalize on areas of growth. With the assistance of the County's economist and examining labor market data, the WIB has identified the five highest demand industry sectors that will employ the largest number of individuals in the region. The Board has invested funds in training and educating a skilled workforce that will best serve the needs of employers. The demand sectors were identified as Healthcare, Aviation, Transportation and Logistics, Manufacturing and Green Technology. In addition, the WIB has been working with a variety of partner organizations to design new and adjust current programs to combat these issues. Layoff aversion programs, small business consulting, a new "white collar" job/education matching system, and customized training efforts are several examples of this effort. By monitoring the changes in the economy and getting real-time industry input on their needs, the WIB is able to adjust its operations to respond positively to the adversity facing the County.

APPENDIX C

WIB ACHIEVEMENTS OVER THE PAST 2 YEARS

Business Services

- Earned credibility in the business community through business service outreach, offering recruitment assistance, business workshops, and training funds in support of businesses located throughout San Bernardino County.

- Programs designed and operated with business input and partnerships through On-the-Job Training, Customized Training and through collaborations involving Chambers of Commerce.

- In PY 2009-10, assisted 9,051 businesses, filled 5,700 job openings, developed and posted 19,866 new positions, and negotiated 393 On-the-Job Training contracts for 1,355 job seekers with each business saving an average of $2500 per new hire.

- Conducted 35 job fairs with an attendance of over 25,000 job seekers.

- Consulting services for businesses that enabled them to be successful during a difficult economy by providing workshops and intensive training on marketing cost saving programs, and human resource topics.

    - Workshops include but not limited to, Branding Your Products, Process Improvements, Developing Employee Handbooks, and Labor Law Updates.

    - Consultant services for One-on-One assistance.

    - Workshops to increase profits and job retention.

- WIB has been nationally recognized for working directly with business and implementing successful innovative programs for the business community.

- Four National Association of Counties' (NACO) Awards were received in for the following programs:

    - Subsidized Training and Employment Program that placed individuals on public assistance into private-sector jobs.

    - Business Survival Workshop Series that provided training in marketing, cost savings, and information about available loans during a difficult economy.

- Healthcare Layoff Aversion Program that provided training to transition current employees from their current jobs that were to be eliminated into new positions.

- The Business Services Unit was recognized for its innovative programs assisting the business community.

Employment Resource Center

- During PY 2009-10, 129,091 total customer visits to our three Employment Resource Centers (One Stops) for resource utilization.

- 46,794 residents were enrolled to receive intensive services under the Workforce Investment Act.

- Invested $5.9M in training for adult and displaced workers that lead to nationally recognized certificates in the local demand industry sectors of healthcare, aviation, advanced manufacturing, transportation and logistics, and green technology.

- Operated New Start, Gateway, and INROADS programs to help ex-offenders successfully re-enter the workforce.

- Conducted a Regional Clusters of Opportunity research project to identify industry clusters vital to the local area's future economic prosperity.

Veterans

- Provided specific employment and training opportunities to U.S. veterans including job referrals, job search workshops, and On-the-Job Training opportunities.

Youth

- Designed and implemented successful year-round youth programs that offer career counseling, tutoring, work readiness, and occupational training for 1800 local youth.

- Provided 2915 youth with paid summer work experiences.

- Hosted Y4 Resource fairs attended by 1900 youth.

- Invested in a partnership with Alliance for Education to develop and launch an interactive online matrix of demand sectors that includes information on jobs, education, and training providers available in the local area.

- Collaborated with Alliance for Education to work with business and labor to enhance the relevance of academics to the workplace.

- Youth Recognitions:

  - Y4 (Why Youth, Why Wait, Why Now, Why Not) Marketing design received 2nd place Award for the Best Advertising of the Year at the annual Inland Empire Chapter of the American Advertising Federation's Annual Awards.

  - Summer Youth Employment Program received a "Telling Your Story" Award at the National Association of Workforce Boards Annual Conference.

  - Received two Telly Awards, honoring youth career videos among all advertising videos nationwide.

  - Received NACO award for Transitional Assistance Department (TAD) Summer Youth Employment Program.

  - Recognized by the Department of Labor for "Best Practices" for the Summer Youth Employment Program for 2009.

  - Selected by the Department of Labor to present information on "Best Practices" for implementing ARRA Summer Youth programs on a nation-wide webinar and selected to present at a regional Department of Labor conference in Dallas, Texas.

Grants

- The WIB spearheaded the creation of the following collaborations to address grant funding opportunities:

  - San Bernardino County Workforce Collaborative (Collaborative).

  - California's GREEN Workforce Coalition of San Bernardino County.

  - Team Advantage – County Departmental grant collaborative.

WE ARE SUCCESSFUL BECAUSE

- Business is involved in planning and implementing our programs – we are business driven;
- Board members are engaged and passionate about our work;
- Our workforce system allows for business and government to work together;
- We emphasize a collaborative process in all facets of our planning and implementation;
- From top-down we foster an attitude of saying “yes”;
- People want to participate in meetings and take ownership in work;
- We get results;
- We create a culture of empowerment for our clients;
- We have the support of our Board of Supervisors and other local elected officials.

APPENDIX D

From the County of San Bernardino Comprehensive Economic Development Strategy (CEDS) 2012 Five-Year Plan

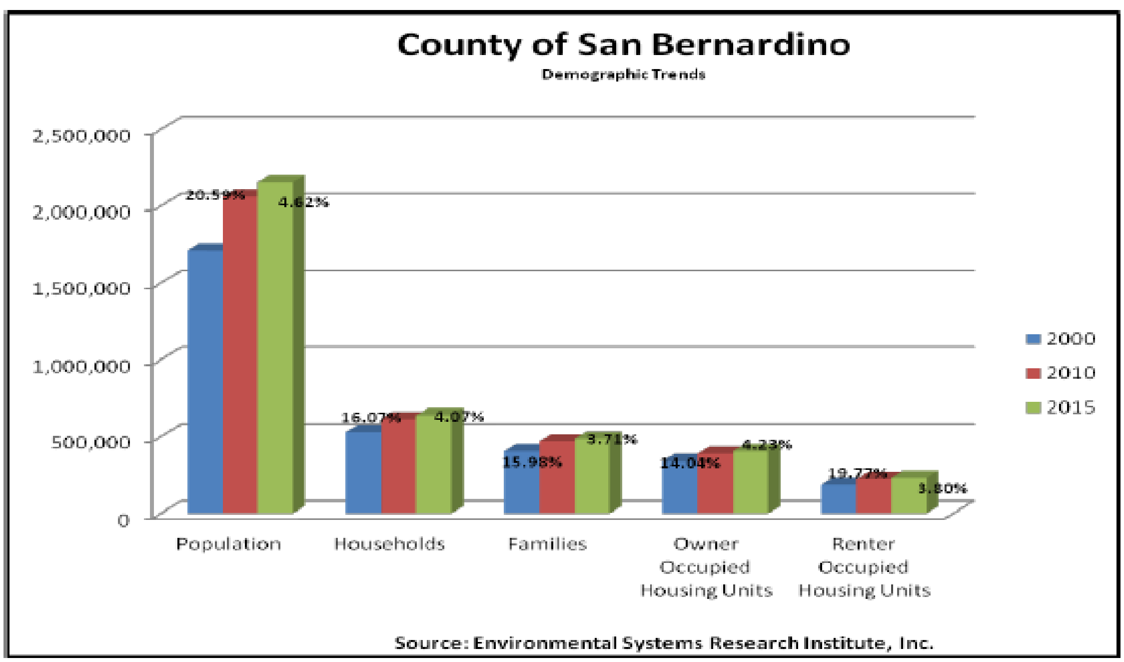
COUNTY OF SAN BERNARDINO DEMOGRAPHICS

Population

According to the 2010 Census San Bernardino County's population increased by 351,987 people (20.59%) between 4/1/2000 and 4/1/2010 (Figure 1) to 2,061,421. The County of San Bernardino, one of 58 counties in California, had the 2nd largest increase in numerical terms and12th largest increase on a percentage basis. Riverside County was first in both rankings which underscores the significance of the Inland Empire. Table 1 in the Tables sections of the CEDS provides the population growth projected through 2015 for the County. Table 2 shows the projected 2010 – 2015 annual population and household income growth rate for the region, state and nation.

Between 2000 and 2010, growth was strongest in the Victor Valley region – a desert area north of the San Bernardino Mountains. People were attracted to the High Desert Region because of its affordability and newly built homes. Unfortunately, with the nation's housing crisis this region became one of the epicenters of foreclosures.

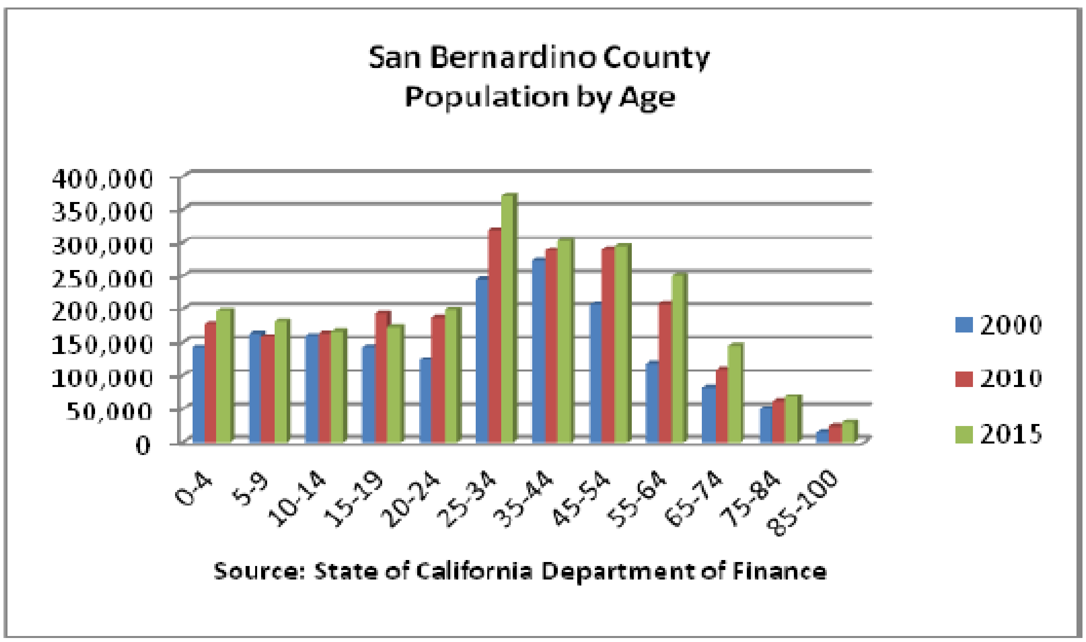
Figure 1



Age

The retirement of the Baby Boomer generation (people born during the Baby Boom after World War II, 1946 to 1964) is one of several demographic trends that is being realized. The first of the Baby Boomers reached age 65 in 2011; the last of the Baby Boomer population will reach age 65 in the year 2029. The current recession is placing some retirement plans on hold as wealth associated with homeownership has been drained and cannot be relied upon as an income source. The sheer size of the Baby Boom population will have a great impact on the County because of regional age demographics. Replacement of the Baby Boomer workforce will require a significant commitment in education and training. Between the period 2000 and 2015 the County's biggest gain in population is expected to occur in the age groups of 55 – 64 (113.94% increase) followed by the age group of at 78.19% growth (Figure 2). The age groups of 20 – 24 and 25 – 34 will also experience significant increases of 61.58% and 51.51% respectively.

Figure 2



Overall, increase for all of the age groups is projected to occur between 2000 and 2015. A general slowing in population growth is projected between 2010 and 2105. The only exception to this trend is for the 5 – 9 age group which decreased by 3.01% between 2000 and 2010, but is projected to increase by 14.45% between 2010 and 2015. Another trend of concern is for the 15 – 19 age group which is projected to decrease by

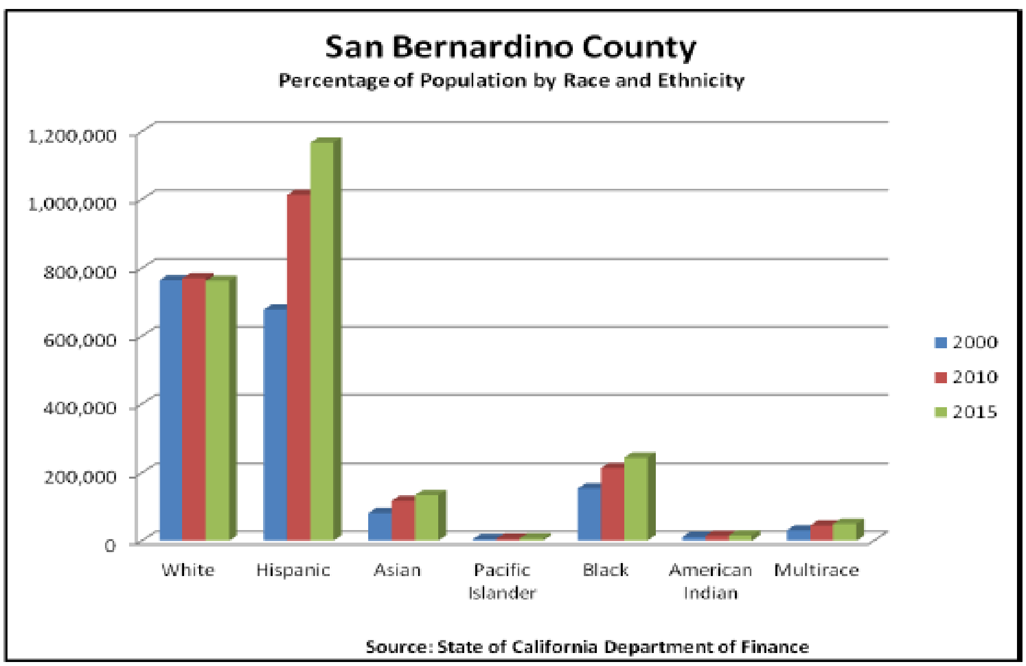
10.79% between 2010 and 2015 after experiencing 35.05% growth between 2000 and 2010. Similarly, after an increase of 40.38% between 2000 and 2010 the 45 – 54 age group shows an increase of 1.61% between 2010 and 2015. The fluctuations in growth patterns between 2000 and 2010 and then between 2010 and 2015 projected pose serious workforce issues.

Race and Ethnicity

As illustrated in Figure 3, from 2000 to 2015, San Bernardino County population is expected to reflect a major demographic shift in race and ethnicity. The White population segment is expected to decrease by 0.21%; meanwhile, the Hispanic population segment is expected to increase by 72.11% for the same period. The Asian segment of the population is projected to experience the second largest increase (64.01%); while the Multirace and Black population is projected to increase by 63.93% and 59.10 % respectively. The Hispanic population is projected to reach 1,166,914 people by 2015 while the white population will reach 762,098. The Black population is projected to reach 244,453 by 2015; while the Asian population is projected to reach 133,815 by 2015.

Figure 3

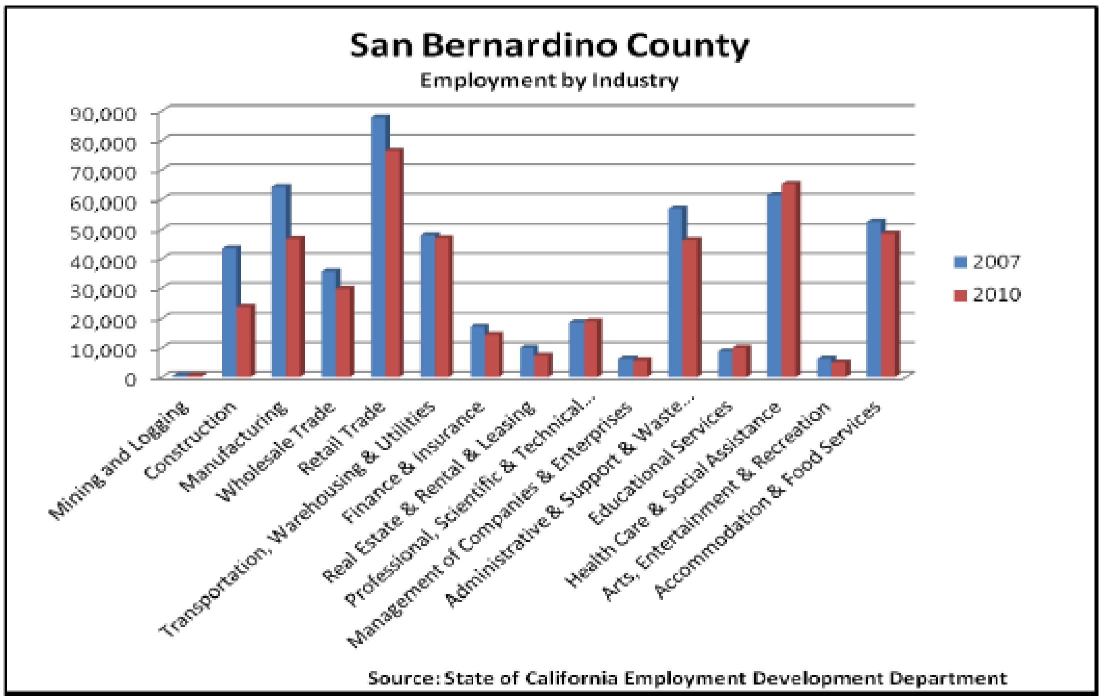
Percentage of Population by Race and Ethnicity



Labor Force and Unemployment

The County civilian labor force over the age of 16 decreased from 863,900 (2007) to 855,700 (2010). The State's Employment Development Department reported a total 121,900 people were unemployed as of March 2010. Recent unemployment figures have been reported at 14.3 % as of July 2011. The construction industry experienced the greatest drop in employment at 45.18% decrease, with manufacturing at 27.26% decrease and retail, rental and leasing at 27% decrease (Figure 4). The losses in construction, and real estate, rental and leasing industry can be directly attributed to the state of the housing industry; while the manufacturing industry has experienced decline nationally, in part due to outsourcing and a nationwide shift to service and logistic industries.

Figure 4

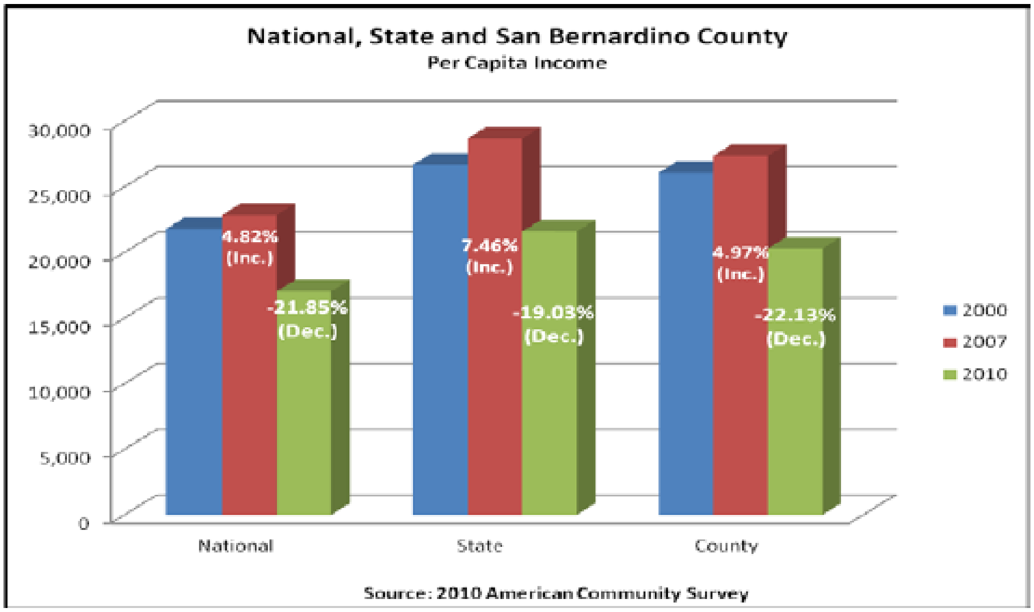


Income

The County's per capita income has decreased by 22.13% since 2007, compared to the State at 19.03% decrease and the nation at 21.85% decrease (Figure 5). Between the year 2000 and 2010, the nation, State and County all experienced varying degrees of increases in per capita income with the State leading all three with a 7.46% increase for that period, while the nation was at 4.82% increase and the County experienced a

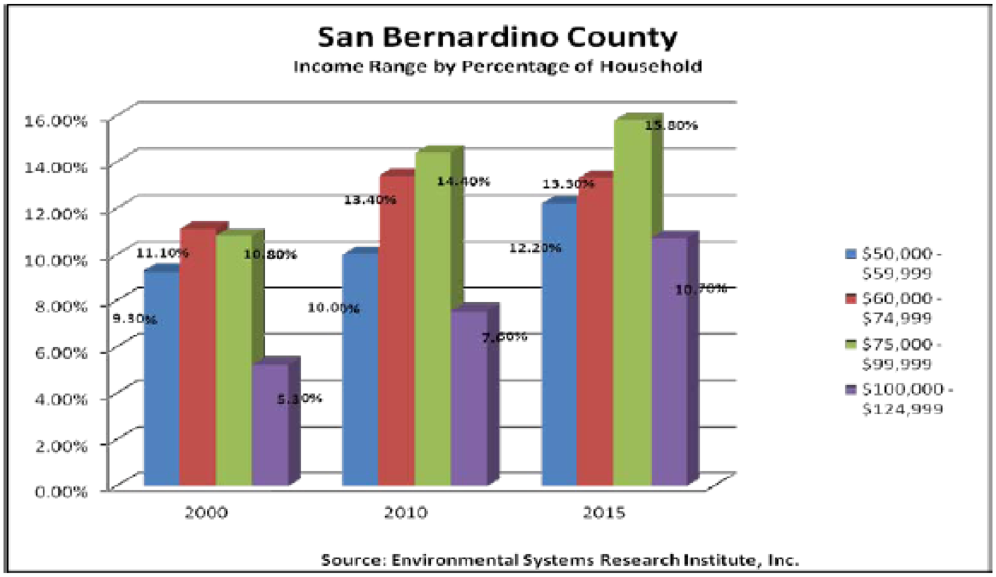
4.97% increase for that period. The trend coincides with the nation's economic downturn which started in 2007. Although income growth has slowed, the County's cost of living is lower than many Southern California counties; this helps with purchasing power parity.

Figure 5



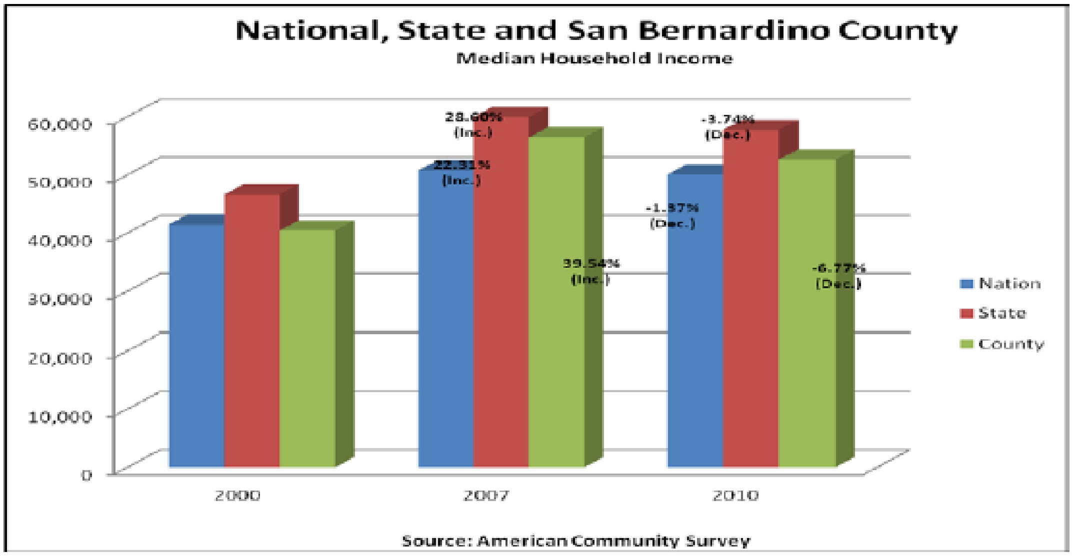
Between the period beginning in 2000 and ending in 2015 (projected), the largest growth in the percentage of household income was for the income range of $75,000 - $99,999 (Figure 6). The income range of $60,000 - $74,999 had a growth of 2.3% growing from 11.10% in 2000 to 13.40% in 2010. However, this income range is projected to decrease by .10% between 2010 and 2015. Steady growth between the periods 2000 and 2010; and, 2010 and 2015 is shown for the income ranges of $50,000 – $59,000 and $100,000 and $124,999. Between 2000 and 2015, the income range of $50,000 to $59,999 is projected to grow from 9.30% to 12.20% (4% growth), while the income range of $100,000 to $124,999 is projected to grow from 5.30% to 10.7% (5.4%).

Figure 6



San Bernardino County median household income grew 39.54% between 2000 and 2007 as compared to the State which grew by 28.60% and the Nation by 22.31% for that same period. The County experienced a decrease of 6.77% from 2007 to 2010 compared to the State at 3.74% decrease and is projected to increase by 47.5 % between the years 2000 and 2015 (Figure 7). This may be hampered by the uncertainty in the national economy, but nonetheless should increase as the Inland Empire continues to grow and attract higher wage paying industries.

Figure 7



EDUCATION AND TRAINING

The nation's high unemployment and shift towards more advanced technology for all facets of business and industry has placed a great emphasis on education and training. Since the poor and the less-educated are usually the least employed, it is incumbent upon the County to focus its efforts in bridging education and training with industry workforce needs. With the budget cuts associated with the recent recession, the allocation of the resources necessary for improving education and training will be challenging.

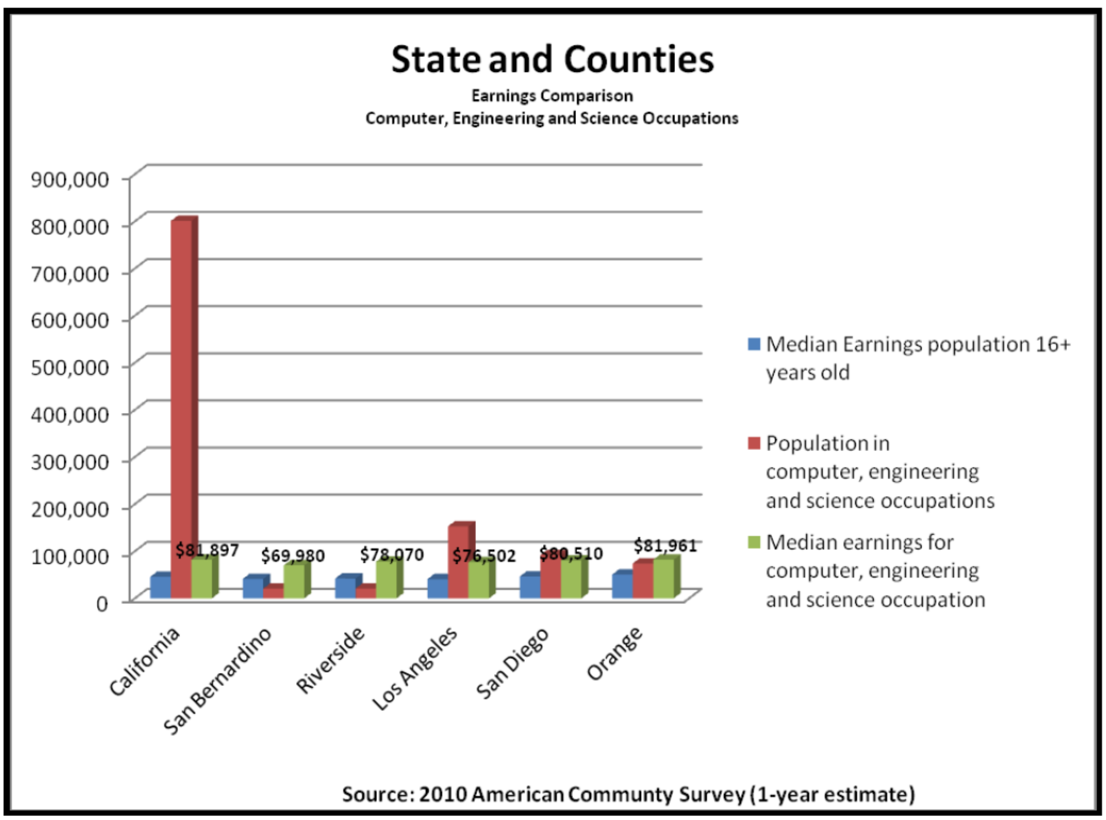
Recent statistics produced by the California Longitudinal Pupil Achievement Data System (CALPADS) show a 21.2 percent dropout rate and 69.2 percent graduation rate for San Bernardino County. CALPADS studied reported data for 35,105 students from County schools for academic year 2006-07 for freshman students with a 2009-10 graduation date. High dropout and low graduation rates place a greater strain on the jobs market and support services. Of great concern also is the decline in enrollments. Enrollments for the 2009-10 academic year, were 417,591. This was the third decline in enrollment for the four years prior to the 2009-10 academic year. Community colleges and vocational institutions have also suffered similar decline in enrollments due mainly to budgetary cuts and limited employment opportunities.

The County's 14.3 % unemployment rate as well as changes in workforce skills requirements has helped bring focus to its role in working with workforce and educational/training institutions. The Victor Valley-based Lewis Center for Educational Research K16 Bridge program and the San Bernardino County Schools Superintendent

Alliance for Education present creative educational approach to meeting workforce needs. These types of programs fit the County's strategic priorities. The emergence of Science, Technology, Engineering and Math (STEM) education has gained currency in the educational system and promises to provide a mechanism that better prepares students to meet the demands of a changing economy and workforce skill and educational requirements.

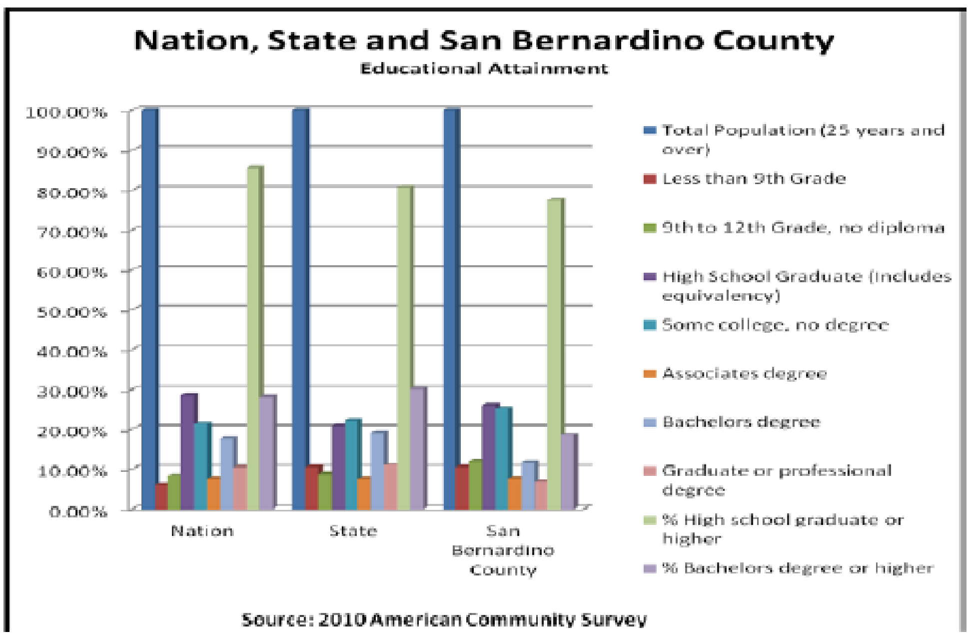
San Bernardino County is encouraging more emphasis on STEM in the educational system and transition to the workforce. The median earning for workers in all occupations is far less than the median earnings in occupations related to STEM education. The median earning for all occupations in the State for the first quarter of 2010 was $37,689.60 and for the Riverside-San Bernardino Metropolitan Statistical Area (MSA) was $32,780.80. Based on the 2010 American Community Survey (1-year estimate) the median earning for California in Computer, Engineering and Science occupations was $81,897 and for the County of San Bernardino was $69,980. County of San Bernardino has a workforce of 20,488 in Computer, Engineering and Science Occupations compared to the State at 800,854; and the Counties of Riverside at 20,874; Los Angeles at 152,562; Orange at 73,956 and San Diego at 91,435 (Figure 8).

Figure 8



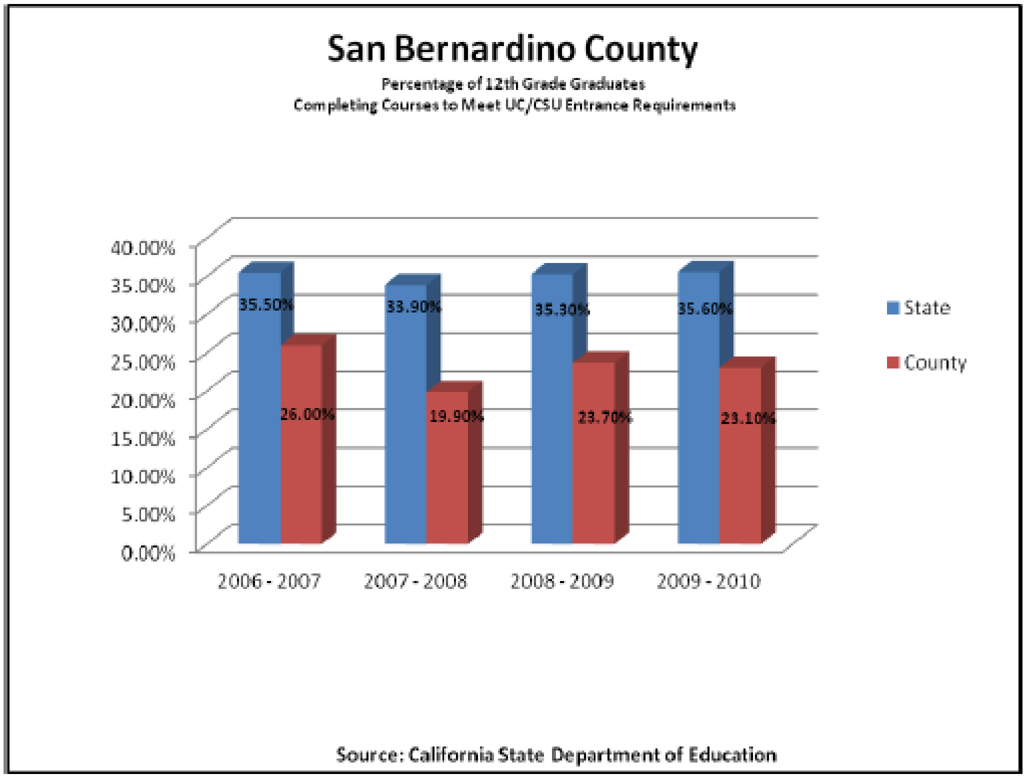
San Bernardino County has the lowest incidence within its population of high school graduate or above (77.50%) when compared to the State (80.70%), the Nation (85.60%). As can be seen in Figure 9, San Bernardino County ranks lowest in attainment of higher levels of education. The County has a lower rate of graduates or professional degrees (6.86%) compared to the State at 10.96% and the Nation at 10.44%. The County also has lower rates in Bachelor's degrees at 11.75% when compared to the State at 19.13% and the Nation at 17.74%. Of great concern however, is the combined percentage of 25 years and older population with less than a 9th Grade education and 9th to 12th Grade who have left school without a diploma. San Bernardino County with 22.53% ranks second only to Los Angeles County at 24.21% in comparison to the Nation at 14.42%, the State at 19.30%, Riverside County at 21.19%; San Diego County at 14.88%; and, Orange County at 16.79% in the combination of 9th grade and 9th to 12th Grade who have not graduated high school.

Figure 9



There is a fundamental lack of emphasis on education among many of the County's residents. In many cases, the economy's impact on educational facilities and its education-related purchases together with low parental expectations, poverty, health issues and other factors have led to low student performance. The students enter into middle and high schools already behind the rest of the nation. San Bernardino is far behind the State on a percentage basis of high school graduates completing course requirements to qualify for acceptance with the University of California or California State University systems (Figure 10).

Figure 10

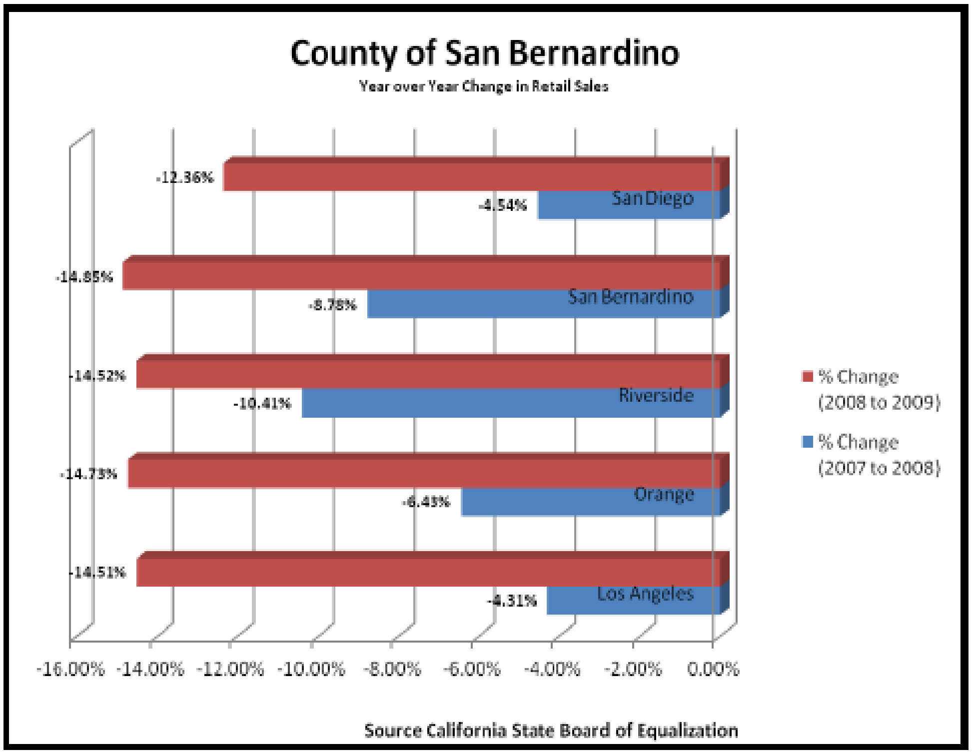


RETAIL SALES

The County's retail trade sector is bolstered by its regional malls. However the smaller retail outlets are beset by the same economic factors of all other industry sectors regardless of size. Retail sales suffer most from unemployment, depressed wages, higher gas prices and overall rise in cost of goods. All of these factors were precipitated by the nation's economic downturn that began in 2007. Figure 11 shows an across-the-board decrease in retail sales from 2007 to 2008 and from 2008 to 2009 for all of the Southern California Counties. San Bernardino and Riverside Counties suffered the largest decrease from 2007 to 2008 while, except for San Diego County, the decrease in retail sales between 2008 and 2009 were more evenly spread throughout the Southern California counties.

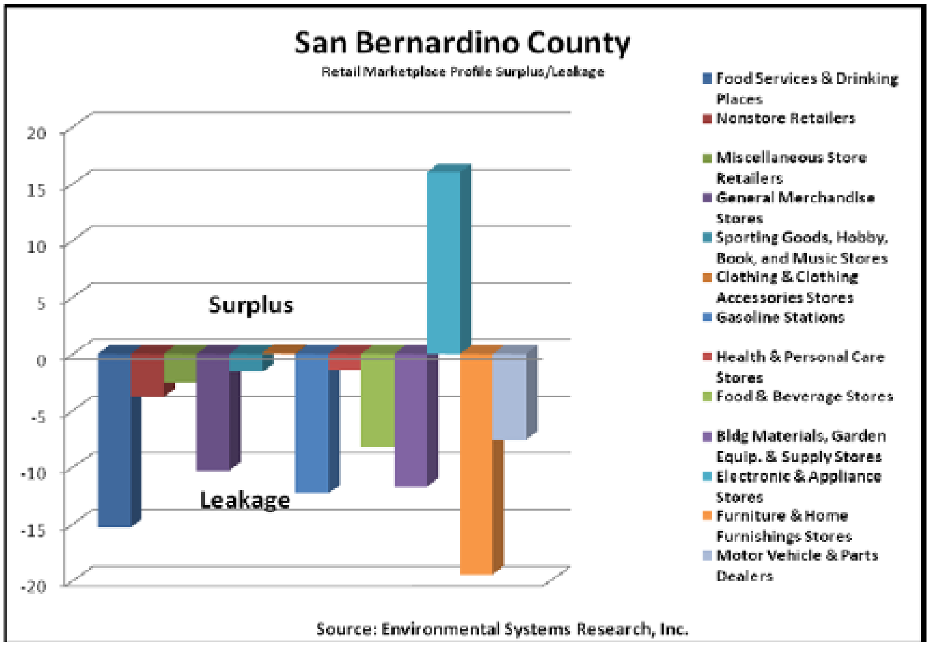
Figure 11

Demand by Types of Establishments



The County's retail sector produces surpluses in two retail sector. As shown in Figure 11, the largest surplus is produced in electronic and appliance stores. As of the second quarter of 2010, there were 897 electronic and appliances establishments in the County of which there were 451 appliances, television and other electronics stores and 414 computer and software stores. A much smaller surplus occurs in clothing and clothing accessories stores. Both these sectors adequately meet local market needs and attract shoppers from nearby communities or visitors to the County. Figure 11 also shows retail leakage in all other retail sectors led by furniture and home furnishings. Significant leakage also occurred in the food services and drinking places, gas stations, building materials, garden equipment and supply stores, and general merchandise stores. Normally this suggests that retail stores related to these sectors are not meeting local demands and can support additional retail establishments in these sectors. However, the state of local economy and specifically demand for retail goods restrict development of new retail establishments.

Figure 12



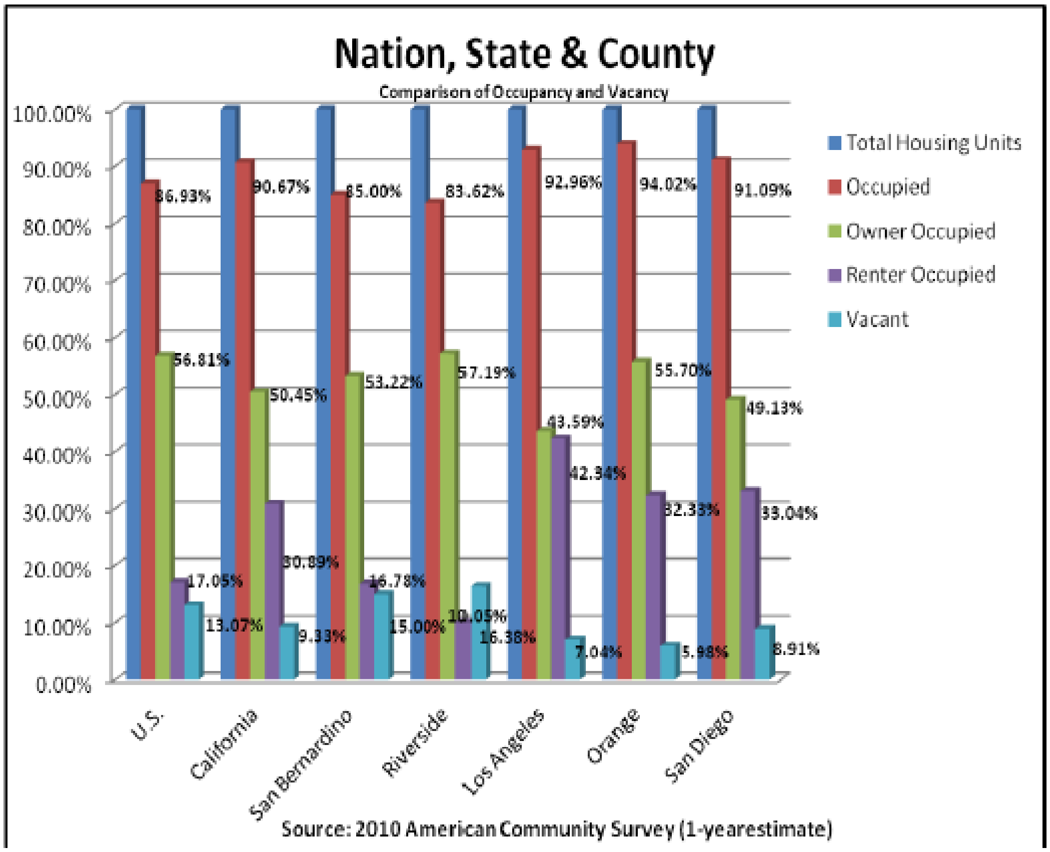
HOUSING AND REAL ESTATE

Housing affordability has long been a major factor in the attraction of new residents to San Bernardino County. It is critical for the County to encourage development of affordable housing choices through new construction to provide housing opportunities for all residents. Table 9 shows that between 2005 and 2009, only 24,674 houses were built in the County. The largest number of houses were built between 1980 and 1989 which would make most of the County housing stock 22 years or older. The majority of the County building permits for new construction between the years 2003 and 2006 (Table 10) reflected building done during the housing boom.

Addressing the needs of special populations, including homeless, seniors and veterans is a priority for County housing development strategies. The County promotes a better balance of jobs and housing (and protection against blight) by planning for growth in its communities thereby reducing commutes to employment outside of the County. Blight usually occurs when existing housing remains vacant for extended periods or is otherwise unkempt. Housing and Real Estate is directly related to income of the population and income in the region. Total housing units increased by a little over 100,000 between the years of 2000 to 2010. That growth has slowed considerably as a result of the recession and is expected to increase by only 44,000 from 2010 to 2015. This number may be optimistic with current data reflecting the continued downturn in housing prices. As shown by Figure 13, the Counties of San Bernardino and Riverside experienced the highest vacancy rates (15.00% and 16.38% respectively) of the nation, the State (9.33%) and the Southern California Counties of Los Angeles (7.04%), Orange and San Diego (8.91%). The Counties of San Bernardino and Riverside had lowest occupancy rate among the State all of the Southern California Counties.

Figure 13

Occupancy Type (2000 – 2015)



TRANSPORTATION AND INFRASTRUCTURE

The success of the region will largely depend on developing and maintaining adequate infrastructure. Through innovative planning, the County will improve the quality and connectivity of the current transportation system; develop clean and advanced modes of transportation; synergize the growth of aviation, shipping, and rail industries to increase the County's appeal as both a travel destination and a logistical hub; and, reduce noise, congestion and pollution.

There are approximately 10,000 miles of roadways in San Bernardino County. This includes 6 Federal Interstate Highways, 2 Federal U.S. Highways and 18 State Highways. Of the 10,000 miles, 2,830 miles are maintained by the San Bernardino County Department of Public Works, while 5,930 miles fall under the jurisdiction of local municipalities. San Bernardino Association of Governments (SANBAG) which serves as the County Transportation Committee, Service Authority for Freeway Emergencies, and the Congestion Management Agency also administers Measure I funds; a local tax meant for use on road improvement and maintenance projects.

SANBAG developed the Alameda Corridor East Trade Plan to address the issues of goods movement through the Inland Empire (San Bernardino and Riverside Counties). Ninety percent of goods coming in through the Ports of Los Angeles and Long Beach moves through the Inland Empire. With the completion of the Alameda Corridor (20-mile freight rail path from the Ports of LA and Long Beach to downtown Los Angeles) rail traffic is expected to increase significantly. To help improve safety, reduce pollution and increase vehicle circulation efficiency, SANBAG has identified 38 grade crossings that will require either grade separations or safety upgrades.

Figures 14a and 14b show truck volume as measured by the Annual Average Daily Truck Traffic (AADTT) for the Counties of San Bernardino, Riverside, Imperial, Kern, Los Angeles, Orange and San Diego. Los Angeles is shown as having the most truck traffic at 2,996,836 with San Bernardino having the second most at 1,344,257. Most of the trucks that carry loads in excess of 80,000 pounds (long hauls) predominantly travel through both San Bernardino and Los Angeles Counties. Figure 14b shows that San Bernardino has the second highest percentage of its long haul truck travel along its freeways. However, Kern County which has the highest percentage of long haul truck has a much less number of long hauls trucks (367,276) compared to San Bernardino County at 780,986.

Figure 14a

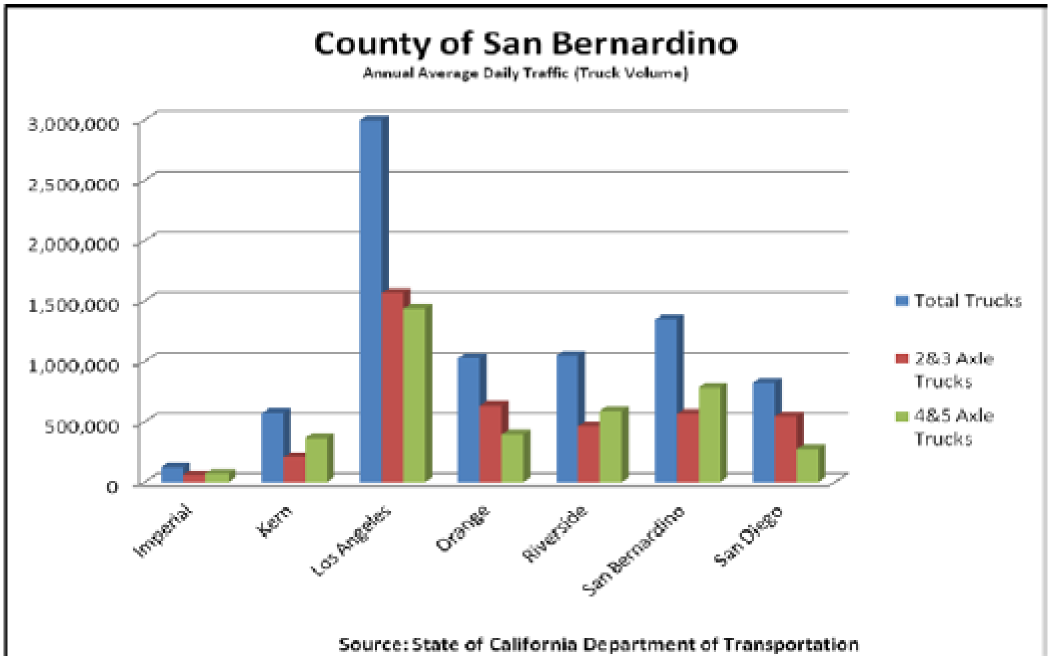
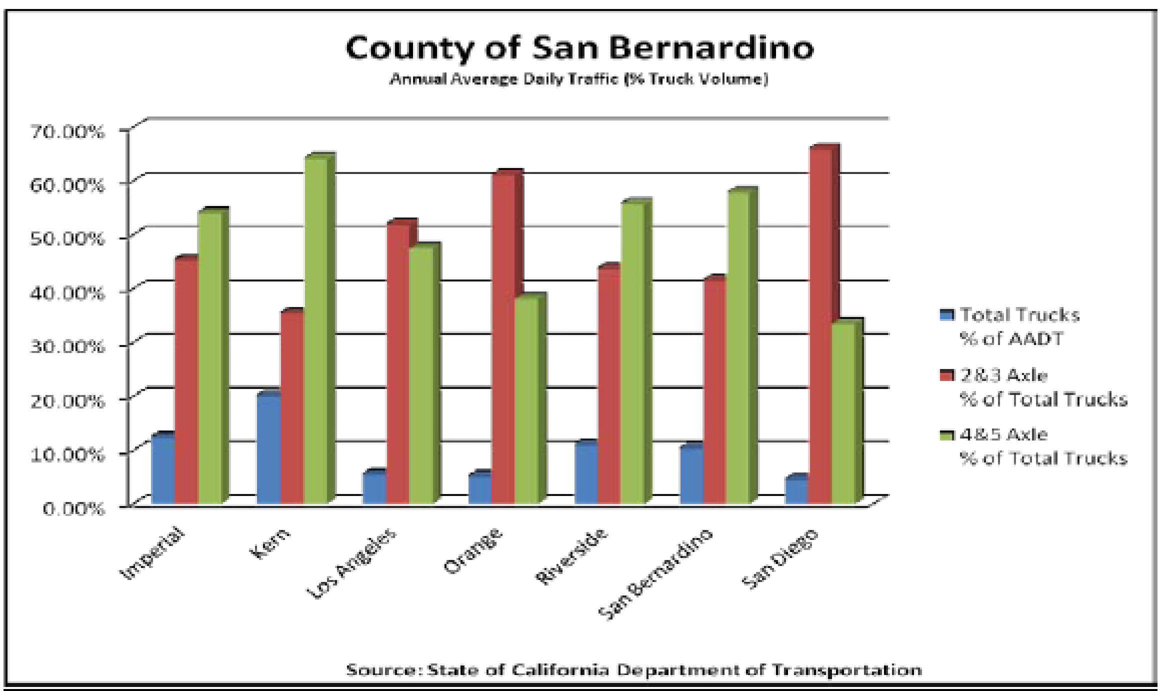


Figure 14b



REGIONAL ANALYSIS

County Profile

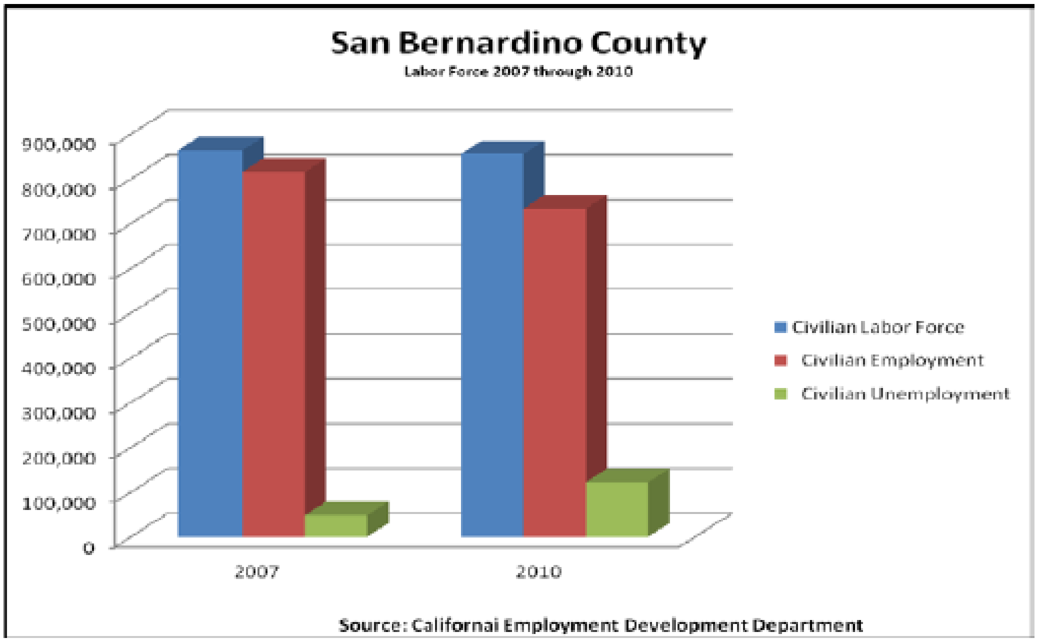
San Bernardino County spans more than 20,000 square miles and contains 24 incorporated cities. The County is located in southeastern California with Inyo and Tulare Counties to the north, Kern and Los Angeles Counties to the west, and Orange and Riverside Counties to the south. The County border on the east extends all the way to both the Nevada and Arizona borders. Over 80% of County land is owned by the Federal Government and therefore is outside the governing control of the County Board of Supervisors. Almost three-quarters of the County is undeveloped land (74.1% according to the 2006 County of San Bernardino General Plan).

San Bernardino County lags behind the State of California average in several key areas. 29.7% of California residents have a Bachelor's degree or higher compared to County residents at 18.2%. The graduation rate of high school students in the State is at 80.7% compared to the County at 77.5%. Median household income for the State is $58,925; the County's median household income is $52,137. The percentage of persons below the poverty level in the State is 14.2% while in the County the percentage is 17.0%. Meanwhile, the population of San Bernardino County has grown at a rate of 19.1% while the State as a whole grew at 10.0%. These figures along with the growth rate show a growing population that is less educated, with less disposable income and less potential for long term opportunities than the State as a whole. The strategy outlined in this CEDS will help to address these differences and discrepancies between the State and the County and place the County in a more competitive position economically.

The County has been hit particularly hard with unemployment as the result of the current recession and the closure of many businesses. Figure 15 shows that the number of unemployed residents has increased from 48,200 people in 2007 to 121,900 by 2011.Thereby the unemployment rate increased from 5.3% to 14.2% through March 2010.

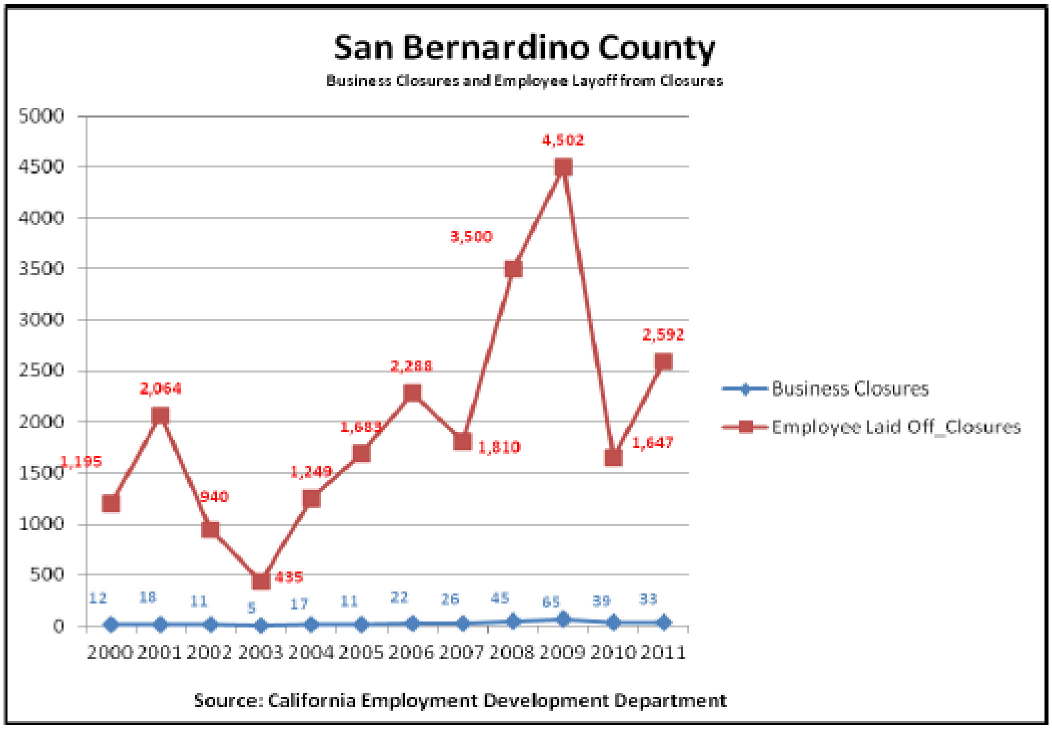
Figure 15

Labor Force (2007 – 2010)



The County of San Bernardino Department of Workforce Development (WDD) provides an array of services as authorized under the U.S. Workforce Investment Act of 1998 including training, job search and development services. WDD under the guidance of the Workforce Investment Board (WIB) of the County of San Bernardino offers services to businesses and employees in the event of a closure or layoff. Closure notices are received by the WDD and rapid response services are offered to each business. This data is tracked by the State Employment Development Department. As shown in Figure 15, between 2000 and October 2011, there were a total of 304 businesses that have closed operations in the County. 68.42% of all business closures in the County occurred after 2007. Closures resulted in 23,905 employees being laid off as a result of the business closures. 14,051(58.77%) employees were laid off between 2007 and October 2011. The number of business closures and layoffs that occurred as a result of the closures reflects only those closures that were reported to WDD. Business closures and employee layoffs that were reported to WDD were for larger companies and as such does not include reflect the true business closures or employee layoffs.

Figure 16



There was a huge spike in business closures in 2009 with 65 business closures and 4,502 employee layoffs. 7 of the 65 business closures accounted for 42.60% of all employee layoffs. Though there was a dip in business closures in 2010 reaching below the 2007 level, the number of closures and layoffs is again on the rise as the County's business closures and layoffs have risen to 2,592 through October 2011. Most economists believe that the closure and employment trends are likely to continue for several years since the County was one of the hardest hit areas by the economic downturn in Southern California.

TABLES

Table 1

Population Summary

Population Summary 2000-2015			
Summary	**2000**	**2010**	**2015**
Population	1,709,434	2,061,421	2,156,651
Households	528,594	613,560	638,560
Families	404,327	468,946	486,335
Average Household Size	3.15	3.28	3.30
Owner Occupied Housing Units	340,933	388,800	405,251
Renter Occupied Housing Units	187,661	224,760	233,309
Median Age	30.4	31.3	31.9
Source: Environmental Systems Research, Inc.			

Table 2

Population Trends

Trends: 2010 - 2015 Annual Rate	Area	State	National
Population	0.91%	0.70%	0.76%
Households	0.80%	0.63%	0.78%
Families	0.73%	0.55%	0.64%
Owner HHs	0.83%	0.68%	0.82%
Median Household Income	2.54%	2.59%	2.36%
Source: Environmental Systems Research, Inc.			

Table 3

Population Estimates by Age

	2000		2010		2015	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	143,076	8.4%	177,775	8.6%	186,624	8.7%
5 - 9	163,860	9.6%	167,828	8.1%	177,548	8.2%
10 - 14	158,202	9.3%	153,582	7.5%	164,855	7.6%
15 - 19	141,130	8.3%	169,504	8.2%	148,099	6.9%
20 - 24	121,579	7.1%	164,486	8.0%	167,786	7.8%
25 - 34	243,028	14.2%	303,837	14.7%	337,120	15.6%
35 - 44	272,633	15.9%	267,629	13.0%	275,678	12.8%
45 - 54	203,670	11.9%	271,970	13.2%	252,527	11.7%
55 - 64	115,797	6.8%	197,509	9.6%	223,869	10.4%
65 - 74	81,244	4.8%	103,574	5.0%	135,153	6.3%
75 - 84	49,965	2.9%	59,351	2.9%	61,821	2.9%
85+	15,250	0.9%	24,376	1.2%	25,571	1.2%

Source: Environmental Systems Research, Inc.

Table 4

Race and Ethnicity

	2000		2010		2015	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	1,006,960	58.9%	1,073,423	52.1%	1,059,552	49.1%
Black Alone	155,348	9.1%	178,500	8.7%	178,869	8.3%
American Indian Alone	19,915	1.2%	24,245	1.2%	25,125	1.2%
Asian Alone	80,217	4.7%	121,467	5.9%	139,086	6.4%
Pacific Islander Alone	5,110	0.3%	6,416	0.3%	6,708	0.3%
Some Other Race Alone	355,843	20.8%	538,291	26.1%	616,400	28.6%
Two or More Races	86,041	5.0%	119,079	5.8%	130,911	6.1%
Hispanic Origin (Any Race)	669,387	39.2%	1,012,251	49.1%	1,157,569	53.7%

Source: Environmental Systems Research, Inc.

Table 5

Median Household Income

	2000	2010	2015
Median Household Income	$42,301	$53,794	$60,971
Average Household Income	$53,064	$65,055	$73,901
Per Capita Income	$16,856	$19,895	$22,459

Source: Environmental Systems Research, Inc.

Table 6

Annual Covered Employment and Wages

Annual Covered Employment and Wages Over Time (NAICS)	Establishments	Jobs	Average Wage Per Job	Rank in U.S.	Pct of U.S. Avg Wage
2009	49,175	607,765	$39,412	512	86.5%
2008	48,161	649,531	$38,993	526	85.9%
2007	45,963	663,618	$39,605	483	86.1%
2006	45,568	654,679	$39,451	474	87.2%
2005	42,727	633,672	$39,163	455	87.6%
2004	41,667	602,559	$39,355	446	88.1%
2003	39,304	570,063	$38,952	440	88.5%
2002	36,628	557,830	$38,352	463	87.5%
2001	34,134	545,113	$37,547	497	85.6%
2000	32,774	530,140	$37,317	460	84.8%
1999	33,855	509,172	$37,168	467	86.2%
10-Year Change	15,320	98,593	$2,244		
10-Year Percent Change	45.3%	19.4%	6.0%		

Table 7

Household Income

	2000		2010		2015	
Households by Income	Number	Percent	Number	Percent	Number	Percent
<$15,000	82,792	15.7%	68,899	11.2%	57,666	9.0%
$15,000 - $24,999	68,754	13.0%	59,304	9.7%	51,229	8.0%
$25,000 - $34,999	66,513	12.6%	60,460	9.9%	49,085	7.7%
$35,000 - $49,999	88,239	16.7%	92,088	15.0%	76,152	11.9%
$50,000 - $74,999	107,689	20.4%	143,613	23.4%	162,829	25.5%
$75,000 - $99,999	56,907	10.8%	88,536	14.4%	100,818	15.8%
$100,000 - $149,999	41,333	7.8%	67,458	11.0%	94,201	14.8%
$150,000 - $199,999	9,619	1.8%	19,721	3.2%	27,225	4.3%
$200,000+	6,993	1.3%	13,463	2.2%	19,337	3.0%
Source: Environmental Systems Research, Inc.						

Table 8

Household Poverty Status

HOUSEHOLDS BY POVERTY STATUS	2005-2009 ACS Estimates
Total	588,796
Income in the past 12 months below poverty level	73,780
Married-couple family	21,852
Other family - male householder (no wife present)	5,163
Other family - female householder (no husband present)	24,311
Nonfamily household - male householder	8,985
Nonfamily household - female householder	13,469
Income in the past 12 months at or above poverty level	515,016
Married-couple family	299,486
Other family - male householder (no wife present)	35,337
Other family - female householder (no husband present)	64,499
Nonfamily household - male householder	58,725
Nonfamily household - female householder	56,969

Source: American Community Survey

Table 9

Housing Summary

Housing Summary 2005-2009 Estimate			
		Total	676,158
Total Population	1,986,635	Built 2005 or later	24,674
Total Households	588,796	Built 2000 to 2004	55,892
Total Housing Units	676,158	Built 1990 to 1999	89,646
Owner Occupied Housing	384,428	Built 1980 to 1989	166,148
Renter Occupied Housing	204,368	Built 1970 to 1979	126,596
		Built 1960 to 1969	79,182
		Built 1950 to 1959	80,791
		Built 1940 to 1949	26,919
		Built 1939 or earlier	26,310
Source: American Census Survey			

Table 10

New Home Construction

New Home Construction Building Permits and Cost			
Year	Number of Permits		Construction Cost
2000	5767	Average Cost	$173100
2001	6818	Average Cost	$178600
2002	9126	Average Cost	$175100
2003	10541	Average Cost	$176500
2004	13960	Average Cost	$182900
2005	15135	Average Cost	$187600
2006	12616	Average Cost	$187400
2007	6302	Average Cost	$192200
2008	1976	Average Cost	$179900
2009	1481	Average Cost	$198500
Source: City Data.com			

Table 11

Tourism Industry Employment

Tourism: Industry Employment								
County/Sector	2007	2008	2009	2010	%Change 06/07	%Change 07/08	%Change 08/09	%Change 09/10
Los Angeles	52300	52600	48100	47500	7.4%	.6%	-8.8%	-1.2%
Accommodation	40300	41200	38800	38900	3.1%	2.2%	-5.8%	.3%
Travel Arrangements & Reservations	12000	11400	9300	8600	4.3%	-5.0%	-18.4%	-7.5%
Orange County								
Accommodation	23100	23700	22400	22000	3.1%	2.6%	-5.5%	-1.8%
Riverside-San Bernardino Area								
Accommodation	17400	16400	14800	13800	-2.2%	-5.7%	-9.8%	-6.8%
San Diego County								
Accommodation	31900	32700	30200	29400	4.6%	2.5%	-7.6%	-2.6%
Ventura County								
Accommodation	2900	2900	2400	2000	7.4%	0.0%	-17.2%	-16.7%
Source: California Employment Development Department								