

**Workforce Development Board (WDB)
Merced County DWI
Garcia Brothers Trucking
511 Ivett Rd, Le Grand, CA 95333
March 26, 2026, 11:45 a.m. – 1:30 p.m.
Meeting Minutes**



Members Present:

<i>Daron McDaniel</i>	<i>Michelle Skoor</i>	<i>David W. Ness</i>	<i>Joseph C. Winek</i>
<i>Chris Vitelli</i>	<i>Chudy Nnebe</i>	<i>Steve M. Tietjen</i>	<i>Joshua Lepper</i>
<i>Steve Stevenson</i>	<i>Will Kelly</i>	<i>Jorge De Nava</i>	

Members Absent:

<i>Vinton Thengvall</i>	<i>Tim O'Neill</i>	<i>Leslie Abasta</i>
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Others Present: *Valente Huitron, Robert Theurer, Stacie Tury, Linda Gutiérrez, Stacey Kollmeyer Johnson, Susie Pryor, Mark Mimms, Jonathan Munoz, Mark Hendrickson*

- 1. Call to Order/ Roll Call:** David W. Ness called the meeting to order at 12:00PM
- 2. Public Opportunity to Speak:** David W. Ness opened the floor for public comment. No public comments were made.
- 3. Host Welcome Statement:** David W. Ness welcomed attendees and introduced the host. Tony Garcia, Operations Manager at Garcia Brothers Trucking, welcomed the board and provided background on the company, which was founded in the 1970s by four brothers and has grown into a full trucking operation serving the region's agricultural and industrial sectors.

Mr. Garcia described the company's resilience through the 2023 floods, during which water rose approximately 14 feet at the facility and reached the underside of truck cabs. While some trucks sustained post-flood electrical and mechanical damage that was not immediately apparent, the business recovered without major equipment loss.

On the current state of the trucking industry, Tony noted ongoing challenges including volatile fuel prices, declining wine industry volume, and uncertainty in the peach and broader agricultural sectors. Mr. Garcia expressed confidence in the continued importance of trucking to the regional economy, noting employees commute from Merced, Modesto, and Fresno because they value the Central Valley way of life.

Discussion with the board covered automation and AI-driven logistics, with Mr. Garcia noting that full autonomy in trucking remains distant in complex agricultural and industrial settings. Director Serrato noted that logistics is one of Merced County's fastest-growing sectors and that trucking scholarships represent the WDB's largest single category of training investment.

4. **Approval of Minutes (December 12th, 2025):** *Motion to approve December 12th, 2025, WDB Meeting minutes were made by Joseph C. Winek, seconded by Michelle Skoor, and approved by the board.*
5. **Open Announcements:** *None.*
6. **Chair Comments:** David W. Ness deferred to the Director's comments.
7. **Director's Comments:** Director Serrato began his comments by first recognizing the following individuals:
 - **Mark Hendrickson**, former WDB board member and current County CEO – thanked for continued support of the workforce board.
 - **Mark Mimms**, Deputy Director of the Community Economic Development (CED) Department – welcomed as a prospective new board member.
 - **Jorge de Nava**, recognized for returning to work following a four-month medical leave. Mr. Nava expressed gratitude to the board and noted the meaningful coincidence of the meeting being hosted at Garcia Brothers Trucking, a long-standing community partner.
 - **Jonathan Munoz**, DWI Staff – welcomed back after completing military reserve boot camp; today was his first day returning to the team.
 - **Robert Theurer**, DWI Staff – recognized as he transitions to the private sector. Director Serrato praised Robert's contributions as "tremendous" and expressed pride in the organization's ability to develop talent.

Director Serrato framed the day's agenda around two key presentations, Stacey Kollmeyer Johnson on Manufacturing Council of Central Valley (MCCV), and Susie Pryor on small business development challenges, as well as organizational updates tied to the ongoing Worknet to Prospero agency transition. He described 2026 as an important inflection point for the organization.

8. **Board Membership Transitions:** Director Serrato reported four board members departures:

- **Steve Hobbs** – Adult Education
- **Jack Mobley** – Business Representative
- **Dale Johns** – Business Representative
- **Joe Perez** – Department of Rehabilitation

Including these four departures, the board currently has nine total vacancies. The executive committee met to assign follow-up on each seat to specific board members, taking a more strategic approach. The goal is to target specific employers with strong community reputations, not just sectors.

9. Legislative, Policy, and Funding Update: Director Serrato provided updates on three policy areas:

WIOA Reauthorization and Funding – WIOA took effect in 2014 and has sustained through annual congressional appropriations, an unstable arrangement that exposes the WDB to year-over-year funding uncertainty. The current funding outlook anticipates flat funding or a modest cut. Two unresolved policy changes remain under consideration:

- A requirement to spend 50% of funds on training scholarships, which would significantly reduce resources available for career counseling, partnerships, and research
- An increase in the state’s allocation shares from 15% to 25%, reducing the amount flowing to local boards.

Worknet Pell Grant – Federal legislation expanded Pell Grant eligibility to cover short-term workforce training. While beneficial for residents, providing an additional funding source beyond WDB scholarships creates complexity. Counselors must now assist clients through FAFSA applications, risking overlap and confusion between workforce and community college systems. Implementation was originally set for July 1st but is expected to be delayed 5-6 months due to absent guidance rules. President Vitelli noted that the Merced Junior College is prepared to support training on FAFSA processes and expressed openness to joint presentations and unified messaging with WDB staff.

HR1 / “Big Beautiful Bill” – Federal benefit recipients (primarily Medicaid) will be required to participate in work-related activity for over 80 hours per month. Under County CEO Hendrickson’s leadership, all relevant county departments, Public Health, BHRS, HAS, and DWI, convened to coordinate a unified response. A potential waiver may apply given Merced County’s historically high unemployment rate; the county is awaiting federal clarification. If the waiver does not apply, the WDB will partner closely with HAS to connect clients to qualifying opportunities, including in packing houses and manufacturing settings where cohorts of workers can meet the requirement while gaining work experience.

CEO Hendrickson provided broader county budget context of Merced County’s \$1.14 billion total budget, the Board of Supervisors has discretionary control over approximately 20% (~\$214.9 million), with ~78.7% of that historically dedicated to public safety. Federal mandates may remain even as federal funding decreases, exposing the federal fund. Estimated fiscal impact to Merced County: \$8-10 million. The California State Association of Counties (CSAC) is advancing an aggressive legislative portfolio in Sacramento to seek \$1.9 billion in backfill funding on behalf of California counties.

The Board’s discussion continued to focus on how to validate work compliance for workers who lack formal documentation, and how to support incumbent HAS clients who will need to demonstrate participation. The executive committee voted to open a new board seat for the Director of HAS to deepen interdepartmental coordination.

10. Introduction of the Manufacturing Council of the Central Valley (MCCV): Director Serrato introduced Stacey Kollmeyer Johnson, Executive Director of the Manufacturing Council of the Central Valley (MCCV), as part of the WDB’s initiative to bring key sector partners to quarterly board meetings.

About MCCV

MCCV is a 34-year-old trade organization that has grown to nearly 50 members over the past two years. Its primary committees are Environmental/Regulatory and Workforce Development. Post-secondary education

members now include UC Merced, Merced College, and the Central Valley Regional Consortium (CVRC). Annual membership starts at \$2,000.

Recent Initiatives

- Sector Convener contract with Stanislaus County Workforce Development Board for manufacturing.
- Partnership with North Valley Thrive to focus advanced manufacturing work across Merced, Stanislaus, and San Joaquin Counties.
- Awarded a \$200,000 grant to host the region's first ever manufacturing symposium on September 29, bringing together manufacturers, high school educators, and high school seniors to address current and future workforce challenges.

Manufacturers Expanding Outside of California

Director Serrato and Director Kollmeyer Johnson raised concern about major regional employers choosing to expand outside of California:

- Del Monte Cheese (Expanding to Texas)
- Gallo (Expanding to Stockton and out of state)
- Blue Diamond (announcing production/packaging outside California following Sacramento closure)

President Vitelli of Merced Community College invited MCCV to campus to explore program partnerships and offered to co-host joint training events. The board expressed strong interest in formalizing a partnership between MCCV and the WDB.

- 11. Updated Jobs Priority Framework:** Director Serrato presented an update on the Jobs Priority Framework, an ongoing project to make WDB investment decisions more strategic and consistent. An ad-hoc committee completed a survey prioritizing job characteristics across two dimensions: Job quality and potential for industry advancement. Results were run through an algorithm to rank the top occupations in the county into four quadrants, providing staff with clear guidance on which training partnerships, scholarships, and wage subsidies to pursue and which to deprioritize.

Director Serrato noted that the framework does not eliminate support for lower-priority jobs but focuses staff energy and resources toward higher-impact outcomes. The ad-hoc committee will meet one additional time to finalize the framework before broader rollout.

- 12. Regional Small Business Development Challenges and Opportunities:** Susie Pryor, Regional Director of the Small Business Development Center (SBDC), a 14-county regional reorganization administered by UC Merced, presented on two pressing issues for small businesses in the Central Valley. In FY 25/26, the SBDC served approximately 4,000 businesses one-on-one and nearly 20,000 participants through training programs, generating an estimated \$95 million in economic value. The center operates in 29 languages with ~200 counselors statewide.

Issue 1 - Pandemic-Era EIDL Loans

Approximately 41,800 Economic Injury Disaster Loans (EIDL) were issued in the Central Valley during the pandemic. These were direct government loans at 3.5% interest with 30-year amortization. The national default rate is approaching 20% and rising; Director Pryor estimates approximately \$5.3 million in delinquency in the region. Interest accumulated during deferral periods means many borrowers owe more than anticipated.

Delinquent loans are being referred to the U.S. Treasury, resulting in IRS liens on businesses and personal property, and complicating any attempts to sell the business or change ownership. The SBDC is available to help owners restructure obligations or navigate a path forward, including cases already referred to treasury. Joseph C. Winek shared a positive personal experience regarding the EIDL loans.

Issue 2 - SBA Lending Policy Changes

Recent SBA rule changes are significantly affecting small business access to capital:

- **Fees reinstated** – SBA loans are more expensive than in recent years.
- **Citizenship/residency requirement** – Now applies to 100% of owners, guarantors, and key employees. This represents a significant change for immigrant-owned businesses.
- **Collateral requirements tightened** – The government is returning to a “lender of last resort” model requiring more collateral on loans.
- **SBA express loans (\$50,000 and under) no longer available through SBA** – U.S. Bank, previously the dominant lender for this product, has stepped back; alternative state-based products are being explored.

Director Serrato noted Merced County starts new businesses at half the rate of the California state average. Reasons include limited access to capital, lower population density, fewer support ecosystems, and fewer patent filings. The citizenship/residency change is of particular concern in Merced County given the size of its immigrant entrepreneurial community. The SBDC is actively growing its Merced County presence and encourages referrals. Director Pryor is advocating at state and federal levels for solutions to EIDL and SBA policy issues.

- 13. Focus on Westside Commuters/Opportunities:** Director Serato presented a two-part initiative focused on the west side of Merced County (Los Banos-Gustine-Santa Nella-Dos Palos). EDD data estimates that 28,000 people commute out of Merced County daily. Director Serrato acknowledged this is an area that WDB has historically underserved and is committed to correcting.

Initiative A – Workforce Commuter Study

The WDB plans to issue an RFP within approximately six weeks to commission a workforce commuter study. Scope would include who is leaving and to where, job types, wage levels, education levels, and travel times. Research from similar studies in Stanislaus County was cited as a model. Possible score expansions include west side campus data from MJC and San Benito County agricultural worker flows.

Initiative B – “Coffee Cup Outreach” Event

A field outreach event is planned for July in west side commuter parking lots. Staff and board members would distribute branded coffee cups with QR codes to out-commuters. The QR code links to a brief digital survey capturing job title, wage, commute time, and destinations. A back-end algorithm will calculate whether the commute is financially worthwhile (factoring in gas, mileage, insurance, and local wage alternatives). Participants will be invited to contact a Prospero Job Center; career counseling calls will also be offered during the commute home, with staff available for extended hours.

Board members recommended including qualitative data collection alongside quantitative survey data to better understand commuters’ motivations and preconceived notions about local employment.

14. March 2026 Agri-Tech Tour: Director Serrato provided a brief recap of the March 19-20 Agri-Tech Tour, hosted in partnership with GoBiz (Governor's Office of Business and Economic Development) and Merced County CED. The tour hosted 17 international companies and was described as highly successful, with strong participation from MJC, UC Merced, and broad regional collaboration. The WDB looks forward to building on this model for future business attraction efforts.

15. WIOA Local Policy Updates: Staff requested board approval to update all WDB local WIOA and programmatic policies to reflect the organization's name change from "*Worknet / Merced County Workforce Development Board*" to "*Prospero Workforce Board*".

Motion to approve the WIOA Local Policy Updates regarding the organization's name change was made by Daron McDaniel, seconded by Steve Tietjen, and approved by the Board.

16. Facilities Update and Opening Schedule: Director Serrato announced upcoming grand opening events for the new Prospero Job Centers:

- May 6 – Small Prospero Job Center Locations
- May 21 – Merced Mall Prospero Job Center

17. Adjournment – The meeting was adjourned at approximately 1:30 PM.