MINUTES

SOUTHWESTERN OREGON WORKFORCE INVESTMENT BOARD
June 30, 2016

SOWIB Members Present:
Kelly Morgan, Chair
Bryan Grummon
Mike Lehman (phone)
Amy Kincaid (phone)
Tami Trowbridge
Joe Benetti
Dena Miles
Georgia Nowlin
Debbie Sargent
Robert Westerman
Connie Stopher
Jon McAmis (phone)

Staff Present:
Jake McClelland
Kyle Stevens
Lisa Crockett

Others Present:
Frank Brown, State of Oregon
Annette Tiderman-Shelton (phone), State of Oregon
Jamie Kendellen, CFO ONWIB, SOWIB, ECWIB, EOWB (phone)
Susan Buell, UT&E
Rena Langston, UT&E
Susie Yeiter, SCBEC
Betty Anderson, DHS
Gary Mueller (phone)
Mark Warne, Oregon AFL-CIO
Connie Hunter
Susan Morgan, Douglas County Commissioner
Tehren Randleas, Southern Oregon Goodwill
Don Cook, Express Employment

PROCEEDINGS
The meeting was called to order at 10:10 AM by Kelly Morgan, Chair. Roll call was taken and a quorum was present.

FIRST PUBLIC COMMENT SESSION
No comments were made.

APPROVAL OF MINUTES OF MAY 19, 2016
A motion was made by Connie Stopher and seconded by Joe Benetti to approve the minutes of May 19, 2016. Motion carried by unanimous vote.
DISCUSSION AND POSSIBLE ACTION: Review state feedback from the initial submission of the WIOA Local Plan and adopt proposed revisions

Jake McClelland explained that the SOWIB Strategic Plan was submitted on April 1st and conditionally approved, pending completion of a list of compliance related tasks.

In addition to a section-by-section breakdown of necessary revisions, the most urgent change needed was to clarify our target sectors. Although the sectors had been identified previously, they were not officially reported in our Strategic Plan. The four sectors listed now include: Health Services; 2) Manufacturing; 3) Trade, Transportation & Utilities; 4) Leisure & Hospitality. Jake suggested that due to limited resources and in order to be as strategic as we can in our funding, that we remove the Leisure & Hospitality from the list of sector targets and focus on the first three.

Connie Stopher and Georgia Nowlin both commented that there are a lot of resources currently headed to the Southwestern Oregon Coast regarding a focus on tourism and business development, and that the board should still continue to consider tourism as part of its focus.

Robert Westerman rejects leaving hospitality in because one of the responsibilities of the Board is to prepare workers for good paying jobs. The leisure and tourism industry seems to be very seasonal along the coast and it doesn’t seem like it will provide permanent careers.

Joe Benetti and Dena Miles presented local examples for leisure and hospitality in our region that do provide family wage jobs. Although it was suggested that SOWIB has limited resources and a small staff, it is important to keep a focus on the smaller sectors. Upon further discussion, it was suggested to keep the four target sectors in place.

Connie Stopher made a motion to adopt all four of the sectors listed in the initial strategic plan and Robert Westerman seconded. After a roll call vote, the motion passed 9-2 with one person abstaining.

DISCUSSION AND POSSIBLE ACTION: Review and approve proposed Grievance and Cost Reimbursement policies

The Grievance and Cost Reimbursement policies are just 2 of many standard policies each local workforce board needs to have in place. With the 2 up for approval, SOWIB will have a total of 13 policies currently approved, with approximately 10-12 still needing to be approved by the Board.

Grievance Policy
Service Providers may choose to have more restrictive policies in place, but will be required to follow our policies. There were discussions on whether or not the timelines were acceptable and there was clarification that timelines referred to 10 days and not 10 business days.

A motion was made by Connie Stopher to approve the Grievance Policy. Robert Westerman seconded. The motion was approved unanimously.

Cost Reimbursement Policy
Tami Trowbridge recommended that the cost reimbursement for lodging expenses incurred at a facility be within 60 miles instead of 35. The Board agreed on 60 miles and pending that change, Tami Trowbridge made a motion to approve the Cost Reimbursement Policy. Robert seconded. Motion carried unanimously.
DISCUSSION AND POSSIBLE ACTION: Review and approve SOWIB budget for Program Year 2016 (to run from July 1, 2016 – June 30, 2017)

Jake explained that the LEO’s (Local Elected Officials of the Coos, Curry, Douglas Workforce Consortium) approved a 90 day provisional budget. Sometimes when these documents are put together, you don’t get your funding allocation, and then the rest of the month you have that time to get it approved by the LEO’s. So a lot of it is not necessarily the final budget that you will have in place. It is pretty standard practice to go back after 3 months and get a budget modification approved. A couple things to point out:

Jake mentioned that there were a couple of specific grants that made the budget look inflated. The first is a one-time $321,208 grant that the state provided to the Board to cover start-up costs to get the Board up and running. This is a 2-year grant with an expiration date of June 30, 2016 and if the funds are not used, they will go back to the state. Due to Jake coming on board midway through the year, only recently staffing the rest of SOWIB, and operations not fully into swing until a few months ago, there hasn’t been much of that grant used, so the new budget looks bloated. Jake clarified that the board start-up money is given by the state to fund the start-up of SOWIB including technology, office equipment, office furniture, professional services, staff development, but it is also to be used to benefit the entire system, not just the SOWIB offices. Discussions are underway to provide technology services to a couple of libraries in rural communities so that a job seeker could access workshops given in different counties, instead of having to travel to a physical Worksource location. In addition, these funds also cover the expenses of being a leaseholder to the service providers under the one-stop system. Since WIOA requires the co-location of the service providers with the other partners, it is important for SOWIB have the flexibility of the Worksource space, no matter who the provider or staff person is at the provider level. SOWIB pays those expenses on behalf of the service providers. So although those funds are not directly in the program budget, they are spent on things that are meant to benefit the entire system.

Tami Trowbridge was concerned with the possible redundancy of professional services being listed in 2 places; operating expenses and program expenses. She was also concerned with the amount of money in the budget and the percentage that is going to programs. She felt that there were a lot of funds going to administrative costs. She stated that the format of the budget as presented made it difficult to understand, and she wanted to see as much money as possible going to program services to get people into jobs or training.

In addition to the one-time board start-up grant, there are two additional grants that are within the workforce boards administration but do not go directly into programs with service providers because it is a different scope of work. The first is a program that the Salem Workforce Board applied for on behalf of the entire state, Rethinking Job Search. As a result, SOWIB benefits from the services of Meredith Howell and the Rethinking Job Search program, which provides workshops for individuals who are long term employed. There is also the Sector Partnership Grant, a specific grant that allows SOWIB to create and nurture sector partnerships for our region. Both of these programs go into services, just not into the 2 primary service provider budgets. Tami asked if the Rethinking Job Search program was awarded on a competitive basis and Jake answered that when he came on board, an RFP was being solicited to fill that position and Meredith Howell did receive that through a competitive bid process.

Jamie Kendellen, CFO representing the 4 new workforce boards, further clarified that the professional services Tami was concerned about were not redundant. Professional services under the operating expenses is for Project Masters, Gary Mueller & Karen Litvin, to help the Board with issues resulting from the TOC/OWA transition into SOWIB. The line item under program expenses for professional services relates to the 2 grants Jake previously mentioned; Sector Strategies and Rethinking Job Search, again being program-related services, just not program expenses directly related to the 2 service providers. She also mentioned that the approximate $320,000 in grant funds for board start-up costs are solely restricted to Admin. They cannot be used for Program and if unused, the money will go back
to the state. It is a use it or lose it situation. The funds have to be spent by the end of the upcoming budget year or the Board loses that money. As a result, the Admin budget has been beefed up so the Board can use that money and not have to give it back to the state after June 2017. For this upcoming year only, the Admin budget looks much higher than it normally would. A final clarification is that under Operating Expenses and Program Expenses, even though they are technically called Board Expenses, virtually all of those expenses are Program. The only thing that is usually considered Admin is HR, Accounting, Legal, etc. everything else is Program and mandated by the law to happen. The difference with WIOA is that instead of the Service Providers doing monitoring, training, etc. the Board is now doing it. Even though it is a board expense, SOWIB is now required by law to assume those duties.

Kelly Morgan asked for clarification that the Program expenses, even though they are Admin, are really something that SOWIB has to do that supports the beneficiaries. Jake stated that it is not necessarily an administrative expense, it is just budgeted under Board Expenses, so even though they appear to be Admin under Board expenses, they are Program expenses that in the past years may have gone into the Service Provider contracts to pay the leases for their current facilities. Now they are required to co-locate so instead of that money going into the Service Provider budgets, those line items are being paid by SOWIB.

Susan Morgan introduced herself as Douglas County Commissioner and member of the Board’s Coos, County, Douglas Consortium, serving alongside Melissa McCribbens in Coos County and Susan Brown in Curry County. She stated that the Consortium only gave the budget conditional approval because they were concerned about the lack of detail and the lack of clarity in the documents provided. She stated that it is not clear from a revenue side where the one-time funding streams are coming from and there was no clear separation on what the budget would look like after those funds have disappeared. She stated it took a long time to work their way through this. There are also issues with the timing of the budget because they didn’t get a chance to look at this more than 10 days before the new budget yet, but understands that as a function of the nature of the reorganization that is going on at the local workforce board level. She stated that the Consortium had some pretty detailed and fruitful discussions with folks at SOWIB about what they would like to see to provide more clarity, so that they can get to an actual endorsement of this budget.

Jake mentioned that it is the Consortium that has the fiduciary responsibility of SOWIB so they are within their rights to ask for details regarding this budget. The 3 County Consortium has an agreement in place whereas if SOWIB incurs any disallowed costs, each municipality would be responsible for paying back their portion to the government. However, he wanted to state that where the Consortium and Board have to find clarity is on whether or not the LEO’s dictate where the money goes. SOWIB staff needs to have a clear understanding of whether they report to the Board or to the Consortium. If you look at the letter of the law, technically the Board is the one directing the resources into the different initiatives, and everyone around this table, staff included, has a goal of getting as much money into services as possible, whether through one service provider or another. So there needs to be a clear distinction between approving the budget and making sure that they are not dictating where the money should go. In a previous conference call with the LEO’s, Jake felt that everyone was on the same page, he was just informing the Board members of the how the process goes.

Joe Benetti made a motion to approve the provisional SOWIB budget as proposed. Connie Stopher seconded. The motion passed unanimously. Jake will provide detail to the LEO’s and get back to Board after 90 days.

**DISCUSSION AND POSSIBLE ACTION: Review and approve SOWIB logo design**

Jake presented the SOWIB logo and explained that the blue and green color scheme represented the ocean and greenery of our 3 counties, and the five-point star, which is made up of miniature ocean waves, is meant to symbolize the 5 key partners in the workforce system.
Joe Benetti made a motion to approve the SOWIB logo design as presented. Robert Westerman seconded. The motion passed unanimously.

**INFORMATION: Performance Reporting Update**

Per the board’s discussion at the May 19 board meeting, a user friendly dashboard to show performance outcomes is being created. Throughout the service provider contract negotiations within the next few weeks, performance reports will be updated to show outcomes that meet federal measure requirements, but will also allow the Board to see these measures in an easy-to-use form.

Jon McAmis asked if these reports align with the current SOWIB Strategic Plan, Jake responded that an additional column will need to be added to include the Leisure and Hospitality approved today, but other than that it does reflect the Strategic Plan we currently have in place.

Kelly Morgan asked if there had been discussions with the service providers on this change of form? Jake stated that SOWIB staff has not received any major objections and that Susan Buell of UT&E says it is very similar to the form they share with their board. This new form should simplify the process and provide concise, easy-to-read documents.

The Board acknowledged that this met their expectations for performance reporting so the form will continue to be adjusted for efficiency.

**INFORMATION: Update on most recent Coos, Curry, and Douglas County Economic Indicators**

Annette Shelton-Tiderman, Regional Economist at the Oregon Employment Department Research Division, stated that the economic indicators are a monthly summary available at qualityinfo.com. It is a way to get a quick snapshot on the statistics that most people are interested in, such as civilian labor force, numbers of people employed, numbers of people unemployed, unemployment rates, which industries have gone up over the year, and which ones haven’t. Annette provided documents focused on Visitor Spending in Coos, Curry and Douglas Counties. She also presented the recently released 2014-2024 Job Growth Projections for the 3 county area.

Robert Westerman talked about how the recession in 2008 hit the construction industry in our area and although the rest of Oregon has had a resurgence of construction, it is just now starting to come back along the Oregon Coast. He mentioned that trades are now struggling to find journeymen tradespeople, i.e. electricians, carpenters, ironworkers, plumbers, for the construction work coming back to Oregon. In Oregon you have to go through an apprenticeship program to reach the level of journeymen, but he mentioned that there are opportunities for SOWIB to work with apprenticeship programs in our area for the local trades. He stated that there are about 8 people from the area that will be entering the electrician apprenticeship program this year and the starting wage for that position is $17.80 an hour with full health and welfare benefits. Those wages continually go up as they advance through the apprenticeship program to become journeymen electricians. The current rate for journeymen electricians is $35.80 an hour. He stated that if there is a possibility for the Board to help people get into those programs where they can work while they are going to school, it would be good for the area. He is asking if the board would entertain Stephen Sims, the Director of the Apprenticeship and Training with the State of Oregon, to speak at a future Board Meeting on apprenticeships. He stated that the apprenticeship programs in Oregon are pretty self-sufficient, but he thinks that it would be helpful to find programs that help the apprentices themselves, as there are a number of costs that the apprentice must come up with right out of the gate, such as tools, books, tuition, work clothes, tool bags, etc. There is a very large financial cost for those apprentices entering into the program and these are expenses that the Board
may be able to help with. He is the chairman of his apprenticeship program and did not want to appear as if he is looking for special treatment, he just feels it is important that SOWIB addresses apprenticeship programs.

Jake stated that as part of WIOA Regulations, registered apprenticeships are a requirement and the Board should be focusing on them. SOWIB staff will look into inviting Mr. Sims to a future meeting.

INFORMATION: Executive Director Report

Jake wanted to make the Board aware of a potential grant opportunity handed down through the Department of Labor and America’s Promise Job Driven Grant. The main priority is to get individuals free tuition assistance at the community college level for industries that are mostly prominently impacted by the H1B Visa. When an industry has a lack of American trained workers, they are allowed to go out and hire foreign workers to come into the United States. They pay a fee in order to open those positions up to foreign workers and those fees fund programs like this, which has a goal of training more American born individuals and giving them access to the same occupations that the industries are outsourcing. One of the focuses just so happens to be healthcare and we are looking to tie that to our Sector Partnerships. If we were to get this, it would be a very big deal for our area, as a big chunk of money goes directly into training people. He will provide an update at the next board meeting.

Jake asked the Board if they would be interested in turning the September 15 board meeting into a combination meeting/annual retreat with an overnight stay. The board stated that they would be interested and SOWIB staff will attempt to find a block of time that fits into everyone’s schedule.

SECOND PUBLIC COMMENT SESSION
No comments were made.

ADJOURNMENT
The meeting was adjourned at 11:42 AM.

Adopted on August 18, 2016.

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Kelly Morgan, Chair