

WORKFORCE DEVELOPMENT COUNCIL

Minutes of May 11, 2005

Welcome and Introductions

Chair Karen McGee called the meeting to order at 9:00 a.m. Members introduced themselves.

Consent Agenda

Chair McGee asked the Council for approval of the January 28, 2005 minutes. Karl Kurtz made the motion; seconded by Steve Ahrens and carried unanimously. She then referred Council members to Transmittal #1 which solicits comments for the State Senior Employment Services Coordination Plan and asked if there were any questions for Administrator Bauer, Administrator, Idaho Commission on Aging.

Administrator Bauer informed the Council that senior employment programs are an important issue now and will be more so in the future. Those retiring want to remain active and need additional income while employers will need their knowledge and abilities.

Marilyn Howard asked how Administrator Bauer's organization will move forward with this program. Administrator Bauer stated they are advocating with USDOL for better services. Dr. Howard suggested corresponding with congressional representatives. Chair McGee asked that any additional comments regarding the plan be submitted to Melinda Adams at Commission on Aging.

Report from the Chair

Chair McGee reported that since the Council last met, the Temporary Assistance for Needy Families (TANF) bill has been extended yet another time, Carl Perkins has been passed by both the House and Senate and is awaiting appointment of a conference committee and the WIA legislation is scheduled for a mark-up today in the Senate. The House Appropriations Committee has signaled a drop of .1% in discretionary funding in the Labor/Health and Human Services Budget. Chairman Lewis remarked that "this will be a difficult budget year and that this will necessitate some touch choices. Chair McGee concluded that this is a perfect segue into today's agenda.

Redesignation of Workforce Investment Areas (Transmittal #2)

Dwight Johnson highlighted the major issues presented in the Workforce Investment Act Two-Year Strategic Plan and addressed Governor Kempthorne's strategies and priorities to ensure Idaho meets the growing challenge of training a quality workforce with fewer federal dollars.

- Move toward a single statewide area with the expiration of the designation of the six existing areas on June 30, 2005. Until regulatory barriers are removed, the Governor proposes designation of two areas that will operate cooperatively as a single state planning region. The planned structure will be comprised of five former workforce areas and a special region designated as the East-Central Idaho planning region.
- Reduce overhead costs to protect and maintain dollars going directly to workers for their training—the maintenance of the existing six areas is no longer a viable option with funding at its lowest level in more than three decades.
- Increase available worker training funds from 36% to 50% of WIA Adult and Dislocated Worker local funds for direct training and support of businesses and participants.
- Broaden access for businesses and job seekers to the workforce system and its integrated economic development services with a proposal to increase One Stop Centers from six to 24 communities across the state.
- Expand the Workforce Development Council to ensure regional representation.
- Maintain current funding allocations to regional areas.
- Authorize the state to rely upon, to the extent possible, approved Workforce Investment Board (WIB) plans to direct activities during PY'05. Honor current plans developed by the Workforce Investment Boards through PY'05.

There was considerable discussion regarding the need for local input and how this will be achieved under Governor Kempthorne's plan. Dene Thomas recommended a hybrid system of governance approach whereby federal and local funds would be used jointly to support a local system. Mr. Johnson responded by stating that local councils could be formed but funding is still being restricted at the federal level and joint funding may be difficult to achieve.

WIA Area Designation

Area I

Andrea Kramer, Chair of the North Idaho Workforce Investment Board, spoke on behalf of the Region I Board, noting that under the current system WIA funds are passed to the areas and the local board determines how those dollars are spent through competitive bids. She expressed concerns that under the proposal, the Workforce Development Council will determine how those funds are spent and Job Service will deliver all services. Loss of the local board would mean a loss to communities since they would not be able to carry out the current initiatives of the board and would be unable to determine priorities and respond to diverse community services. She reported that the six local areas have been exemplary and Idaho has consistently rated #1, outranking single-service states like Utah. Ms. Kramer concluded by asking the question, "Are you really doing the best you can for this state?"

Deanna Goodlander, Panhandle Area Council, City Council member and business owner, offered that WIA emphasizes a strong role for business with a local business-led board and noted the value of local involvement. She expressed concern that they would lose the

ability to apply for grants. She asked the Council to delay implementation of this plan rather than pushing it through and to give them more time.

Sen. John Goedde expressed frustration with a lack of information on the process and suggested that ICL should have brought this to the legislature. He urged the Council to delay this decision.

Dave Whaley expressed the importance of talking about this issue regardless of time constraints.

Area II

LeAnn Trautman, Lewis County Commissioner, and Clerk-Treasurer for the City of Winchester thanked the Council for allowing a voice, noted Area II had submitted an application for continuing designation, and asked the council to consider any and all options for perhaps one year. Ms. Troutman noted the success of the local board's programs, citing the customer service training for the Lewis and Clark bicentennial. She asked the Council to consider a hybrid solution that would allow boards to remain intact with the authority to act if local funds could be found to support them.

Wanda Keefer, Executive Director, Clearwater Economic Development Association, asked the Council to consider information she recently obtained at the rural conference, indicating that diverse regions require diverse solutions. Ed Barlow, futurist, presented information on Idaho and others in decline due to the global economy. Information is increasing, requiring upgrading of skill bases every three years. This must be addressed by the workforce system. Ms. Keefer stated the Council was given a single choice today—define local boards as the problem; President Bush is not saying this but is putting challenges to other states, not high performing states like Idaho.

Area III

Area III presentations were made by Rick Jackson, Chair of the Area III WIB WorkSOURCE, and John Evans, Garden City Councilman.

Mr. Evans noted that at no time during the last five years has WorkSOURCE or Sage Community Resources (Sage), the local elected official's organization, exceeded their full administrative funds allocations. He requested the State council to defer their decision until WIA is reauthorized, noting that the local officials and the WIBs have been able to deal with reduced funding. He also noted that Sage is doing its due diligence as the Administrative Entity. It identified questionable costs—even though the State had not done so in prior years—and has moved to disallow them.

Mr. Jackson stated that the WIB had more impact than the chamber or local business advisory group. He cautioned the state council that business likes the system as it is working now and if it does not work as well in the future old wounds will reappear along with distress and distrust.

Area IV

Area IV was represented by Roy Prescott, President of South Central Idaho Works! Board, and Pat Campbell, Vice-President.

Mr. Prescott indicated that the WIBs do not share the same concern as the Governor regarding the decline in resources and the necessity to eliminate funding the WIBs. In addition, the WIBs are sponsoring local projects that are needed and probably can only be successful with local leadership as provided by the WIBs. Region IV has three such projects. One is an effort to address the high school drop-out rate experienced by Hispanic youth. The second is a broader effort with all the area's school districts to determine how business might provide incentives to high school students to stay in school and earn better grades. The third is a successful project to secure additional funding for CSI's nursing program. This effort required local fund raising as a match to funds (\$50,000) provided by the State Council.

Ms. Campbell pointed out the success the Region IV WIB had in raising local funds and her contention that local people are better able to raise money outside the WIA funds for needed projects. She stated the WIB has been very frugal with its funds and very efficient in getting money out to the participants.

Mr. Prescott concluded the area's presentation by asking the State Council and the Governor to delay making any decision until final funding decisions are known.

Area V

Larry Ghan, Bannock County Commissioner, requested the Workforce Development Council reconsider their position of moving to a single statewide area and explore alternatives which would keep the existing Workforce Investment Boards intact.

Area VI

Terry Butikofer, Director of East-Central Idaho Planning and Development Association, reported that both the East-Central IdahoWorks Board and the local elected officials instructed him to continue to work with the Governor, the State, and the Workforce Development Council and to submit an application for continuing designation as a workforce investment area and to seek to find the best possible solution in a difficult situation.

Discussion of Proposals

Chair McGee opened the afternoon session by reminding the Council of its Conflict of Interest policy and that members with a direct financial interest in a matter to be voted upon should not cast a vote. After a discussion of direct interest and some general input from Craig Bledsoe, Deputy Attorney General assigned to Idaho Commerce & Labor, copies of the policy were distributed for consideration later.

After the remarks by Mr. Johnson and Ms. Ronk (below), the Conflict of Interest discussion continued. This discussion concluded with the members' consensus all

members could vote on the actions set forth in the day's agenda but any member could abstain.

Mr. Johnson was invited by Chair McGee to respond to the area presentations and to add any other comments to the discussion. Mr. Johnson reiterated several facts: Idaho has received drastic funding cuts in recent years; WIA has not been reauthorized and there is not any solid prospect of its reauthorization this year; a new WIA plan is required for the period beginning July 1, 2005; the existing five-year WIA plan will expire June 30th; and the Governor has clearly stated his priorities that budget reductions must not result in less money going to Idahoans for training and services. He also pointed out the proposed PY'05 WIA State Plan calls for the continuation of existing service providers and adherence to local policies and priorities, and WIBs are not eliminated, they just will not receive any WIA funds from the state. He concluded by saying this has been a difficult problem, the WIBs have done a great job, and he would have liked more time to deal with the funding problem. He also stated Governor Kempthorne remains committed to rural economic development and to local input on a whole range of issues.

Megan Ronk, Commerce and Labor Policy Advisor to Governor Kempthorne, expressed the Governor's appreciation of the hard work done by the State Council, local officials and WIBs. She stated the Governor has said this (funding decline) is a very difficult and challenging situation. The Governor was notified immediately by Roger Madsen of the situation and he "felt passionately about ensuring that we retain the level of funding for worker retraining—for worker training for those who need it most". She gave several examples of how the Governor has demonstrated his commitment to working with local elected officials, especially in the rural communities. She noted the Governor has to take a statewide perspective on the WIA-WIB issues and is trying to determine what's best for Idaho.

WIA State Plan for PY'05 and PY'06

Chair McGee directed the Council's attention to Transmittal #3 which recommends approval of the WIA State Plan for PY'05 and PY'06. She noted that those Council members with direct WIA funds should not vote, however most do not receive direct funds so should be able to vote. The Council had considerable discussion on the issue with President Thomas noting that she would recuse herself and Craig Bledsoe saying that Director Madsen would have a conflict.

Dave Whaley proposed to delay voting on the State Plan for 30 days to give local boards time to develop local dollars to support staff. (Motion #1), noting 1) the Governor has final say and he's trying to do his job; 2) locals are fearful of programs operating from Boise for the whole state; recognizing that Director Madsen and staff attempted to do their best with less funds. Dave stated that voting today would be unjust, and requesting a waiver should be considered. Even though USDOL deadline is firm, the federal partners should understand that.

Chair McGee recognized the motion and a second from Con Paulos to delay the vote on Transmittal #2. (***MOTION #1***)

Dr. Howard asked to reject Transmittal #2 as the State Plan, stating it sends a clearer message in response to this plan in respect to voices we heard today saying, “This is not a good plan”. (***MOTION #2 seconded by Millie Flandro and accepted.***) It appears that ICL was not allowed to discuss this plan with locals. Dr. Howard acknowledged the financial issues, but saw no options from the state for other efficiencies, pointing out the possibility of saving funds by consolidating efforts of committees. She has seen no attempt to consolidate ICL offices. Staff should come back with a better proposal.

Director Stivers voiced appreciation for the discussions and comments, but noted funding is going away and must be dealt with. He pointed out that all parties agree local input needs to continue, all agree with protecting program delivery, and all agree local funds are decreasing. The question remains as to where cuts should be made—administration or service delivery. We all agree to increased training. Director Stivers made a motion to support Transmittal #2, continue to work with local entities, that we need that input. Director Stivers voiced confidence that ICL will listen. (***MOTION #3 seconded by Pat Minegar and accepted.***)

Steve Ahrens questioned whether this was a hard deadline and if it was a two-year plan? Director Madsen verified the State Plan was for two years. Mr. Ahrens stated that, recognizing USDOL’s time limits and funding, we can consider re-structuring at a later date. Mr. Johnson noted the plan can be modified during the two years.

Dr. Howard asked if the current State Plan could be submitted for the two year timeframe. Cheryl Brush noted the State cannot use the old plan; guidelines for the two-year plan include different questions requiring the plan to be re-written. Dr. Howard stated she does not consider USDOL’s timeline so heavily and suggested getting a waiver.

Con Paulos noted that the Council has heard pleas from WIBs that, due to local control/input, they should maintain authority. This could be done in the new plan, but no funds are available to support it. The Council should give them opportunity to raise funds before removing a successful structure. Director Madsen noted he could not speak for the Governor, but believes he will listen.

Millie Flandro stated she would like the WIBs and their authority to continue, and voiced support for the plan with the option to develop a new local structure to keep people involved and keep training.

Dave Whaley asked what would happen if the Council took 30 days. Ms. Brush noted the Governor must submit a new plan, or the State may lose funds, which would jeopardize current participants. Dave Whaley stated he would not support the Stivers motion, hoping the Governor would take a different approach for 30 days. We would lose funds without submitting a plan, but what’s the long term impact?

Steve Ahrens praised the input received and pointed out that the issue is not the Council wanting change, it is not about performance or preferences; it is about time and money, with options before us we wish we all didn't have to make.

Jerry Beck stated the Council heard an alternative motion from LCSC this a.m., there are probably others and USDOL staff should verify the timeline situation.

Shelia Jones, USDOL, informed the Council the timeframes for State Plan submittal and review at the federal level were "hard and fast", leaving only 30 days for federal review as well.

Director Stivers noted that this group gets to decide how we'll listen, and I know that we will listen.

Fred Ostermeyer stated he understands the Governor finalizes this plan, the Council could send all three motions to the Governor where he could respond back to the Council. He felt it suicide to send just this plan to the Governor, who should have options to review and consider. Fred Ostermeyer also stated his support of Motion #2 with addition of ensuring local input.

Millie Flandro wanted to clarify that the role of the WIBs is more than listening, that they should have same responsibility for authority and be involved in decision making

Director Stivers clarified his motion that it is in support of Transmittal #2 with input from locals.

Chair McGee told the Council that regardless of what goes to the Governor, we have a system we've been proud of. Increasing Council participation will come through local input. Whatever the Governor decides, we'll work within parameters. Director Stivers clarified his motion again: support Transmittal #2 with emphasis on intent to get input from locals.

On Motion #3, Chair McGee asked the Council for voice vote, then asked for a hand vote – 9 yes, 7 no, with Director Madsen and President Thomas abstaining.

Dave Whaley noted that if there is a change, or if this does not help, he will not be part of a process that does not support local workers.

Con Paulos made a motion to include all of the day's actions in a report to the Governor.

Director Kurtz said that if areas cannot sustain WIBs, we'll develop a plan where those regions come to the Council. Cindy Hedge stated her belief that if WIBs are not involved, those who need training dollars won't get them, they'll sit in a fund and collect dust. Chair McGee asked Ms. Brush if the Governor will come back to us for a recommendation on Council structure and for WIB input. Ms. Brush responded that the

plan called for that. Chair McGee recalled the Council had previously broken into small committees to deal with a lot of this before WIA implementation and she hopes the Governor would consider this approach again. Dr. Beck noted Con's motion allows local input. Dr. Howard stated she would vote against Con's motion, that she felt it is a very sensitive issue that locals can't continue work without support. She also said she felt there had been no effort from ICL to look for efficiencies to come up with savings. Con Paulos stated the Council has heard from city/county levels saying they'll support the local boards. Those who don't get support can come back to Council. In response to a concern regarding wording, Con Paulos offered that his motion was a recommendation so the Governor would see support of this group for those on the ground.

Chair McGee noted that as the Council moves forward, there will be increased level of local input and control. The Governor has a big decision. He will receive your input from today and will continue to have input in the future. She assured the Council that all discussions and all motions will go to the Governor.

Con Paulos asked about local plans, with Ms. Brush noting the local plans were already submitted and incorporated in the State Plan, with modifications allowed until June 1. Dr. Howard asked if areas cease to exist June 1, how do we have plans? How do you even operate? Ms. Brush noted the state will honor what's developed in local plans as much as possible. For example, Area I has set funds aside for providers; we will use their formula for PY'05, then the Council will decide for PY'06. Candy McElfresh noted that come July 1, the local boards will have no further authority. Chair McGee stated that once a decision is made, the Council will have further discussions regarding the local structure.

Other Transmittals (Transmittals #4, 5, 6, 7 and 8)

Chair McGee referred the Council to other transmittals in the packet. With the recommended State Plan, she asked the Council to walk through these transmittals to ensure the Council understands the recommended key policies being carried forward.

Dr. Beck suggested addition of a comment that, with the unrealistic timeframe, these additional transmittals are without complete review and asked why the Council wasn't provided plans earlier. Ms. Brush stated the Department had no details on expectations in time for a normal planning cycle. Dr. Beck asked if we are going to use a competitive process for everything. Ms. Brush stated no, we can purchase from another state agency without competition. The Council will make these decisions.

There was substantial discussion on the lack of opportunity to review the extensive documents in order to be considered thoughtfully. The Council agreed to review the documents and respond to staff by the 20th with any comments or concerns.

Workforce Information Plan (Transmittal #9)

Bob Uhlenkott of Idaho Commerce & Labor (the Department) presented information on the National Labor Statistics Information Plan, which allows statistical labor and employment information to be presented at state and local levels. The Department solicited feedback to be considered for inclusion in the plan until May 27, prior to submission to USDOL. The audience was informed that those commenting could utilize several mechanisms to respond to the plan, including links through Idaho Commerce & Labor's website or via personal contact through the Department's Regional Labor Market Economists. Mr. Uhlenkott highlighted several products and services available to the public at no cost, developed by the Department with funds from the grant. Products and services include the Labor Market Information Database, offering information on employment, occupational and career clusters; Local Employment Dynamics, offering specific local employment data; and an Economic Multiplier application used to evaluate the impact of a business moving into or out of a specified area, based on an economic model.

New Business

Fred Ostermeyer made a request to change his vote on Motion #3 so that the record would reflect an 8 to 8 vote. In response to questions about what that would mean, Chair McGee responded that the Governor will be provided all of the information discussed today.

Set Date for Next Meeting

The Council discussed the possibility of meeting in North Idaho and Chair McGee asked Alice to look at available dates during the second week of August.

Adjournment

The Council adjourned at 4:00 p.m.

Attendance:

Workforce Development Council
May 11, 2005

Council Members:

Steve Ahrens
Lois Bauer
Joe Burgoyne
Jerry Beck
Millie Flandro
Jennifer Giro
Cindy Hedge
Marilyn Howard
Karl Kurtz
Roger Madsen
Karen McGee
Patrick Minegar
Kirby Ortiz
Fred Ostermeyer
Con Paulos
Jim Soyk
Gary Stivers
Dene Thomas
Dave Whaley

Guests:

Toni Acarregui-Gable
Melinda Adams
Jim Adams
Bob Barber
Rico Barrera
Craig Bledsoe
Bill Brewer
Cheryl Brush
Leandra Burns
Terry Butikofer
Pat Campbell
Susan Choate
Dale Dixon
Jay Engstrom
John Evans
Jerry Fackrell
Bob Fick
Larry Ghan

John Goedde
Deanna Goodlander
Jim Gruber
Bob Harris
Karen Henriksen
Joe Herring
Larry Hertling
Rebecca Hill
Jeanie Irvine
Rick Jackson
Dwight Johnson
Shelia Jones
Carol Jones
Cheryl Korn
Wanda Keefer
Tom Kerr
Andrea Kramer
Dale Langford
Ivan Leonhardt
Kathleen Lewis
Mark Mattke
John McAllister
Candy McElfresh
Dana Messenger
Chuck Mollerup
Bibiana Nertney
Don Pena
Bob Perky
Roy Prescott
Dania Rivers
Landis Rossi
Mike Rush
Denny Scollon
Kathleen Simko
Georgia Smith
Elaine Smith
Christine Stoll
Charles Sullivan
Alice Taylor
Randy Tilley
LeAnn Trautman
Bob Uhlenkott
Roy Valdez
J.R. VanTassel
Kay Vaughan

Irene Vogel
Robin Warner
Rich Watson
Judy Welker
Pat White
Betty Wilson
Todd Yamamoto