



STATE OF TENNESSEE
DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
DIVISION OF WORKFORCE DEVELOPMENT
220 French Landing Drive
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State Workforce Development Board Meeting Minutes
Nashville, TN
Friday, March 13, 2009
9:00 am – 12:00 pm

Board Members Present:

Jerry Anderton
J. M. Barnes
Craig Butler
Guy Derryberry
John Greeter
Wallace Grills
John Majors
Sally McKay
Iloff McMahan
Gary Miller
Mattie Moran
Kay Nixon
Brad Parish
Deborah Reed
Charles Story
Sandra Woods

Staff Present:

Susan Cowden
Wil Hammond
Randy Hankins

Susie Bourque
Melina Williams
Nova Buker

Board Members Present by Proxy:

Patricia James (Wallace Grills)
James Neeley (Bob Henningsen)
Gina Lodge (Andrea Cooper)
Tim Webb (Ralph Barnett)

Board Members Absent:

James Kerley
Thelma Dunlap
Susie Gassett
Ed Groves
Arlene Ricci
Marvin Sandrell
Andy Berke
Mathew Kisber
Deidre Malone
Richard Montgomery
Yolanda Shields
Kenny Smith
Ellen Thornton

Linda Sampson
Bob Henningsen
Sharon Johnson
Regina King
Joan Craig
Joe Fults

Welcome:

Chairman Wallace Grills called the meeting to order and welcomed everyone to the March 2009 meeting.

Roll Call:

Linda Sampson, Board Coordinator, conducted the roll call and established the presence of a quorum. Ms. Sampson notified the board members that the Conflict of Interest, Acknowledgement/Disclosure, and Code of Ethics forms were on site for review and updates.

Approval of Minutes:

Guy Derryberry made the motion to approve the December 5, 2008 full board meeting **minutes** and Iliff McMahan seconded. **Motion Passed.**

Opening Remarks:

Deputy Commissioner Bob Henningsen welcomed everyone to the meeting and expressed his appreciation on behalf of Commissioner Neeley for such good attendance. He thanked the board members for their recognition of Commissioner Neeley for his leadership and support in the Governor's Jobs Cabinet and Fast Track initiative over the past six years. During a time when most states are feeling the effects of the economic downturn, the State of Tennessee has announced three major projects in the last eight months, each exceeding \$1 Billion in investments in our state and our people. The impact made by Volkswagen, Hemlock Semi Conductors and Wacker Chemie will be significant for many years to come. The success of these recruiting projects, according to the Governor, has been a team approach across state departments in partnership with local communities.

Deputy Commissioner Henningsen announced that board member Ross Jackson died February 3, 2009. Mr. Jackson was a leader in the workforce arena for the past 20 years and will be greatly missed. Following a lengthy and successful career in the private sector, he served as the President and CEO of Workforce Essentials, LWIA 8, out of Clarksville for 15 years, taking the agency to a level of excellence recognized at both the state and national levels. He moved to Washington, D.C. to lead the National Association of Workforce Boards, where he was making great progress as Executive Director. He was appointed to the TN Workforce Board in March of 2008.

Workforce Development Updates:

Administrator Susan Cowden provided updates on Tennessee's Workforce and Economic Stimulus. With reference to the current environment she reported the following:

- 7.6% unemployment, 8.6% in Tennessee
- 598,000 jobs lost in December, fourth worst month in modern history
- 4 million private sector job losses since recession began – half of these jobs losses in the past five months
- 1.0 million job losses in the last four months
- \$12 trillion loss to American families in 2008
- Consumer confidence at its lowest levels in decades
- In Tennessee, the number of individuals on Unemployment Insurance have more than tripled

She reported some optimism around the following new projects:

- Volkswagen in Chattanooga
- Hemlock Semiconductors in Clarksville
- Wacker Chemie in Cleveland
- Stimulus funding should create jobs in construction, energy and most employment sectors

She provided the following stimulus summary:

- Clean, Efficient, American Energy
- Transforming Our Economy with Science and Technology
- Modernizing Roads, Bridges, Transit and Waterways
- Education for the 21st Century
- Tax Cuts to Make Work Pay and Create Jobs
- Lowering Healthcare Costs
- Helping Workers Hurt by the Economy
- Saving Public Sector Jobs and Protecting Vital Services

Tennessee Stimulus Funding:

- 174 Million in Education
- 1 Billion in Medicaid
- 572 Million in Roads and Bridges
- 97 Million in Weatherization
- 59 Million in Energy
- 100 Million in Social Services

Tennessee Labor and Workforce Stimulus Programs:

- Vocational Rehab (DHS) – 11 Million
- Unemployment Insurance – 10 Million
- Workforce Programs – 65 Million
- Older Workers – 2.4 Million
- Job Service – 7.4 Million
- Trade Act – 4 Million

Workforce Funding at 65 Million:

- Adult Funding of 11 Million for TN
- Dislocated Worker Funding of 29 Million for TN
- Youth Funding for Summer Employment of 25 million for TN
- Programs should count on approximately doubling the amount of funding for this year
- Revitalizing the former Summer Youth Program

Congressional Expectations:

- Spend Quickly and Effectively
- Increase Training Investments, Not Infrastructure Investments
- Serve the Low Income and Unemployed
- Double System Output
- Statewide Funds should drive behavior and encourage spending

Stimulus Services in the Career Centers:

- Restoring Services Reduced in 2008
- Ramping up the number of trainees by at least 20% and maintaining those increases
- Needs based payments to Adults and Dislocated Workers
- Creating High Skill Job Training Classes
- Additional Adult Education Classes
- Refining Employer Services to Increase Investments

Stimulus Services for Employers:

- Lay-off Aversion Bridge Grants – Offer training programs that extend employment for those at risk of being laid off
- Investment and Recovery Training Grants – Special grants that increase caps to 100k and lower match requirements from 100% to 50%
- Rapid Response Services – When companies notify the state of a lay off we work with transitioning workforce.

Stimulus Programs for Youth:

- Majority of funds for Summer Youth programs
- Serve current enrollees (9100) and expand service levels to 12,000
- Serve Jobs for Tennessee Graduates students
- Serve Foster Children
- Use state-wide funds to serve Youth who are in need but do not meet all of the financial eligibility requirements

What's at Stake for Workforce Development in the Stimulus:

- The bonus on the workforce system will be on performance and expenditures
- For the first time, we have a substantial new funding to expand the size and reach of programs
- The language of the stimulus allows the flexibility to quickly increase overall training in the system – the top concern of Congressional Democrats in reauthorization.
- Dire consequences for the workforce system if:
 1. the stimulus funds are spent on infrastructure, not service delivery;
 2. if resources are conserved and parceled out over two years
- If funding is not spent quickly and wisely we can expect:
 1. Large cuts to annual appropriations
 2. A complete overhaul of the governance and delivery structure
 3. A rescission of remaining stimulus funds
- The stimulus presents the opportunity for the workforce system to shine in the midst of our deepest recession since the 1930's.
- It is up to us collectively to answer our critics and ensure that the workforce component of the stimulus is a success.

Analysis of Economic Recovery Package:

Mike Dedmon from Finance and Administration provided information on the U.S. Economic Recovery Act. He reported that a total of \$4,500,061,400 will be allocated in Tennessee to stimulate the economy in numerous areas and the guidelines are very strict as to how the money can be spent.

TN Annual Workforce Report:

Statistical Analyst Supervisor Martha Wettemann presented a program on Tennessee Workforce Challenges and Opportunities providing statistical information as of January 2009:

- Unemployment Rate 8.6% (seasonally adjusted)
- (U.S. Rate: 7.6%)
- Number of unemployed: 261,800
- Jobs lost from January 2008 to January 2009: 92,900
- Jobs lost from December 2008 to January 2009: 77,500
- Unemployment rate: not this high since April 1985
- Number of employed: not this high since May 1983
- Highest net job loss January to January since 1939

Industries Adding Jobs:

- Retail Trade – Health and personal care stores
- Telecommunications
- Professional, scientific, technical services
- Educational services
- Health care and social assistance
- Arts, entertainment and recreation
- Food services and drinking places
- Local government

Summary of TN Workforce Opportunities and Challenges:

- Goods-producing employment decreased significantly in 2007 and 2008, and manufacturing is projected to decline through 2016.
- In the long run (2016) jobs are expected to be created in education and health services, trade, transportation, and utilities, and leisure and hospitality.
- Poverty has been increasing since 2001 compared to the U.S. New evidenced based strategies are being developed. Support services are critical.
- College degrees are a buffer against high unemployment.
- Knowledge and skills needs for occupations expected to be growing can be more readily documented.
- In the long run, areas of significant demand will include specific health related, teaching and construction jobs, as well as those in emerging green industries.

The Potential for Green Job Growth in Tennessee:

Definition: Green Jobs – Family-supporting jobs that contribute significantly to preserving or enhancing environmental quality. They reside primarily in sectors that compose the clean energy economy-efficiency, renewables, alternative transportation, and fuels.

Defining Green Jobs:

- Go across industry and occupational sectors
- No official Bureau of Labor Statistics definitions – states and the private sector (labor and management) are doing the studies and analysis
- California LMI has a clearinghouse
- Everyone is moving forward!

Tennessee is at the forefront of investment in key areas of renewable energy (RE) and energy technology, including alternative fuels, energy conservation, solar photovoltaic, and electric and hybrid vehicles. Investment in energy technology is viewed as a key to the state's economic development and job creation. The Governor's Energy Task Force is developing a state energy plan.

Some TN Stimulus Initiatives:

- Weatherization: State will need to increase from 6,500 to 65,000 homes. Training for weatherization crews possible.
- Retrofitting: Home energy raters will be needed.
- Building contractors needed for EE/retrofitting.
- Green Jobs Act – Training for green jobs with pathways out of poverty.
- Apprenticeships, Youth Build?

UI, Job Service & Career Centers Update:

Melinda Williams presented some information on Challenges for Unemployment Insurance in 2009. The national unemployment rate in January of 2009 was 7.6% and Tennessee's unemployment rate was at 7.9% in December of 2008. She discussed how the workload has increased and talked about the following actions taken to meet the demands:

- Overtime since July
- Expanded the ability of current staff to assist claimants with issues surrounding their claim
- August – Hired 15 new Claim Center Interviewers
- September – Added 24 additional Claim Center telephone lines
- December 1 – Added 21 Interviewers to process internet and issue claims
- December 10 – expand internet claims applications to accept quits and discharge claims
- December 15 – increase weekly certification phone lines from 216 to 288
- January 29, 2009 – 22 Career Centers begin taking mass lack of work claims in person
- January 2009 – Installation of new T1 line allows for direct calls for claimants and employers to Adjudicators and separate fax lines

Committee Reports:

Operations Committee – John Greeter reported the following:

Committee Chairman Greeter thanked everyone who participated on the Operations Committee. He asked Administrator Susan Cowden to report on the contracts discussed at the committee. She referred to the Summary of Tennessee Waivers and advised that Tennessee cannot use the following two waivers:

Waiver #2: To use up to 50% of rapid response funds aside for allowable statewide activities.

Waiver #5: To permit 50% transfer between Adult and Dislocated Worker funding streams.

The committee recommended that the board approve the following amounts up to proposed amounts based on final federal guidance regarding fund transfers. J.M. Barnes made the motion to approve the contracts and Brad Parish seconded. Iliff McMahan abstained.

Motion Passed.

Statewide (Stimulus) Projects – Total \$6,850,000

Bridge Grants/TN Economic Recovery Grant (\$1,600,000)

Skill Training (\$2,000,000)

JTG Enhancement (\$800,000)

SY Supplement (\$1,250,000)

Clean Energy Training Project (LWIA 2) (\$1,000,000)

Hemlock Training Start-up (\$200,000)

Statewide (Stimulus Rapid Response) Projects – Total \$2,437,599

AFL-CIO (RR) (\$887,599)

Adult Education (RR) (\$1,500,000)

Career Cluster Books (\$50,000)

Statewide (Formula) Projects – Total \$7,892,857

Jobs for Tennessee Graduates (\$568,750)

Tennessee Higher Education Commission (\$301,560)

University of Memphis (\$822,547)

Fast Track (\$1,500,000)

Incumbent Worker Training (\$3,000,000)

Career Readiness Certificates (\$1,200,000)

Apprenticeships (\$500,000)

Strategic Planning Committee – J. M. Barnes reported the following:

The committee discussed that due on April 15, 2009 is the letter from the state to USDOL requesting an extension of the current State Plan, current Waivers (for formula funding), and request to renegotiate some of the performance measures. Due on June 15, 2009 is the letter from the state to USDOL requesting approval of modifications to explain usage of American Recovery and Reinvestment Act funds, and use of current Waivers allowed for use with ARRA funds.

Guy Derryberry made the motion for the letters to USDOL requesting an extension of the current State Plan and waivers allowed for use of ARRA funds and re-negotiation of performance measures. John Majors seconded the motion. **Motion Passed.**

The committee members discussed questions the local areas will address during their presentations on April 2 -3, 2009:

- How will the LWIA ensure the expedited and effective use of stimulus funds are made concurrently with regular formula funds?
- Provide a description of plans for your Summer Youth Program.
- What approach will the LWIA take to reach the hard-to-serve population, low income customers, low skills customers?
- What changes or plans does the LWIA have to enhance the service delivery strategies to focus on innovative and effect approaches to meet the demand of today's economy?
- What are your challenges to assist Adults and Dislocated Workers?

The committee also discussed additional information they would like presented by LWIA 13 to fulfill the board's request last year and they reviewed the guidelines for the April 2-3 meeting.

Continuous Improvement Committee – Iliff McMahan reported the following:

Customer Satisfaction surveys are no longer required by USDOL but the committee chose to continue a Statewide survey. The University of Memphis developed two surveys with input from local areas and staff. One survey is for clients and one is for employers. An advantage is that the surveys can be tailored to specific needs. After discussion, the committee recommended some additional questions be added to the surveys and made the suggestion that the surveys be more real-time.

Policy Committee – Jerry Anderton reported the following:

After review of the proposed Incentives or Sanctions Policy 09-42 the committee recommended approval. John Greeter made the motion to approve the policy as written to be issued March 16, 2009 and Iliff McMahan seconded. **Motion Passed.**

The committee recommended allowing state staff to increase contracts without additional board approval. John Greeter made the motion to allow state staff to increase contracts utilizing statewide funds by 20% without additional board approval. Iliff McMahan seconded. **Motion Passed.**

Tennessee Energy Industry & Construction Consortium:

Board member Brad Parish explained that the mission of TEICC is to engage electric, nuclear, natural gas utilities, energy industries, related industries and construction in strategic, unified, and results-oriented efforts to ensure a skilled workforce to meet future industry needs. Educational opportunities include Apprenticeships, Technology Centers and Community Colleges. Some activities/progress include Guidance Counselors Conference, Career Fairs, and appointing Wanza Lee as part-time administrator.

Closing Remarks:

Chairman Wallace Grills requested that everyone mark their calendars for the upcoming meetings:

April 2 & 3, 2009 (Planning Committee – all members are invited to attend)

May 14 & 15, 2009

September 24, 2009 (Executive Committee) Location TBA

December 3 & 4, 2009

With no further business to come before the Board, the meeting was adjourned.



Linda Sampson
WIA Board Coordinator



Susie Bourque
Assistant Administrator