



State of Tennessee
Department of Labor and Workforce Development
State Workforce Development Board Meeting

MEETING MINUTES: THE VALUE OF PARTNERSHIP

May 12, 2017 (10:00 AM – 12:00 PM)

Board Members Present

Rogers Anderson (8)	Greg Persinger
Martha Axford (3)	Stuart Price
Jason Bates	Bob Ravener
Timothy Burchfield	Kevin Vaughn
Trudy Carson	James Williamson (12)
Warren Logan (5)	Sandra Woods (12)
Susan Lynn	

Board Members Present by Proxy

Danielle Barnes (Cherrell Campbell-Street)
Candice McQueen (Melissa Camey)
Mark Norris (Alex Lewis)
Burns Phillips (Melinda Kelsey)
Bob Rolfe (Wisty Pender)
Governor Haslam (Ted Townsend)

Members Absent

Carolyn Hardy
Ann Hatcher
Yolanda Shields

Number in parenthesis represents the state board members' membership to the local workforce board.

Welcome & Update

Chairman Bob Ravener welcomed board members, state and LWDA staff, and guests. The meeting's objective of was to achieve some of the final steps towards full WIOA implementation for Tennessee.

Roll Call

Briana Moore conducted the roll call and established the presence of a quorum.

Approval of Minutes (vote required)

Mr. Ravener requested the February 10, 2017 minutes be approved as written. Susan Lynn moved to approve the meeting minutes, Ted Townsend seconded the motion, and the motion passed.

Opening Remarks

Melinda Kelsey's opening remarks denoted the importance of working together to move Tennessee's workforce system forward effectively, efficiently, and quickly; and to ensure that Tennessee complies with federal guidelines by July 1, 2017.

Transitional Planning Presentations & Approval (vote required)

Regions were provided with required and optional questions as suggested responses for the regional presentations. Presentations are based on the submitted regional plans.

West Regional Presentation – Kevin Woods, Margaret Prater, and Jimmy Bell

Middle Regional Presentation – Jan McKeel, Patrick Combs, John Watz, Gary Morgan, and Ron Basham

East Regional Presentation – Susan Cowden, Chris Tiller, Wendy Wilson, Donna Stansberry, and Margaret Prater

Ted Townsend: Can you explain the calculation or methodology (youth served versus youth allocation) based upon the numbers provided in the board folders?

- The number of services to individuals represents new enrollments. The allocation is the amount that the state has provided to the entire demographic, for all participants (new enrollments and carry over)
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enrollments). The total expenditures report provides more of a true match of dollars spent per participant. The state can provide the board the information as it was explained during the CLEO meeting.

Wisty Pender: Can you explain apprenticeship training grants? Comments mentioned during the presentation reflected that there is outreach to small business with SBA and entrepreneurship training at employer's request. This seems like Mission Creep and can you elaborate this partnership.

- There are no U.S. Department of Labor-registered apprenticeships that are currently active in area 10. However, we have noticed movement with apprenticeship applications like GM, Proper Polymer Pulaski, and SaarGummi Tennessee.
- A lot of our employers are small business and we look forward to partner with them. However, our focus is supplying employees to these small businesses.

Ted Townsend: Are there any preexisting metrics for apprenticeship?

- Yes, the state is working to develop a strategy that ties apprenticeship to the public workforce system. We will tap into our board members expertise, both state and locally, to also find out where there are gaps and identifying opportunities so the public workforce system can assist in the grant process. The State Workforce Board approved \$1 million for apprenticeship grants. However, only \$250,000 was awarded to employers.

Jason Bates: Employers already provide workforce training and education, but it is not necessarily defined as an apprenticeship program. Are we restricted to only utilizing the federal definition of apprenticeship to support these employer-driven programs? Are there ways of streamlining the registered apprenticeship process (7 to 9 month application process) to accommodate training programs that employers already have established?

- Yes, there are some other hybrid options like earn while you learn opportunities, but it has to be registered with the office of apprenticeship. Other opportunities to consider are work-based learning and pre-apprenticeship programs with K-12 graders as well as non-traditional apprenticeship opportunities in healthcare and IT sectors. During subsequent meetings, the state can provide some education around apprenticeships since there is a lot of energy around that topic.

Note: State clarified the metrics given for Local Workforce Development Area 5 - metrics in the handout are based on the state allocation; however, Area 5 allocated \$138,559 local formula funds to support five grants and train 250 incumbent worker participants.

Ted Townsend – Why is the On-the-Job (OJT) Training numbers so low, especially since this is a demand for the employer? What efforts are being made to accomplish metrics if they are there? Can we look at some best practices and develop strategy to increase the OJT numbers? ECD can partner to assist in increasing awareness of services to businesses.

- In the East region there are 51 OJT contracts, which is low. We are looking at strengthening our OJT strategy amongst small business and existing businesses locally and regionally. We are developing a process for employers to access those funds. Area 1 has experienced some staff turnover with our business services team, so we are working to get staff adequately trained on marketing and promoting OJTs. Also, there is concern in the availability of the talent pipeline. The individuals that make the best candidates could be in another job, therefore it takes extra time to prepare those available candidates.

Ted Townsend – What is the amount of unexpended funds that are still available? How long are these funds available? Are any of the funds at risk of being turned back to the federal government?

- In November 2016 the board approved the Deobligation Policy, which allowed the state to recoup unexpended funds. Those funds are redistributed those funds to areas meeting and exceeding the 80% obligation rate. The state is projecting \$3.5 to \$4 million from local areas. Once the funds are

redistributed, there is another year to spend.

Ted Townsend – The Governor tweeted this morning saying, “If we want to have jobs ready for Tennesseans, we have to make sure Tennesseans are ready for jobs.” It is imperative for everyone in this room to focus on this area and have Tennesseans ready for jobs.

Remarks by Sterling van der Spuy, Workforce Services Administrator

Workforce Activities

- Monthly Partner Meetings on WIOA implementation
 - Highlighted the Pathways Initiative with ECD and the New Skills for Youth Grant award to Education.
- Attendance to the National Governor’s Association Winter Meeting with Bob Ravener in February 2017 – white paper was written to inform the new administration of the activities with the workforce system. During the meeting the skinny budget was mentioned with a 21% budget cut for programs coming in October 2017.
- One-Stop Procurement is in process. Hosted meeting with the Chief Local Elected Officials (CLEO) and Local Board Chairs to educate them on the procurement process.
 - Portion of TEGL 15-16 was read to provide emphasis on the necessity of the competitive process of the One-Stop operator.
- Grants4TN system is assisting with the management of local area spending activity.
- Meetings with local areas on WIOA implementation
- CLEO and Local Board Chairs Meeting on April 12, 2017
- State Team WIOA National Convening – March 18 – 20, 2017
- Single Brand identity with the American Job Center
- Recognizing the Certification Review Team comprised of Vocational Rehabilitation and Labor and Workforce Development for their work with the site reviews.
 - Joel Blackford of Vocational Rehabilitation was commended for leading the accessibility survey of AJCs across the state.

Ted Townsend – Do you feel that the spirit of competitiveness from the bidding process to RFP approval was observed? Are we compliant with federal law?

- There was difficulty in making a decision on the procurement process, since guidance was not received until a week before the inauguration. Prior to receiving the guidance, the state, with the assistance of the central procurement office, was initially going to lead the one-stop procurement process. This would allow the local areas an opportunity to bid for the operator if they chose to. However, the guidance emphasized the local board initiating that process. After discussion with the local areas, a decision was made for the local boards to procure the operator. The caveat is who delivers career services. The TEGs state that those services are delivered through the operator and for firewalls to be established.

Ted Townsend – What is the timeframe when all of this will be reviewed to ensure compliance? Is there anything else that is punitive that the federal government will enforce if we are not in compliance?

- The Central procurement office can begin reviewing following the completion of the One-Stop procurement process. The federal government will review to ensure compliance; however, we are not certain if they will not fund the entire state if we are 80% compliant versus 100% compliant. We could see them coming to offer more technical assistance to ensure that we are compliant. The regional and national office has been contacted to ensure Tennessee is on the right track. The local board does have the discretion to go through the One-Stop procurement process every two years if they notice there are compliance issues, where the state’s procurement process is every four years.

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- The punitive process is decertification.

Rogers Anderson – Local boards have the right to request a waiver of the procurement of career services from the Governor. Is it state law, policy or, federal law that mandates the procurement of career services?

- Career services as defined in Section 107 and 134c3 of federal law, states that career services have to be procured. It also states that contracts with service providers must be canceled by June 30, 2017. Some will argue there are interpretation discrepancies. We can share more guidance with you.

Ted Townsend – Can you walk me through the waiver process? What is the waiver from procurement policy or a waiver from federal law?

- One-Stop Design and Delivery policy prohibits any local board from directly providing career services. The waiver would request not to procure the career services and to simply award the contracts. However, requesting waivers depend on how the local board/area is structurally organized. If the executive director is still acting as staff to the board, s/he cannot provide career services too. The law stops short of saying that absolutely everyone has to procure career services, and only established options for states. The state has the authority to strengthen the law as long as it is not contradictory to the law. Therefore, the policy requires each entity to have significant conflicts of interest resolved. There was language included to ensure firewalls are in place. Local boards can request a waiver, but procurement is the optimal service delivery design. There is no grandfathering-in. Competition is a trend throughout this state and the state board has pushed us towards continuous improvement.
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Committee Reports & Discussion

During all committees, members were given an update on the WIOA Certification Applications process and One-Stop Procurement guidance.

Operations Committee Report, Rogers Anderson

Policies reviewed and vote required:

- Board Meeting Information Access Policy – Ted Townsend made a motion to approve the policy and seconded by Susan Lynn. The motion passed.
 - Co-enrollment of American Job Center Customers Policy – Ted Townsend made a motion to approve the policy with amendment of adding the new community college definition [based on definition in the Reconnect Act] as effective by July 1, 2017. Seconded by Susan Lynn and motion passed.
 - System Certification – Susan Lynn made a motion to approve the policy with an amendment to language to reflect a 60-day review, seconded by Stuart Price. During the discussion Ted Townsend posed the question to the board about those AJCs that are in denial status or no AJC available in the county. These AJCs are also reflective of those counties that are deemed distress counties. What do we do for those counties with the most need as it relates to providing services? Also noted, the distress counties in Tennessee were expanding from 17 to 19 counties as of July 1, 2017, and 35 counties meet the definition of at-risk. ECD's Project 95 will create a facility to create jobs in Hancock County.
 - Sterling van der Spuy noted that while there are no brick and mortar presence in every county, as we move forward we need to think about our footprint and how we are actually providing service - utilize and leverage our partners in counties where we do not have a presence to establish a presence whether it is via access points or mobile access. Also, pursuing different grants available to support the activity in those particular counties, or working with the library networks to provide access. Rogers Anderson also noted utilizing the funding that is in the pipeline from TVA and ECD for accessibility with the Broadband Act.
 - Wisty Pender – Is there a plan to assist them even if they don't meet the certification requirements the next time around? The state will be providing technical assistance as required by law to assist these areas in getting to the level needed for certification. The motion passed.
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- Transitional Regional and Local Planning – Ted Townsend made a motion to approve the policy and seconded by Susan Lynn. The motion passed.

Oversight Committee Report, Tim Burchfield

Policies reviewed and vote required:

- IWT Policy – Sandra Woods made a motion to approve the policy and seconded by Jimmy Williamson. The motion passed.
- WIOA Budget & Consolidated Grant Proposal – Jimmy Williamson made a motion to approve the policy and seconded by Martha Axford. The motion passed.
- Minimum Training Expenditure Policy – Jimmy Williamson made a motion to approve the policy and seconded by Martha Axford. The motion passed.

Opportunities Committee Report, Warren Logan

Policies reviewed and vote required:

- Interim Auxiliary and Americans with Disabilities Act Policy – Bob Rolfe made a motion to approve the policy and seconded by Susan Lynn. The motion passed.
- Youth Eligibility Policy – Bob Rolfe made a motion to approve the policy with an amendment to adding post-secondary institutions amendments and seconded by Susan Lynn. The motion passed.

Copies of these policies were provided during the committee meetings. Approved policies are available on the State Workforce Development Board webpage.

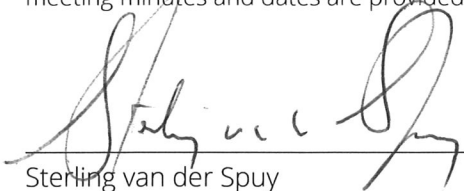
Closing Remarks

Mr. Ravener commended the Communications Team and Melinda for winning 3 prestigious public relations awards.

Adjourn

Mr. Ravener reminded attendees that the upcoming board meetings are noted at the bottom of the agenda. Rodger Anderson made the motion to adjourn, which was seconded by Greg Persinger. The motion passed.

Note: An audio recording of this meeting is on file at the Tennessee Department of Labor and Workforce Development. All meeting minutes and dates are provided on the State Workforce Development Board website.



Sterling van der Spuy
Administrator

11/29/17