

Oregon Workforce Investment Board Minutes

Chemeketa Eola Viticulture Center, 215 Doaks Ferry Road NW, Salem.

August 8, 2014

Members Present: Ken Madden, Susan Brown, Barbara Rodriguez, Maureen Fallt, Joe Weber, Charles Hopewell, Agnes Balassa, Jeffrey Krolick, Barbara Byrd, Al Unger, Andrew McGough, Lisa Nisenfeld, Rep. Paul Holvey, Laura McKinney

Members Participating by Phone: Lori Luchak, Jessica Gomez, Joni George, Bob Halligan, Matt Millard, Stephanie Parrish-Taylor, Dacia Johnson,

Members Absent: Claire Spanbock, Jesse Gamez, Frank Wall, Trygve Bolken, Carrie Chaffee, Dave Baker, Megan Helzerman, Jessica Howard, Kathy Oliver, Erinn Kelley-Siel, Sen. Larry George, Rep. John Huffman, Sen. Michael Dembrow, Karen Goddin

Staff: Melissa Leoni, Katelyn Roberts, Mei Yong

Guests: Krissa Caldwell, Kim Parker, Paul Hill, Vickie Burns, Mark Warne, Elizabeth King

Meeting called to order at 1:06 p.m.

Board Chair Madden called the meeting to order. There was a round of introductions.

Public Comments

There were no public comments.

Consent Agenda

Chair Madden put motion on floor to approve the consent agenda to the June 13 OWIB minutes, July 2 Executive Committee notes, and the July 25 OWIB Retreat minutes. Fallt moved, Rodriguez seconded, motion passed unanimously.

Local Workforce Investment Areas

Leoni referred to the request form on the meeting tables with the proper signatures. Staff sent out the staff analysis in the packet last week and are now ready with a recommendation. Leoni added that Balassa met with the north coast county representatives yesterday, and at this time it appears that Clatsop, Columbia and Tillamook counties are interested in joining with Linn, Benton and Lincoln counties. Staff do not have the paperwork for OWIB's approval today. The OWIB Executive Committee met on August 6 and discussed recommending that OWIB give approval for the Executive Committee to take action for both the Eastern and North Coast areas recommendation at the September 4 Executive Committee meeting. This would allow the public comment process to start on the state plan modification. The Executive Committee will then report on the approved action to the Board on September 12th.

Commissioner Unger spoke in support of the application of the formation of a local workforce investment board in the Eastern region, which is the Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union, and Wallowa counties. He said that the Eastern area contains large counties with small populations and low funding to help the local workforce. The formation of the Eastern region will allow for better alignment of administration and funding.

Chair Madden put motion on floor to approve the Eastern Region. Commissioner Unger moved, Brown seconded, motion passed unanimously.

Leoni asked for the Board's approval for the OWIB Executive Committee to review and take action on the last remaining area. Chair Madden said that the Executive Committee had checked the bylaws and confirmed that it does have the authority to make such decisions.

Chair Madden put motion on floor to allow the OWIB Executive Committee to take action on the recommendation for the final local area with a report to the OWIB at the September meeting. Nisenfeld moved, Krolick seconded, motion passed unanimously.

New Area and LWIB Support Guidance

Roberts provided an overview of the action the state has taken to provide local areas with guidance on the local planning process. Last week, staff sent a memo to the chief elected officials, local LWIB chairs and LWIB directors with initial guidance on the local planning process and timelines as well as chapters of the local plans. A memo was also sent from Leoni, as Board Manager, reminding the local areas of the charter criteria that the Board approved in May. In order for new LWIBs to receive funding for the 2015 program year, each area has to be designated by the Governor, the LWIB must be certified by the Governor, and the LWIB must meet the charter criteria. Staff is in the process of reviewing contracts for technical assistance to the LWIBs. Over the next few months, project managers and experts will be on hand to provide assistance to the new LWIBs and to existing LWIBs that are transitioning from providing direct services.

By mid-September, staff will have a draft of the local planning guidance for the OWIB Performance and Accountability Committee to review, and final guidance will be issued to the locals at the beginning of October.

McGough commented that the OWIB recently passed a state strategic plan. In 2013, LWIBs developed local plans to support that state strategic plan. He understands that the OWIB strategic plan is not going to change and asked if he understood this correctly. He said that with the passing of the WIOA, the local plans may need to be adjusted to align with the WIOA regional plans. He asked for staff to provide assistance to LWIBs as they modify their plans to meet the WIOA requirements. He said that the OWIB needs to be supportive of the LWIBs as they go through these modifications in their plans. Chair Madden said that this was a topic at the National Governors Association (NGA) meeting. He said that the NGA is studying WIOA and determining which pieces should be passed down to the local level. McGough said that it would be helpful for OWIB staff to coordinate communications to the local officials with him so that he can better address the local officials' questions on the new law.

Board Development

Chair Madden reported that he was at the National Governors Association (NGA) conference at the end of July. He said that Oregon is one of the few states in the country where the Governor is fully engaged and supportive of the OWIB. He also said that Oregon is fortunate to have a policy adviser as the voice of the Governor and to guide the Board.

Chair Madden said that there is a lot of work to be done over the next few months. He felt that the OWIB is a very informed group now and is very pleased that the OWIB is getting more into discussions and decision making mode and less of an informational mode. The OWIB will be forming the necessary committees to function better with small groups to move the work forward. The OWIB will be moving to meet every other month, beginning in 2015. Leoni reminded Board members to let her know by August 15 of their interest in the four committees or work groups: Performance and Accountability, Budget and Finance, Youth, and the Work-Based Learning/Apprenticeships. Chair Madden added that there was a lot of interest in the Youth and Work Based Learning committees, but members are still needed in the Performance and Accountability and Budget and Finance committees. He asked members to also recommend people outside of the Board as the bylaws allow for this provision.

Leoni said that staff is also researching other mechanisms for providing training for all members and for doing an overview early next year when additional vacancies are filled. Leoni encouraged members to let staff know if there are ways in which the meetings can be productive and effective.

Workforce System Performance Measures

Nisenfeld referred members to page 25 of the packet. Nisenfeld gave an overview about the first seven performance measures, which are entered employment, employment retention, earnings from employment, wage gain, skill gain, business satisfaction and job seeker satisfaction. Nisenfeld asked the Board to adopt these seven measures. She added that the targeted sectors and return on investment measures need more work before bringing them back to the Board for approval.

Nisenfeld reported that most of the performance measure data comes from wage records in the unemployment insurance system. Job seeker and business satisfaction measures come from surveys. Nisenfeld clarified that these measure the employment and training parts of the system, not the unemployment insurance part of the system. George asked how often the measures are checked on. Nisenfeld answered that the reports are quarterly. Luchak asked whether there is a measure of jobs unfilled and Nisenfeld responded that this will be captured in the sectors measures. Unger asked if the measures show the length of employment. Nisenfeld said that there are retention data available. Weber asked how far the baseline of the data goes. Nisenfeld answered that it goes back to 2008. George asked who the data get distributed to. Nisenfeld answered that the Board receives this data. George said that this would be good information for the public. Balassa said that the information is on the PRISM website. Halligan asked how skill gain is measured. Leoni answered that the skill gain measures are listed on page on 32 of the packet.

Chair Madden put motion on floor to adopt the seven performance measures. McGough moved and Fallt seconded, motion passed unanimously.

WorkSource Forum Report and Service Delivery Discussion

Paul Hill, OED Customer Access and Program Effectiveness Administrator, gave an introduction on the scope of the project. Kim Parker, OED Assistant Director for Business and Employment Services, gave an overview of the Executive Summary of the WorkSource Forum Report included in the packet.

George asked if the OED had considered placing WorkSource Centers as career centers in high schools. Nisenfeld responded that OED has not explored this with high schools but has begun the process of having conversations with small community colleges as their career centers. She said that OED is also in the process of deploying researchers to rural school districts because there was feedback that students, teachers, counselors and families are not knowledgeable about the jobs that are available in their areas and, therefore, they assume that they have to leave their area to seek jobs.

Unger asked if there was information gathered on traded sectors versus other employment opportunities. Parker replied that while traded sectors drive the economy, the forums did not address this topic, but she agreed that OED needs to focus on traded sectors. Madden added that he has observed the lack of soft skills in employees, which he believes is due to the fact that the first job for youth are delayed until they are in their early twenties. Rodriguez asked if WorkSource has an “app.” Parker replied that there isn’t one at this time due to various reasons.

Nisenfeld said that the Employment Services started 80 years ago and has been basically doing the same thing, cataloging jobs and matching job seekers to these jobs. Therefore, the question is whether the OED should be doing their work differently in some areas. Parker said that there is a need to provide multiple tools and training to job seekers on utilizing current technology to find jobs. Chair Madden felt that further investment into on-the-job training would be beneficial. It is an out-of-the box solution that allows employers to test out potential employees and employees to receive experience and on-the-job training. This could potentially solve three problems—get the long term unemployed off of unemployment benefits, the employer gets a trained employee, and the employee gets a job. Balassa said that services are changing significantly – school-based training, skills credentials, high cost training, low cost training, and free training. She encouraged the Board to look at the many different ways that the system can help job seekers.

George made a request to the Board. She would like to present to the Board how her company’s internship program encourages people to think outside of the box and apply some of the tools to their communities. Chair Madden said that staff will look into building some time for George at a future meeting.

Parker proposed a question to the Board, that is, if WorkSource gave the Board funding, how would it invest those funds into the system, knowing what they know about the system. For George, her priorities are a relief fund for employers for providing the training that employers need so that job seekers can get jobs; resources to help employers model the program that her company utilizes; have

WorkSource centers take their services into schools; market services aggressively to job seekers; and create an app for young job seekers. Luchak suggested providing financial resources for employers to offer paid internships to job seekers.

In response to George and Luchak's comments, Balassa said that Legislature funded a program, recommended by OWIB, called, "Back to Work Oregon" two biennia ago. The program was designed to focus on job seekers with intermediate skills to earn a National Career Readiness Certificate and the employers are reimbursed to provide on-the-job training. She said that the Board could examine and modify programs like this to support work-based learning to put a proposal in place in the fall. McKinney said that she attended an economic development forum where similar topics were discussed. The concern for most employers is that they would not get their return on investment because young people would not stay in their jobs after the work-based training is completed. She said that resources should go to the entire community of employers rather than a few so that the burden would not fall on just those employers. Madden echoed McKinney's remarks. He said that employers want a commitment from employees to stay on the job for a specified period to reap their return on investment. Krolick said that there is a retention program in the health care industries that helps employees repay their student loans. This program has proved to be very successful.

George asked if there is some way to accelerate these conversations and move forward on these conversations. Nisenfeld answered that OED is responding by supporting the implementation of sector strategies throughout the state, and strategies will be developed and implemented in each area to address the priorities unique to their area. Fallt asked if the system can personalize the resources and service to the job seeker. Parker responded that the system is in the midst of a massive culture change. The iMatchSkills service is not available anymore. OED is training staff to provide individualized service to both employers and job seekers.

Pay for Performance Overview

Balassa gave an introduction of the Pay for Performance model under the WIOA. At this point, this is a discussion topic for the Board and intended to get feedback – pros, cons, challenges, and opportunities of the model from the experience and expertise of the Board. George asked about which sectors could use this model. Balassa said that the act allows for a portion of the Title I funds, which includes adult, dislocated workers, youth programs and the Governor's reserve, to reward for performance and social bonding programs. George asked what a social bonding program entails. Balassa responded by explaining that bonding is used to pay for programs upfront in return for reduced social and public costs on the backend. This has been used to reduce incarceration rates, long term unemployment and childhood obesity. Krolick said that if hospitalization costs can be reduced for behavioral health services, which are very costly and temporary fixes in the public health sector service, some of that money can be diverted into other programs that are needed in the community. McGough said that the problem with these programs are that people with more education ultimately benefit and others get left behind. McGough suggested using regression analysis and models. Rodriguez cautioned about building incentives into the program so that the participants will actually take the opportunity as opposed to compromising the benefits.

Balassa said that states can modify their existing plans in order to make this an allowable activity for them. Staff are considering submitting a modification to the state plan to allow the state to pursue a pay for performance approach.

Announcements

Leoni said that the next meeting is on September 12 at CCBI. The agenda packet will be sent out in early September.

Madden announced that he made a request to Jessica Howard, which she has accepted, to join the Executive Committee beginning in September to represent the higher education vacancy. He also said that McKinney had suggested an informal question and answer session for Board members an hour before the meeting officially begins so that members can get their questions answered. Madden confirmed that staff will be available at the meeting venue an hour before the next meeting to answer questions. This would allow the Board to better contribute and make decisions at the meeting.

Madden adjourned the meeting at 3:34pm.