



## GOVERNOR'S COUNCIL FOR WORKFORCE AND ECONOMIC DEVELOPMENT

### MEETING MINUTES

**Date:** October 28, 2016

**Time:** 9:00 A.M.

**Place:** Oklahoma State University-Oklahoma City, 900 N. Portland Ave., Oklahoma City, OK

#### **Welcome/Call to Order**

Chair Steve Hendrickson called the meeting to order and reviewed the agenda.

#### **Approval of Minutes**

Chuck Mills made a motion to approve the July 29, 2016 meeting minutes, seconded by Donnalla Miller. No further discussion. The motion carried unanimously.

#### **Oklahoma Works Update**

Katie Altshuler reported the following:

- The Oklahoma Works State Summit was held on October 6 at the Cox Convention Center and attended by about 250. They had some super presentations and outcomes. There were breakout sessions in the afternoon that had some very good results.
- They have been working on a communications plan and trying to increase their presence on social media. Katie asked everyone to follow them on Facebook, Twitter and LinkedIn. They are interested in any news articles or stories that they can post so let her or Sarah Ashmore know if you have something that they can share. They will also be starting a quarterly newsletter so they will be looking for material for those as well.
- They have been busy working with the State Department of Education on the New Skills for Youth grant, specifically the Career Pathways that encompass three of the Oklahoma Works strategies under Align and Connect which is the first objective. They are going to be consolidating the first three strategies into one and they are going to rename it Career Pathways so they will be aligned with the New Skills for Youth grant. That encompasses Career Options Exposure, Postsecondary Opportunities in High School, and Workforce Readiness.
- They had a Key Economic Network (KEN) Champion meeting and decided they are going to start having the meetings quarterly. The champions will meet to share materials, best practices, etc. They are also working on establishing goals for the KENs. Three of the goals are:
  - Creating new or existing internship or externship programs
  - Increasing the level of registered apprenticeships for the region
  - Hosting an annual event such as a job shadowing day on a regional level - they hope to have one on a state level too.
- The Oklahoma Works Core Team are also working on setting an educational attainment goal for Oklahoma. They are running the data now and should have it ready by December 31, 2016.

#### **Expenditure Analysis**

Erin Risley-Baird presented information on the way the federal dollars are spent in the workforce system. She said that the Oklahoma Office of Workforce Development conducted a fiscal analysis on local area expenditures for training for PY15. This fiscal analysis was created for two major functions:

1. In 2015, Oklahoma Office of Workforce Development (OOWD) released a Local Area Designation policy for the local areas. This was required under the Workforce Innovation and Opportunity Act (WIOA) to recertify designation of areas in the shift from WIA to WIOA. Initial designation was awarded to a few local areas because they had met the criteria and a few remaining areas received conditional designation. As part of the criteria they needed to meet by September 1, 2016, was a 15% training expenditure for combined Adult and Dislocated Worker funding. The

Workforce Office first conducted a fiscal analysis to meet the needs of those local areas to move from conditional designation to initial designation.

2. Also, the state's Annual WIA Report for PY15 submitted in August 2016, required a cost effective analysis and reporting of expenditures of WIA dollars. This is an analysis of state performance, local analysis will be in later years.

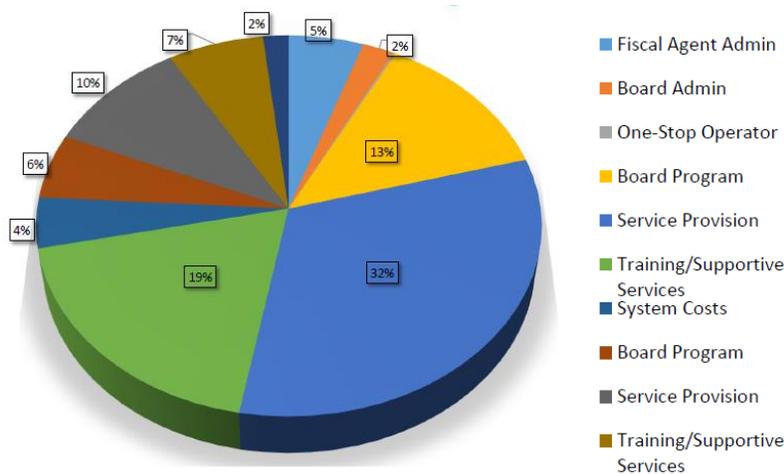
Expenditure Line Items include:

- Admin Costs: 10% Cap
  - Board Admin Cost
  - Fiscal Agent Admin Cost
  - One-Stop Operator Admin Costs
- Other Costs:
  - Board Program Costs
  - Service Provision Costs
  - Training Costs
  - Supportive Services Costs
  - System Costs
- Breakdown of expenditures:

**July 1, 2015 – June 30, 2016 Combined Adult/DLW Reported Expenditures**

Expenditure Line-Items	Total Net Dollars Expended	Percentage of Total Net Dollars Expended
Fiscal Agent Admin	552,538.20	5.40%
Board Admin	244,624.27	2.39%
One-Stop Operator	26,289.15	0.26%
<b>Total Admin</b>	<b>823,451.62</b>	<b>8.05%</b>
Board Program	1,614,587.61	15.79%
Service Provision	4,581,292.46	44.81%
Training	2,269,064.43	22.19%
Supportive Services	535,400.54	5.24%
System Costs	400,467.66	3.92%
<b>Total Program</b>	<b>9,400,812.70</b>	<b>91.95%</b>
<b>Total Net Dollars Expended</b>	<b>10,224,264.32</b>	<b>100.00%</b>

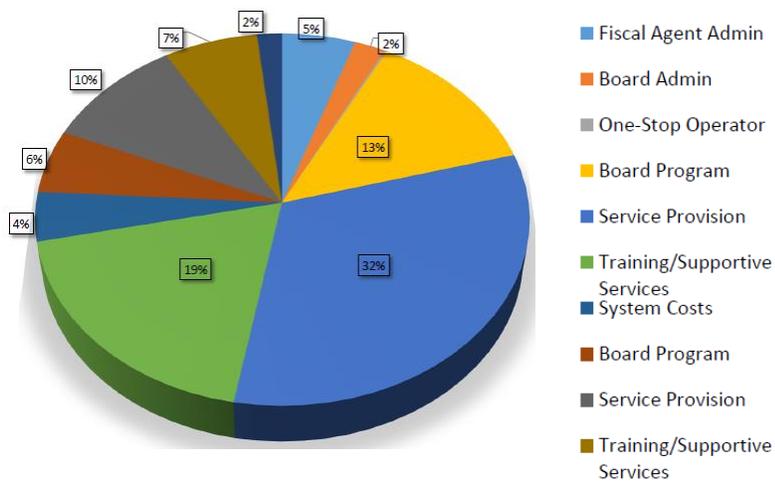
**Percentage of Total Net Local Youth Dollars Expended**



### July 1, 2015 – June 30, 2016 Combined Youth Reported Expenditures

Expenditure Line-Items	Total Net Dollars Expended	Percentage of Total Net Dollars Expended
Fiscal Agent Admin	321,561.75	5.25%
Board Admin	135,660.69	2.22%
One-Stop Operator	10,198.93	0.17%
<b>Total Admin</b>	<b>467,421.37</b>	<b>7.64%</b>
Board Program	801,522.98	13.10%
Service Provision	1,966,710.70	32.13%
Training/Supportive Services	1,150,611.73	18.80%
System Costs	261,602.92	4.27%
<b>Out of School Youth Total</b>	<b>4,180,448.33</b>	<b>68.31%</b>
Board Program	336,344.47	5.50%
Service Provision	616,183.21	10.07%
Training/Supportive Services	410,834.51	6.71%
System Costs	108,945.46	1.78%
<b>In School Youth Total</b>	<b>1,472,307.65</b>	<b>24.06%</b>
<b>Total Net Dollars Expended</b>	<b>6,120,177.35</b>	<b>100.00%</b>

### Percentage of Total Net Local Youth Dollars Expended



- Overall for PY15 Oklahoma provided services to approximately 157,000 participants – includes basic services and self-services.
- In terms of total core and intensive services, Oklahoma served almost 17,000 participants, 16,700 for just Core services, 3,000 intensive services, and 1,400 received training.
- Cost per participant were roughly around \$59.

A roundtable discussion followed the presentation. (Sample of questions and comments are below.)

Q. *When we look at the pie chart, it is my understanding from talking to different people that many of these categories actually include overhead and admin. What is included in admin expenses?*

A. This is where overhead and admin actually appear in multiple categories and our expenditure analysis doesn't capture that. DOL has very clear definitions on what they consider the 10% Admin, however, overhead and personnel costs appear in multiple categories. For example, the Service Provision category which are typically the contracts that the Local Boards have with a Service Provider, a company that provides service in a One-Stop center, through that contract there is also overhead such as staff like case managers who do the work on behalf of the ones delivering services. The Local Board administrative costs are broken apart, the Fiscal Agent admin costs and the One-Stop Operator, and there are additional personnel costs and overhead costs throughout many of the other expenditure categories.

Q. *Do you have that broken down?*

A. No, at the state level we are tracking expenditures as a pass-through agency. The Local Boards are reviewing the budgets, invoices and the contracts. There would be a way for us to review the service provider contract. Those would be estimated budgets for a particular year not necessarily expenditures.

Q. *Could you say a little more about the training and the service provision and what's involved and how do they differ from each other? What does Oklahoma get from the service provision category versus what does Oklahoma get from the training category? Do they both close the skills gap or does just one of those categories close the skills gap?*

A. In terms of the service provisions, this is what's happening in the workforce centers, there are a few categories of services that occur. That would be basic services, staff-assisted services, and intensive services. These are included under the service provision. Training would be the actual dollars spent for this category. The way we track expenditures, this would be tuition at a community college or at a local CareerTech, also basic skills development or training as well to upskill someone to get a job – not necessarily to get a credential. Those are the two categories. Training does include in some cases what we call needs-based assistance.

Q. *What are system costs?*

A. System costs are the necessary costs to administrate the system. Examples are: office supplies, rental and maintenance of office space, rental or purchase equipment and utilities, and other maintenance services.

Q. *What are our take aways or expectations?*

A. We can't compare to other years because we haven't done this before. However, we know we need to increase training. The Initial Designation policy emphasizes training expenditures and we are trying to increase our training expenditures to 15%. There are other states who have training minimums set for the state. The highest states are Virginia and New Mexico which have a 40% minimum for training expenditures. One state includes transportation and another state includes child care, so it is defined a little differently from state to state.

C. *Sec. Shirley commented that one of the biggest challenges the Governor talks about almost every time is the skills gap. The number of folks trained and educated vs. the number of jobs that are open. Today, even with the energy crunch, we have a significant number – thousands - of open jobs in our critical occupations and STEM occupations. We must direct our dollars towards training. Governor Fallin's initiative in Oklahoma was to allow for every partner to work together to provide supportive services. We just have to work harder. We shouldn't be using Dept. of Labor (DOL) dollars for that sort of thing. We should be going to DHS or Goodwill or wherever we need to go for supportive services and put dollars back that come from DOL that goes towards training.*

Erin asked the Council how they would like this information broken down and what would they like to see reported?

Comments:

- One of the most important thing to measure is how many get jobs along with the training.
- We need to focus on helping people to help themselves.
- Would like to look at all admin costs and break them down.
- Would like to look at all system costs and define them so we can understand what all is included.
- Would like to see how many found a job and the turnaround time, dollars per participant, number of successful graduates or program completers.
- Start with a baseline and set a goal to move towards to increase the wages and decrease the poverty level in the state.

In summing up, Chair Hendrickson said that it looks like what the Council would like to see is more granular data. In particular in reference to Adult, Dislocated Worker and Youth services, they would like to see more detailed data. Data on what we did with the money and who benefited from it and in some quantifiable way or longitudinal data. Data is needed on things like how many persons were served, what populations are being served, where are they now, what are they earning, how does this contribute to their success, etc. With regard to the Adult, Dislocated Worker, and Youth Services, we need to be able to report back to the Department of Labor how we spent the money and how efficient we were. We need to reduce administrative costs and increase training expenditures.

### **Committee Work**

Chair Hendrickson explained that they had a meeting of the Council's standing committees' co-chairs to talk about what to work on as they look forward to 2017. Steve asked the co-chairs to think about why they were doing this work and how would Oklahoma have benefitted a year from now? What are your aspirations? What would be accomplished in the short-term and long-term? Each committee was asked to come up with 3-5 short-term goals and 3-5 long-term goals for their area of service that would speak to some aspirational goals that they believe we can strive for as we move forward in 2017. Co-chairs presented the following information to the Council:

### **Committees - Goals**

#### **Workforce System Oversight Committee**

Goals for 1<sup>st</sup> Year:

- Complete infrastructure/shared cost McAlester Pilot
- Achieve a minimum of 40% direct client training expenditures statewide (not to include supportive services)
- Statewide certification by the GCWED of all Oklahoma Works Centers

Goals for 3-5 Years:

- Infrastructure/shared cost model statewide
- Direct client training of no less than 50% (with \$ incentives for exceeding performance)
- System certification by the GCWED of all local Planning Regions

#### **Youth Programs Committee**

Goals for 1<sup>st</sup> Year:

- Support the individual Career and Academic Plan (ICAP) for all students
- Create a model for increasing parental or family involvement in the dropout recovery effort for out-of-school youth
- Identify champions in each school district to implement character building programs statewide

Goals for 3-5 Years:

- Develop strategies to implement ICAP statewide in all schools
- Focus on strategies to incentivize graduations and GED attainment

- 75% of school districts have engaged character development programs

### **Healthcare Workforce Committee**

Goals for 1<sup>st</sup> Year:

- Produce a statewide “critical health care occupations” report which includes a supply and demand forecast and identifies skills gaps
- Develop recommendations for closing the supply and demand gap for health care occupations
- Develop a state plan to support the establishment of inter-professional teaching health centers in rural and underserved areas of the state

Goals for 3-5 Years:

- Increase the number of primary care professionals practicing in areas currently designated as primary health professional shortage areas
- Increase the availability and accessibility of health professions training programs in rural areas
- Establish health professions career pathways

### **Career Pathways Committee**

Goals for 1<sup>st</sup> Year:

- Integrate a committee member tied to each of the nine KENs to be a Career Pathways Champion
- Integrate a committee member tied to each of the five ecosystems to be a Career Pathways Champion
- Deploy Dream It. Do It. as a best practice statewide, (deploy concept beyond the realm of manufacturing)

Goals for 3-5 Years:

- Capture the number of participants participating in Dream It. Do It. in each KEN and each ecosystem that have completed the program and are now employed. Years 2-3
- Identify and deploy at least one new career pathways initiative specifically tailored to reduce the projected skills gaps in each of the five ecosystems. Years 2-3
- Collect the number of unemployed individuals that participated in ecosystem specific career pathways initiatives who subsequently earned employment. Years 2-4
- Increase the number of employers in each KEN who actively support career pathways by 2%. Years 2-4

### **Vice-Chair for Governor’s Council**

John Hawkins, co-chair of the Workforce System Oversight Committee, explained that it has been several years since the Governor’s Council has had a vice-chair. With the implementation of WIOA, the system changes and integration of Council activities with Oklahoma Works and the many other statewide workforce initiatives, the time is right for the Governor’s Council to have the service of a vice-chair again. Such nominations must first be considered by the WSOC, if approved, then submitted to the full Governor’s Council for consideration. John Hawkins made the following motion: In collaboration with the Governor’s office, we would respectfully like to nominate Nathaniel Harding to serve as vice-chair of the Governor’s Council for Workforce and Economic Development. The motion was seconded by Chuck Mills. Discussion. The motion carried unanimously.

Nathaniel Harding thanked the Council for this opportunity and said that he would do his very best to carry out the responsibilities.

### **Annual Report for PY15**

Erin Risley-Baird explained that an Annual Report for the past program year is due to the U.S. Department of Labor each year. It covers what we have done over the year and how we have been implementing WIOA as well as performance levels. The Office of Workforce Development submitted the Annual Report for Program Year 15 by the deadline of October 3, 2016.

**Old Business**

None.

**New Business**

None.

**Other**

- Steve Hendrickson welcomed new Council member, Dale Dewayne Wilcox. Dewayne is with the IBEW Local 1141 and represents Labor on the Council in compliance with WIOA.
- Steve Shepelwich said that it would be good if all Council members were to visit at least two or more workforce boards in the state and talk with the Directors in order to learn more about the Boards, the structure and operations, etc. Two or more could go at a time – the buddy system. He has visited several WDBs and it has really helped him to understand the workforce system better and get to know staff and board members. Steve Hendrickson said that is a good point and he added that you could go and get the red carpet treatment or go incognito and ask for services to see how it works.
- Reminder that the Alumni Celebration is on November 17 beginning at 1:00 p.m. in the House Chambers at the State Capitol.

**Next Meeting Date**

The next Governor's Council meeting is scheduled for Friday, January 27, 2017 at 9:00 a.m. and will be held at Oklahoma State University – Oklahoma City.

**Adjourn**

The meeting adjourned at approximately 10:50 a.m.

*Respectfully submitted,  
Linda Emrich*