



GOVERNOR'S COUNCIL FOR WORKFORCE AND ECONOMIC DEVELOPMENT

MEETING MINUTES

Date: January 27, 2017

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

John Hawkins made a motion to approve the October 28, 2016 meeting minutes, seconded by Marcie Mack. No further discussion. The motion carried unanimously.

Oklahoma Works Update

Katie Altshuler reported the following:

- Gov. Fallin signed an Executive Order establishing a new educational attainment goal for the state of Oklahoma called Launch Oklahoma. It was developed from recommendations by the Oklahoma Works Leadership Team to address the growing gap between the skills workers have and the skills they need to fill jobs. The goal sets the bar high, but it is attainable. They are working with the Lumina Foundation where they have applied for a grant that would help expand adult degree completion efforts. Launch Oklahoma expands on the Complete College America initiative begun in 2011 to increase the number of career credentials and college degrees conferred over 12 years by 67%. The new initiative will focus on helping adults who left the education system at some point to return and finish what they started. They have a goal that 70% of the adult population will have post-secondary education and training by 2025. A strategic plan will be developed to increase overall educational attainment by addressing the needs of both youth and adults.
- They are working very closely with the State Department of Education on implementing the New Skills for Youth grant that was awarded by J.P. Morgan.
- They are continuing to work on the Oklahoma Works Strategic Plan to make sure that it is updated with the latest information and includes the New Skills for Youth grant.
- The Legislative session is starting on February 6 and Gov. Fallin is preparing the State of the State and the budget. Please contact them if you have any questions.

Healthcare Reform and Business Survey Presentation

In 2014 a study was initiated by the Oklahoma State Department of Health regarding developing a comprehensive health improvement plan for Oklahomans. The study asked for employer perspectives on health, wellness, and workforce readiness issues. Buffy Heater, Oklahoma Healthcare Authority, presented the following summary of findings:

Project Background

Research objectives guided the study design

- Project stakeholders wanted to understand employer perspectives like
 - How does the health of the Oklahoma workforce affect business?
 - What impact does access or lack of access to healthcare have on an employer's bottom line?
 - What barriers and challenges do employers face in providing health and wellness benefits?
 - How and why do employers invest in employee wellness programs?
- Study used multiple data collection methods

- Online survey
- Telephone poll
- In-depth interviews

Key Findings from 2014

Workforce Readiness – Telephone poll respondents were asked

- Is there a gap between your business needs and Oklahoma's talent pool?
 - 50% responded NO
 - 50% responded YES
- Who should bridge the gap?
 - 50% Universities or career centers
 - 36% The State
 - 31% Employers
- Reasons for the gap
 - Lack of basic work skills
 - Lack of problem solving/critical thinking skills
 - Inadequate industry-specific/technical skills

Effect of Employee Health Status on Business

- About half of respondents report employee health affects their business.

Health Insurance

- 76% of survey respondents say health insurance is “very important” in recruiting and retaining top employees.
- 45% of survey respondents believe that employers have a role in providing healthcare and managing the costs.
- 85% of survey respondents and 91% of phone participants do offer coverage to employees.
- 64% of survey respondents offer family coverage, but most do not contribute to those premiums.
- 27% of small employer survey respondents (≤50 employees) do not offer dependent coverage compared to 9% of larger employers (≥50 employees)

Impacts of Healthcare Costs on Business

- 43% Less profit available for general business growth
- 39% Held off on salary increases for employees
- 31% Increased medical plan deductible
- 26% Increased employee share of medical premiums
- 22% Held off on hiring new employees

Responses to Rising Healthcare Costs – Employers take action to manage their healthcare costs.

- 38% Increased employee cost-sharing
- 37% Added a high deductible health plan
- 33% Started wellness programs or activities
- 23% Changed insurance companies
- 23% Reduced benefits

Employer Share of Health Insurance Premiums

- 40% of respondents say they fund 100% of employee health insurance premiums

Insure Oklahoma – Respondents expressed a positive view

- Financial benefit (subsidized premiums)
- Increased employee morale
- Helpful in attracting and retaining employees
- Reduced absenteeism

Wellness Program Offerings

- 96% of companies with 500+ employees sponsor wellness programs
- Wellness includes mental, spiritual, financial well-being
- 60% use penalties or incentives (e.g., premium credits)

Primary Reasons Employers Offer Wellness Programs

- #1: Altruistic desire for employees to be healthy and happy
- Controlling rising healthcare costs
- Managing sick leave, absenteeism, workers' compensation
- Recruitment and retention
- For polling respondents, wellness leads to
 - 58% Healthy outcomes
 - 48% Positive business results

Key Characteristics of Wellness Programs

- Leadership support
- Long-term commitment
- People to develop, manage, and promote program
- Partnerships with the right vendors
- Compliance with federal and state requirements – Affordable Care Act, ADA, GINA, EEOC, IRS, HIPAA
- Measuring progress/results to share with leadership
- Multi-channel communications

Managing Wellness Program Costs

- Get employees involved
 - Planning committees
 - Wellness champions inspire with personal success stories
 - Team activities/competitions

Promoting Your Wellness Program

- Employers in the in-depth interviews say they make use of multiple communication vehicles for promoting the programs within their organizations.
 - Promote success stories
 - Direct mail
 - Onsite TVs
 - Elevator boards
 - Calendars
 - Intranet

Healthcare Workforce Committee “Deep Dive” Report

Governor's Council members, Shelly Dunham and David Keith are co-chairs of the Healthcare Workforce Committee. Shelly presented the following background and update on their activities:

- The Health Workforce Subcommittee was established in statute, SB612 in 2015.
- The plan for the subcommittee was developed during a strategic planning session during the NGA Health Workforce Policy Academy in which one of the strategies was to address how the state could best coordinate statewide health workforce efforts.
- Core team members and stakeholders in the policy academy agreed that integrating health workforce efforts into state workforce and economic development efforts would provide leverage and achieve sustainability of efforts.
- Duties of the Health Workforce Subcommittee shall include:
 - Conducting data analysis and preparing reports on health workforce supply and demand
 - Research and analysis of state health professional education and training capacity
 - Recommend recruitment and retention strategies for areas determined by the Oklahoma Primary Care Office or the Oklahoma Office of Rural Health to be areas of high need; and
 - Assessment of health workforce policy, evaluation of impact on Oklahoma's health system and health outcomes, and developing health workforce policy recommendations.
- Goals of the Subcommittee:
 - Coordinate statewide efforts
 - Identify and quantify healthcare occupations supply and demand

- Reduce skills gaps
- Implement policies and programs that support an optimized health workforce
- Governor's Council Health Workforce Subcommittee Goals
 - Goals for 1st Year
 - Produce a statewide critical healthcare occupations report which includes a supply and demand forecast and identifies skills gaps
 - Develop recommendations for closing the supply and demand gap for critical 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 and underserved areas
 - Establish health professions career pathways from pre-baccalaureate health professional to more skilled healthcare labor force
 - Current Work
 - Critical Health Care Occupations
 - Develop methodology
 - Prioritize list of critical occupations
 - Identify skills gaps
 - Explore and recommend solutions to close gaps
 - Graduate Medical Education
 - Develop strategy to sustain current funding levels and secure long term authority
 - Identify policy levers
 - Produce issue brief and policy recommendations
 - Teaching Health Centers
 - Identify policy levers and/or barriers
 - Produce statewide assessment, issue brief and policy recommendations
 - Progress
 - Teaching Health Centers
 - Developing a state analysis of state's current teaching health centers
 - Developing a state plan to support the growth of the teaching health center program
 - Graduate Medical Education
 - Developing an analysis of physician training, recruitment and retention in Oklahoma
 - Developing metrics for physician training
 - OSHD has secured technical assistance from the National Governors Association
 - Critical Occupations
 - Working to develop list of critical occupations
 - Planning update and expansion of 2006 Healthcare Industry Occupations Report
 - Developing three issue briefs for emerging health occupations
 - Next Steps
 - Develop metrics based on research and evaluation of current status
 - Make recommendations to the Governor's Council
 - Review and refine Health Workforce Action Plan to align with new health system policies
 - Analyze and evaluate impact of proposed state legislation that impacts health care

Committee Updates

- Career Pathways – Chuck Gray, co-chair, presented the following information:
 - The CP committee has held two meetings since the last Council meeting
 - Each CP champion has met with their Key Economic Network (KEN)
 - The CP committee has set a quarterly meeting schedule for 2017:
 - April 20, July 20, and October 19
 - Career Pathways KEN Champions:
 - Northwest – Kat Long
 - Southwest, South Central – Marilyn Feaver
 - Central, East Central – Kevin Arnold
 - Northeast, Tulsa, Eastern – Stephanie Cameron
 - Southern – Cheryl Carlan
 - Next Steps:
 - Review raw Oklahoma Works business survey data from 2016 to help set a baseline for determining what additional information is required to document key skill gaps in each KEN area.
 - Establish a subcommittee of Career Pathways Champions to identify and leverage best practices for identifying and putting in place strategies with specific actions/timelines to help close skill gaps in each sector
 - Identify coordination opportunities with the New Skills for Youth grant.
 - Develop a strategy for examining and prioritizing sector initiatives within each KEN based on regional economic needs and skill gap assessments.

- Youth – Chuck Mills, co-chair, reported:
 - The committee met on December 2 and had speakers come in on areas they want to work on. Cecilia Robinson-Woods, co-chair and superintendent of Millwood Public Schools, gave a presentation on ICAP – Individual Career Academic Plan.
 - Robert Greenlaw, Kimray, Character.org, presented information on Character.org, an initiative that promotes character building and attributes such as leadership, team player, problem solving, employability and character skills.
 - They are looking at certifying schools to be work ready or workforce ready.
 - They are going to establish committees to begin work on their goals.

- Workforce System Oversight – Richard McPherson and John Hawkins, co-chairs, reported:
 - The committee is focusing on three areas:
 - Providing oversight of the workforce system design
 - Approving policy for the system - suggested and implemented by the System Oversight Subcommittee (SOS), representative of the entire system partners
 - Reviewing policy for the Title I programs for the local area service providers ensuring release for program implementation
 - Current action items:
 - Coordination at the local and state level to the Oklahoma Works vision is actively being addressed at this time with cooperation from our SOS lead by Donnalla Miller and the Workforce System Partners.
 - At the present time, policies according to WIOA are being written by Donnalla's team, the SOS, to provide guidance and meet the time requirements in the new law and released to the entire system partnership.
 - Through our team we are providing support and facilitation for pilot projects to provide models for the statewide system, i.e. infrastructure cost model and cost sharing and assistance with local and regional planning by developing policy guidance.
 - Donnalla Miller reported on the work of the SOS:
 - The SOS has assisted the regions and local areas in completing exercises in SWOT analysis and self-assessments in order to identify their current status and prepare for the future regional and local plans. We have now used this

information and the requirements of the law to write guidance on how to complete those plans that will mirror the intent of the state plan.

- With the intention of putting together a plan for the state to use for one-stop infrastructure and cost sharing model, the McAlester, OK comprehensive center was selected for a pilot location and information regarding overall cost was made available by the current co-located agencies and partners. For example, computer related services, freight expenses, telecommunication services, rent and utilities, and office supplies. A team was formed to agree upon formulas for the infrastructure costs and will be up for a vote to approve by all. Consensus was reached that all partners represented in the room would be open to cost sharing in addition to infrastructure cost. The current one-stop operator for this area is an unfunded contract with one of the service providers. Even though the staff selected was very much a system oriented staff, it became more and more difficult for the other service providers to see them to be a neutral coordinator. It was discussed by all the best way to achieve their goal of neutrality enabling them to provide unbiased and quality services to their shared customers was to share that functional supervisor cost. A committee was formed to develop a comprehensive job description agreed upon by all potential funding providers. Another committee was formed to analyze what costs would be associated with this position. This should all be decided and agreed upon by October to be able to release the RFP.
- The SOS has been charged with writing implementation policies that address Memorandum of Understanding, Board and Area Consolidation, Center Certification. All of these are in the process of being assigned quickly to have guidance before the system deadlines.

Analysis of State-level Spending

Erin Rislely-Baird, Executive Director, OK Office of Workforce Development, reported the following on WIOA funding for the state of Oklahoma:

Program Year 2015 Income:

2015	Carryover	Recapture	New Funding	
H1B	\$ 1,061,049.38	\$ -	\$ -	
WDQI	\$ 734,879.98	\$ -	\$ -	
WINC	\$ 321,634.42	\$ -	\$ -	
PY13 Youth	\$ 35.48	\$ 69,741.52	\$ -	
PY13 Adult	\$ 56.32	\$ -	\$ -	
PY13 Dislocated Worker	\$ 427.32	\$ 6,827.54	\$ -	
FY14 Adult	\$ 2,279.08	\$ 17,515.89	\$ -	
FY14 Dislocated Worker	\$ 6,333.77	\$ -	\$ -	
PY14 Youth	\$ 165,728.18	\$ -	\$ -	
PY14 Adult	\$ 1,950.51	\$ -	\$ -	
PY14 Dislocated Worker	\$ 18,118.14	\$ -	\$ -	
FY15 Adult	\$ 239,551.89	\$ -	\$ -	
FY15 Dislocated Worker	\$ 1,093,978.00	\$ -	\$ -	
WIOA Implementation	\$ -	\$ -	\$ 144,938.00	
PY15 Youth	\$ -	\$ -	\$ 694,108.00	
PY15 Adult	\$ -	\$ -	\$ 55,906.40	
PY15 Dislocated Worker	\$ -	\$ -	\$ 319,471.25	
FY16 Adult	\$ -	\$ -	\$ 613,036.20	
FY16 Dislocated Worker	\$ -	\$ -	\$ 1,760,754.10	
	\$ 3,646,022.47	\$ 94,084.95	\$ 3,588,213.95	\$ 7,328,321.37

Program Year 2015 Expenses

Cost Category	Expenses	Percent
Salaries	\$ 780,730.70	23.80%
Fringe	\$ 373,579.63	11.39%
Office Supplies/Equipment	\$ 29,899.62	0.91%
In State Travel	\$ 7,208.41	0.22%
Out of State Travel	\$ 29,636.44	0.90%
Print & Mail	\$ 3,305.55	0.10%
Programs & Professional Services	\$ 849,247.51	25.89%
Sponsorships	\$ 30,647.25	0.93%
Memberships	\$ 20,736.00	0.63%
Subscriptions	\$ 153,443.97	4.68%
Rent	\$ 1,015.00	0.03%
Miscellaneous/Other	\$ 2,371.95	0.07%
F&A	\$ 998,696.61	30.44%
TOTAL	\$ 3,280,518.64	100.00%

Program Year 2016 Income

2016	Carryover	Recapture	New Funding	
WIOA Implementation	\$ 144,938.00	\$ -	\$ -	
PY14 Youth	\$ 42,534.77	\$ -	\$ -	
PY14 Adult	\$ 450.69	\$ -	\$ -	
PY14 Dislocated Worker	\$ 10,232.72	\$ -	\$ -	
FY15 Adult	\$ 94,362.66	\$ -	\$ -	
FY15 Dislocated Worker	\$ 343,572.16	\$ -	\$ -	
PY15 Youth	\$ 444,324.64	\$ -	\$ -	
PY15 Adult	\$ 4,979.61	\$ -	\$ -	
PY15 Dislocated Worker	\$ 129,283.83	\$ -	\$ -	
FY16 Adult	\$ 460,340.87	\$ -	\$ -	
FY16 Dislocated Worker	\$ 937,906.10	\$ -	\$ -	
Apprenticeship USA	\$ -	\$ -	\$ 200,000.00	
RSI-DWG	\$ -	\$ -	\$ 1,100,000.00	
PY16 Youth	\$ -	\$ -	\$ 983,792.70	
PY16 Adult	\$ -	\$ -	\$ 120,732.45	
PY16 Dislocated Worker	\$ -	\$ -	\$ 339,860.00	
FY17 Adult	\$ -	\$ -	\$ 823,274.10	
FY17 Dislocated Worker	\$ -	\$ -	\$ 1,801,831.60	
	\$ 2,612,926.05	\$ -	\$ 5,369,490.85	\$ 7,982,416.90

Program Year 2016 Budget

Cost Category	Expenses	Percent
Salary	\$ 814,157.52	36.53%
Fringe	\$ 358,799.22	16.10%
Office Supplies	\$ 3,500.00	0.16%
In State Travel	\$ 10,000.00	0.45%
Out of State Travel	\$ 25,000.00	1.12%
Print & Mail	\$ 2,500.00	0.11%
Programs & Professional Services	\$ 265,050.00	11.89%
Sponsorships	\$ 6,500.00	0.29%
Memberships	\$ 20,100.00	0.90%
Subscriptions	\$ 155,182.17	6.96%
Rent	\$ 2,030.00	0.09%
Miscellaneous	\$ 1,000.00	0.04%
F&A (34%)	\$ 565,008.23	25.35%
TOTAL	\$ 2,228,827.14	100.00%

A roundtable discussion followed. The Council was asked to think about strategic direction and where to focus priorities.

Old Business

None.

New Business

None.

Other

Steve Shepelwich reminded everyone of the Oklahoma Works Partners Conference April 12-14, and that he would like to see the KENs attend.

Next Meeting Date

The next Governor's Council meeting is scheduled for Friday, April 28, 2017 at 9:00 a.m. and will be held at Oklahoma State University – Oklahoma City.

Adjourn

The meeting adjourned at approximately 11:04 a.m.

*Respectfully submitted,
Linda Emrich*