

Governor's Council for Workforce and Economic Development Executive Committee

Meeting Minutes

Date: February 19, 2021
Time: 1:30 P.M.
Place: Virtual Zoom Meeting
Attendees: Chuck Gray-chair, Michelle Choquette, and Steven Shepelwich
Absent: Teresa Huggins
Staff: Sarah Ashmore and Linda Emrich

Call to Order/Welcome and Introductions

Chuck Gray, chair, called the Executive Committee to order. Due to Steven Shepelwich having to leave the meeting early, some items for a vote on the agenda will be moved up to accommodate his schedule.

Approval of Minutes of 7/20/2020

A motion was made by Steven Shepelwich to approve the minutes of July 20, 2020. A second was made by Michelle Choquette. No further discussion. A roll call vote was taken. The motion carried unanimously.

Northeast Region Reorganization

Sarah Ashmore, Deputy Director, Oklahoma Office of Workforce Development, said that based on the decertification of the Eastern Workforce Board, the Northeast Planning Region is undergoing a reorganization. All of the local elected officials (county commissioners) from the three workforce areas in the planning region (former Eastern, Northeast and Tulsa) have met and have jointly agreed to combine the former Eastern Area with the current Tulsa Area with no changes to the Northeast Workforce Board. That request went to the governor and was approved by Governor Stitt and cabinet secretary Sean Kouplen and is being brought to the Governor's Council's Executive Committee for approval. The letter for the request that was sent to the governor has been sent to the Executive Committee prior to this meeting for review. Sarah asked the committee if they had any questions regarding the reorganization.

Michelle Choquette asked how this was being received by others. Sarah said that it has been received favorably by the local county commissioners within the Northeast Planning Region that are affected by this reorganization and there is general support for the change. She added that the plan is to have everything completed by May 1, 2021, which is an extremely tight timeline. The timeline may need to be moved out some because of all of the moving parts that come with a reorganization. Sarah said that we still need to get the new board certified which will involve the transition of current contracts, agreements and leases, etc., to make sure that we don't have a break in service delivery in the former Eastern Area. There have been a few snags in the process but they are being worked through. Also working with us very closely are Thomas P. Miller and Associates, consultants who have been facilitating conversations with staff from the Tulsa Workforce Board and the previous Eastern Area so that we can

make sure that we don't have any gaps in our service delivery, which is our primary concern at this point. Next week when the Workforce System Oversight Committee meets, they will certify the new board and that will help get the ball rolling with the things that need to happen once the new board is active.

Chuck Gray asked how long before the new Board is active? Sarah said that depends on several factors. One is that the new area wants to be their own employer of record which means that they will have to stand up all new HR policies, get workers comp insurance and all of those things in place so that they can hire staff, so that may occur in late March or early April. In addition, our office has taken over fiscal and programmatic oversight for the time being (approximately 180 days) to assist with the transition. The former Eastern area does not have fiscal staff or board staff and the new Tulsa area has broken ties with their fiscal agent so there have been some hiccups that we've had to address to make sure that there is ongoing fiscal function to make sure that there is not that gap in service delivery. Chuck asked if there was anything that the Governor's Council needs to do to keep things moving in the interim? Sarah said not at this time because they are working with the consultants and the two boards and renewing contracts and agreements, etc. The new board will be called Green Country Workforce Development Board and Area. If anything comes up that the Governor's Council can help with, she will be sure to let the Council know.

A motion to approve the Northeast Region reorganization was made by Michelle Choquette, and a second was made by Steven Shepelwich. A roll call vote was taken and the motion was carried unanimously.

Incumbent Worker Training Applications

Sarah Ashmore said that at a previous meeting of the Executive Committee, the committee agreed to review and approve the applications for Incumbent Worker Training funds. Two applications were received - one from the Oklahoma Rural Water Association (ORWA), and another from Maxcess.

1. The ORWA has requested \$2,500 to offset the cost of Related Technical Instruction (RTI) associated with their newly developed apprenticeship program. Sarah said our work-based apprenticeship people had been working with the ORWA for a few months last year in trying to build out a pipeline to help support the rural water association's employers. Sarah added that because they have an apprenticeship program, they have access to funds to help pay for their RTI so the training and education piece of the apprenticeship as well as access to some funds for wage reimbursements for the apprentices themselves. They are essentially asking for funds in addition to those funds to help further supplement the apprentices. So, at this time, Sarah doesn't recommend that they get funds. If they said that they have existing workers in other positions that are interested in this apprenticeship but they need some additional training or skills before they are qualified before they go into that apprenticeship program, she feels that would be a different story. She is open to any comments or questions that the committee has as to why they should be funded.

Steven Shepelwich asked if they have requested their funds. Sarah said that they have been working with Megan Scott in our office who oversees the Adult Apprenticeship grant and she has had several conversations with them on ways that they could help support their program. Sarah doesn't know if they have accessed their funds but she can follow-up on that. Michelle Bish has reached out to them, but nothing has come to fruition yet. Chuck Gray said that we could continue to reach out to them and when they get to a point when we are satisfied that

they have taken advantage of all of the opportunities currently available and have additional justification for the funding they are requesting, then they could come back to the Executive Committee for another review. Steven Shepelwich added that their Attachment D was not completed. He also questioned regarding both applicants that they're counting the wages that they pay as part of the 10% non-federal batch. Is that common practice? Sarah said that it is allowable per our policy. We have not funded any incumbent worker training at the state level yet, these are the first round of applications coming to us, so she wouldn't say if it's common or uncommon since they don't have a bar to measure it against but it is allowable. That is certainly something in the future iterations of the policy that we might want to change it to where if the idea is that they might need to have a little more skin in the game and have a little more investment on their side outside of wages, we could look at making some edits to our policy. Chuck Gray said that he would also like to see what the return on investment (ROI) is, what benefits are there.

A motion to send the ORWA application back for further justification and information was made by Michelle Choquette. This was seconded by Chuck Gray. A roll call vote was taken and the motion carried unanimously.

2. Maxcess has requested \$8,200 to train two employees in Lean Six Sigma Green Belt. This training will upskill staff in order to implement Lean processes into their newly created Continuous Improvement Department. Sarah said that she fully supports funding this application. Michelle Choquette feels that this type of upskilling is what the funding should be used for and supports it. Chuck Gray wonders if this company has contacted Career Tech because his company has done things like this but they've always gotten support from Career Tech. He feels this is a good initiative and would like to know what the pay back or specific ROI would be. Sarah said that they could include that in the policy or ask for it after the project is done as to what benefits or ROI they received per the dollars that were used, then look at the data from the state level to see how the money was invested and what the payoff for the companies that received the money. Steve Shepelwich said that it looks like that's what their Attachment D is trying to accomplish but it isn't to the extent as what Chuck is asking for. Sarah added that it might be difficult to have that information prior to implementing. Steve asked if the applications come through the local boards or directly to the State office. Sarah said that they do both. Steve said that in general he would prefer that they come through the local board offices in order to reinforce the structure, develop and strengthen relationships and afford other options to work with employers. Chuck agreed with Steve, he would prefer that the applications come through the local boards.

Steve Shepelwich made a motion to approve the application from Maxcess. Michelle Choquette seconded the motion. A roll call vote was taken and the motion carried unanimously.

Board Certification Policy – OWDI #03-2021

Sarah Ashmore explained that this policy for Board Certification has some language inserted in it that wasn't in the previous policy regarding provisional certification. Due to the reorganization of the Northeast Planning Region, it would be beneficial to have a provisional certification added in to the policy in case it's needed. Essentially, this would allow a temporary certification of a board and after a certain period of time, then the board could be fully certified. This would allow a new board to get everything in place that they would need to do in order to be a fully functioning board. This has come up in the past where we had two local boards who had to fill certain positions on their board according

to the ratios required by WIOA and they needed more time to complete the nomination process and paperwork. The State office gave them a provisional certification until they could complete the process, after which they received their full certification.

Michelle Choquette asked where in the process is the new board. Sarah believes that they have identified all of the new board members and have the nomination forms ready to go so they should be ready with the new board when it is certified by the WSOC when they meet next Friday. Outside of that, there are still a lot of things that need to happen in terms of administration because the new board needs to hire staff, they need to put contracts in place for service providers, for a one-stop operator, and depending how they want to structure their fiscal agency, they may have to put a contract in place for that. There are a lot of pieces that still need to fall into place that won't be in place on day one when the board is certified. Steve Shepelwich asked if this was just for new boards or for existing boards that might fall out of compliance. Sarah said that it could apply to new boards and existing boards that need to be recertified. For example, an existing board that needs to be recertified may not have all of its paperwork done but they can get a provisional certification and two weeks later when the paperwork is all in, they can receive their regular full certification.

A motion to approve the Board Certification policy OWDI #03-2021 was made by Steven Shepelwich. A second was made by Michelle Choquette. A roll call vote was taken and the motion was carried unanimously.

Workforce Update

Sarah Ashmore, Deputy Director, Oklahoma Office of Workforce Development, gave the following update:

- Incentive Funding – As a state, we can offer incentive funds to our local workforce boards for performance. We are looking at a policy for the next program year which will run from July 1, 2021 through June 30, 2022. We have a draft policy right now but we are working out the funding levels for each item, but essentially what we've done is taken the Governor's Council's Strategic Plan, identified the four overarching goals within that plan and then underneath that tried to pull out some of the performance items that we could incentivize and help support across the state.
 - Category 1 – Expanding Oklahoma's workforce to satisfy industry and economic development goals. We've recently received some guidance from the U.S. Department of Labor strongly encouraging us to look at priority populations and look at how we can do a better job on how we serve these individuals, so they have challenged every state to have at least 50.1% of the total participants that we serve coming from one or more of the priority populations that they've identified but with the goal of 75% coming from these populations. So, we want to incentivize funding for local areas if they achieve between 50.1% - 75% of their total participants within that target population, or if they get over 75%, having some funds available at different levels for those categories to help support that effort in our state.
 - Category 2 – Upskilling Oklahoma's workforce. Sarah said that the State office is trying to find ways to incentivize our local areas with engaging with apprenticeships. The two levels of funding that they are thinking of having is: 1) demonstrating a 15% increase in the number of apprentices who are co-enrolled in one of our WIOA programs or 2) demonstrating more than a 15% increase. This would help in supporting some of the work that our work-based learning team is doing and in meeting its goals as outlined in their grants.

- Category 3 – Offering workforce solutions to Oklahoma’s businesses. Because of how you all have challenged us to think about the way that we deliver business services throughout the state, this past year we have built capacity at the local level and passed through funding to make sure that every local area has the ability to have at least one full-time employee dedicated solely to business services. We’ve invested in training, rolled out the Skillful Talent series, and implemented a business services policy last year. Beginning this July will be the first year we will monitor on business services so that is why we are looking at performance metrics that should be associated with business services and what are some of the targets that we would want as a state. So for this category, the two levels that we are looking at for funding are meeting the 90% standard, which for our core performance for our programs, if you are within 90% of your target, then that’s considered achieving your benchmark; and the second level is exceeding your targeted goal for business services.
- Category 4 – Building Oklahoma’s workforce system capacity. In one of the conversations of the Executive Committee, it was decided to adopt all of the recommendations that were made by Maher & Maher, and because of the pandemic, we’ve learned the need for cross-training among all of our programs and business centers to provide better services to our jobseekers coming in to our Centers. For this category, the two levels of incentive funding we are looking at are: Level 1 – Between 50%-75% of a local area’s frontline staff having completed cross-training and Level 2 – having more than 75% of a local area’s frontline staff having completed cross-training.
- Category 5 – Meeting or exceeding core performance measures. These are the performance measures we have for Adult, Dislocated Worker, and Youth programs that are negotiated at the state level with the U.S. Department of Labor, then the State office negotiates with the local areas individually. This is again at the 90% threshold, so Level 1 would be meeting at least 90% of your performance target measure and then Level 2 is exceeding that.

Sarah said that this is still a draft policy and wanted to get the input of the Executive Committee.

Michelle Choquette asked how are we performing especially with COVID and everything? Sarah said not great, but it’s not really anyone’s fault because the pandemic has had a pretty bad impact because a lot of what we do is provide training and a lot of the training programs were shut down so were weren’t serving people. Also, a lot of our measurements are exit-based so we won’t see the impacts for 2-3 years down the line. The one area we see the impact immediately is in the enrollment numbers.

Chuck Gray commented regarding target populations and the local areas that in the different areas, they may have different populations so if you have a one goal fits all then some may not have the capability to meet that goal based on their population makeup. Sarah said that this is coming from the Department of Labor and that there are a lot of categories within the priority population list that the Department of Labor has identified for us. It could be everything from a criminal background to Veterans and low income, so there should be enough of the criteria to serve. This is coming from the Department of Labor and a higher level so we don’t have a lot of say in it. Chuck asked if the local areas had input in this policy and Sarah said no because this is regarding funding that they will be getting. She said the State office could let the locals look at it and give input but it may not be included in the final policy.

Chuck Gray asked if some of the workforce partners like Career Tech, education, etc., have input on the policies so everyone is working together and moving in the same direction? Sarah said that there have been some challenges this past year working with our partners but if the Council would like this, perhaps they can help with this. Chuck was thinking if there were duplicated funds for projects or programs, they could be looked at and put to a better use. Sarah said that she would follow-up with the Executive Committee offline to see what they could do to help and what next steps could be.

- Sector Partnership Grants – We have awarded five Sector Partnership grants for a total of about \$500,000. Awardees are:
 - Association of Central Oklahoma Government – They are convening industry partners to create a talent pipeline for solar energy and battery technologies.
 - Central Oklahoma Manufacturers Alliance – They are working on a project to develop a manufacturing skills academy to offer apprenticeship and work-based learning opportunities to both youth and adults.
 - Guthrie Chamber of Commerce – They are working to create career pathways and training programs that will help build the film industry’s workforce in Oklahoma.
 - Premier Logistics – They are working to develop career exposure in training for logistics supply chain and transportation jobs.
 - Heavy Metal Training Institute – They are looking to solve talent shortages in the trucking industry.
- Workforce Emergency Plan Ad Hoc Committee – Based on the Maher & Maher plan, this ad hoc committee was set up in the event we have another recession or a down turn in a specific industry like aerospace or energy or something like that, and we have a large layoff in a certain sector or across the entire state like what we had for the pandemic. They are putting a plan in place at the state level to prepare for those things and who does what in terms of state government so that we’ll know who to reach out to and at what point do certain partners get involved and that sort of thing.
- Legislative Update – Linda sent out a list to everyone of legislation that we are tracking this session. On the list there are several items that have to do with the duties of the Governor’s Council as well as apprenticeship and a few other items of interest. Sarah just wanted to draw their attention to it and if you have any questions about a specific bill, reach out to Sarah or Don Morris. Chuck Gray asked if there are some specific items that the Council could focus on and advocate for with their local legislators? Sarah said there were a couple of things – one is the apprenticeship tax credit. This is something that would help us as we’re trying to develop those programs. What we’ve found is that sometimes the only barrier that prevents employers from doing that is the cost as there are costs associated with startups. Another item out there that Sarah needs to talk with Dr. Mack about is that Career Tech has requested a couple of bills that would allow a 5% discount on workers comp insurance for companies that offer youths work-based learning opportunities. However, the language that is currently in the bill is geared toward K-12 and Career Tech students, which is great, but we serve a lot of out-of-school youth and we serve individuals through apprenticeships where the training component is provided not by a Career Tech or a higher education institution but is actually provided in-house through the company. The way that the language in the bill is now, that 5% discount would not be extended to those companies that are providing that training in-house. Sarah wants to visit with Dr. Mack to see if there is any way to tweak that language to provide the discount those individuals.

Sarah Ashmore wanted to visit with the Executive Committee about updating the Strategic Plan and get some guidance from the Committee as to what next steps should be. Per the last conversation she had with the Committee, she went back and pulled all of the outstanding items from the current plan and inserted all of the Maher & Maher recommendations to it. That required Sarah to tweak slightly some of the categories that were in the plan because some of the Maher & Maher recommendations didn't necessarily fit into the categories that we had. The plan was sent to the Committee prior to this meeting and Sarah would like to get some feedback from the Executive Committee. Once the Executive Committee gives its input, then we would send it to the full Council for their feedback. Michelle Choquette said that she would like to spend some more time looking over the plan and would like to get back to Sarah at a later date. Chuck Gray would like to come back and discuss it when we have more time. Sarah said that we can schedule a session to discuss the Strategic Plan in the next 2-3 weeks.

Old Business

None.

New Business

None.

Adjournment

The meeting adjourned at approximately 2:36 p.m.

*Respectfully submitted,
Linda Emrich*