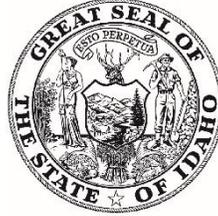


C.L. "BUTCH" OTTER  
GOVERNOR



Trent Clark  
*Chair*

B. J. Swanson  
*Vice Chair*

## WORKFORCE DEVELOPMENT COUNCIL

317 W Main Street, Boise, Idaho 83735-0510

### Grant Review Committee Meeting Minutes – November 27, 2018

**Council Members:** Bobbi Jo Meuleman, Deni Hoehne, Ken Wiesmore, Melinda Smyser, Michelle Stennett, Steve Widmyer

**Committee Members:** Jay Larsen, Justin Touchstone

**Staff:** Wendi Secrist, William Burt, Paige Nielebeck, Matt Thomsen

**Called to order at 2:02 PM**

**Welcome**

**Review Agenda**

No additions to the agenda

**Roll Call** – quorum met

**Approve October 18, 2018 Meeting Minutes**

**Motion by Mayor Widmyer to approve the October 18 Minutes as written. Second by Ms. Smyser.**

**Motion carried.**

**Review Workforce Development Training Fund Balance**

WDTF Financial Summary	
WDTF Cash Balance 11/26/18	\$18,825,360.22
Obligated Balance Employer Grants	\$7,190,650.62
Obligated Balance Industry Sector Grants	\$1,579,777.19
Obligated Balance Micro Grants	\$87,296.53
FY 19 WDTF Admin Costs	\$546,278.54
<b>WDTF Obligated Balance</b>	<b>\$9,404,002.88</b>
<b>Unobligated Balance</b>	<b>\$9,421,357.34</b>
Proposals before Grant Review Committee	\$2,650,885.00
Proposals in pipeline	\$497,371.38
<b>Unobligated Balance if all funded</b>	<b>\$6,273,100.96</b>

### **Employer Grant – Premier Technology**

In June, a grant for Premier Technology was approved by the Council. Premier had a number of changes take place in the company that impacted their training plan. They decided to not sign the contract and to reapply for a new grant. Premier decreased the amount of positions in the new application. The original grant was \$581,440 for 394 positions. This new application requests \$423,690 for 254 positions.

#### Summary:

Premier Technology's growing workforce needs are urgent as the company is currently projecting to add over 120 jobs to our workforce in the next 2 ½ years. We need to hire many production and professional employees but are in need of qualified welders the most. The huge shortage of welders in our area make it difficult to fill the many open positions. Our products require high tolerances with various materials which require skilled welders. Locally, Idaho State University graduates 15-20 welders each year and College of Eastern Idaho graduates 10. We were able to visit and present to both graduating classes trying to recruit. Of those 25-30 students, we were able to hire 3, while the rest of the students went on to other opportunities. While our need is great, we are not the only company looking for welders, which makes the current pool quite small.

We have a continuous job posting for welders. In the last 6 months we have interviewed, and weld tested 51 applicants. Of those 51 weld tested, only 29 have passed and were hired as welders. We hired 5 that did not pass the weld test as laborers and plan to train them in the skills they need. Of the 29 that did pass, 12 were hired at a Level I and 17 at a Level II or III.

The majority of the planned training will be for employees in the welding field, but we also have a significant number of other positions we will be hiring to support our growth. These positions including Quality Inspectors, Machinists, Electricians, Project Managers, Engineers, Drafters and Designers, all of which will need training as they transition and obtain competencies required to work for Premier.

#### Discussion:

Premier Technology is requesting a total amount of \$423,690. They are requesting \$32,000 in safety training.

### **Motion by Mr. Wiesmore to approve the Premier Technology Employer Grant in the full amount of \$423,690. Second by Mr. Touchstone.**

Is there a reason why they are using a Premier Technology certification for the TIG welding?

- We are not sure why they are only going to an internal certification level and not an AWS level.
- There is concern about training for a certification that does not carry any weight outside of Premier. It is important to direct people to industry certifications that are going to be transferrable.

The Grant Review Committee is looking for more direction from the Policy Committee on what types of training should and should not be funded. This will give the Grant Review Committee more direction to make decisions about the types of trainings and certifications questioned above.

### **Motion carried.**

### **Employer Grant – Idaho Milk**

#### Summary:

Due to the increased capacity levels needed to properly service our customers an expansion has been approved by our board to meet such needs. As a result of that expansion Idaho Milk Product foresees a need to increase its workforce by an estimated 25% to effectively service the new production, sales, and

clerical departments' increase in work activities as projected per our executive team. Also, with the increased production levels there may be a possibility for a new product using the Micellar process once the expansion is complete. With a 2.5% unemployment rate in our valley our resources are limited to acquire and maintain a knowledgeable workforce and so we hoping to provide all of new hires and current employees with the necessary tools to effectively perform their jobs and further enhance their job skills for possible future promotions.

Discussion:

Idaho Milk is requesting a total amount of \$819,455.00. They are going to be training 37 employees.

The Quantitative Funding Model scores them at \$3,000 per position which would reduce the grant amount to \$111,000.

A concern was raised that the dairy industry has an 80% undocumented worker ratio. If the money is going to wages it is important to have a discussion as to where the workforce is coming from.

- In order for any company to be reimbursed a wage match is conducted through the Department of Labor. They will not be reimbursed for any workers who are not documented.

How does the Committee approach a situation where the recommended amount is lower than the request?

- In the past when the Committee has recommended a funding level lower than what is requested in the application, staff work with the company to figure out which trainings the grant will fund. It has not been brought back to the committee in the past, but that is certainly something we can do. We just have to be mindful of the amount of time it takes. In the future if any application scores lower in the Quantitative Funding Model than the request staff could work with the company to create a budget according to what the model says they should receive. It is up to the Committee how they would like to approach this subject.

Are they just doing a facility expansion and not training?

- They are going to be training 37 people.

They are not going to change any of their employees' wages for 2 years?

- Most of these positions are new. We do not ask them for what the wages will be after 2 years, we ask them if the training will result in an immediate wage increase.

**The Committee would like to request that the application be returned to Idaho Milk and ask them to resubmit a budget that fits within \$111,000 and expand on the wage increases.**

### **Employer Grant – Unitech**

Summary:

Unitech Composites employs North Idaho residents that have little, if any, exposure to aerospace standards or the composites industry. To instill the necessary standards of craftsmanship and regulatory compliance, a robust training regimen is required. The need for this level of training coupled with the rapid expansion of our facility mandates our request for assistance.

Unitech has onboarded 27 new employees in the past six weeks and expects to bring on Over 100 additional personnel over the next 2 years. This growth is good news for our state and raises the bar for the advancement of technology-based industry in North Idaho. Our planned training program utilizes a combination of dedicated SOJT with classroom training in composite fundamentals, safety, workplace ethics, and new industry technologies.

With a regional experience deficiency in aerospace composite manufacturing, it is paramount to implement a world class training program to fill the gap. Our SOJT program is a phased approach with periods for observation, observed manufacturing, and certification builds. Classroom type training is coordinated through an annual schedule that ensures all facets required to maintain and improve proficiency are met.

Discussion:

Unitech is requesting a total amount of \$1,654,680.00.

The Quantitative Funding Model recommended that they receive under \$2,000 per position or \$850,000 total. This is the first time for the Committee where an application is scored such that the funding model recommends less than \$2,000 per job. The Policy Committee will be working on making this a more black and white process rather than leaving that score as “use discretion.”

There are a lot of trainings in this application that are Unitech specific and not transferrable.

- In the area there is a big enough aerospace industry presence that these employees would be able to transfer their skills to other companies.

It is up to the Committee to decide what amount they would like to fund per job.

There is concern that they are bringing people in \$3-4 below the average county wage.

There are some really high-quality trainings in this application, but when you look at the positions they are hiring they are not necessarily high skill positions. By removing those positions it might help them get down to the \$2,000 per job that is recommended by the funding model.

**The Committee would like the application to be returned to Unitech and ask them to create a new budget that fits within \$2,000 per job and to focus on high wage jobs and transferrable skill sets.**

### **Employer Grant – Fiberguide**

Summary:

The employer is planning a significant expansion of its facility in Caldwell, Idaho. The expansion will involve the addition of approximately \$5.7 million in capital equipment, expansion of their facility by 10,000 square feet, and vertically integrating processes that are currently being performed by their New Jersey facility and European suppliers. The expansion will require 12-18 months and at least 15 full-time employees for those processes.

To ensure the expansion and new manufacturing processes are optimally designed, production manager and process engineers will receive Lean Six Sigma training during the grant period. The Lean Six Sigma training is part of the first phase of training required for the expansion. The employer anticipates the training will be completed by the end of 2018. Future trainings will take place over the next 12-18 months as part expansion process.

Discussion:

Fiberguide is requesting a total amount of \$6,750.00.

**Motion by Mr. Larsen to fund the Fiberguide Employer Grant in the full amount of \$6,750. Second by Ms. Smyser.**

Is there a reason they did not request funds for those new employees coming with the expansion?

- They need this training to allow them to build a training plan for their expansion. They plan to submit another application for additional new employees. This will set them up to be able to expand their production.

**Motion carried.**

#### **Transition to Online Grant Portal**

The staff has been working on a transition to an online grant portal. Mr. Thomsen has sent the Committee logins and samples of what the applications look like. In December the Committee has the option to either make a complete transition to the portal or still receive the summaries and have access to the portal as well. The Committee would like to just go ahead and make the transition to the portal.

#### **Scoring Matrix for Innovation and Industry Sector Grants**

The Committee will be able to score the grants in the portal in the future but this functionality is not available yet. The Committee will be tasked with creating a scoring model for the Innovation and Industry Sector Grants. This will begin after the December meeting.

**Motion by Mr. Wiesmore to adjourn. Second by Ms. Stennett. Motion carried.  
Adjourned at 3:10**