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WORKFORCE DEVELOPMENT COUNCIL

317 W Main Street, Boise, Idaho 83735-0510

Grant Review Committee Meeting Minutes – February 26, 2019

Committee Members: Deni Hoehne, Jay Larsen, ~~Michelle Stennett~~, Justin Touchstone, Steve Widmyer, ~~Ken Wiesmore~~, Jani Revier, Jeff Greene, ~~Tom Kealey~~, Joe Maloney, Brian Cox

Staff: Wendi Secrist, Paige Nielebeck, Matthew Thomsen

Called to order at 2:00 pm

Welcome

Review Agenda

Ms. Hoehne briefly went over the agenda.

Roll Call – Quorum Met

Approve December 18, 2018 Meeting Minutes

Motion by Mr. Widmyer to approve the minutes as written. Second by Ms. Revier. Motion carried.

Review Workforce Development Training Fund Balance

WDTF Financial Summary	
WDTF Cash Balance 02/11/19	\$18,386,583.86
Obligated Balance Employer Grants	\$7,498,464.35
Obligated Balance Industry Sector Grants	\$2,242,441.50
Obligated Balance Innovation Grants	\$44,764.63
*Obligated Outreach Projects	\$70,000.00
FY 19 WDTF Admin Costs	\$443,395.36
WDTF Obligated Balance	\$10,299,065.84
Unobligated Balance	\$8,087,518.02
Proposals Under Review	\$754,682.24
Outreach Projects Under Review	\$140,038.60
Unobligated Balance if all funded	\$7,192,797.18

Includes funded projects only. Council set aside up to \$500,000 for Outreach Projects for FY19.

Ms. Secrist shared that Outreach Projects have been incorporated into the financial report on the training fund. She proposed just included the obligated balance with a footnote that the Outreach Committee has authority to obligate up to \$500,000 for the fiscal year. The Committee is comfortable with the Outreach Project line being updated as grants are approved.

College of Eastern Idaho Update

This grant was approved at the December Executive Committee meeting. The purchase of the building that CEI was looking at has fallen through. There were significant structural issues with the building and the owner did not want to come down in price. They have approval from their trustees to present a lease with an option to buy a former Melaleuca headquarters building that is owned by the Boy Scouts (5-year lease, with option for an additional 5 years, and then an option to purchase). The goal is to have negotiations completed by March 1.

The Executive Director has been given the authority to amend/modify a grant if it does not materially impact the outcomes. The Executive Director cannot increase grant amounts. In this situation, Ms. Secrist has given CEI a list of things that she would like to have to ensure that the grant outcomes would be met if the funding is used for a different building. CEI has indicated that they would be using the grant funds for the same purposes (furnishing, equipment, etc.) and they would still be training the same number of individuals.

Would the Committee like Ms. Secrist to bring back the full details of the changes or are they comfortable with her moving forward as long as the outcomes do not change?

- It would be nice to have a written synopsis on record to supplement their application. That way we have it written down what they want to do so they can be held accountable.
 - This is part of the process of a grant modification – there would be an official modification incorporated into the contract.
- As long as it is sitting within the realm of what was approved. It would be different if it went far outside the scope of the original plan.

The Committee would like Ms. Secrist to make available, to the members who would like to review it, a summary of what was changed once negotiations are complete and the modification is made within the scope of authority delegated to her.

Employer Grant – Paylocity

Paylocity is an expanding company that is invested in the Idaho community. Many of the skills necessary for employees at Paylocity require formal training which requires a large investment by the company in planning, development, classroom space, and training delivery. Paylocity's formal training helps each employee prepare for their job duties which in turn positively impacts the company's overall performance and efficiency.

WDTF Request: \$679,659.22

Prior History with the WDTF:

- Contract started 12/1/2015 and ended 11/30/2018 (they were given a 1-year extension). They were approved for \$1.2m for up to 500 employees and were held to an average wage of \$21 per hour with no employee under \$15 per hour eligible for reimbursement.
- Paylocity stated that they trained 279 employees with the previous grant. As of January 25, 2019, Paylocity had 248 employees that were “new hires” since the start of the first grant. The difference is likely turnover.

- During grant close out, uncovered that Paylocity has been overpaid by \$14,652.84. A letter requesting repayment has been sent to them.

Ms. Secrist shared that the committee could take action on the application subject to receipt of the repayment. The overpayment was a mistake and there are no concerns about continuing to work with Paylocity.

The application requests funding to train 116 new employees and to retrain 224 employees. The individuals who would be retrained are the same employees from the 2015 grant.

What training will be different this time than last time?

- This seems to be just ongoing training for their employees. Generally, when someone asks for retraining it is due to new equipment or technology (when they may be subject to layoff unless they gain new skills).

Is this an expansion or did they not just reach their capacity from the previous grant?

- Their previous grant was written in a way that it covered up to 500 employees. They did not commit to, nor were they held to that number. As an economic development project, Paylocity is a little different than recent grants the committee has reviewed. They are continuing to add new employees and thus are eligible for a grant.

They are an HR company. A lot of the things on the training plan are training employees on how to work with clients, etc. If they get this training is it making them more mobile or more qualified down the road for another company?

- It seems as though it is just making them a better employee for Paylocity, although there are other companies in the Treasure Valley that provide similar services so there is some transferability of the skillset.

Has the need changed in the last three years for these trainings?

- From the conversations with Paylocity the training for new employees enables them to successfully do their job. The “retraining” is just a continuation of the training they provide employees – but not something drastically different than what they currently do.

Motion by Mr. Maloney to recommend the approval of the training of the 116 new employees in the amount of \$231,884 with the condition that Paylocity pay back the amount they owe to the WDC. Second by Mr. Larsen. Motion carried.

Innovation Grant – Idaho Digital Learning

IDLA is the state’s online high school and they have a funding method that when a high school student takes a class online, the state pays for the delivery of that class. In addition, they are the only provider that staff are aware of that could serve both high school students and adults where high school credit could be granted to those students. The course would be available in modules to support the adult population and to create an opportunity for high school teachers to use it to supplement existing courses.

The money is being used to create the course and it will take the one-year contract term to build it out. All of the delivery described in the proposal will happen after the grant ends.

WDTF Request: \$25,000

IDLA is the state's online high school and they have a funding method that when a high school student takes a class online, the state pays for the delivery of that class. In addition, they are the only provider that staff are aware of that could serve both high school students and adults where high school credit could be granted to those students. The course would be available in modules to support the adult population and to create an opportunity for high school teachers to use it to supplement existing courses.

The money is being used to create the course and it will take the one-year contract term to build it out. All of the delivery described in the proposal will happen after the grant ends.

Will this cost the student anything?

- When a high school student takes the course, the state will pay for it. There is a \$75 fee associated with the high school student that is charged to the school district. Districts have the choice to pay this themselves or ask the parents to pay. Many districts pay on behalf of the student.
- There will be a \$45 per course fee for adult learners per the application.

Is this the first time that IDLA has come in for a grant?

- Yes it is.
- This may be setting a precedent for them to keep coming back in the future, but it is a good program.
 - We would not find them eligible if they came back asking for funding for general high school courses.

Motion by Mr. Larsen to recommend the approval of the Idaho Digital Learning Innovation Grant in the amount of \$25,000. Second by Mr. Touchstone.

There is a little bit of discomfort with soft skills training – especially delivering it in an online environment. The trainings have very generic names/descriptions. Ms. Nielebeck forwarded the CTE standards for workplace skills career readiness that were adopted by the State Board of Education and form the foundation for this course. While online delivery isn't ideal, we do need to ask whether having access to this course, especially in rural Idaho where hands-on CTE courses are limited, is better than not having anything at all.

Motion carried.

Employer Grant – Magic Valley Quality Milk

MVQM LLC is a startup company with a projected staff of 20 new employees to operate the new green field plant. MVQM LLC will be processing milk into various liquid dairy product to be sold to other food processing companies as ingredients in their product ranges.

WDTF Request: \$46,723.02

Are the positions \$12 an hour and under – there may be a discrepancy in the application?

- Everything is over \$12 an hour. The positions range from \$17 to \$24 an hour.

As shared during the discussion about the Idaho Milk application a few months ago, Idaho has a surplus of milk and new processing options are important to the industry.

Motion by Ms. Revier to recommend the approval of the Magic Valley Quality Milk Employer Grant in the amount of \$46,723.02. Second by Mr. Touchstone. Motion carried.

Innovation Grant – City of Twin Falls

The project is a 'Construction Combine' event similar to the one done last year in Pocatello, ID. Area contractors will conduct a two-day training for individuals interested in construction careers, teaching basic construction skills in various trades, and will evaluate participants over the course of two days. At the end of the second day, contractors will offer employment to high performing participants who they feel best meet their qualifications for employment. This event will serve Jerome and Twin Falls Counties and we are targeting students from the seven area high schools.

WDTF Request: \$3,300

This is very inexpensive for how much training is going to be done. It is very impressive. It is nice to see how much in-kind match and partner support they have. ISU received a WDTF grant a year ago to start this construction combine concept. They have shared their resources and lessons learned with the rest of the state. In other regions, the communities have been able to come up with all the funding for the program, but each is different and Twin Falls has this small gap. ISU will be loaning them all the tools our grant purchased for last year's Combine in Pocatello.

Motion by Mr. Touchstone to recommend the approval of the City of Twin Falls Innovation Grant in the amount of \$3,300. Second by Mr. Cox. Motion carried.

Debrief on Joint Policy and Grant Review Committee Meeting

The Grant Committee was able to share some specific examples with the Policy Committee of the types of questions that are raised during grant review (transferable skills, types of training, etc.). The Policy Committee and WDC staff have been working on a new funding matrix that may, by itself, address many of the concerns of the Grant Review Committee. The new funding model will provide more emphasis on industry recognized certifications/credentials. The Policy Committee is also looking at a few changes to the eligible activities/not eligible for reimbursement aspects of the employer grant policy including that training that is normally provided by a business is not eligible for reimbursement and that training must lead to a significant wage increase (more than a 3% cost of living wage increase). In addition, they are planning to expand the scale for the award amount, moving the bottom down to \$250 or \$500 per job and going up to only \$3,000 or \$4,000 rather than the existing scale from \$1,999 - \$5,000 per job. They should be finalizing their changes in March and bringing a recommendation to the Council in April.

**Motion by Ms. Revier to adjourn. Second by Mr. Touchstone. Motion carried.
Adjourned at 3:06 pm**