

BRAD LITTLE
GOVERNOR

Wendi Secrist
Executive Director



Trent Clark
Chair

B. J. Swanson
Vice Chair

WORKFORCE DEVELOPMENT COUNCIL

317 West Main Street, Boise, Idaho 83735-0510

EXECUTIVE COMMITTEE MEETING MINUTES

Date: Tuesday, January 7, 2020

Time: 3:30 p.m. – 5:00 p.m.

Council Committee Members: Trent Clark, BJ Swanson, Jeff McCray, John Young, Deni Hoehne, Joe Maloney

Staff: Paige Nielebeck, Wendi Secrist, Amanda Ames, Caty Solace

Guests:

Call to Order at 3:30 pm

Roll Call – quorum met.

Review Agenda

No changes to the agenda.

Review December 12 & 19, 2019 Meeting Minutes

Motion by Ms. Hoehne to approve the December 12 & 19, 2019 meeting minutes. Second by Mr. McCray.

Motion carried.

Budget Report

WORKFORCE DEVELOPMENT COUNCIL OPERATING BUDGET - December 31, 2019										
STATE EXPENDITURE CATEGORY	WDTF Budget	Total WDTF YTD Spent	Total Ending WDTF	WIOA Budget	Total WIOA YTD Spent	Total Ending WIOA	TOTAL BEGINNING BUDGET	TOTAL YTD Spent	TOTAL YTD Spent %	TOTAL ENDING BALANCE
Salary & Benefits	\$390,100	\$185,131	\$204,969	\$95,400	\$47,052	\$48,348	\$485,500	\$232,183	48%	\$253,317
PERSONNEL	\$390,100	\$185,131	\$204,969	\$95,400	\$47,052	\$48,348	\$485,500	\$232,183	48%	\$253,317
Administrative Services & Supplies	\$6,000	\$1,994	\$4,006	\$1,000	\$541	\$459	\$7,000	\$2,535	36%	\$4,465
Communication Costs	\$3,500	\$1,952	\$1,548	\$0	\$0	\$0	\$3,500	\$1,952	56%	\$1,548
Computer Services & Supplies	\$20,850	\$12,484	\$8,366	\$0	\$0	\$0	\$20,850	\$12,484	60%	\$8,366
Employee Development, Memberships & Subscriptions	\$7,500	\$645	\$6,855	\$19,450	\$13,516	\$5,934	\$26,950	\$14,161	53%	\$12,789
Employee Travel Costs	\$30,000	\$5,271	\$24,729	\$7,000	\$8,456	-\$1,456	\$37,000	\$13,727	37%	\$23,273
Contracts, Events, & Other Council Activities	\$279,750	\$141,870	\$137,880	\$22,550	\$17,885	\$4,665	\$302,300	\$159,754	53%	\$142,546
Rentals & Operating Leases	\$4,500	\$4,654	-\$154	\$0	\$0	\$0	\$4,500	\$4,654	103%	-\$154
OPERATING	\$352,100	\$168,870	\$183,230	\$50,000	\$40,398	\$9,602	\$402,100	\$209,268	52%	\$192,832
Grand Total	\$742,200	\$354,001	\$388,199	\$145,400	\$87,450	\$87,950	\$887,600	\$441,452	50%	\$446,148
STATE EXPENDITURE CATEGORY	TOTAL BEGINNING BUDGET	TOTAL YTD Spent	TOTAL ENDING BALANCE							
TRUSTEE AND BENEFITS (Spending Authority for Grant Reimbursements)	\$7,684,500	\$3,118,573	\$4,565,927							

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WDTF Financial Summary - December 31, 2019	
WDTF Cash Balance 12-1-19	\$16,972,589
Revenue	\$14,862
Interest	\$29,469
Payments	\$1,938,808
WDTF Cash Balance 12-31-19	\$15,078,113
Obligated Employer Grants	\$2,415,322
Obligated Industry Sector Grants	\$4,470,829
Obligated Innovation Grants	\$214,567
*Obligated Outreach Projects & Allocated Budget	\$914,164
FY 20 WDTF Admin Costs	\$388,199
WDTF Obligated Balance	\$8,403,081
Unobligated Balance	\$6,675,032
Proposals Under Review	\$363,334
Unobligated Balance if all funded	\$6,311,698

*Includes all Outreach funding made available for the Committee to allocate for FY20.

WDTF FY20 Revenue	Transfer In	Interest	Collection Cost
July	\$393,367	\$34,528	
August	\$587,161	\$33,013	
September	\$10,991	\$35,670	
October	\$313,552	\$33,444	\$21,261
November	\$535,421	\$31,836	
December	\$14,862	\$29,469	
January			
February			
March			
April			
May			
June			
FY20 Totals	\$1,855,354	\$197,961	\$21,261

The Governor’s Office is including the Workforce Development Council’s supplemental request in the Governor’s recommendation. The recommendation suggests \$1.4 million for FY20 and then annualizes the remainder of the amount so that the end result of having an additional \$4.3m in spending authority is the same. The Legislative Services Office (LSO) included a statement into the Legislative Budget Book that the Council would only have \$6.9m in cash if all the spending authority is used in FY20 and FY21. While accurate, flexibility is needed over the next two years to invest the training funds in worthy projects and understand the reimbursement rhythm of our grantees. The consequence of not receiving the supplemental authority is once the spending limit is reached the Workforce Development Council will not be able to reimburse grants until after July 1.

The business community, from whom the funds are collected, expects that the money from the Workforce Development Training Fund is being spent on training. Casual discussions with business leaders and associations indicate that they expect the fund balance to be a fraction of the annual revenue.

The Council staff is planning to request an audit from the Legislative Services Office. The staff feels that they are at a point where they would like to ensure the agency has all the right policies and processes in place.

Executive Director Report

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US Department of Labor (USDOL) is in Boise monitoring the Idaho Department of Labor and the Workforce Development Council. USDOL is satisfied with the work being done on the One-Stop Operator procurement and has cleared the finding from 2018. USDOL will likely issue findings on how WIOA funding is distributed to the regions and on infrastructure cost-sharing. The Council may need to develop additional policies based on our new relationship with IDOL.

Council staff is exploring hosting the July Council meeting in Coeur d'Alene as part of the goal of holding Council meetings in places other than Boise. The cost for this meeting would be higher than usual because of the location. The Council staff will connect with the Coeur d'Alene Casino to see if they have space to host. Ms. Nielebeck will put together an estimate of the cost of hosting a meeting in Coeur d'Alene and present it at the next committee meeting.

Ms. Rood has resigned from the Council. Idaho Power has nominated another representative and the Governor's office is reviewing it.

In Governor Little's State of the State address, he briefly mentioned the Council and the Idaho Department of Labor's efforts to increase work-based learning in the state. Ms. Secrist received a copy of Governor Little's budget recommendations and the Council's supplemental request is included in the request.

American Semiconductor – Employer Grant

The American Semiconductor Employer Grant was discussed over two meetings of the Grant Review Committee. The Committee requested more information on the trainings proposed by American Semiconductor to ensure the skills being gained were transferrable. American Semiconductor provided more detail on the skills each person would gain and which local companies the skills would be transferable to.

To supplement that information, Ms. Secrist provided data from the Burning Glass database on occupations that American Semiconductor will be training individuals for. The report Ms. Secrist shared with the Committee showed data on the types of skills that are required for the jobs listed in American Semiconductor's application and whether the occupation and skills are growing or declining in the local labor market. All the jobs listed in the Burning Glass report are in the Treasure Valley area. The report also showed what other occupations the skills could be transferable to.

WDTF Request: \$22,500

What is the average wage of the American Semiconductor employees?

- The average wage is \$31.52.

What year was American Semiconductor founded and how is the company funded?

- When American Semiconductor first started, they were a venture capitalist-funded company. They may have some federal funding now. The Council staff is unsure when the company was founded.

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Motion by Ms. Swanson to approve the Grant Review Committee's recommendation to approve the American Semiconductor Employer Grant in the full amount of \$22,500. Second by Mr. McCray. Motion carried.

Idaho State University – Industry Sector Grant

The ISU grant proposal was discussed over two meetings of the Grant Review Committee. The committee specifically wanted to know how the tuition from the proposed Nursing program would be put back into the program and how those funds would be spent. The committee also requested more information on what each of the industry partners would be committing to. The partners will be matching with funds, providing preceptors, and hiring graduates of the ISU Nursing program.

The proposed budget did not clearly indicate where the tuition revenue from the new program would be used. As the WDC staff worked with ISU, staff found in the original budget that ISU was intending to take the tuition from the first year to help offset the costs for the second year, and so on. This would mean on paper that ISU would be left with a balance of \$360,575 of earned tuition after the grant ended. The WDC staff shared with ISU that providing the institution a fund balance is not the purpose of the Workforce Development Training Fund.

Ms. Secrist worked with ISU to analyze revenues and expenses to see if the program would be sustainable with a lower funding request. Please see attached report. By reinvesting an increasing percentage of the tuition in the year that it is earned (after the first year), the requested amount could be decreased from \$495,082 to \$340,834. ISU also decreased their match amount to 25% of the new total.

WDTF Request: \$340,834

Is ISU closing the nursing program in Meridian?

- The nursing program in Meridian will remain. ISU recognized the need for the nursing program in Pocatello. The nursing program in Pocatello will also be an accelerated program so the start-up costs will be lower than Meridian.

Motion by Ms. Hoehne to approve the Grant Review Committee's recommendation to approve the Idaho State University Industry Sector Grant in an amount not to exceed \$340,834 with the stipulation that the award for years two and three be decreased if actual tuition revenue exceeds the budget projections in the application. Second by Ms. Swanson. Motion carried.

WDTF Priorities Discussion

In October 2019 the Policy Committee recommended updates to Workforce Development Training Fund (WDTF) policy. The policy updates were adopted by the Council. In April and July of 2019 adjustments were made to the Workforce Development Training Fund Scoring Matrix.

In 2020, the Council would like to review WDTF grants criteria again, based on the additional knowledge about best practices on workforce development that the Council has gained since it was created. The Grant Review Committee has had some unease with some of the grants that have come through the application process,

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however, the Grant Review Committee will only decline a WDTF grant application if the application does not align with the Council's policies, vision, strategies, or goals. The Grant Review Committee is looking for more direction from the Council and the Policy Committee on what should be expected or required from a grant applicant.

Employer Grant Discussion

Bobbi-Jo Meuleman, from the Governor's Office, reported to Ms. Secrist that Governor Little is very supportive of the Council setting the bar higher for employer grants or creating more criteria for employer grants, but the Governor does not want to eliminate employer grants completely. The Governor's concern with eliminating employer grants is the impact in rural areas of Idaho.

Other states have created a list of industry recognized credentials and if the grant applicant teaches the industry recognized credentials then the grant is eligible for funding. When the WDTF Scoring Matrix was updated, the funding cap was reduced from \$5,000 per job to \$4,000 per job. The Council could lower that threshold again.

If the Council agrees with Governor Little's opinion about raising the bar for employer grants, would the Council then be immediately tasked with raising the bar for the employer grants?

- Governor Little is not telling the Council that raising the bar is what needs to happen. Governor Little is saying he would not be opposed to the Council working in that direction.

Would the Council want to allocate a specific dollar amount of funds to go towards employer grants and set application periods, such as quarterly or semi-annual submission periods? This would help eliminate the need for the Grant Review Committee to meet every month to review WDTF grant applications.

- Employers are the ones who fund the WDTF. It seems improper to limit the amount of funds employers receive and limit applications to a specific window of time. A business may not know exactly when they are going to need funding and a timely approval is important.

Would the Council want to add the criteria to employer grants that they must document that the training in the grants have a clear benefit for employees? The Council wants to ensure training being offered to employees is beneficial and transferrable. It could be a criteria for employers to offer training that results in industry certifications, etc. Businesses could be offered bonus points for implementing an apprenticeship program.

- Smaller businesses may not have the capacity to create an apprenticeship program.

With the October 2018 WDTF Policy update, the Policy Committee requested that Council staff start collecting information on the capital investments companies are making in Idaho. Capital investments could be something to consider adding to the criteria of WDTF grants. The staff is working closely with Idaho Commerce and other agencies to identify other opportunities for partnerships between the agency and a WDTF applicant.

The Council will add this topic to the agenda for the January 2020 Council meeting. It is important that the Council is discussing this as a whole. The Policy Committee should not be moving in one direction and the Council wanting to move in a completely different direction.

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Prior to the WDTF priorities discussion with the Council, Ms. Secrist will share the preliminary results of the 2019 WDTF evaluation. The results of the 2019 WDTF evaluation are showing a great return on investment for Idaho. Results show that employees of employer grant recipients have seen a 23% wage increase in the WDTF grants that have closed in the past 2-years.

It could be valuable to have a WDTF policy to influence employer grants to follow best practices and participate in Idaho LEADER. The Council has seen many industry sector grants following best practices and participating in Idaho LEADER initiatives. The Council needs to encourage employer grant recipients to also engage in activities that help develop workforce pathways, such as getting involved with students through career days, internships, and classroom participation. One of the questions on an employer grant application could be if the employer is participating in local talent pipeline management programs. If the employer is not, then they should have to explain why.

The Council is moving in the right direction of the goals that were set for the WDTF. The Council will need to continually refine the policies and goals guiding the WDTF. WDTF funds need to be spent in the most strategic way.

Motion by Ms. Hoehne to adjourn. Second by Mr. Maloney. Motion carried.
Adjourned at 5:01 pm