## State Workforce Development Board Meetings Minutes

**Nashville, TN**

Friday, March 14, 2008

9:00 am – 12:00 pm

<table>
<thead>
<tr>
<th>Board Members Present:</th>
<th>Board Members Present by Proxy:</th>
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<tbody>
<tr>
<td>Jerry Anderton</td>
<td>Matthew Kisber (Rick Meredith)</td>
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<tr>
<td>J.M. Barnes</td>
<td>Gina Lodge (Andrea Cooper)</td>
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<td>Craig Butler</td>
<td>Tim Webb (Bruce Opie)</td>
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<td>Thelma Dunlap</td>
<td>James Neeley (Robert Henningsen)</td>
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<td>Guy Derryberry</td>
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<td>Susie Gassett</td>
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<td>John Greeter</td>
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<td>Wallace Grills</td>
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<td>Ed Groves</td>
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<td>Brenda Henley</td>
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<td>Ross Jackson</td>
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<td>John Majors</td>
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<td>Sally McKay</td>
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<td>Iliff McMahan</td>
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<td>Gary Miller</td>
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<td>Mattie Moran</td>
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<td>Brad Parish</td>
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<td>Arlene Ricci</td>
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<td>Margaret Ridings</td>
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<td>Yolanda Shields</td>
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<td>Charles Story</td>
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<th>Members Absent:</th>
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<tr>
<td>Joy Bishop</td>
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<td>Patricia James</td>
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<td>Tommy Kilby</td>
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<td>Kenny Smith</td>
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<td>Marvin Sandrell</td>
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<td>Ellen Thornton</td>
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<td>Deidre Malone</td>
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<tr>
<td>Ellen Thornton</td>
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<td>Sandra Woods</td>
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<th>Staff Present:</th>
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<tr>
<td>Susan Cowden</td>
<td>Susie Bourque</td>
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<tr>
<td>Joe Fults</td>
<td>Joyce Gregory</td>
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<td>Peggy Harding</td>
<td>Dan Holton</td>
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<tr>
<td>Theresa Morris</td>
<td>Tyrone Parker</td>
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<tr>
<td>Sterling Van Der Spuy</td>
<td>Melinda Williams</td>
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<td>Pat Bleecker</td>
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<td>Wil Hammond</td>
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<td>Regina King</td>
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<td>Linda Sampson</td>
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Welcome:

Chairman Wallace Grills called the meeting to order and welcomed everyone to the March 2008 meeting.

Roll Call:

Linda Sampson conducted the roll call and established the presence of a quorum. Ms. Sampson notified the board members that the Conflict of Interest, Acknowledgement/Disclosure, and Code of Ethics forms were on site for review and updates.

Introduction of New Members:

Chairman Grills introduced Ross Jackson as a new member. New members, Sandra Woods and Tim Webb were not available to attend this meeting.

Opening Remarks:

Deputy Commissioner Bob Henningsen, proxy for Commissioner Neeley, welcomed everyone to the meeting and expressed appreciation for good attendance at the new facility.

Approval of December 7, 2007 Minutes:

Jerry Anderton made the motion to approve the December 7, 2007 minutes and Arlene Ricci seconded the motion. Motion passed.

Workforce Development Updates:

Administrator Susan Cowden presented updates on the Congressional Tours, the Recession, and USDOL Grants with a power point presentation entitled Challenges Facing the Workforce Development System. She reported that seven of the nine Congressional Tours were conducted successfully and Tennessee staff showcased the process at the National Association of Workforce Boards Meeting in Washington, D.C. in February. USDOL has proposed drastic changes to the system including consolidation of funding, elimination of Wagner Peyser funding and Career Advancement Accounts that lack accountability. States and locals are encouraged to continue to be vocal with the delegation as Reauthorization could enter the debate in the Fall.

Ms. Cowden explained that a rescission is a “call back” of funding that has already been appropriated as directed by Congress and approved by the President. For WIA, USDOL will notify states of the amount of federal funding that will be “called back” and states must adjust budgets and spending accordingly. Prior rescissions have been small in scope and implemented by using statewide WIA funds. In 2005, USDOL began proposing larger scale rescissions based on an assumption that states were not expending at sufficient rates. In July 2006, Commissioner
funding is managed throughout the WIA system. She reported that the federal amount is $250 million, plus 1.74 percent across the board. Tennessee’s amount is $11 million, 16% of available funds for this year, and 4% of the total federal rescission. The total WIA funding available for this year could go from 70 million to 58 million.

In prior rescissions, each state was assessed their share of the formula funding across the board; however, for this rescission, states were penalized for carrying over funds in excess of 30%. The net reduction to Tennessee was 16%.

Until further guidance is received from USDOL, implementation plans can not be fully developed. Reductions will be based on each local area and statewide contribution to the excess carryover. Current assessment is $3 million statewide and $7.5 million local.

This is our eighth year of operating WIA. Tennessee has received five consecutive incentive awards; however, this year it is likely that we will not qualify for a federal incentive based on performance with Dislocated Worker earnings. Ms. Cowden explained some contributing factors.

**U.I. Claims Center Expansion/Workforce Budget Challenges**

Administrator of Marketing and Outreach Programs, Melinda Williams, presented a program about the Unemployment Call Center Expansion and Budget Challenges. The Claims Center has grown to include 70 counties and serve 70% of the state. Knoxville and Memphis remain walk in centers but are expected to open in the near future. The Expansion will enhance customer service, be more convenient, allow Career Center staff to focus on Workforce Development and Career Center activities, and provide advantages from an administrative point of view.

The following Workforce Budget Challenges were discussed:
- Wagner-Peyser program has been flat funded for the last decade ($12 million)
- Cost of operations have increased.
- Operating in a deficit mode since 2005.
- Projected $7 million deficit in FY 2008.
- Proposed Federal budget eliminate WP funding.

The following Workforce Budget Challenges Options were discussed:
- Continue to cover deficit with Reed Act dollars resulting in a decline in the Trust Fund and an increase in taxes on employers.
- Mass Lay off of WP funded employees.
- Consolidation of Career Centers in close proximity of each other.
- Both.

Individuals Served:
- Approximately 400,000 receive some reportable service each year from WP staff in the Career Centers.
- Over 215,000 were referred to an employer.
- Over 200,000 individuals entered employment as a result of WP services.
- WP staff helped more than 7,500 employers screen potential employees.

The financial impact would be that approximately $19 to $20 million would have to be absorbed by partners in the Career Center system in the event of the elimination of the Wagner-Peyser program.
Living with Dignity as part of a Community:

Rod Bragg, Director, Employment Planning & Development with the TN Dept. of Mental Health and Development Disabilities, presented information about recovery for consumers with mental illness. He defined recovery and explained how recovery happens, utilizing five stages in the recovery process and three goals of recovery. He informed the group about Tennessee’s Creating Jobs Initiative’s mission of creating jobs and expanding employment opportunities by assertively and strategically partnering with communities, businesses, and government agencies through:

- education and information sharing
- the integration of employment networks
- the provision of needed supports

to increase the number of persons employed who have serious mental illness and co-occurring disorders. The goal of the program is for 2,010 persons with a mental illness or co-occurring disorder to be employed by the year 2010. Research demonstrates that work is a key to recovery and that consumers who are employed are able to live more satisfactory and rewarding lives through this contribution to their communities. Studies show that 60% - 70% of the number of people with mental illness want to work; however, 85% - 95% are unemployed.

Consultant Report:

Mary Ann Lawrence, with the Center for Workforce Learning, presented her Third Party Evaluation of Local Workforce Area 13. She explained that the review process included information gathering and analysis, interviews, site visits, and observations to identify the following areas needing improvement:

- Established Assumptions
- Tested Assumptions
- Determined Findings
- Identified Considerations
- Created Recommendations

The report included the following eleven (11) findings:

1. The Executive Director of LWIA 13 has too many responsibilities related to day-to-day operations.
2. An internal struggle exists related to trust, authority, roles and responsibilities, organizational structure, and communication.
3. Program enrollments are low.
4. The local area does not appear to be operating as a “system” in key functions but rather as stand alone service providers and agencies.
5. The service menu is not comprehensive enough.
6. Tracking and information knowledge needs to be enhanced.
7. There is a disconnect between jobseeker services and business services.
8. The contracting process needs to be improved.
9. Attention is needed related to expenditures particularly in terms of planned levels, staffing, screening, efficiency rates, tracking, co-enrollments, and policies on obligating funds.
10. Performance needs to be significantly improved.
11. The City of Memphis contracting has a boilerplate section that requires insurance which prohibits most small business from participating in Incumbent Worker Training.
Ms. Lawrence’s recommendations included the following action:
- Do a task analysis to establish roles and responsibilities.
- Professional Coach to assist in establishing roles and responsibilities of executive director and management team.
- Training in leadership versus management for the management team.
- Establish a process for meeting deadlines.
- Identify key organizational processes and map the steps.
- Create targeted recruitment materials.
- Establish team and individual service and performance goals.
- Establish regular communication of progress toward enrollments and performance.
- Examine and modify suitability and eligibility policies.
- Explore co-enrollments with other partner agencies.
- Conduct a service inventory of all partners.
- Increase service options available to jobseekers in the intensive service area such as a structured Job Club.
- Include On-the-Job Training as a viable option.
- Track obligations and de-obligations.
- Request a waiver from the City of Memphis to allow for small business participation in Incumbent Worker Training.

Tennessee ReEntry Committee Roundtable Discussion:

Tyrone Parker, WD Grants Program Manager, Susan Cunningham with TRICOR, Odie Jones with the Board of Probation and Parole, and Jim Cosby, Assistant Commissioner with the TN Department of Corrections presented information on the Tennessee ReEntry Collaborative (TREC), a state-wide re-entry body comprised of representatives from state agencies, faith and community-based organizations, and local criminal justice agencies. TREC will provide a continuum of services for all offenders reentering society that seeks to restore victims, communities and offenders and helps offenders to be successful in order to reduce recidivism and promote public safety. Some key facts about prisoner re-entry are:

- The number of people released from prison has increased 350 percent over the last 20 years.
- Over 600,000 people are released from prison each year, and over 7 million are released from jails, in the U.S.
- American taxpayers spent $9 billion for corrections in 1982; by 2006, the figure went over $60 billion.

Public safety implications include:
- Over 1 in 3 Tennessee prison admissions last year was a returning parole or probation violator.
- 97% will be released back to the community.
- During FY06-07, TDOC released 14,349 offenders system wide back to communities across Tennessee.
- Released offenders will have an impact on their families and communities.
- Multiple state and local agencies provide services.
- A significant number of prison releases and probationers received services from Department of Mental Health during first 12 months of release or probation.
- There are too few effective interventions for released offenders.
- Programs have been cut to reduce prison costs.
Inter-Departmental Collaboration is needed to determine:
- What are agency common goals
- Sharing information between stakeholder agencies
- Continuity of care
- Coordinated case management
- Common outcome measures
- Establish an inter-departmental and community planning process

Employment and recidivism are closely linked. Access to job information is critical for offenders. Stigma of felony conviction creates barriers not faced by the general public and lack of education and skills only further compound the problem. Use of labor data is critical in developing employment skills for offenders and TDOC staff ability to access career center information is a critical link for free world employment. Employment with living wages increases the offender's chances of success.

Susan Cunningham explained that TRICOR is a conglomerate consisting of a diversified mix of manufacturing, service, and agricultural operations that provides an environment where offenders learn work ethics and marketable skills which will assist with a successful reintegration into society. TRICOR was created in 1994 by the Tennessee General Assembly and is governed by a Board of Directors. TRICOR is responsible for developing jobs and training for the offender workforce participating in industry, business services, and agricultural program. These programs reduce offender idleness which improves prison safety and provides a "real world" work environment to teach marketable skills. TRICOR operations, in partnership with the Tennessee Department of Correction, are located in 11 facilities throughout the state. In FY 2007, TRICOR provided occupational skills training to over 1,166 offenders saving taxpayers over $3.6 million in supervision and programming costs per year.

Committee Reports: All committees met at 3:00 PM on Thursday, March 13, 2008 at 220 French Landing 4th Floor Conference Rooms

Operations Committee

Operations Committee Chairman John Greeter reported on the impact of the rescission, recommendations for reduction in 2007 contracts, recommendations for 2008 contracts, and proposed collaboration with Division of Children's Services. Staff Liaison, Susan Cowden reminded the committee that the primary purpose is oversight of the statewide set asides that fund programs throughout the state. She provided a list of the programs that were recommended by the committee last year and noted that programs for next year will need to be recommended at the may State Board Meeting.

Ms. Cowden briefed the committee on the WIA Rescissions and the impact of 1.6 million on the statewide programs. She advised that 1 million will come out of the Incumbent Worker program cut backs. Dependent upon the recommendations from the Policy Committee, wither the Incentive Fund will be reduced or State Contracts will need to be reduced. Reduction schedules for both 2007 and 2008 were presented to the committee with no action needed at the present time.

Lane Simpson with the Department of Children's Services presented an overview of the Governor's Mentoring Program for Foster Care Youth. The current funding is at
$250,000 and the program has the capacity to serve an additional 100 youth but no funding is available. All Foster Youth are eligible for WIA services and it is proposed that the Statewide fund match this program at 25% for next year with a $125,000 commitment. It is recommended that no decision be made until the final allocations for next year and the full impact of the rescission is determined.

Committee member Margaret Ridings requested an update on the Congressional Tours which was provided by staff and board members who attended those tours.

Committee member Mattie Moran requested an update on the Career Readiness Certificate project. Staff explained that all areas should be operational by the end of this month. She also discussed a grant that is being submitted to USDOL from LWIA 5 for High Growth Job Training in the Energy Industry.

Guest, David Hamilton, encouraged state staff to notify local chambers of commerce of the need to appear to Congress for continuation of funding for these programs. He indicated that he had sent a letter from the Dickson County and LWIA 8 perspective.

**Strategic Planning Committee**

Strategic Planning Committee Chairman J. M. Barnes reported that for the first time since WIA inception all 13 local plans were received before the deadline and he thanked all of the Directors and state staff for this achievement. He also expressed thanks to everyone who attended and participated in the committee discussion, especially Melinda Williams and Mary Ann Lawrence.

He reported that LWIA’s will receive between 4 and 6 questions for the upcoming planning meeting by March 25, giving over two weeks to prepare for their 20 minute presentation.

He advised that the Strategic Planning Committee will further discuss and develop a quarterly reporting format (dashboard) to better understand, monitor and communicate early warning signs for insufficient performance issues. Due to on-going concerns over future funding, it is imperative that we are able to communicate with local elected officials as needed and provide necessary opportunity to take corrective action before it is too late.

From the Consultant’s report, the committee felt that several recommendations could be good for all of the areas to address so the committee will incorporate several recommendations into next year’s planning process. Things under consideration include: Organizational structure, organizational chart, Baldrige, task analysis and partner engagement.

Labor and Workforce Development Marketing staff will present the Strategic Planning Committee with some marketing ideas around branding and ways to better communicate the success of the Career Center System, to include all partners.
Policy Committee

Policy Committee Chairman Jerry Anderton reported on Penalty Policy, De-Obligation Policy, Incentive and Sanctions Policy and Model By-Laws. The model by-laws were approved by the committee and will be sent to the LWIAs by April 1, 2008 to be considered at their earliest possible meeting to become effective in all LWIAs by July 1, 2008.

The committee examined the Penalty Policy and recommended the following changes:
1. Provision #2 of the Financial Guide Handbook, including attachment, incentive award proposals, those documents identified by the State Board as necessary.
2. Add #5 statement: Delays due to Local, State, Federal legislative process will be considered as a mitigating factor.

The committee examined the Deobligation Policy and recommended adding #6: “All funds below 100% at the end of the (2 year) period will be returned as required in the contract.” This policy will require a waiver for deobligation and reallocation, and staff will make the waiver available for a 30-day comment period.

Iliff McMahan made the motion to accept the recommendations proposed by the Policy Committee on the Penalty Policy and Deobligation Policy. Mattie Moran seconded the motion. Motion Passed.

The Policy Committee examined the Incentive and Sanctions Policy for Program Year 2007 and requested approval for Program Year 2007 Incentive and Sanction policy, contingent on the Continuous Improvement proposal; of the State becoming a waiver state with a start date of July 1, 2007, then this policy will revert to the workgroup for a common measures policy. The committee recommended that the State Workforce Development Board will continuously review the incentive or sanctions policy to account for rapidly changing economic and demographic factors. This clause will be effective immediately applicable to the 2006 awards. Ross Jackson made the motion to accept the recommendations of the Policy Committee and the motion was seconded by J. M. Barnes. Motion Passed.

Continuous Improvement Committee

Continuous Improvement Committee Chairman Iliff McMahan reported that the waiver request for common measures is approved. He discussed incentive awards to LWIAs, Incentive and Sanctions Policy, and regional training. Brad Parish made the motion that the staff request that the approved Waiver to Report the Common Measures have an effective date of July 1, 2007, and that the staff take steps necessary to re-negotiate the state’s current performance levels according to the Common Performance Measures. Jerry Anderton seconded the motion. Motion Passed.

Craig Butler made the motion for the staff to review the criteria for local incentive awards, assist the Board with defining Exemplary performance, then propose local incentive awards at the May 2008 board meeting. Charles Story seconded the motion. Motion Passed.
Guy Derryberry made the motion that all Local Areas currently receiving technical assistance, should continue to receive such assistance through 2009. Motion was seconded by Susie Gassett. **Motion Passed.**

**Closing Remarks:**

With no further business to come before the Board, the meeting was adjourned. Chairman Grills thanked everyone for attending and invited all members to attend the Planning Committee meeting scheduled for April 10 – 11, 2008.

**Future Dates:**
- April 10 & 11, 2008 (Planning Committee, **All Board Members are invited**)  
- May 15 & 16, 2008 (Full Board Meeting)  
- September 25 & 26, 2008 (Executive Committee Meeting – Knoxville)  
- December 4 & 5, 2008 (Full Board Meeting)

_Linda Sampson_  
WIA Board Coordinator

_Susie Bourque_  
Asst. Administrator