

IDAHO WORKFORCE DEVELOPMENT COUNCIL

November 5, 2009 – Meeting Minutes

Welcome and Introductions

Council Chair Con Paulos called the meeting to order at 9 a.m. He welcomed everyone and noted that three new members have been appointed: Dr. Jerry Beck, College of Southern Idaho replacing Dene Thomas; Richard Holman, representing the Idaho National Laboratory, replacing Sue Arnold; and Linda Clark, Superintendent of the Meridian School District, replacing Millie Flandro. Dr. Clark cannot be with us today but will join us for future meetings. Chair Paulos also introduced Governor Otter's Communications Director Mark Warbis who has assumed responsibility for the council.

Consent Agenda

Chair Paulos continued with the consent agenda which included the following issues: 1) minutes of April 8, 2009; 2) executive committee minutes of September 24, 2009; 3) **Transmittal #1** the Eligible Provider List additions; and 4) **Transmittal #2** - WIA Annual Report.

Chair Paulos accepted a motion by Dave Whaley, seconded by Tom Hally to approve the items on the consent agenda; and the consent agenda was approved unanimously by voice vote.

Chair's Report

Chair Paulos reported that little has changed on the national level since the last meeting. The United States Department of Labor will continue to support the Community-Based Job Training Initiative (CBJTI) for one more year – this is the fund supporting the CSI nursing program expansion and the ISU energy program. The President's FY 2010 budget request has a Career Pathways Innovation Fund that will replace the CBJTI. The big news is a 12 billion dollar community college investment program – most of it to be awarded on a competitive basis to revitalize and reform the nation's community colleges.

Budgets are stressed in state and local governments across the country and the federal government appears to be returning to the pay-go approach that requires finding revenue or cutting budgets to find dollars for new programs. We will hear more today about the state agencies' priorities in a tough budget year.

Economic Update

Chair Paulos introduced Idaho Department of Labor Communications Manager Bob Fick to present an economic update. Mr. Fick stated that it has been a rough twelve to thirteen months but a glimmer of light in the economy has started. Not since April 2008 when the job loss started has there been two months in a row where the jobs aren't declining and the gap is closing. In August the job loss declined to 7.5 percent rate which may have been rock bottom.

Communications Manager Fick stated that the unemployment rate for the last three months has been around the 8 percent rate and as the job gap closes this is a sign that the economy is starting to pick up. It has taken about forty-two weeks for laid off workers to find jobs. The demands on the unemployment insurance fund are easing some probably because people are exhausting their

benefits. The unemployment problem seems to be spread evenly across the state with rural areas not as hard hit as the urban part of the state. In terms of jobs lost, this recession is probably the worst that Idaho has seen since World War II. Total wages and business profits have been dropping since the summer 2008. It seems unlikely for the state to get back to pre-recession job numbers until 2013.

Transmittal #3 - Unemployment Insurance Benefit – Information only

Chair Paulos invited Idaho Department of Labor Director Roger Madsen to point out some highlights of Transmittal #3. Director Madsen stated that the unemployment insurance fund has paid out billions of dollars to over hundreds of thousands of Idaho's jobless which has been an important and sustaining part of Idaho's economy. Most of the money has helped keep workers in Idaho until businesses are able to rehire and the economy picks back up. Many of these same dollars have kept the local businesses from failing because customers still have money to pay rent, buy gas, put food on the table and pay utility bills.

Director Madsen further stated that in March 2009 Idaho's portion of the trust fund was broke. By the end of May the department implemented a strategic money management plan using interest free federal loans. It is predicted that by 2010 the department will borrow \$200 million in interest free loans in order to pay benefits with repayment of the loans to be completed by fall 2011. This loan and repayment outlook is based on a recovering economy in 2010 and the fact that employer tax rates remain at the anticipated 2010 level in 2011.

In conclusion Director Madsen stated that pressures of the past year have tested Idaho's economy and challenged the resilience of businesses and workers, but with education, an aggressive information effort, clear communication, historical perspective, and working together, Idaho and her people will make it through these tough times stronger and ready for the future.

Director Madsen was asked about the issue of fraud during this recession; he commented that there always has been fraud since the unemployment program began - both from the claimants and the employer side. In 2005 a law was passed that provided tools to help combat fraud and the situation has been better managed in recent years. Recently the department's benefit payment control officers attended a national conference where the Idaho auditors scored 100% which is the first time a state has scored that high.

K-12 Education

Chair Paulos welcomed Superintendent of Public Instruction Tom Luna to share the accomplishments and plans for K-12 education. Superintendent Luna stated that he has been in office for three years with the goal of asking how is what we are doing going to positively affect student achievement. This goal has raised the bar, stretched resources and provided a customer driven education system where new dollars focus on struggling students, classroom materials, and the math initiative which is in its second year and very successful.

Superintendent Luna acknowledged the following projects in progress:

- Data system which provides transferring student assessment
- Expanded math initiative to include grades five to twelve
- Expanded professional technical education with high school credit

- School districts working together to provide professional technical opportunities for high school students
- Idaho education network – intranet connection for high schools to connect to each other and also to colleges

Superintendent Luna announced that student achievement is up annually and the achievement gap is closing between racial and economic groups. He further stated that there is a definite link between a high quality education system and a growing robust economy and both are necessary. It takes a growing robust economy with a significant tax base to fund a high quality education system and a high quality education system is needed for a skilled workforce to grow a robust economy.

Superintendent Luna also discussed the following issues:

- Mismatch between high school graduation and college requirements
- Pay for performance with math and science teachers incentives
- Use of data system to uncover drop out rates and assessment
- Idaho Education Network – hook up of rural districts is at 40%
- Scheduling as a big problem with need for a common calendar
- Support of consolidation of school districts by combining regional services such as transportation or financial

Future of Higher Education

Chair Paulos introduced Idaho State Board of Education Executive Director Dr. Mike Rush who updated the council on the future of Higher Education. Dr. Rush informed the council that the United States is losing its status as a world leader in a higher education system. The United States now has the highest college drop out rate and has a declining completion rate.

Dr. Rush stated that the major goal of Higher Education in Idaho and the nation is to increase the college completion rate. He said that there are many obstacles from reaching this goal:

- Poverty – only 7% of students from low income families complete college
- Lack of alignment between high school and college requirements
- Lack of public support and insufficient financial aid
- Confusing financial aid process
- Lack of college information in middle schools

Dr. Rush made the following recommendations of how Idaho can meet this goal:

- Align high school exit requirements with college entrance requirements
- Simplify admission and financial aid forms
- Simplify college transfers
- Make colleges affordable
- Give greater priority to teach prep programs
- Implement “best practice” strategies for college completion
- Invest in adult education programs

Additional strategies suggested by Dr. Rush were to reallocate faculty time, collaborate with other institutions to share programs and services, restructure general education, and provide a common curriculum at high school level.

In conclusion Dr. Rush stated that Idaho institutions had a 6% budget holdback and 4% cuts for specific programs this year. With the budget down 20% from last year even with the help of stimulus funds, it will be down 15%. We absolutely need to reverse this trend of the declining college completion rate in order to maintain a growing economy. Our challenge in Higher Education is to increase the production of 7000 degrees next year on 20% less money.

Suggestions were made from the council to utilize community based organizations and volunteer organizations to help students and parents accomplish the goal to increase completion of higher education.

Governor's Health Care Task Force Update

Chair Paulos called upon B.J. Swanson, Vice Chair who represented the Workforce Development Council on the Nursing Workforce Council, and more recently was appointed by Governor Otter to serve on his Health Care Task Force.

Vice Chair Swanson stated that the Idaho Health Professions and Education Council was created earlier this year by Governor Otter and was challenged to look twenty years into the future to identify needs and design programs for the health care and education sector. The council has identified some problems in the state as: 1) an aging population, 2) affordable health care, 3) number of uninsured patients, and 4) decrease of Medicare reimbursements for physicians.

Some of the solutions that the council has suggested are:

- Idaho Rural Physician Fund which provides repayment of medical student loans
- expansion of the WAMI program
- dental treatment for the uninsured

Transmittal #4 – Workforce Development Training Fund – Funding of 3rd Party Call Centers

Chair Paulos reminded the council that at the April 8, 2009 meeting the council heard a request to alter policy of the Workforce Development Training Fund to allow for participation of third-party call centers. After much discussion, the council elected to appoint a subcommittee comprised of Alex LaBeau, Dr. Mike Rush and Tom Hally to review the request and bring the council a recommendation. The subcommittee met on Wednesday, November 4, 2009 and recommends supporting the existing policy of the council.

Chair Paulos accepted a motion by Alex LaBeau, seconded by Dave Whaley to support the council's existing policy; and Transmittal #4 was approved unanimously by voice vote.

Latest in Economic Development

Chair Paulos asked Idaho Department of Commerce Business Development Manager Randy Shroll to update the council on new economic developments in Idaho.

Business Development Manager Randy Shroll stated that the Department of Commerce is working to promote Governor Otter's Project 60, a plan designed to grow Idaho's gross domestic product to 60 billion dollars. The main focus of Project 60 is to create jobs, strengthen Idaho communities, and increase the wealth of Idaho's citizens. Business growth and development, domestic recruitment, and foreign investment are strategies used by the department to foster Project 60.

Mr. Shroll informed the council that last year the department completed twenty-seven projects with block grant programs and the good news is that businesses are expanding in Idaho. Recently the 21st annual Business Opportunity Conference which connects Idaho businesses with government contracts and opportunities was well attended and very successful.

Mr. Shroll continued that the success of Project 60 depends on everyone working together, a highly skilled workforce, incentives for new business, cost effective ways of doing business, improving the transportation infrastructure, and maintaining a strong tax base. The main point that came out of the Governor's Business Summit was that consumer confidence is necessary for a recession recovery.

Older Worker Policy Academy Update

Chair Paulos thanked Idaho Commission on Aging Director Kim Toryanski for her leadership and dedication to older worker issues.

Ms. Toryanski stated that Idaho was one of six states that participated in the National Governors Association's Policy Academy.

Ms. Toryanski advised the council that Idaho Team's vision included the following goals:

- increase volunteerism
- connect mature workers with businesses through job fairs and workshops
- encourage Idaho employers to adopt the academy's Best Employment Practices
- increase enrollment of mature workers in post-secondary education
- use ARRA (Recovery Act) funds for Idaho workers

Ms. Toryanski stated that the Policy Academy team's work officially ended in the summer, but they will continue to draw upon the NGA to help map out and achieve goals in Idaho. Ms. Toryanski invited the group to attend a Career and Resource Fair at the Idaho Center today and tomorrow.

Stimulus Investments

Chair Paulos introduced Governor Otter's Division of Financial Management Analyst Shelby Kerns. Ms Kerns gave a brief overview of the stimulus money for the state and stated that Idaho has been awarded 1.2 billion dollars of stimulus funds, receiving so far 246 million and has reported the creation of 2,103 jobs.

Ms. Kerns introduced Idaho Department of Labor Senior Planner Sue Simmons who discussed the application and process for the green jobs grant which was submitted in October 20th for 6 million dollars. The department partnered with Professional Technical Education in writing the

grant which included renewable energy as a big part of the grant as well as apprenticeship programs and funding for lab equipment.

Ms. Simmons also discussed the Office of Energy Resources grants which amounted to 32 million dollars. These grants include the following projects:

- 14 million dollars for school efficiency projects (K through 12 classrooms)
- A Homedale School District energy efficient project
- Solar scoping school projects in five to ten schools
- Renewable energy industry grant proposals
- Micron technology 5 million dollars for a LED project
- City and counties not receiving stimulus funds energy efficient projects
- \$800,000 for implementing an international energy conservation code in the state

Idaho Department of Health and Welfare Program Manager Genie Sue Weppner reported on Community Services Block Grant funding received under the American Recovery Reinvestment Act. The department has received 3.2 million dollars which goes to six community action agencies that provides job creation and retention, education services, emergency services and nutritional services.

The Childcare Development Fund program has received 12 million in ARRA funding for two years. These funds provide for tuition assistance, scholarships for a professional workforce, a quality rating system, quality childcare and strengthening families programs.

The Weatherization program received 30.3 million dollars from ARRA to be used in two years. Five agencies provide these services in Idaho and funding for these projects has created many new jobs with new contractors added to the list and has provided many more families the opportunity to have their homes weatherized.

Idaho Division of Vocational Rehabilitation Fiscal Manager Gena Huntsinger reported that they received 2.9 million dollars to spend in two years on Vocational Rehabilitation programs. Ms. Huntsinger stated that over the last couple of years there has been a drop in the division's ability to place clients in jobs.

The Division of Vocational Rehabilitation is using the stimulus money on the following programs:

- Hiring bonuses to employers
- On the job training incentives to employers
- Partnering with Department of Corrections for training heavy equipment projects
- Establishing a community rehabilitation office in northern Idaho
- Providing a stable home environment for clients
- Partnering with the Epilepsy Foundation to provide offices in northern and eastern Idaho
- Partnering with the University of Idaho to provide a vocational rehabilitation counselor in the Treasure Valley and also northern Idaho
- Assisting with technology and ergonomic equipment

Idaho Department of Labor Employment and Training Administrator Dwight Johnson gave a quick update on the stimulus funds provided by ARRA used for workforce training and

unemployment insurance. The department received approximately \$10.5 million in training funds for workforce programs:

- WIA – summer youth employment program grant for \$2.4 million with a deadline of September 30, 2009 of which 99.6 % has been spent or obligated.
- WIA (non-summer youth) grant for \$4.5 million with a deadline of June 30, 2011 of which 56% has been spent or obligated.
- ES & RES grant for \$3.55 million with a deadline of September 30, 2010 of which 30% has been spent or obligated.

Transmittal #5 – Idaho Youth Corps

Mr. Johnson stated that it is uncertain if federal funding for this very successful program would be available next year; therefore, Ben Phillips and Clete Edmunson are working to secure resources from other federal, state and local partners for next year's summer employment program. Governor Otter wants to provide an opportunity for Idaho businesses to participate and make the Idaho Youth Corps a public/private partnership. The department has drafted legislation in order for the administrative tax to be used for the Idaho Youth Corps and Transmittal #5 is requesting the council's endorsement.

Chair Paulos accepted a motion by B. J. Swanson, seconded by Dave Whaley to support the legislation allowing the department to accept private donations and use Administrative Tax funds to begin initial funding of the Idaho Youth Corps; and Transmittal #5 was approved unanimously by voice vote.

Department of Labor Initiatives

Idaho Department of Labor Business Services Manager Leandra Burns spoke about the new initiatives that the department is undertaking for better service to business customers. Last year at the Governor's Workforce Summit efforts to address strategies that will help key regional industries maintain their competitive edge in today's marketplace.

Ms. Burns stated that the department had great success early and a lot of initiatives are still in place at the regional level, but then the recession hit and the priority within the department changed to helping displaced workers find new jobs, retraining them, and providing unemployment insurance. At the last council meeting stimulus funds were approved so that the department's current workforce could be trained to provide enhanced business services to key targeted industries. Leadership training was started at the managers' meeting last month and training for all existing employees will begin in January.

Mr. Burns concluded that changes will not be easy but working together with existing partners we can create the best workforce system in the nation.

Ms. Burns presented a social network video put together by Idaho Department of Labor Communications and Research Administrator Georgia Smith. Ms. Burns also stated that WIRED funds are being used to notify job seekers by email via twitter, facebook, you tube, etc on current job opportunities.

Chair Paulos introduced Idaho Department of Labor Senior Deputy Director John McAllister who is leading an interstate team to explore a major opportunity for upgrading the state's unemployment insurance system.

Senior Deputy Director McAllister stated that many states are having trouble keeping up with unemployment payments and the appeals process because of underfunding of USDOL in unemployment insurance and out dated systems. A state consortium including North Dakota, Arizona, Wyoming and Idaho (the lead state) was formed in August to work on this issue. The state consortium was awarded \$18.6 million to update the tax accounting system and the benefit payment system. This project becomes a great opportunity for Idaho to receive federal dollars to accomplish this goal.

Department of Labor Opportunities

Chair Paulos introduced Idaho Department of Labor Deputy Director Roy Valdez who extended an invitation to the council to participate in a Rural Conference planned to be held at the Coeur D'Alene Resort on May 4, 5, and 6th. The conference's agenda includes workforce, business, economic development and education leaders and experts to address strategies to help rural communities recover and thrive in this current economy. It was suggested that the Workforce Development Council schedule its spring meeting in conjunction with this event.

Deputy Director Valdez also extended an invitation to attend the Resource & Career Fair at the Idaho Center today and tomorrow.

Transmittal #6 – WIRED – Status Report

Chair Paulos reported that we have been working hard in Region IV to take advantage of the final year of our WIRED grant. The region has started new programs in manufacturing, wind technology, construction, environmental technology and culinary arts to name a few. We've also been able to develop manufacturing labs in two high schools that are shared by College of Southern Idaho as a model for expanding capacity through shared facilities. We've done considerable work to prepare ourselves to sustain the efforts as the grant funds go away and to build processes that will continue our transformation long after the investment ends.

Chair Paulos stated that an update report of the WIRED grant is in the packet information and was prepared by Candy McElfresh, Regional Project Manager, Region IV Development Association.

Both Council members Dave Yoder and Dr. Jerry Beck commented that the partnership between business and education was essential for the success of this grant.

Chair Paulos introduced Mike Nelson, Premier Technology who presented a video that showed a project success story in rural Idaho which was part of the Rural Idaho Outreach Partners program.

Further Business

Chair Paulos stated that February 4th or 11th 2010 are proposed dates for the next council meeting and members will be surveyed in order to find an acceptable date.

The meeting was adjourned at 4 p.m.

Attendance

Members:

Dick Armstrong (absent)
Jerry Beck
Kara Besst (absent)
Linda Clark (absent)
John Currin (absent)
Randy Shroll for Don Dietrich
Tom Hally
Cindy Hedge
Richard Holman
Betty Kerr (absent)
Alex LaBeau
Tom Luna
Roger Madsen
Shirley McFaddan
Jan Nielsen
Kirby Ortiz
Con Paulos
Brent Reinke (absent)
Mike Rush
Michael Nelson for Doug Sayer
Jim Schmidt (absent)
Donald Smith (absent)
B.J. Swanson
Kent Tingey
Kim Toryanski
Dave Whaley
David Yoder

Guests:

Melinda Adams
Deborah Allen
Susan Baca
David Barnes
Terry Butikofer
Cheryl Brush
Leandra Burns
John Cantrell
Sue Cook
Christine Dolan
Clete Edmunson
Cheryl Engel
Jay Engstrom
Bob Fick
Nanna Hanchett
Gena Huntsinger
Dwight Johnson
Shelby Kerns
John McAllister
Denise McDonald
Kay Jeanne Nebeker
Pat Nelson
Nancy Ness
Carl Powell
Kristyn Roan
Sue Simmons
Georgia Smith
Roy Valdez
Genie Sue Weppner
Mark Warbis