

MINUTES
MEETING OF EXECUTIVE COMMITTEE
ARKANSAS WORKFORCE INVESTMENT BOARD
March 21, 2000

A regular meeting of the Executive Committee, Arkansas Workforce Investment Board, was held on Tuesday, March 21, 2000. Chairman Fisher called the meeting to order at 9:10 a.m. with fourteen members and forty-seven representatives of the public present. Members attending were Florine Bingham, Joe Dillard, Robert Drechsler, Larry Featherstone, Lisa Ferrell, Bill Fisher, Steve Franks, Alan Hughes, Gloria Lynn, Jodie Mahony, Kathy Matlock, Karen McFarren, Bill Sutton, and Campbell Wilkerson. Helen Moore was unable to attend.

Chairman Fisher directed attention to an agenda manual that was mailed to each member on March 14. (Unless otherwise indicated, items recorded in these minutes refer by page number[s] to the agenda manual. An official copy of the manual is on file in the office of the Executive Director.)

Minutes: Minutes of the Executive Committee meeting of February 8, 2000, carried on pages 4-8, were approved as mailed on February 16. **The minutes were approved by unanimous vote on motion made by Mayor Joe Dillard and seconded by Mr. Bill Sutton.**

Referring to the role of two-year colleges as discussed at the Executive Committee's meeting of February 8 and reflected in the minutes, Chairman Fisher stated that this item was not included in today's agenda but will be addressed at the Executive Committee meeting of May 9.

Referring to the roles of state and local workforce investment boards as considered at the meeting of February 8 and reflected in the minutes, Chairman Fisher said that the first two questions of six submitted by local WIB administrators will be considered today and the remaining four will be considered on May 9.

Report of Executive Director: Dr. Linda Beene reported on a videoconferenced public hearing that was held on February 25 related to the state unified plan and broadcast to 12 sites across the State. She said that 76 persons participated, 7 registered in advance to speak, and 17 actually spoke; at least 1 submitted written comments. She said that nine Board members served as site hosts and that Rebekah Lee, Deputy Chief of Staff to the Governor, attended from the originating site at the State Education Building, Little Rock. Dr. Beene said that the hearing was advertised in advance through a legal ad in the Arkansas Democrat Gazette and display ads in the business sections of four regional newspapers.

Dr. Beene said that the remainder of the February-March activities of the staff is reflected in the meeting agenda and documentation.

As an introduction to the remaining agenda items, Dr. Beene mentioned that all of the items are related to development of the State Unified Plan except one that deals with the Youth Plan.

One-Stop Centers, Guidance for Memorandum of Understanding, Criteria for Selecting One-Stop Operators, Certification Instrument for Centers): Chairman Fisher directed the group to pages 10 through 43 of the agenda manual. In connection with discussion, Senator Mahony asked that the staff make available to Executive Committee members sample copies of memorandums of understanding (MOUs) that are currently effective within the State and copies of exemplary MOUs from other states.

Dr. Steve Franks commented that the recommendations presented were developed by more than one state agency, and Dr. Beene expressed appreciation for work done over a long period of time by work groups and other entities. She said also that strong efforts have been made to glean from local workforce investment boards (LWIBs) pertinent facts related to the recommendations being made. She said that she attended eight of the ten initial LWIB meetings and has had several meetings with local administrators. She added that the State Board has been represented at all LWIB meetings that have been held since their formation.

Discussion followed on how one-stops will be funded, and the following comments were offered:

- Dr. Kathy Matlock said local board members have many unanswered questions.
- Chairman Fisher commented that things would not go well unless partners fund the one-stop centers.
- Mr. Campbell Wilkerson asked who would determine the “value of services” received by each partner as costs are shared.
- Dr. Beene said that she would visit the State of Wisconsin in early April and hopes to gain insight into their funding practices.
- Dr. Matlock commented that North Carolina has made significant progress in this area, and Chairman Fisher described successful efforts in Kentucky.
- Representative Ferrell said that she hopes the Board can follow through on the idea of having members visit selected states.

Dr. Franks reported that the United States Department of Education has provided a pie chart that depicts the availability of federal funds for WIA programs and asked if it would be possible to construct a similar chart for the State. After discussion **motion was made by Senator Mahony that the Board staff request the Bureau of Legislative Research staff and appropriate state agencies to cooperate to determine how many state and federal dollars are going to one-stop centers statewide with breakdowns, if possible, for each of the ten geographic areas. The motion was seconded by Mr. Robert Drechsler and carried unanimously.**

Mr. Wilkerson added that it is unclear to him about “how each local will receive funds.” He asked whether guidelines would be developed.

Senator Mahony asked whether state agencies could be required to allocate a certain amount of money for one-stop centers. Dr. Franks responded that funds available to his agency are allocated on a formula basis and that this leaves no money for allocating to one-stop centers.

The centerpiece for a discussion, which followed, was how the Board can impact on avoidance of duplication of services. Some members expressed the belief that local boards composed of at least 51% representation from business/industry will be diligent in avoiding duplication/waste.

Mr. Drechsler and Mr. Sutton expressed concern that mention is often made of the Governor and the State Board in various documents, sometimes giving the impression that the Governor and Board may act independently of each other. **Motion was made by Mr. Sutton, seconded by Mr. Drechsler, and carried unanimously that wherever the term “Governor” is used in federal and state law, regulations, applicable plans, or Board policy, it is the position of this Board that the term “Governor” means Arkansas Workforce Investment Board as the Governor’s operative agency with the Governor being directly involved only when his signature is required by policy or statute.**

Senator Mahony remarked that the paragraph about the “umbrella” (page 35) should be reworded, asking Dr. Beene to provide him with the wording after it has been changed. The re-wording follows: Delete the first sentence of the second paragraph from bottom of page 35, replacing the sentence with the following two sentences: “The MOU shall be developed between the LWIB and the One-Stop operator. A separate MOU shall be developed between each operator and the partners.” **On motion made by Mr. Drechsler, seconded by Mr. Wilkerson, the revised paragraph was approved.**

Representative Ferrell asked questions about wording of the following statements: (1) under “Duration,” page 16: “The MOU shall remain in effect until terminated by the party (partner) by giving written notice of intent to withdraw at least 30 calendar days in advance of the effective withdrawal date. Notice shall be provided to all parties.” (2) the final paragraph on page 21: “Any partner to this MOU may request withdrawal, giving written notice of its intent and reasons for withdrawing as a partner. In such case, all pertinent terms of the MOU will continue in effect for the remaining partners. Any party may cancel the contract or agreement at any time for cause, or may cancel without cause on a 30-day written notice.” **Motion was made by Representative Ferrell, seconded by Ms. Gloria Lynn, and carried unanimously that the “30” days be changed to “60” days in each instance and that the word “optional” be inserted before the word “partner” in each instance and that on page 10 (fourth bullet) a parenthetical statement be added, “(An optional partner may withdraw from the MOU by giving written notice of intent to withdraw at least 60 days in advance).”**

Mr. Drechsler commented that the concept of the MOU should be more clearly expressed, pointing to page 10 as the ideal beginning. He said the definition of a memorandum of understanding should be set forth along with the 60-day notice provision for withdrawal by optional partners and other considerations and that these statements should be added to page 10. Dr. Beene agreed that the staff would implement his suggestions.

The provisions on guidance for MOUs, criteria for selecting one-stop operators, and certification instrument for centers were approved by general consent as submitted by Dr. Beene and amended by above motions.

Funding and Allocations (Allocations to Local Boards of Workforce Investment Areas):

Dr. Beene presented figures provided on pages 44 through 62i—funding allocations for Title I youth activities, Title I adult activities, and Title I dislocated worker activities. She commented on the information provided and pointed to a typographical error in the heading of page 55, saying the word “Youth” should be changed to “Adult.” **After discussion motion was made by Mayor Dillard, seconded by Mr. Sutton, and carried unanimously for approval of allocations as set forth on pages 52, 61, and 62h.**

Funding and Allocations (Funding Procedures Process): From page 63 Dr. Beene presented a request for approval of the following procedures:

It is recommended that the Executive Committee, Arkansas Workforce Investment Board, will send an approved copy of a local workforce investment board’s plan to the Director of the Arkansas Employment Security Department (AESD) with a transmittal memorandum. The transmittal memorandum will state that the local plan is approved and authorizes the Director of AESD to release funding of a specific amount.

The recommendation was approved on motion made by Mr. Wilkerson, seconded by Mr. Sutton, and carried unanimously.

Other Funding Issues (Statewide Activities, Required): Dr. Beene commented on a budget matrix presented on pages 66 through 68 and explained that the first thirteen lines were funding allocations previously received and approved, asking the Executive Committee to consider the balance of the matrix beginning with line 15, setting forth state required activities and budgets for each.

Senator Mahony commented that he is surprised to see \$150,000 included in the budget for evaluation costs and \$167,000 for disseminating a list of eligible providers. It was explained that using the word “disseminating” is an over-simplification—that the \$167,000 will be used for the **process** of creating and maintaining the list of eligible providers as well as disseminating the list. Dr. Beene reminded members that this responsibility was delegated by the Board to the Employment Security Department sometime ago.

Mr. Bill Searles of the Department of Information Systems spoke on the ongoing process of establishing databases for use in evaluation and tracking. Much of the discussion centered on the estimated expenditure of \$1.9 million on the second line, page 67, for “Operating fiscal and management accountability information system.” Mr. Searles said that the system is based on the needs of one-stop centers and is designed to provide information that is needed in the centers. Sharon Williams, a Board member and local administrator who was in the audience, commented that local boards need to know what the cost will be for the contract if it is a shared cost. Mr. Searles said that DIS is planning to have the data collection “up and running” by July 1, 2000, and Dr. Beene added that the system must be operational by July 1 if the State is to receive funding on that date.

Senator Mahony suggested, and the group agreed by general consent to release one million dollars of \$1,900,000 for use on the information system at this time.

Other Funding Issues (Program vs Administrative Issue): Dr. Beene presented a question by administrators of local workforce investment boards: “Is the Administrative Agent (contractor for administrative services) for a local workforce investment board considered to be the staff of that board and under the same statutory restrictions as the staff of that board?” (This question was revisited from the Executive Committee meeting of February 8.) The agenda item was presented as an information item, but Dr. Beene disseminated a copy of a recommendation from the Strategic Planning Committee at its meeting of March 15. The total text of their action is quoted below:

Program vs. Administrative Cost/Waivers Issues: The committee reviewed and discussed the issues involved with determining if the administrative entity or the staff of the administrative entity of a local workforce investment board should be considered to be under the same restrictions as the staff of the local board and if the administrative entity should be able to be a provider of core, intensive, or training services or be a one-stop operator.

Motion was made by Mr. Long, seconded by Mr. Hopper, and carried (with Sharon Williams abstaining) that the Committee recommend to the Executive Committee at its meeting of March 21 that the local workforce investment board must get prior approval from the State Workforce Investment Board for the staff(s) of the local board, the administrative entity, or fiscal agent to offer core, intensive, or training services or for one-stop operator service by any of the staff or employees of the above-named groups.

This motion will be presented to the Executive Committee at its March 21 meeting.

Dr. Beene and Ms. Michelle Driscoll of the Dallas Office, United States Department of Labor, commented on answers that have been given by DOL on this question.

At the suggestion of Senator Mahony, persons representing local administrators and chief elected officials spoke to the question of the recommendation of the Strategic Planning Committee. All expressions were unfavorable.

Motion was made by Senator Mahony, seconded by Mayor Dillard, and carried unanimously that, where the contracted administrative agent is governed by a separate board from the local workforce investment board, such administrative agent staff is not required to obtain a waiver to provide non-training services. A waiver is required for training services.

Senator Mahony added that he would like to have a definition of administrative services and related terms that would help him to understand some of the conflicting viewpoints that have emerged.

Other Funding Issues (Request for Waiver Procedure): After Dr. Beene presented information and rationale for recommending guidelines in “Local Requests for Waivers Procedure” as

presented on pages 74-77, **the guidelines were approved on motion made by Mrs. Bingham, seconded by Mrs. McFarren, and carried unanimously.**

Performance Levels (Youth, Adult, and Customer Satisfaction Survey Levels): Dr. James Hendren, Chairman of the Program and Performance Evaluation Committee, reported on the work of his committee which resulted in recommendation of performance levels reflected on page 79. He said that the recommendations were based in part on data that the Employment Security Department was able to provide. He mentioned that the recommendations cover only the federally-mandated factors for performance and that data will be gathered in PY 2000 as a base for establishing performance standards for six state-imposed performance categories approved by the Board. **Motion for approval of the recommendation as carried on page 79 for inclusion in the State Unified Plan was made by Mr. Sutton, seconded, and carried unanimously.** (The approved recommendation is carried as Appendix A to the official copy of these minutes.)

Data Collection and Reporting (Registration of Patrons): Chairman Fisher indicated that the Executive Committee is asked to approve terms and definitions as carried on page 81 for use for one-stop center participants who do not have to be registered under WIA guidelines but who it is desirable to track for monitoring and informational purposes.

Dr. Hendren commented the need for accountability standards and justification of the instrument that is proposed. **The document entitled “Point of Registration for Counting Customers in Measures” was approved on motion made by Mr. Sutton, seconded by Mrs. McFarren, and carried unanimously.**

Data Collection and Reporting (Information System for WIA): Chairman Fisher stated that this information item was considered previously in the meeting.

Appeal and Grievance Procedure: Dr. Beene described briefly statutory requirements for establishment of appeal and grievance procedures and stated that Attorney Michael Brustein has reviewed the guidelines being recommended to the Executive Committee and found them to comply with WIA requirements.

The procedural guidelines as carried on pages 84 through 89 were approved on motion made by Mrs. McFarren, seconded by Senator Mahony, and carried unanimously.

Corrective Action: Dr. Beene commented on the recommended corrective action policy carried on pages 91 through 97.

Mr. Wilkerson expressed concern that he did not see a timeline by which corrective action would be required. He presented a motion to approve the guidelines as recommended except that a 90-day limit would be required for response to required corrective action and

that the staff should insert this wording at the appropriate place. The motion was seconded by Mrs. McFarren and carried without opposing vote.

Dr. Beene indicated that Item IV-A of page 94 would be changed to remove the period from the second sentence and insert “which will be 90 days after determination that correction action is required.”

Maintenance of Local Boards (Formal Procedure): The Executive Committee was asked to approve the following policy for more efficient board maintenance:

Changes to local workforce investment board membership must be submitted to the Arkansas Workforce Investment Board using the approved maintenance form provided with supporting documentation. In making changes to the local board, all statutory categories must be maintained in accordance with Arkansas Act 1125 of 1999 and approved criteria. The Arkansas Workforce Investment Board will review the request and make a recommendation to the Governor. The change will not be official until approved by the Governor or his designee and notification is made to the local board.

Motion for adoption of the recommended policy was made by Mayor Dillard, seconded by Mr. Wilkerson, and carried unanimously. (A copy of the form approved for implementation of the above policy is carried as Appendix B to the official copy of these minutes.)

Individual Training Accounts, Guidelines (Procedures): Dr. Beene recommended adoption of guidelines and procedures for implementation of Individual Training Accounts (ITAs) as set forth on pages 100-114. Dr. Franks asked if “customized training” is defined by WIA, and Deputy Director Paul Murray read the definition from the law. Mr. Wilkerson asked if there is a definition for “making progress” as mentioned on page 102, or if this decision is left to local boards. Dr. Hendren indicated that meeting performance requirements would require local boards to give consideration to this measure. **The procedures guidelines were approved as presented on motion made by Mrs. Bingham, seconded, and carried unanimously.**

Eligible Training Provider List: Chairman Fisher stated that this is an information item and directed attention to page 115.

Youth Activities (Procedures for Awarding Grants for Youth Activities): Dr. Beene asked members of the Executive Committee to approve procedures for awarding grants for youth activities as carried on pages 117-118. **The procedures were approved on motion made by Mr. Wilkerson, seconded by Mrs. McFarren, and carried unanimously.**

Youth Activities (Guidelines for Youth Councils): Dr. Beene asked the Executive Committee to adopt guidelines for youth councils as set forth on pages 120 through 129, emphasizing that the recommended guidelines provide procedural guidance for compliance with the Workforce Investment Act of 1998 and Arkansas Act 1125 of 1999. **The guidelines were approved on motion made by Mr. Sutton, seconded by Mrs. Bingham, and carried unanimously.**

Strategic Planning Committee Recommendations: (This item is not carried in the agenda manual.) Dr. Beene reported that the Department of Labor has asked for clarification of the

application of the hold harmless provision as set forth in the Arkansas State Youth Plan that was submitted by the Governor on December 30, 1999. She said that DOL asked also whether Arkansas would use the alternate funding formula in the second year of funding.

Members had available copies of the report of the Strategic Planning Committee, which set forth, the following provisions of the Arkansas State Youth Plan for which DOL asked clarification:

To ensure that youth funds are distributed equitably and to avoid significant shifts in funding levels to local areas, a hold-harmless provision will be applied during the first year of funding. Under this provision, each area will receive no less than 90 percent and no more than 130 percent of the allocation percentage of funds allocated to the local area for the preceding fiscal year only (July 1, 2000-June 30, 2001). A decision about applying the hold-harmless provision for the second year of funding will be made before the beginning of the next program year with input from local boards and local elected officials.

The report of the committee indicated that the committee agreed that the above statements accurately convey Board policy. However, they recommended the following substitute wording as possible clarification:

The Strategic Planning Committee of the Arkansas Workforce Investment Board revisited the issue of applying the hold harmless provision during the second program year and determined that the policy stated accurately reflects the desire of the board to take advantage of the flexibility offered by the Workforce Investment Act when making decisions related to funding and in-state allocations. The Arkansas Workforce Investment Board will review up-to-date performance and labor market information during year one and make a determination about applying the hold harmless provision in time for service providers to prepare for the consequences of that decision. The Arkansas Workforce Investment Board will also assess the advisability of applying the alternative funding formula for the second year of funding. Again, a decision will be made in time for funds recipients to make any necessary adjustments to changes that using the alternative formula would create. If necessary, the Arkansas Workforce Investment Board will submit a modification of the State Unified Plan that reflects changes in the application of the hold harmless provision or the funding formula.

The recommendation of the Strategic Planning Committee was accepted on motion made by Mr. Dillard, seconded by Mr. Sutton, and carried without opposing vote.

Adult Activities (Procedures for Awarding Grants): Dr. Beene recommended that the Executive Committee adopt procedures as presented on pages 131-32. In response to request, Deputy Director Paul Murray read from Federal law the definition of “on-the-job training.” Representative Ferrell encouraged the Board staff to require the competitive process in every possible scenario.

The procedures were approved as presented on motion made by Dr. Franks, seconded by Mr. Sutton, and carried unanimously.

Adult Activities (Guidelines for Establishing Priorities): Dr. Beene recommended adoption of guidelines set forth on paged 134 for funding adult activities when funds are limited. Dr. Beene said that the guidelines are those that are included in the Federal law—that the Board can add additional ones. **The guidelines were adopted on motion made by Representative Ferrell, seconded, and carried unanimously.** (A copy is carried as Appendix C to the permanent copy of these minutes.)

Responsibilities Chart: Chairman Fisher indicated that the chart (pages 136-141) sets forth a list of activities required by federal and state statutes along with agencies determined to have responsibility for each activity. He said action on this item is being postponed because of time pressures.

Procedures for Compliance with Civil Rights Requirements: (This item was not included in the agenda manual.) Dr. Beene provided a single sheet which set forth recommendations for procedures to be employed for compliance with Civil Rights requirements. She stated that Director Ed Rolle of the Employment Security Department concurs with the provisions. **The procedure was approved on motion made by Mr. Sutton, seconded by Mrs. McFarren, and carried without opposing vote.** (A copy is carried as Appendix D to the permanent copy of these minutes.)

Release of State Unified Plan to United States Department of Labor: Dr. Beene stated that on March 29, 2000, the Plan will be displayed on the World Wide Web and thereby conveyed electronically to the U.S. Department of Labor. She said that the final version of the Plan will be on public review through April 28 and that additional comments that are received will be considered for use as the Board staff and Governor negotiate with DOL. **The Board staff was authorized to submit the State Unified Plan to the Governor as scheduled on motion made by Mayor Dillard, seconded by Mrs. Bingham, and carried unanimously.**

Announcements: Chairman Fisher expressed appreciation that fourteen of fifteen members of the Executive Committee are present for this meeting and that there is a large attendance by public representatives. He thanked Mrs. Rebekah Lee, Deputy Chief of Staff to the Governor, and Ms. Michelle Driscoll of the Dallas Office, Department of Labor, for their participation. Mr. Fisher said that the exact time of the full Board meeting of April 11 will be announced later and that it probably will be held at the Little Rock One-Stop Center.

Adjournment: The meeting was adjourned at 2:00 p.m.

Bill Fisher, Chairman

Appendixes A, B, C, and D added to permanent copy of minutes

Linda Beene, Executive Director

Minutes recorded by Geneva Guthrie
Staff of Workforce Investment Board

