

MINUTES
EXECUTIVE COMMITTEE
WORKFORCE INVESTMENT BOARD
May 8, 2001

Chairman Bill Fisher called to order a meeting of the Executive Committee, Arkansas Workforce Investment Board at 9:00 a.m. on Tuesday, May 8, at the Gibson University Center on the Monticello campus of the University of Arkansas. Members present included Joe Dillard, Larry Featherstone, Bill Fisher, Steve Franks, Alan Hughes, Gloria Lynn, Kathy Matlock, Karen McFarren, Helen Moore, Bill Sutton, Campbell Wilkerson, and approximately 25 public representatives. Members unable to attend included Robert Drechsler, Mary Beth Green, Jodie Mahony, and Joe Warren.

Chairman Fisher introduced Mayor Harold West of Monticello as well as Rebekah Lee, the Governor's Deputy Chief of Staff. He then reminded the Executive Committee of their decision last fall to convene two meetings each year outside of Little Rock, resulting in this meeting in Monticello. He thanked Dr. Fred Taylor, Chancellor, and Dr. Peggy Doss, Executive Assistant to the Chancellor, for hosting the meeting. Dr. Taylor said it was a pleasure to have the Committee at the University and explained his perception of the important role of the Board members. He said the administration of the University of Arkansas at Monticello will assist however they can.

Minutes: The minutes of the April 10 Regular Quarterly and Executive Committee meetings were approved on motion made by Helen Moore, seconded by Dr. Kathy Matlock, and carried unanimously.

Chairman Fisher announced that two new action items needed to be added to the agenda. These items included an inventory policy as well as a local board meeting policy. **These items were added to the agenda on motion made by Campbell Wilkerson, seconded by Mayor Joe Dillard, and carried unanimously.**

Report of Executive Director: Dr. Beene began her report by announcing that the last month's time had been very profitable but also very busy. She told the Committee that development of the One-Stop Centers was the major focus. The outreach and marketing contract would be reviewed by the Legislative Peer Committee the next day (May 9) as the last step to a final contract. The *Arkansas Business* magazine, "Quest" centerfold ad was developed, and a copy of the ad was displayed to the audience. She stated that \$50,000 was allocated to each of the ten local areas for One-Stop development. She said a budget from each area was required before the money could be disseminated, but as of May 7, only four of the ten areas had submitted a budget. Dr. Beene mentioned that a visit to the One-Stop Centers in South Carolina and Georgia was just completed and a report would be made later in the agenda. She stated that one of the major issues for the Board has been funding the One-Stop Centers. She said Paul Murray chaired a committee to develop a statewide Memorandum of Understanding (MOU), and cost-allocation/resource sharing guideline were on the agenda for action. Dr. Beene said a One-Stop conference was held May 1-2 and had over 238 participants and showed some photographs from the conference. She mentioned that performance standards continue to be an issue and anticipated that the Program and Performance Evaluation Committee would meet this month. Dr. Beene said a U.S. Department of Labor Regional conference was held in Dallas and New Orleans in mid-April, and Paul Murray and Elroy Willoughby from the staff as well as Board member Bill Sutton attended.

Dr. Beene told the Committee that a meeting was held with the U.S. Department of Labor representatives, Chairman Fisher, Rebekah Lee, and herself to discuss the concern DOL has for an underspending of Workforce Investment Act Title I funds. She said this issue arose last Tuesday, after the agenda was mailed. She explained that based on December, 2000 expenditure reports, the U.S. Department of Labor believes a \$1.7 billion carryover from JTPA exists, which is allocated to the local areas. She reminded the Committee that WIA is an organizational redesign project and Arkansas officials believe the picture will change with reported expenditures through March 30, 2001 which is being prepared now. She said if the picture does not change, the U.S. Department of Labor would push for a federal fiscal year 2002 (Arkansas program year 2003 beginning July 1, 2003) budget reduction with plans to use the JTPA carryover in lieu of budget authority. This would severely limit services to job-seeking Arkansans and industries needing workers. It could also interrupt funds for training workers in new plants. She told the Committee that a plan to gather more information and to implement specific state policies to aid in correcting the problem is underway. She said the state is also prepared to communicate concerns to the congressional delegation. Dr. Beene announced that this concern is in addition to the recent formula reduction of 43% of dislocated worker funds for the next program year, also under Title I of the Workforce Investment Act. Rebekah Lee shared that this was of great concern for Governor Huckabee and asked that Dr. Beene, Chairman Fisher, and herself meet with the congressional delegation in Washington, D.C. She said the Governor was also going to send a letter to Secretary of Labor Chao stating this concern.

Dr. Beene asked for comments from the local area representatives concerning this issue. Sharon Williams of Eastern Arkansas commented that her area has actually either obligated or spent 88% of their funds. Ms. Williams stated that she believed the statewide problems could be partially attributed to the State Board approving funding at three and six month intervals, damaging contract possibilities. Terry Sherwood of Southwest stated that the transitional period has been hard for them and time is needed to develop quality programs. He said he believed Southwest would spend 80% of their funds and they were gaining momentum.

Bill Sutton stated that underspending was a common topic at the DOL Regional conference he attended. He said it seemed to be a common complaint across the country. Mayor Joe Dillard requested that the Board members receive a fact sheet explaining the situation.

After much discussion, it was clarified that the dislocated worker funds could not be recovered; however, Ed Rolle, Director of the Employment Security Department, told the Board that he was looking at another source of funds to use. He would make that information available to the Board. Dr. Beene read a section out of the Workforce Investment Act concerning reallocation of funds. It was concluded that the Governor can designate a reallocation of funds at the end of a program year. The funds reallocated must be unspent and unobligated funds.

Dr. Beene continued with her report by mentioning the Workforce Development Collaboration Conference that was held in April. She said she was a member of a panel of state agency leaders to discuss collaborative efforts toward workforce development. She said Mr. Alan Hughes, President of Arkansas' AFL-CIO and Board member, was the luncheon speaker. His speech focused on labor issues as well as training issues.

Dr. Beene reported on the other activities and events she attended. These included the Governor's Community Day in Rogers where Mr. Sutton participated; a dedication of the Computer and Technology building at SouthArk Community College campus where Dr. Matlock is President and Governor Huckabee spoke; the Higher Education Quarterly Board meeting where the 30 mile rule was

discussed concerning technical and two-year colleges; a meeting with seven of the ten local board chairs and the Governor; and local board meetings attended by the staff and state board members. Dr. Beene said she had conducted several meetings concerning incumbent worker training programs to design a project budgeted from state allowable activities. She concluded her report by discussing a meeting held with Jim Pickens, Interim Director of the Department of Economic Development, to arrange \$500,000 in training funds for an industrial prospect in Northeast Arkansas. She said this was a partnership between the local board and the state level, which could be modeled in other areas of the state.

Report of Strategic Planning Committee: Chairman Fisher focused the Executive Committee on the April 10 Strategic Planning Committee report in their agenda packet. He said the Strategic Planning Committee met to discuss a timeline and process for reviewing workforce training and development programs. He asked Rebecca Trammell of the staff to present that report. Ms. Trammell reported that Jim Smith first welcomed Mike Norton to the Committee meeting. He is the Director of the Northwest Arkansas Economic Development District located in Harrison and was recently appointed to the Board.

Ms. Trammell went on to report that the Committee decided to take a different approach which would require the staff of the Board, particularly Robin Pelton, to do research and interviews with the program managers and present the data collected to the Committee at least quarterly. The Committee would schedule interviews with agency directors after all program reviews are completed. Then, the Committee would make recommendations to the full Board. The goal of the Committee is to complete the review process by January, 2002. She also reported that the Strategic Planning Committee agreed to meet quarterly in conjunction with the full Board meetings unless activities of data collection and reporting warrant additional committee review. Chairman Fisher thanked Ms. Trammell for the report.

Chairman Fisher asked the Executive Committee to begin the action items with the two additional agenda items mentioned earlier.

JTPA Inventory Policy: An information sheet was disseminated explaining the recommendation that the Employment Security Department develop and maintain an inventory system to identify and control all property acquired with Workforce Investment Act Title I funds. Dr. Beene explained that this came to the Board's attention from one area, and the problem may not be statewide, but the staff felt a consistent statewide policy was best. She also pointed out that in the interim, all property acquired with WIA funds will be inventoried and controlled using the system described in the JTPA Policy Manual. **Motion was made by Dr. Steve Franks, seconded by Alan Hughes, and carried unanimously to adopt an inventory system to be created and maintained by the Employment Security Department with interim use of the system described in the JTPA policy manual.**

Local Board Meeting Policy: Chairman Fisher stated that a recommendation has been to require local boards to meet at least quarterly as compared to some boards meeting only once or twice a year. Dr. Beene explained that the state Board wants to leave as much discretion to the local boards as possible but felt this policy needs to be implemented. The Executive Committee asked if the State Board receives reports from these local board meetings, and it was confirmed that some areas send agenda packets, which include minutes of the last meeting, while other areas have their minutes posted on a website. The local area representatives said this policy would be okay as long as some flexibility was allowed. They suggested a policy of meeting four times a year as opposed to once a quarter. The Executive Committee also expressed an interest and concern about the number of business and labor members attending the local meetings. Chairman Fisher requested that the Board staff conduct a

survey of the local areas inquiring about business and labor participation and report the results at the next meeting. **Motion was made by Dr. Steve Franks, seconded by Campbell Wilkerson, and carried unanimously to require local boards to meet at least four times a year and to transmit minutes of the meetings to the State Board.**

State Agency Budget: Chairman Fisher focused the Executive Committee on the proposed budget for operating the agency responsible for Board activity for 2001-2002. He stated that this was the annual operating budget for Fiscal Year 2002, and the figures presented were based on Act 27, the appropriation for the Workforce Investment Board as approved by the Legislature and Governor in January, 2001. He said that by May 18 this appropriation for allowable, maximum funding will be populated with funding in detailed categories and submitted to the Department of Finance and Administration. **The operating budget for 2001-2002 was approved as presented on motion made by Dr. Kathy Matlock, seconded by Bill Sutton, and carried unanimously.** (A copy of the budget is carried as Attachment A to the permanent copy of these minutes.)

WIA Title I Allocations to Local Workforce Investment Boards for PY 2001: Chairman Fisher directed the Executive Committee to the Workforce Investment Act Title I Allocations to the Local Workforce Investment Boards for Program Year 2001. He said the allocations were separated into three categories, Title I Youth Activities, Title I Adult Activities, and Title I Dislocated Worker Activities. He explained that these numbers constituted 85% of the amount of funding received by the State of Arkansas for Workforce Investment Act, Title I activities. The funding allocations were calculated in accordance with the formula approved by the Executive Committee on December 14, 1999, ratified by the full board on January 26, 2000, and with the hold-harmless provision for the second year of funding as approved by the full board on April 10, 2001. It was pointed out that there was a wide range between 6% and 62% of the funds for youth being spent among the areas. Dr. Beene reminded the Committee that this was "spent" funds, not including obligated funds. Catherine WeWhorter, staff of the Employment Security Department and fiscal agent for the State Board, was present at the meeting and stated that the expenditures will be higher than the December report because a lot has happened since December. Chairman Fisher asked if her department could have a report ready for the June meeting with the latest numbers. She said her supervisor could have that ready for June. After much discussion, it was concluded that the calculation formula cannot be changed. However, at the end of the fiscal year, the unobligated and unspent funds can be reallocated. Dr. Franks stated that he was concerned about impeding the budget process for the local areas by holding off on making a decision to approve these allocations for the upcoming program year. **Motion was made by Bill Sutton, seconded by Dr. Steve Franks, and carried unanimously to approve the WIA Title I allocations to local workforce investment boards for program year 2001 as presented.** (A copy of the allocations are carried as Attachment B to the permanent copy of these minutes.)

Ed Rolle, Director of Employment Security Department, said he would have a report containing the amount of funds spent as well as obligated by each of the local areas for the June Executive Committee meeting. He also told the Committee that he would monitor the local areas and caution them if any intent to deceive the process by obligating funds and then not spending them was detected. Helen Moore asked about a tracking system that would state how many youth and dislocated workers are being served by these funds. Dr. Beene reminded the Committee of the AWIS system for that purpose. Chairman Fisher asked the staff to compile a report for the Board stating the number of participants in each program, and the number of youth serviced by each program.

Cost Allocation and Resource Sharing Portion of State MOU: Chairman Fisher focused the Committee on the cost allocation and resource sharing agenda item by reminding them that this has been a major topic of concern for the Board. He said a draft of the guidelines appeared in the Board's April 10 agenda packet and Paul Murray attended the DOL Regional Conference on the subject on April 17-18. That conference did not result in any changes to the document, and no comments were received from local area representatives as requested. Therefore, no modifications were made to the document as presented to the Board on April 10. Mr. Murray expressed his appreciation to the state agency staff members who assisted in preparing the document. Dr. Franks complimented Mr. Murray on the document and said it was very well prepared. **Motion was made by Dr. Steve Franks, seconded by Gloria Lynn, and carried unanimously to approve the Cost Allocation and Resource Sharing portion of the state MOU as presented to the Board on April 10.** (A copy of the approved Cost Allocation and Resource Sharing portion of the state MOU is on file at the Board office.)

Report on Local Youth Programs: Chairman Fisher asked Mr. Elroy Willoughby, staff of the Board, to give a presentation on current youth activity in Arkansas. Mr. Willoughby gave a Power Point presentation about specific youth activities being conducted by seven out of the ten local areas. He then revisited the topic of a state youth council. He mentioned why there should be a state youth council, who the members should be, and that a recommendation of those members would be made to the Board at their July meeting. Chairman Fisher requested that a presentation be made for the Board to consider forming a state youth council and to present information on successful youth councils of other states. Campbell Wilkerson requested that information be provided about what other types of groups are serving youth and dislocated workers across the state. He also asked why Southeast Arkansas had spent the least amount of money on serving youth, but had the greatest number of disadvantaged youth in their area. Gracie Johnson, staff of the Southeast local board, stated that they had a slow start getting their youth providers on board for programs. She believed they would have most of their money obligated or spent by June 30. Dr. Matlock asked if the money can be obligated past June 30. Ed Rolle confirmed that the youth funds are program dollars and therefore have a three-year life span. Mr. Wilkerson stated that the Committee might end up reallocating money that could be spent within the last year of the three-year life span. The Committee agreed that this is an issue that needed more research. Chairman Fisher thanked Mr. Willoughby for his presentation.

Presentation on Eastern Arkansas Youth Activities: Chairman Fisher then introduced Ms. Sharon Williams, Director of the Workforce Investment Board for Eastern Arkansas, to describe the youth activities in her area. Ms. Williams explained that Eastern Arkansas has five counties and 131,000 people according to the 1990 census report. However, that number will decrease with the 2000 census. She thanked the Board for the opportunity to share the successes of Eastern Arkansas and introduced Mr. John Gravois of her staff who gave a presentation on the current youth activities. Mr. Gravois stated that needs are different in each area for youth. Eastern Arkansas has 17 schools and each has different resources available. He said Eastern Arkansas focused on the need first then molded the programs around that need. He said the key was flexibility and a fundamental infrastructure. They have focus groups composed of employers, educators, and former customers who help identify the needs and target audiences for the local board. Mr. Gravois described Eastern Arkansas' youth system as having several steps. These include identify, explore, address, evaluate, and arrive. The focus is on an individual career plan and curriculum that works with career centers to aid in skill enhancement and career preparation activities. Chairman Fisher thanked Ms. Williams and Mr. Gravois for the information and presentation. (A copy of Eastern Arkansas' Youth System is carried as Attachment C to the permanent copy of these minutes.)

Presentation on U.S. Department of Labor Regional Conference: Chairman Fisher asked Mr. Sutton to give a presentation on the information he received attending the U.S. DOL Regional Conference in Dallas on April 17-18. Mr. Sutton thanked the Board for the opportunity to attend the conference. He said he gathered a lot of information from the meetings and stressed the importance of the state and local boards' vision. He said the U.S. Department of Labor stressed that the boards need to move their focus away from compliance and provide vision. Also, a One-Stop Center has to be successful for the Board to be successful and they must be local, where people can have access to them. Chairman Fisher thanked Mr. Sutton for his report.

Presentation on South Carolina and Georgia One-Stop Visit: Chairman Fisher stated that the last scheduled Out-of-State One-Stop Center visit was completed on April 11-13 in South Carolina and Georgia. He said Dr. Beene, Christina Miller, and Karen McFarren were participants on that trip. Chairman Fisher asked Christina Miller of the staff to give a presentation on that visit. Ms. Miller displayed pictures from the trip and described the centers that were visited. She displayed the center in Charleston, Berkeley County, and Dorchester County of South Carolina as well as the center in Savannah, Georgia. She said the Center in Savannah was very impressive. Ms. McFarren added that the building was very nice and Mr. Cecil Wilkerson, manager, was sincere about helping the people of Savannah. Dr. Beene added that it was a center to model after and everyone who participated came away with a lot of ideas for Arkansas. Chairman Fisher thanked Ms. Miller for her report.

Announcements: Chairman Fisher announced that a tour of the Burlington Plant was scheduled for 1:30 p.m. for all those who were interested. He thanked Dr. Peggy Doss and Dr. Fred Taylor for their hospitality. He announced that the next Executive Committee meeting would be a teleconference on June 12 and the next regular quarterly meeting would be July 10 at the Embassy Suites Hotel. Chairman Fisher said another meeting outside of Little Rock would be scheduled for the fall.

Adjourn: **With no other announcements, motion was made by Campbell Wilkerson, seconded by Mayor Joe Dillard, and carried unanimously to adjourn the meeting at 11:30 a.m.**

Bill Fisher, Chairman

Dr. Linda Beene, Executive Director

**Minutes recorded by Christina Miller
Staff of Workforce Investment Board**