ALABAMA WORKFORCE INVESTMENT BOARD
MEETING MINUTES
June 25, 2014
Embassy Suites
Montgomery, Alabama

A meeting of the Alabama Workforce Investment (State) Board convened on June 25, 2014 at 10:08 am (CDT) at the Embassy Suites Montgomery Hotel and Conference Center in Montgomery, Alabama.

Members Present: (24)

Tim Alford	Mary Allbritten	Governor Robert Bentley	Ronald Boles
Joseph Brown	Jim Byard, Jr.	Glenn Camp	John Carroll
Ed Castile	George Clark	Rep. Terri Collins	A. J. Cooper
Gregory Fitch	Frederick Hamilton	Bobby Humphrey	Jason Long
Kib McKibbens	Sydney Raine	Ashley Ramsay-Naile	Quentin Riggins
Jeana Ross	Jim Searcy	Wayne Silas	Wade Taylor

Members Represented: (9)

Tommy Bice	by: Craig Collins	Cary Boswell	by: Jim Henry, III
Nancy Buckner	by: Terrie Reid	Greg Canfield	by: Ed Castile
Mark Heinrich	by: Terry Waters	Al Henley	by: Mary Allbritten
Judy Merritt	by: Kelli Creamer	Anne Payne	by: Marty Parker
Tom Surtees	by: Brinda Barrett		

Members Absent: (25)

Patricia Adams	Jeff Bayer	Stan Chavis	Frank Coiro
J. Ab Conner	Wayne Daugherty	John Downs	Perry Hand
John Harper	Rep. Ed Henry	Susan Johnston	Bartley McCorquodale
Sen. Shadrack McGill	Ken McPherson, Jr.	Neal Morrison	David Pearce
Mike Reynolds	Goodrich "Dus" Rogers	Sen. Clay Scofield	
Doug Sellers	Steve Sloan	Don Stisher	Dan Stracener
Sherry Vest	Cheryl Williams		

Guests: (26)

Kristen Sexton, ADECA/WDD	Chrissie Boyd, ADECA/WDD
Steve Walkley, ADECA/WDD	Dennis Hopper, ADECA/WDD
Tammy Wilkinson, ADECA/WDD	Mickey Hutto, ADECA/WDD
Jan Dame, ADECA/WDD	Lillian Patterson, ADECA/WDD
Melody Koorangi, ADECA/WDD	Bill Hornsby, ADECA/WDD

Ken Hollingsworth, ADECA/WDD
Gina Smith, Assistant Director, ADECA
Keith Strother, Jefferson County WIA
Tonya Lee, ADOL
Brandon Hardin, ADHR
Donny Jones, West AL Chamber of Commerce-Reg 3
Larry Taylor, Reg 3 Workforce Dev Council
Preston Cauthen, AL Power Company
Lorilei Sanders, ADECA/WDD
Patricia Hill, ADECA/WDD
Ruby Beezley, Alabama Career Center System
Faye Nelson, ADHR
Roger Fortner, DPE
Chester Vrocher, AL Technology Network
R.B. Weever, AL Power Company
Zeke Smith, AL Power Company

Chairman George Clark called the meeting to order at 10:08 am (CDT) and stated that a quorum had been established. As the newly appointed Chair of the Alabama State Workforce Board, Mr. Clark made general remarks concerning the state of the workforce system. After attending two National Governor's Association Workforce Board Chair meetings he is convinced that Alabama has a comprehensive workforce strategy and is positioned to be a leader. He stated that with the people we have in place that have the vision, Chancellor Mark Heinrich, Superintendent Tommy Bice, AIDT Director Ed Castile, and Representative Terri Collins, Alabama has great leadership in workforce development and economic development.

Chairman Clark added that Governor Robert Bentley would speak later during the meeting. The Governor commissioned the first Strategic Economic Development Plan in the history of Alabama, *Accelerate Alabama*.

Chairman Clark welcomed new board member Mr. Wade Taylor from Fyffe, Alabama to the meeting and recognized Mr. Terry Waters, Senior Executive Director of Workforce Development at the Department of Postsecondary Education as a guest.

The first order of business was to approve the minutes from the previous meeting held on June 25, 2013.

MOTION: **Mr. Ed Castile made a motion to approve the minutes from the June 25, 2013 State Workforce Board meeting as submitted.**
Dr. Frederick Hamilton seconded the motion.
MOTION APPROVED

Mr. Clark called on Mr. Bill Hornsby, Supervisor of State Programs / Budget Management of the Workforce Development Division to explain the WIA state funding allocations.
Final Program Year 2014 Allocation amounts are:

Workforce Investment Act Fund Sources	Final Program Year 2013 Allocation	Reduction as compared to Program Year 2012	Program Year 2014 Ending 6/30/15 Allocation	Reduction as compared to Program Year 2013
Adult	10,224,272	10.57%	10,127,957	0.94%
Youth	10,504,766	10.30%	10,363,134	1.35%
Dislocated Worker	12,456,682	19.48%	11,599,476,	6.88%
State Totals	33,185,720	14.06%	32,090,567	3.30%

The decrease in funding from Program Year 2012 to Program Year 2014 is approximately $6.5 million or 16.9%.

Mr. Hornsby also stated that Congress had awarded 3.75% of the Governor's 10% Set Aside Funds for statewide programs and activities, which is the first time in three program years that they have allocated any of the 10% Governor's Program Funds to the states. Recommended program activities were presented with a budget of $4,267,178. Program examples included Rapid Response services, Local Area incentive awards, State Incumbent Worker training programs, and budgets for program monitoring and over site of program activities.

A motion was made to approve the Workforce Investment Act (WIA) Allocations for Program Year 2014 as presented and to approve the recommended programs for the Governor's Set Aside Funds for Program Year 2014 as presented.

MOTION: **Mr. Ronnie Boles made a motion to approve the allocations and the recommended programs for Program Year 2014 as presented.**
Mr. Ed Castile seconded the motion.
MOTION APPROVED

Mr. Hornsby also discussed the four waiver requests submitted to the Department of Labor for Program Year 2014. The State of Alabama is seeking an extension of the waiver of the requirement to conduct evaluations of workforce investment activities for adults, dislocated workers, and youth. The extension, if granted, would carry the waiver through June 30, 2015. The continued reductions in funding and current level of funds restrict the state's ability to carry out all WIA required activities. The waiver extension will allow the greatest amount of flexibility in prioritizing the funds for the required activities that the state deems essential.

The State is also seeking a waiver of the requirement that businesses receiving Youth funded On-the-Job Training (OJT) services under WIA receive a maximum reimbursement of 50% of the newly hired employee's wages during OJT. The state currently has an approved waiver of this requirement for Adult and Dislocated Worker funder OJT, but the waiver does not cover Youth funded OJT. (The State currently provides Youth funded OJT on a limited basis to serve older, out-of-school youth ages 18 – 21 as part of its Occupational skill training strategy.) Once approved, the requested waiver will remain effective through June 30, 2017.

Alabama is requesting a graduated scale for OJT reimbursement as follows:

1. Up to 90% for businesses with 50 or fewer employees
2. Up to 75% for businesses with 51 – 250 employees; and
3. Up to 50% (current statutory requirement) for businesses with 251 or more employees.

The current maximum wage reimbursement of 50% for OJT does not provide sufficient incentive for small – and medium-sized businesses to take advantage of OJT during this harsh economic time, especially when considering employment of a youth with little skills compared to other more experienced candidates. Several goals of the waiver are to accelerate businesses hiring youth and to strengthen the labor pool by providing youth with marketable skills.

The State of Alabama is seeking a waiver of the prohibition against using Individual Training Accounts (ITAs) for youth program participants. Once approved, the requested waiver will remain effective through June 30, 2017. Major goals of the waiver are to expand service options for youth, increase program flexibility, and enhance customer choice.

The final waiver being sought by the State is a waiver of the requirement to competitively procure Youth program elements. Specifically, this waiver is to allow the Alabama Career Centers and/or partner agencies to directly provide the youth program elements of supportive services, follow-up services, and work experience. Once approved, the requested waiver will remain effective through June 30, 2017.

More details of each requested waiver are posted for public review and comment on ADECA's website, http://www.adeca.alabama.gov/Divisions/wdd/Pages/default.aspx .

The next agenda item was the presentations of the three local area Program Year 2014 Annual Plans and Grant Agreements. Each local area representative was asked to provide a short presentation to the board describing the activities and achievements of their areas from the previous year and plans for the next year.

Mr. Sydney Raine, President of Mobile Works, Inc. provided an overview of the Mobile County local area. One of the most successful programs operated by Mobile Works is the On-the-Job (OJT) Training program. They partnered with twenty-seven (27) local businesses to offer OJT as a resource to help industries expand their workforce while providing opportunities for eligible dislocated workers and adults to move into the workforce, gain new skills, and earn an income. Their local area heavily markets On-the-Job training but would like to see a State marketing campaign for OJT especially with the changes proposed in the new legislation.

The Mobile Local Area met or exceeded all the WIA Performance Standards. Innovative ideas are being explored including opening the Career Center on Saturday for clients and providing financial literacy training through a partnership grant with PNC bank. Mobile and Southwest Alabama were also recently designated a Manufacturing Community by the US Department of Commerce, one of only twelve in the nation. With an emphasis on shipbuilding and a goal of enhancing the workforce, millions of dollars in grants will be available.

PY / FY Program Funding Local Area

Mobile	Adult	Youth	Dislocated Worker	Total LWIA Funds
Full Allocation	$ 1,057,922.00	$ 979,258.00	$ 514,540.00	$ 2,551,720.00
Administration Funds	$ 105,791.00	$ 97,925.00	$ 51,453.00	$ 255,169.00
Transfers	TBD	N/A	TBD	
Program Funds	$ 952,131.00	$ 881,333.00	$ 463,087.00	$ 2,296,551.00
Total Funds	**$ 1,057,922.00**	**$ 979,258.00**	**$ 514,540.00**	**$ 2,551,720.00**

A motion was made to approve the Grant Agreement Package for PY2014/FY2015 for the Mobile County Workforce Investment Area as presented.

MOTION: **Mr. A. J. Cooper made a motion to approve.**
Mr. Quentin Riggins seconded the motion.
MOTION APPROVED

Mr. Mickey Hutto, Supervisor of the Alabama Workforce Investment Area (AWIA) stated that for Program Year 2014 the AWIA would receive a total of approximately $23 million dollars to serve the 65-county local area.

In Program Year 2013, 2000 Adults were served with 1500 receiving ITAs or scholarships for training; 1200 Dislocated Workers were served with 850 receiving scholarships for training; and 2000 Youth were served with 575 receiving scholarships for training. The AWIA has 126 Eligible Training Providers on the State list of approved trainers offering over 1800 individual courses of training. These trainers include private entities, 2-year and 4-year colleges. 90% of the funding for WIA training is spent on courses at the 2-year community colleges in the AWIA. Marketing for On-the-Job Training programs is done at the local level by Business Service Representatives and Vet Representatives at the Career Centers, but Mr. Hutto would also like to see Marketing done from the State level.

AWIA received a National Emergency Grant (NEG) to serve long-term unemployed with 130 participants served. An additional NEG for $1.5 million was approved by Washington for laid off workers at the International Paper Company site for "wrap-around" services from AWIA in conjunction with services being provided through their designation as Trade Act eligible through the Alabama Department of Labor.

PY / FY Program Funding Local Area

AWIA	Adult	Youth	Dislocated Worker	Total LWIA Funds
Full Allocation	$ 7,114,849.00	$ 7,452,138.00	$ 8,333,376.00	**$ 22,900,363.00**
Administration Funds	$ 711,484.00	$ 745,213.00	$ 833,337.00	**$ 2,290,034.00**
Program Funds	$ 6,403,365.00	$ 6,706,925.00	$ 7,500,039.00	**$ 20,610,329.00**
Transfers	$ TBD	N/A	$ TBD	$ -
Total Funds	**$ 7,114,849.00**	**$ 7,452,138.00**	**$ 8,333,376.00**	**$ 22,900,363.00**

A motion was made to approve the Grant Agreement Package for PY2014/FY2015 for the Alabama Workforce Investment Area as presented.

MOTION: **Mr. Glenn Camp made a motion to approve.**
Ms. Ashley Ramsay-Naile seconded the motion.
MOTION APPROVED

Dr. Frederick Hamilton, Director of Community and Economic Development for Jefferson County gave an overview of the WIA activities in the local area. The Jefferson County Local Area was part of the Comprehensive Review conducted in Alabama by USDOL. It was suggested to more thoroughly engage the workforce board in the Local Area Plan and in the strategic planning process. A session was held that included county staff, board members, and staff from the Alabama Department of Labor. County employment data, unemployment data, and industry trends were discussed. The industry with the largest growth in establishments was "Professional and Business Services". The county provided a total of 410 ITAs (scholarships for training) for participants with 338 or 82.4% being in the Service Industry.

The Jefferson County Internship Program is designed to benefit Dislocated Workers getting back into the workforce by providing short term job readiness training and job placement. This program is under contract with Manpower. Supportive Services are also being provided to eligible Adult, Dislocated Workers, and Youth through a contract with United Way of Central Alabama. Services provided included transportation, childcare assistance and resources, and needs based payments. Participants are also eligible for other services offered by the agency.

PY / FY Program Funding Local Area

Jefferson	Adult	Youth	Dislocated Worker	Total LWIA Funds
Full Allocation	$ 1,068,991.00	$ 1,024,964.00	$ 1,504,618.00	**$ 3,598,573.00**
Administration Funds	$ 106,898.00	$ 102,496.00	$ 150,460.00	**$ 359,854.00**
Program Funds	$ 962,093.00	$ 922,468.00	$ 1,354,158.00	**$ 3,238,719.00**
Transfers	$ 451,384.00	N/A	$ (451,384.00)	$ -
Total Funds	**$ 1,520,375.00**	**$ 1,024,964.00**	**$ 1,053,234.00**	**$ 3,598,573.00**

A motion was made to approve the Grant Agreement Package for PY2014/FY2015 for the Jefferson County Workforce Investment Area as presented.

MOTION: **Mr. Quentin Riggins made a motion to approve.**
Mr. A. J. Cooper seconded the motion.
MOTION APPROVED

Chairman Clark next commented on the Governor's plans for economic and workforce development in Alabama. These began with the appointment of Mr. Seth Hammett to lead the then Alabama Development Office (ADO) to develop a strategic economic development plan for the state. *Accelerate Alabama* was the result and is a "living plan" being followed and updated today. The next step was the formation of the College and Career Ready Task Force. It was formed to provide recommendations on workforce development and education to further align and move forward workforce and skills training to better provide the skilled workers needed for current and future employers in the state. Now the Governor has appointed a State Workforce Advisory Council to advise Education on what the needs are to continue the process.

Chairman Clark introduced Governor Robert Bentley. The Governor praised *Accelerate Alabama* and the Task Force for the work that had been done in moving both economic development and workforce development closer together. AIDT and Mr. Ed Castile have always had one of the best if not The Best workforce training programs in the country. He stated that we have moved forward to include not only the Two-year College System, but the K-12 System, and the Pre-K System because a good foundation is a must. Private / Independent Colleges were inadvertently left out but they will also be brought in. The new Alabama Workforce Advisory Council is composed mainly of business leaders who will provide leadership on workforce development and education issues. Mr. Zeke Smith, Executive Vice President for External Affairs at Alabama Power Company, will serve as Chair.

Governor Bentley introduced Mr. Zeke Smith. He stated that the Council was charged to fill in the gaps in workforce development including developing policy, innovative ideas and partnerships, and sharing best practices. The business and industry led council must take ownership for what needs to be done in education to prepare the workers for the jobs they have available. Marketing of trades and careers will be a priority. The Council membership is currently being finalized by the Governor. It will probably consist of 25 to 30 business and industry leaders from around the state serving staggered terms of one to four years.

Ms. Tammy Wilkinson, Supervisor of State Reporting / Technical Assistance of the Workforce Development Division presented the Program Year 2014 WIA Performance Goals for the State as negotiated with the Department of Labor. The goals are:

Alabama
PY 2014 Performance Levels

WIA Program	PY 2014 Goals
Adult Measures	
Entered Employment Rate	68.3%
Employment Retention Rate	86.0%
Average Six Month Earnings	$12,750
Dislocated Worker	
Entered Employment Rate	75.0%
Employment Retention Rate	91.8%
Average Six Month Earnings	$15,632
Youth Common Measures	
Placement in Employment or Education	56.4%
Attainment of Degree or Certificate	50.5%
Literacy or Numeracy Gains	53.5%

Wagner-Peyser (Alabama Employment Service) Common Measures
Program Year 2014 Goals

ENTERED EMPLOYMENT RATE	59.9 %
EMPLOYMENT RETENTION RATE	83%
AVERAGE 6 MONTHS EARNINGS	$12,700

Ms. Wilkinson also stated that the State met or exceeded the Negotiated Goals and / or 80% Threshold for the 3rd Quarter of Program Year 2013.

Ms. Tonya Lee, Statistician Supervisor with the Alabama Department of Labor, presented new Labor Market Information resources available through the Department's website or through a phone call. Information is available on the state level, regional level, county level, or city level. Top 20 occupations with most jobs posted, wage data by occupation, and a skills gap survey are just some of the type reports available from the Department.

Chairman Clark announced the retirement of Commissioner Tom Surtees from the Alabama Department of Labor and the Alabama State Workforce Board. A Certificate of Recognition for Commissioner Surtees was prepared.

A motion was made to commend Commissioner Tom Surtees on his decades of service to the State of Alabama.

MOTION: **Mr. Marty Parker made a motion to approve.**
Mr. Bobby Humphrey seconded the motion.
MOTION WAS UNANIMOUSLY APPROVED

Chairman Clark mentioned a postponed item from earlier in the agenda concerning the Comprehensive Review conducted by the US Department of Labor of Alabama's WIA and Wagner-Peyser (ES) Programs. He stated that a routine review was conducted and that he, Kib McKibbens, and Al Henley were interviewed. A report had not been received but would be made available to the Board once that occurred. He added that other southeastern states which had been reviewed over a year ago, still had not received a report.

There being no further business brought before the Board, the meeting was adjourned at 11:46 a.m. (CDT).

Respectfully submitted,

Steve Walkley Jr / 10/3/14

Mr. Steve Walkley, Executive Secretary — Date

Approved:

/ 12/3/14

Mr. George Clark, Chair — Date
Alabama Workforce Investment Board