

EASTERN WASHINGTON PARTNERSHIP

WORKFORCE DEVELOPMENT COUNCIL

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WORKFORCE DEVELOPMENT COUNCIL AND REGIONAL BOARD MEETING SPOKANE, WA May 25, 2017

Attendance:

WDC: Bill Clemens, Jerry Anhorn, Jim Drake, Scott Habenicht, Jeff Koffel, Teresa Kutsch, Kenneth Maestas, Steve Smith, Jennie Weber, Tessa Wicks, Kim Witt, Deana Zakar *By Phone:* Kathy Covey

Regional Board: Scott Hutsell, Don Dashiell, Jim Jeffords, Todd Kimball, Steve Kiss, Art Swannack, Mike Talbott

Contractors and Guests: Kelly Charlton, Jaclyn Jacot, Doug Loney, Darlene Snider, Doug Tweedy

Staff: Rod Van Alyne, Dayna Brown

Bill Clemens brought the meeting to order at 12:30 p.m. and introductions followed.

Bill Clemens called for a motion to approve the agenda.

Jim Jeffords made a motion to approve the agenda. Mike Talbott seconded the motion. The motion passed.

Bill Clemens called for a motion to approve the February 23, 2017 meeting minutes. Art Swannack asked if the executive meeting minutes need to be approved at the meeting as well; Bill stated that we have not approved them in the past, but he will see if that is required.

Ken Maestas made a motion to approve the February 23, 2017 meeting minutes. Scott Hutsell seconded the motion. The motion passed.

Regional Board Chairman's Report

Scott Hutsell reported that Rod had reached out to DSHS to verify the availability of Butch Van Dyk to continue as the DSHS representative on the WDC; DSHS informed him that a replacement would need to be made and nominated Larry Frick, the DSHS administrator for the Tri-County CSO.

Art Swannack made a motion to appoint Larry Frick to the WDC Board. Mike Talbott seconded the motion. The motion passed.

Scott stated that Rod has been in conversations with staff from the Whitman Hospital and Medical Center about the vacancy on the WDC for Whitman County and he anticipates having the Director for Human Resources as a potential member. Scott added that Rod is attempting to make contact with a potential member from Portland General Electric from Columbia County.

Chairman's Report

Bill Clemens reported that the Executive Committee held a meeting by conference call to review the Fiscal year 17 budget, the MOU, and the One-Stop Operator RFP. Bill explained the changes in the budget for FY 17 budget were lower staffing costs due to changes in staff and travel expenses. Current revenue projections are similar to last year with potential increases in the Dislocated Worker program. Bill added that WIOA allows for carry in of revenue and that the WDC budget plans expenditures accordingly to provide a buffer if funding comes later. The Executive Committee recommended that the WDC and Regional Board approve the WDC's Fiscal Year 17 budget

Scott Hutsell made a motion to approve the WDC's Fiscal Year 17 budget. Ken Maestas seconded the motion. The motion passed.

Bill Clemens informed the Board that discussions with partners for the MOU process began in September 2016 in Colfax and additional meetings and emails resulted in the draft MOU. Changes from WIA to WIOA included expanded roles of the Title II Basic Education providers and Title IV DVR and the Department for Services for the Blind (DBS) within the system. Bill explained that WIOA mandates contribution by partners to fund the infrastructure for the system and over the next three months there will be discussions regarding the Infrastructure Funding Agreement (IFA). Rod explained that partners continue to focus on creating a system that serves customers and thinks an agreement can be reached that recognizes the contributions being made by all to the system. The Executive Committee accepted the MOU and a 30 day comment period.

Bill explained that previously the One-Stop Operator role was split between Employment Security and the WDC staff. Under WIOA the role of One-Stop Operator must be competitively procured. The basic requirement of the operator is to coordinate the service delivery of participating One-Stop partners and service providers. The WDC maintains the role of negotiating performance with the state and awarding Youth, Adult and DW contracts. Bill stated that the WDC has holdback funds to cover potential costs to the operator. The One-Stop Operator contract needs to be awarded by July 1, 2017. Bill said that a third party is used for RFP coordinator when there is a potential conflict of interest when Rural Resources is a bidder and that is not the case with the operator RFP. Rod had attempted to reach Tom O'Brien to potentially be the third party but was unsuccessful and the committee agreed to continue with Rod being the RFP contact. The Executive Committee agreed to the RFP and it has been released for 30 days. And proposals will be reviewed by the committee to determine and award of the contract.

Jim Jeffords made a motion to give the Executive Committee permission to award a successful One-Stop Operator proposal. Steve Kiss seconded the motion. Jennie Weber abstained. The motion passed.

Quality Assurance Committee Report

Teresa Kutsch reported that the Quality Assurance Committee met on May 18th to review current performance for WIOA Dislocated Worker, Adult and Youth providers through April 30, 2017 and to meet with Teesha Kirschbaum and Eric Wolf from the Barrier and Access Solutions Committee (BASC). The BASC committee was developed seven months ago and a priority they are focusing on is reaching out to the local committees throughout the state during a local listening tour. The purpose of the listening tour is to see what local committees are doing for barrier and access solutions and to identify any challenges that need to be addressed. Teresa said that the BASC committee has three goals; the first is to establish a state barrier access committee to provide assistance at the local level, the second is to ensure wireless access at all one-stops around the state and the third is to identify and share best practices for removing barriers.

Teresa stated that the State has funds to advance the goals of the state plan and share the goals throughout the state, adding that a workgroup is finding the best way to get information out to local areas by a newsletter or some type of communication.

Teresa reviewed the Monthly Contractor Report, informing the Board that the enrolments in the Dislocated Worker and Adult programs are going fine and Rural Resources is back on track for the Adult program. There are two Rapid Response programs that will raise enrollments for the Colville Dislocated Worker program. The Youth programs fully enrolled and the outcomes are above targets. Teresa explained that it has been a struggle to pull earnings data from ETO, there is only an option to enter the wage per hour, not the number of hours worked so the median wage is skewed. Eventually there will be the capacity to pull the information, but at this time we don't have information we can be confident in.

The PY 17 Adult and Dislocated Worker program responses have been received with planning figures that are based on last year's funding, these aren't actual dollars. Teresa added that the carry-in amounts seem higher, but with the career pathway focus in WIOA, the amount is good. The Adult exits and cost per exit are consistent with the projected targets. Blue Mountain Action Council is good at finding lower cost training options, so they are able to put more face-to-face time than other service providers would be able to.

Walla Walla and Colville ESD are both on target for placement and exits. The cost per exit in Walla Walla is higher than projected in Colville due to the opportunities in that area for long-term training as opposed to Colville that rely on on-the-job training and short-term training in Spokane.

Teresa stated that transportation causes support service expenses to be higher in some counties, Walla Walla has public transportation so they don't provide gas assistance the way they do in the northern counties. Teresa added that support services can help with rent, but can't help with anything that will create an asset such as buying a car or mortgage payments.

The service providers, Kathy Covey, Kelly Charlton, Doug Loney, and Jennie Weber excused themselves from the meeting at 12:50 p.m.

Scott Habenicht made a motion to extend Adult and Dislocated Worker program contracts for Rural Resources, Blue Mountain Action Council and Employment Security Department. Art Swannack seconded the motion. The motion passed.

Director's Report

Rod reported that the Upskill Backfill Initiative grant that the WDC applied for wasn't accepted, because there wasn't a business partner listed. Other areas have used hospitals or colleges or large businesses. Don Dashiell asked what kinds of programs were accepted; Rod gave the examples of a manufacturing program in Yakima that produces drones and in Spokane a program to train RNs. Rod stated that he is looking into options for Phase two of the Upskill Backfill Initiative. Scott Habenicht suggested looking into businesses that span into other areas. Ken Maestas asked if partners need to be within the state; Rod said that they are reluctant to go into other states. Ken mentioned that Schweitzer Engineering is in Washington, does a lot of training from within, and are advertising 400 job openings each month. Rod stated that in the past Schweitzer has been reluctant to partner with government agencies, but ESD is in contact with them. Art Swannack suggested looking into Avista or Inland Power and Light. Bill Clemens asked if this needs to be a specific industry or can it be a specific occupation; Rod answered that it can be linked to an industry.

There was an invitation sent out for a Western Interstate Commission for Higher Education (WICHE) and Washington Student Achievement Council (WSAC) focus group to discuss training needs in ESD 101. Rod and Scott Hutsell both attended. WICHE is looking into what barriers students have going to higher education from high school. Both Rod and Scott talked about the challenges faced by rural areas. Rod mentioned that schools are selling the four year college degree; but for every one job that needs an advanced degree there are two that require a four year degree, and seven that require two years or less and students can look into certificate programs. There will be a focus group for the southern areas for ESD 123, in June and hopefully the discussing will include challenges for rural areas. Jeff Koffel asked how this focus group ties in with the Governors Summit on Career Connected Learning; Rod said there are several efforts underway that are tied to career connected learning.

Rod reported that there will be a business services team meeting in Clarkston on June 20th. The purpose is to bring together partners that provide service to the business customer and seeks to maximize who can be served and to make it more of a coordinated effort. Partners from Idaho have been invited to attend as well.

There will be a Healthcare Summit in Clarkston in August, which will include Whitman, Asotin, Garfield and four counties in Idaho; they will be asking employers about the skill gaps that are being seen as well as other issues related to finding workers. The summit is being coordinated with staff from Clearwater Economic Development Association.

Rod explained that in WIOA, partners are mandated to contribute to the system, to accommodate this there is an infrastructure funding agreement being created that will identify what partners already contribute and other ways to contribute. The agreement needs to be in place by the end of December 2017.

A master calendar is being created and will be added to the website so that everyone on the Board will be able to see what is coming and have a sequenced timeline.

Scott Habenicht asked Rod if he was concerned about the President's budget that was released; Rod said that his understanding is that current funding levels were what they said they would be when they passed FY 17. We should be able to do business through next year. In the administration's budget, they are looking at 30% up to 39% reduction in job training funds from the Department of Labor and Education. A reduction that size will have a major impact on the system and be a big step backward in serving all job seekers and employers wanting assistance.

Regional Economist Report

Doug Tweedy reported that unemployment rates are projected to double this summer due to the Kinross closure in Ferry County and Hearth and Home in Stevens County.

The number of jobs in industries has increased beyond the last peak. They aren't temporary or seasonal jobs so that is increasing total wealth. Doug added that some of the industries in our area don't fit with millennials, so that leads to difficulty finding labor. The average age now in mining and forestry is over 63 years old. To keep those foundation industries, we will need to have a pipeline.

Doug stated that the minimum wage increase has had an impact on the growth in the public sector. Bill Clemens asked if it is driving other wages; Doug replied that it is compressing. Scott Hutsell stated that when the minimum wage changed, employers had to offset. Art Swannack stated that Aging and Long Term Care of Eastern Washington had to decrease the number of people they could employ and the next hit will be in January when sick leave is included. Art asked how this will play across the sectors; Doug answered that the compression of wages includes the compression of benefits. Deana Zakar asked how this will affect childcare;

Doug said that right now they only track employment; Art mentioned that childcare has raised around \$200 a month. Rod stated that youth have been impacted, but we don't see the effects because we don't count numbers of youth that are in training like WEX. Art mentioned that is hard to hire youth that don't have experience and pay them \$15 an hour. Kim Witt included that Paid Family Leave is moving forward and 15.5% of workers in the state work more than 40 hours per week. Doug said that the wage impacts are happening, both the top earners and bottom earners are making more money, the middle earners are stagnant.

Scott Hutsell asked if the labor participation rate is the same now or if it is lower unemployment and higher labor participation; Doug stated that labor participation has been going down since the 1950's. Scott added that the baby boomers are getting out because the rates are better and the age of staying in the workforce is going down. Ken said that there are more millennials in the workforce than any other age group. Don Dashiell said that with new technology you can replace ten farmers with one farmer with equipment that can do everything.

Doug's full PowerPoint presentation can be accessed at: <http://ewpartnership.org/reports>

WorkSource Report

Doug Loney reported Employment Security Department has engaged 120 workers with Kinross mine with 40 workers separating employment prior to May 31, 2017. At this point, there is 50-60 workers remaining and more precious metals have been found, which has slowed the rate of worker separations. WorkSource is being very present there making sure they are getting all the information that they need.

Doug stated that Hearth and Home Technologies plans to close the Colville facility in June. WorkSource staff provided on-site orientations for workers in April; at that time they surveyed the employees' needs and will be offering a variety of services, including a resume class, at the plant and at the WorkSource office.

Walla Walla based company, Railex, issued a WARN notice in April indicating that 88 workers were scheduled for layoff in June, due to the sale of the facility to Union Pacific. Union Pacific and Crest Logistic have absorbed the Railex workers and will be transitioned onto benefits and payroll in June. Doug informed the Board that the 225,000 square foot Wallula facility was built to support storage and rapid distribution of area grown fruits and vegetables through an efficient rail delivery system capable of reaching the east coast in 5 days. Bill Clemens added that in the future, it will be a mobile facility and another 250,000 square foot facility will be built behind the current facility.

Doug reported that there have been just under 6000 self-serve with WorkSource.wa, and 3743 staff assisted services, noting that it's evident there is a transition shift to self-serve. There have been just under 500 unique businesses served; WorkSource staff has helped them with technology, recruitment, and outreach among other things.

Derek Brandes – Walla Walla Community College

Derek Brandes introduced himself as the new president of Walla Walla Community College. Stating that Walla Walla Community College (WWCC) was named top community college in the nation in 2013, colleges can only win once, but WWCC is still in the top 25 in the nation.

Derek reported that there is a 1.44 million dollar and growing budget gap and a 11% decline in enrollment. As the unemployment rate lowers, it lowers enrollment. 49% of high school students are not going on to college, they have a low tolerance for lengthy training and many are concerned with student debt. Currently there is 1.3 trillion dollars in student loan debt, making it the second highest form of debt.

Clarkston Campus has a new workforce building that houses a medical coding certificate program, welding, industrial maintenance, plant operations and the business accounting programs. The inside of the building can open up to hold large gatherings.

Derek explained that WWCC is becoming a destination campus rather than a default campus. There is a lack of affordable housing in Walla Walla and the school is pushing forward to build student housing. Construction will start on the student recreation center next year and they are looking into a new science building. Derek added that WWCC is expanding their international opportunities; there are four women from Rwanda that are fully funded for education there with the stipulation that they go back to Rwanda to use their education there.

There are new programs available at WWCC which specialize in career advancement and/or transfer to baccalaureate institutes including BAS Sustainable Agriculture Systems, BAS Applied Management and Entrepreneurship, Computer Science, and Criminal Justice.

Derek stated that WWCC is also concentrating on campus advancement; by outreach, grant writing, and alumni relations. WWCC doesn't have an alumni operation, but the alumni do help mentor students.

Jim Jeffords asked what the total enrollment at WWCC is; Derek answered that there are 2,800 FTE and the Clarkston campus has 340, which should grow with the new programs starting in the fall.

Derek added that having a border agreement with Idaho would help so students don't pay out-of-state tuition, right now there is a border agreement with Oregon, but not Idaho. Rod asked if that is only for WWCC; Derek said that the agreement covers all of Washington. Rod asked if there is student housing now; Derek said that there is not, and that housing is a barrier.

Old Business:

None

New Business:

Art Swannack asked if Executive Committee minutes need to be approved by the Board; Bill said he would look into that.

Bill announced the next meeting will be held on September 28, 2017

The meeting adjourned at 2:42 p.m.