

EASTERN WASHINGTON PARTNERSHIP

WORKFORCE DEVELOPMENT COUNCIL

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WORKFORCE DEVELOPMENT COUNCIL AND REGIONAL BOARD MEETING SPOKANE, WA September 27, 2018

Attendance:

WDC: Bill Clemens, Jerry Anhorn, Gabe Coates, Larry Frick, Teresa Kutsch, Barry Lamont, Jennie Weber, Tessa Wicks *By Phone:* Kathy Covey, Jim Drake

Regional Board: Scott Hutsell, Jim Jeffords, Steve Kiss, Wes McCart, Art Swannack, Mike Talbott,

Contractors and Guests: Doug Loney, Bryan Raines, Ajsa Suljic *By Phone:* Kelly, Charlton

Staff: Rod Van Alyne, Dayna Brown

Bill Clemens brought the meeting to order at 12:35 p.m. and introductions followed.

Bill Clemens called for a motion to approved the agenda.

Jim Jeffords made a motion to approve the agenda. Wes McCart seconded the motion. The motion passed.

Bill called for a motion to approve the May 24, 2018 meeting minutes.

Scott Hutsell made a motion to approve the May 24, 2018 meeting minutes. Art Swannack seconded the motion. The motion passed.

Regional Board Chairman's Report

Scott Hutsell reported that in June WDC membership terms ended for Bill Clemens, Jerry Anhorn, Jim Drake, Jeff Koffel, Teresa Kutsch, Ken Maestas, and Jennie Weber. Jeff Koffel has moved to Japan for work, Ken Maestas and Teresa Kutsch have decided not to continue, this meeting will be Teresa's last meeting. Scott stated that there are two new members to replace vacancies; Barry Lamont, the Interim Director for the Tri-County Economic Development District (TEDD), and Gabe Coates, Administrative Services Superintendent for Teck Resources Limited.

Wes McCart made a motion to retain the five members and add two new members to the WDC Board. Mike Talbott seconded the motion. The motion passed.

Chairman's Report

Bill Clemens thanked Teresa for her long service on the WDC Board. Her decision to leave created a vacancy in the Secretary position of the Board. Larry Frick is willing to serve as Secretary and that will be voted on during the December meeting.

Bill reported that WIOA requires areas to have a Memorandum of Understanding (MOU) and Infrastructure Funding Agreement (IFA) designed to spell out the costs of the system and make sure partners are contributing to the costs. The MOU was approved by the board in January without the IFA. The IFA has been included in the MOU and has been reviewed by the organizations that reside in the WorkSource Walla Walla or Colville WorkSource. Language for the IFA begins on page 12 and Appendix B shows the cost allocations. Costs are based on the FTE's for organizations residing in the facilities and infrastructure costs are based on existing leases or Resource Sharing Agreements. At this time only resources already used to operate are being identified and no additional costs are being asked of partners. Art Swannack asked what partners are paying now; Rod said that Appendix B shows what they pay and the FTE is the cost for each employed in the system. Other areas are asking partners to pitch in monetarily also, but since we work together and have partner meetings we don't need to set aside funds for what we already do and won't ask for more at this time.

Jim Jeffords made a motion to approve the MOU/IFA as presented. Art Swannack seconded the motion. The motion passed.

Bill stated that in the packet there are answers to the questions sent by the Workforce Training and Education Coordinating Board to update the local plan including the performance targets proposed for the area. Rod added that the targets are based on performance from July 1, 2016 to June 30, 2017. Rod said there is nothing worrisome to him or the service providers and the targets are attainable. Art Swannack asked if these are the new targets for PY 18; Rod said that they are PY 18 and PY 19.

Wes McCart made a motion to approve the responses and accept the targets. Scott Hutsell seconded the motion. The motion passed.

Quality Assurance Committee Report

Bill Clemens reported that without a chair named, there was not a Quality Assurance Committee meeting this quarter, and Jerry Anhorn has been newly appointed as the Quality Assurance Chairman. Included in the packet is the Monthly Contractor Report for the program year beginning July 1, 2018. All numbers are consistent with the beginning of the year.

Director's Report

Rod stated that the PY 18 allocation numbers have been finalized by the State. The state as a whole saw small increases; WIOA Youth had a 3% increase, Adult had a 5% increase and Dislocated Worker had an 8.4% decrease. Because we still have some distressed counties, the area saw an increase in Youth of 12.3%, Adult had a 10.9% increase, and Dislocated Worker decreased by 3.5% (which is less than most areas). Rod added that there are funds coming up that will help make up the gap.

Rod reported for FY 2019 at the federal level the HHS bill was combined with the DOD Appropriations bill. It was passed and is awaiting signature by the President. WIOA Title I is at level funding compared to FY 2018 levels, Adult Education has a \$25 million increase compared to FY 2018 levels, Perkins-CTE has a \$70 million increase compared to FY 2018 levels, Vocational Rehab has a \$69 million increase compared to FY 2018 levels, and Apprenticeship Grants has a \$15 million increase to FY 2018 levels. Rod added that the Migrant and Seasonal Farm Worker program received a \$1 million increase and Wagner Peyser received a \$3.3 million decrease. Jennie Weber stated that the cut to Wagner Peyser will be an impact. It is the universality in the system so that any customer can be served. This reduction may show a staffing reduction in some areas. Jennie added that there are steps that WorkSource will take to make sure that people will be served.

Rod stated that the area fared well compared to other areas in the performance negotiations because we have a higher unemployment rate.

Employment Security Department has named Suzi LeVine as the new ESD Commissioner; Rod said that he would like to invite her to one of the WDC meetings to share what the agency envisions and how she sees the system.

Regional Economist Report

Ajsa Suljic, Regional Economist with Employment Security Department, presented the labor market report. She reported that each area is diversifying and unemployment figures are dropping throughout the state. The agency is seeing the lowest rates since they began tracking in 1990.

Ajsa stated that most industries we have been tracking, such as Manufacturing, Healthcare and Education, Government, and Leisure and Hospitality are increasing and Construction is declining in all counties except, Lincoln, Whitman, and Walla Walla. Bill Clemens asked if payrolls are expected to continue to rise or if they will level out; Ajsa said that it may cool down in 3 to 5 years, but that can't be said for certain. From the trends, we haven't reached the peak yet, there is possibility of a new height.

Population growth contributes to labor force; millennials have started entering the labor force since 2015 and are now the largest segment of the workforce at 56% in 2017.

Art asked if there will be a trend in a rise in interest rates, there are a lot of individuals that have loans before they finish college; Ajsa said that rates are at the lowest point ever, political change and regulations effect jobs. The challenge is on the housing side, who can afford what and is there affordable housing. 1% of earners is tripling the wage growth and earning ability at three times the rate of others. With the minimum wage going up everything else is going up.

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

WorkSource Report

Jennie Weber reported that in WIOA, each area must have one fully certified center. Walla Walla is working to prepare for the process. Doug stated that the partners met in August to review the statewide certification policy and checklist, and discussed the expectations and principles that partners must imbed into the service delivery design and future operation of the Center. The different partners participated in program and services mapping activity that will depict the current state of service delivery and program access. The results will assist partners in identifying service gaps, and potential areas where staffing training will be needed. Doug stated that the Center will hopefully be ready by the end of the year. Jennie stated that the MOU/IFA is a critical part of the certification process, which will ensure the area will continue to receive funding. The Colville Center receiving Affiliate status will be next.

Kelly Charlton stated that in July of 2018, four youth were enrolled in Rural Resources Employment and Training's Career Connected Learning (CCL) program. Recruiting and starting all youth participants on the same day with a set schedule was challenging with transportation in the rural area. The staff has struggled with enrollment, but have forged new relationships with employers and are brainstorming to find ways to increase enrollments, including looking into paid advertisements.

Jennie stated that ESD Commissioner Suzi LeVine will be hosting listening tours across the state and WorkSource Walla Walla will host two sessions where area businesses and job seekers will be invited to share input about their WorkSource service experience. The focus groups will be segregated for job seekers and employers, with 8-10 participants expected. The results of the sessions will be shared broadly with Workforce Development Councils and will help shape ESD strategic direction going forward.

Jennie reported that self-service customers are still strong and staff assisted customers show there is a large number of returning customers, which is a sign of quality service.

Presentations/Updates:

Wes McCart reported for Stevens County, that there is more timber coming out of the Colville National Forest than anywhere in the United States. There is also a shortage of logging trucks, the lands commission have talked with the Small Business Association to help people get started with a business plan and the process. Rod stated that when individuals were affected by Kinross, many were retained with a CDL and a number of them are driving log trucks. Wes said that part of the problem is the capital it takes to buy a log truck; it would be helpful for the lands commission to look at contracting a different way so people have the surety it takes to buy a truck.

Jerry Anhorn reported that Walla Walla Community College enrollment was up as of the beginning of the week, but in the last three days it has dropped by 5%. The welding program in Clarkston is going well and now has two cohorts. The auto program has been rebuilt and has a new instructor that is coming with a NASCAR background. In the last legislative session, the CTE system received nothing they had asked for and Jerry suggests board members to speak to their legislators.

Larry Frick reported that DSHS TANF and Workfirst participation have gone up and food stamps have gone down.

Teresa Kutsch reported that for Department of Vocational Rehabilitation, if there are multiple barriers participants get served right away, otherwise they go on a waiting list. With less case service funding than in the past, DVR is hoping to keep that category open.

DVR has contracts with the educational system and WDC's to help youth be more prepared to enter the workforce, a lot of the contracts are ending soon and the agency will be updating them. Art Swannack stated that at Martin Hall they do GED and food service training, would there be a linkage that DVR could help with; Teresa said that she would talk to the DVR staff person working with Martin Hall and see how to better leverage funds. Scott Hutsell said that the kids are there for 30 days, so they have to work quickly. Teresa stated that DVR has partnered with Excelsior. They brought in an apprenticeship program to get various credentials in construction and a couple kids have gone into a pre-apprenticeship program.

Jennie Weber reported that WorkSource is looking forward to 2019. They will be looking deeper into why people are not participating in the workforce. If participation in the workforce drops below 50% it can signify trouble. Jennie said there will be ramped up focus for the newly unemployed to quickly get them re-entered into to the workforce. Scott stated that the good employees are already employed, and you need to go look for them.

Mike Talbot reported for Columbia County that Columbia Pulp has had job fairs, but people don't want to apply because it is too far out yet. The windfarm is re-blading soon and an HVAC system is being replaced in the courthouse.

Art Swannack reported that housing is expensive and hard to find in Whitman County; with the Amazon project outside of Spokane people aren't going to be earning much so they will be looking outside of Spokane for housing and commuting.

Barry Lamont reported for Tri County Economic Development District that business owners have voiced that they need people that are work ready, someone that is dressed appropriately willing to work 8 hours. Boise Cascade has 20 positions open that they can't get filled. A plumber in the area is ready to retire and can't find anyone to apprentice, housing is hard to find so that makes it hard to find a person from another area to move here.

Steve Kiss stated that Pend Oreille County is a border county with a lower minimum wage so it hard to find employees. The hospital district is looking at the Philippines for healthcare workers because they can't find them locally and one of the sawmills has been hiring all summer.

Tessa Wicks reported that Ag Link's biggest need is CDL drivers, it is hard to find workers at \$5 an hour less than in Spokane. Jerry Anhorn added that CDL students have to pass a drug test within one week of enrollment so they drop out, but the night class always stays full. Tessa stated that Ag Link will pay for school if the employee stays for two years.

Gabe Coates reported for Teck Resources, stated that metal prices are struggling and that might be politically based.

Bill Clemens reported for Pacific Power stating that there is an aging workforce that didn't retire in 2008, but are ready now but there isn't skilled workers to fill the positions. The town center is now open in Walla Walla, bringing in several retail jobs.

Old Business: None

New Business: None

The meeting adjourned at 2:55