



*Building partnerships to create workforce opportunities that cultivate business,
grow jobs, develop people, and build community.*

**Board of Directors Retreat
March 8, 2018, 9:00 a.m. – 2:00 p.m.
JMU Ice House Room 117,
127 W. Bruce Street, Harrisonburg, VA**

Call to Order:

Chair Stapel called the meeting to order at 9:00 a.m. The roll was called and introductions were made. A quorum of the board was present.

Private Sector Members Present: Annette Medlin, Carrie Chenery, Jeffrey Stapel, Jo Lee Loveland Link, Cara Major, Julie Suijk, Kip Brannon, Robin Sullenberger, Steve Douty, Wes Dove

Public Sector Members Present: Amy Judd, Gary Keener, Lara Hoke, Jackson Green, Jeanian Clark, John Downey, Julie Goodlick, Sandy Rinker, Patrick Barker, Robert Goldsmith

Chief Elected Officials/Alternates Present: Morgan Phenix, CEO Page County; Liz Lewis, CEO Alternate Page County; Jenna French, CEO Alternate Shenandoah County

Guests Present: Chris Pope, VEC Martinsville, Kathy Kalisz, VEC Winchester; Clay Stein and Stephanie Hoer, Goodwill Industries of the Valleys, Camille Miller, The Virginia Group

SVWDB Staff Present: Sharon Johnson, Debby Hopkins, Cathi Michie, Matt Green, Debbie Berry, Loretta Snow, Vanessa Robison, Sean McCusty, Joan Hollen

Consent Agenda

Jeff Stapel

Chair Stapel asked if there were any items included in the consent agenda that needed to be removed prior to the vote. There were no requests to remove items from the consent agenda.

- Prior Meeting Minutes (November 9, 2017 and January 11, 2018)
- Valley Workforce Center WIOA Dashboard Reports (February)
- Eligible Training Provider Application

Motion by John Downey to approve the consent agenda as presented. Second by Wes Dove. Motion approved unanimously.

Retreat Introduction

Jeff Stapel

Chair Stapel introduced facilitator Camille Miller, President, The Virginia Group and outlined the objectives and focus of the retreat. The Board was asked to review strategic initiatives identified by the Board and define goals that give staff operational direction. A subject matter expert has been engaged to frame each discussion topic.

Camille Miller opened the discussion by stating that the SVWDB is recognized as one of the top 3 workforce boards in Virginia and commended the board on their progress over the last 7 years. The

process for discussion was outlined and the group was asked to consider the needs of the community and the resources available to the board as they refine the Board's operational goals.

Sharon Johnson provided background information on how the public workforce system operates in Virginia.

- In the current Federal environment, Workforce Boards are able to request waivers on the way they operate. Waiver requests can reduce regulation that restricts the way public workforce systems do business.
- The Workforce Innovation and Opportunity Act (WIOA) is administered by the Department of Labor and funding goes to a state entity for administration. In Virginia, the Virginia Community College System is the fiscal agent for WIOA receiving and administering WIOA funding through the state Title I Administrator. In most other states, the entity that receives and administers WIOA funding is a state workforce development agency.
- Virginia has the Virginia Workforce Development Board that is responsible for policy development for workforce development. The Virginia WIOA Title I Administrator provides guidance on policy implementation and can add requirements to WIOA implementation. VCCS has a rigid interpretation of WIOA and the Title I Administrator makes all of the decisions.
- WIOA Title partners are affected differently by WIOA. Title I serves adult, dislocated worker, and youth and is administered locally by 15 Workforce Development Boards in Virginia. The Department of Education administers Adult Education and Literacy Act programs, the Virginia Employment Commission administers Wagner-Peyser Act employment services, and the Department of Education administers Rehabilitation Act Title I programs in Virginia through the Department for Aging and Rehabilitative Services (DARS) and Department for Blind and Vision Impaired (DBVI).
- DARS is currently focused on getting into and working with the K-12 school system.
- The Virginia Economic Development Partnership is making an effort to establish Virginia as the number one state to do business. Virginia has been downgraded by site selectors as having a fractured workforce system. Businesses don't know who to call if they need a workforce solution. VEDP is moving forward with a turnkey initiative to support businesses and may force this initiative on workforce service providers to implement.

LABOR FORCE PARTICIPATION AND UNDEREMPLOYMENT

Framing the Problem - Dr. John Downey

The Labor Force Participation Rate is the number of people that are available to work as a percent of the total population in the age group of 16-64 except those incarcerated. This differs from the Unemployment Rate which only measures those persons seeking employment. The Labor Force Participation Rate in 2016 for the SVWDB region was 61-65% compared to 67.9% in Virginia and 62.9% in the U.S. The share of Americans with jobs decreased 4.5% since 1999 resulting in 11.4 million less workers today.

ALICE, a recent study by the United Way which stands for **A**sset **L**imited, **I**ncome **C**onstrained, **E**mployed, shows that 39% of Virginia households are facing financial hardships. The ALICE population represents individuals and families who work hard and earn more than the official Federal Poverty Level, but less than the basic cost of living. ALICE struggles to afford the basic necessities, including housing, food, child care, health care, and transportation. 57 % of jobs in Virginia pay less than \$20.00 per hour with most paying between \$10.00 and \$15.00 per hour.

The Labor Supply and Demand in Virginia: A Dynamic approach to Understanding the Labor Force 3Q2017 discusses underemployment and the involuntary part-time employment that resulted from the Affordable Care Act which caused many employers to decrease workers' hours to avoid paying higher health care

costs. These workers are busy working multiple part time jobs to survive and do not have the time or resources for training to improve skills and seek full-time employment.

A Washington Post Article from February 22, 2018, entitled “*Millions of jobs are still missing. Don’t blame immigrants or food stamps.*” provides insight into what happened to those not working in America. Half of those no longer in the labor force are the aging population. 2.65 million jobs were lost due to the outsourcing of low skilled manufacturing labor. An additional 1.4 million jobs were lost to automation. Other factors include an increased number of people on Social Security Disability which nearly doubled from 1999 to 2016, a shrinking youth employment rate, disabled Veterans, and those incarcerated. Challenges facing the non-employed population in finding work include a skills mismatch, lack of willingness to move for a job, an increase in jobs needing a license, and drug/opioid use increase.

The group discussed potential ways to address labor force participation factors and underemployment to positively impact low unemployment and increase the availability of workers.

- Train the employer. Employers are not often flexible in recruitment and how training is delivered.
- Understand the pipeline. Can we upskill employees to fill more skilled positions?
- Engage non-profit sectors. Non-profit sectors that are working with the population of part-time workers need to be plugged into the business sector.
- Explore more data. There is a need for additional regional data to determine and prioritize the most impactful action plans.
- Cooperative regional childcare and transportation solutions could help break down barriers for part-time workers to achieve full time status.
- To overcome barriers to employment, workforce partners could meet clients where they are.
- Educate the community on services available through workforce partners including training resources and length of training to achieve specific goals.
- Consider generational differences. Seek to engage the pockets of people not currently engaged in the workforce.
- Connect with Youth while they are still in school.
- Impact the mindset of youth, parents and teachers. Glamorize employment opportunities available without a 4 year college degree.
- Redefine what college means. Promote a joint education pathway instead of either/or approach to post-secondary education. Adopt a lifelong learning philosophy.
- Consider the impact a Medicaid work requirement might have on the workforce.
- Consider the microcosm of each community and recognize that silos exist in rural communities due to the lack of employment opportunities.
- The local workforce system should drive business services not WIOA. How do we reorganize to get local people educated about and engaged in workforce development?

BUSINESS SERVICES – MOVING BEYOND COMPLIANCE

Defining the Current State – Dr. Sharon Johnson

Business services are growing in importance at the state and national level. Due to low unemployment, there is more demand for business services such as incumbent worker training, on-the-job training, and registered apprenticeship. There is limited funding in WIOA for business services with only 20% of Adult and Dislocated Worker funding allowed for incumbent worker training. SVWDB has historically provided business services through discretionary grants such as the Energy/Green Grant, On-the-Job Training Grant, and Registered Apprenticeship grant, however, discretionary grant availability has dried up.

SVWDB has two Business Services Teams, one in Winchester and one in Harrisonburg. Center partners and other key partners are part of the business services teams which meet regularly and are in the process of SVWDB Board Retreat Minutes – March 8, 2018

formalizing a team approach to providing integrated business services in the region. The Roanoke Business Services team visited and shared their experience in forming the business services team and engaging partners in an integrated approach to serving businesses.

SVWDB needs resources for a full-time business services coordinator, marketing materials consistent across partners, and a communication tool to share information among partners. The team is currently developing a Google document to share information among partners. SVWDB was selected to participate in a national Integrated Business Services Cohort through the Department of Labor. This opportunity is providing insight into the challenges and successful models across the U.S. in implementing business services.

Working with Businesses Today...Our Philosophy – Debby Hopkins and Sean McCusty

Federal grants have been essential in our region and SVWDB has been aggressive in seeking discretionary grants. Since 2010, the SVWDB has received \$16 million in funding for workforce development efforts with \$14 million coming from the Department of Labor. These grants have helped SVWDB deliver business services to employers that they would otherwise not have the resources to provide. Discretionary grants have helped SVWDB build relationships with the business, education, and economic development communities.

The SVWDB Business Services Teams include partner agencies that provide workforce services to businesses. The SVWDB regional workforce partners collaborate well and make referrals but there is no formal system in place to support integrated business services among partners. The team works to educate employers on the services available among the various workforce partners and provides information on training practices and opportunities.

Employer considerations:

- Employers are operating under the assumption that they can post a job and can get a flood of qualified applicants which is not the case.
- Employers need to consider upskilling current employees and backfilling vacant jobs created by employee advancement.
- An aging workforce is recognized but employers don't know how to fill these longstanding positions once the employee retires.
- 80% of employers have never utilized workforce services.
- The Business Services Team has an opportunity to educate employers on how programs work and the strings attached.
- Would business contribute financially to a business services initiative?

The group discussed and reported back on the following questions:

1. What business services do businesses want?

- a. A single place where businesses can go for workforce information and solutions. A single point of contact for workforce support and resources. Consider a regional web site with 2 clicks to important information.
- b. Small employers without a dedicated human resources staff do not know where to go for support.
- c. What previously worked is no longer working. Need a paradigm shift, a single regional point of contact, new resources, and new strategies.
- d. Access to solutions to make the business better.
- e. Push out information through Chambers of Commerce.
- f. Define business needs and where partners fit into the solutions.

- g. Formalize a single point of contact approach to business services. It is about the service, not the agency providing the service.
- h. SVP has a one page web platform called Valley Career Hub that could be used as a contact point for education and training resources. www.valleycareerhub.com
- i. Consider Small Business Development Center model. Customers go to a web site and sign up as a client. Then SBDC reviews application and directs services accordingly.
- j. Speak business language not workforce acronyms.

2. What performance metrics does the board want to see for accountability?

- a. Tracking the number of visits is a bad metric. Tracking the outcome of a visit is a more valuable metric.
- b. A Customer Relationship Management (CRM) tool is needed to share information among workforce partners and to track services provided.
- c. Businesses need to share results of services provided (i.e. customer satisfaction survey).
- d. Track services and outcomes (measure wage increase due to services/training)

3. What services are offered by the four WIOA titles?

- a. Title I – On-the-Job Training, Incumbent Worker Training, adult, dislocated worker and youth skills training, supportive services, career services, labor market information (SVWDB/Valley Workforce Centers).
- b. Title II –adult education and English literacy (Adult Education).
- c. Title III – jobseeker services and unemployment benefits (Virginia Employment Commission).
- d. Title IV – services for individuals with disabilities including vocational rehabilitation, occupational training, and assistive technologies (Department for Aging and Rehabilitative Services and Department for Blind and Vision Impaired).

RESOURCE DEVELOPMENT

Overview of How the Money Flows – Cathi Michie

Chief Finance Officer Cathi Michie provided an overview of how WIOA funding flows from the Department of Labor to the Virginia Community College System and to the local workforce areas. Cash flow has an impact on how SVWDB does business. Only enough funds can be pulled to pay current expenditures plus 14 days of operations. The presentation can be accessed at this link <https://prezi.com/view/3ExmaxXpOFYTbgJB516X/>.

Sharon Johnson is working to get information on the state formula that determines local WIOA allocations. As the cash flow presentation indicates, the VCCS keeps a portion of WIOA funds and distributes WIOA funds to local workforce boards based on a formula. Local boards need to learn more about the formula allocation process to be able to budget appropriately. There is renewed interest in using WIOA funds for governor led initiatives and as unemployment decreases, workforce funding is reduced.

Virginia Combined State Plan Update – Sharon Johnson

Sharon Johnson provided information on the one year update to the Virginia Combined State Plan. The update is being led by the Governor's office and each WIOA title organization provides input into the plan. Modifications are due to the administration by March 22. The Virginia Workforce Development Board will review and vote on the changes. A state workforce retreat will be held in April or May to further drill down on the Combined State Plan.

Potential Resource Development – Sharon Johnson

SVWDB is really good at getting grants. Grants are program money, not administrative money. SVWDB has no discretionary funds to support workforce services outside the WIOA funding and the current American Apprenticeship Initiative grant. The following examples of options to increase funds to SVWDB were provided:

- **Fee-for-service work.** Are there gaps in services that SVWDB could provide for a fee such as fees charged for training or recruiting?
- **Tiered funding solicitation model.** Private investments at a tiered funding/service level (i.e. Platinum, Gold, Silver investment levels with services corresponding to investment levels).
- **Special event or project.** A fee based event such as an annual award banquet or technical assistance training for pay.
- **Spin off for profit organization providing consulting service.**
- **Integration of services.** Identifying and reducing duplication of services among workforce partners. How can we do more with less?
- **Central office functions.** Identify gaps in service that we could provide to other boards (i.e. monitoring, fiscal management).

How can the SVWDB be supported with funds other than WIOA?

The group was asked to consider what SBWDB could do to generate unrestricted funds and what gaps in service need to be filled with those funds.

- Create our own staffing agency.
- Fee for services such as monitoring, grant writing, labor market data mining, fiscal agent.
- Fee for services such as talent screening and interviewing for employers.
- Target youth in school that are going directly to work and work to get them into the labor force. Would employers pay for this type of service?
- Solicit gifts in kind such as web services and marketing.
- Seminars for a fee for other Workforce Boards.

SUB-REGIONALIZATION

Defining the Current State – Sharon Johnson

The Shenandoah Valley Local Workforce Development Area IV (LWDA IV) is one largest workforce regions in the state. The board has conducted studies by sub region to capture regional differences. We have tried moving board meetings around the region but have lost board participation in the process. How do we operationalize such a large region and still give each sub region a voice? Do we need to keep discussing sub-regionalization?

The group discussed and provided feedback on sub-regionalization:

- Make sure that all parts of the region have a voice and that the voice is heard by the Board.
- No need for formalized sub-regions, just be aware of differences.
- Have a conduit to communicate the needs of all parts of the region.
- Be mindful that representation does not mean engagement. Consider the participation rate by locality and get that information to the Chief Elected Officials.
- Have regional sub-groups that can meet between board meetings to address sub-regional issues and report to the board.
- Pick a sub-region per board meeting and provide meaningful information to the board on that sub-region.
- Use WebEx or Skype to engage more board members.
- Engage community colleges and report on community college workforce activities.
- Recognize and share the differences, don't silo because of differences.
- Identify and share best practices.

BOARD MEMBER AND CHIEF ELECTED OFFICIAL DEVELOPMENT

Our Journey Over the Last Year – Jeff Stapel and Sharon Johnson

Jeff Stapel gave a historic look at the past 17-18 years of his service on the SVWDB. In 2010/2011, the board began transition to a more integrated and developed board. The Board has the ability to bring partners together which gives the board the ability to leverage assets to support workforce development. It is important for board members to understand how the board functions so they can be ambassadors for the SVWDB. Board members need to feel that their time is invested wisely, that their voice is heard, that they are respected, and valued for their contribution. Feedback from board members is needed on continuous improvement and how to engage the Chief Elected Officials.

Current efforts for continuous improvement include succession planning, increased board engagement, getting new members on the board, and engaging local elected officials. Moments of Mission will be added to upcoming board meetings by including a success story from a job seeker and/or business to show how SVWDB services have real life impact. SVWDB needs to demonstrate the success and benefits of the organization to the Chief Elected Officials so they take this information back to their local governing bodies. An elevator speech is needed and Jo Lee Loveland-Link offered to assist the group in developing an elevator speech for the Board and Chief Elected Officials to be ambassadors for the SVWDB.

The group was asked to consider the following questions when discussing Board and Chief Elected Official Engagement: 1) What do we keep doing?; 2) What do we start doing?; and 3) What do we stop doing?

- Continue dissemination of information and orientation packets to equip the board with knowledge about the SVWDB.
- Start Individualizing board orientation where needed.
- Start providing a new board member with a board member mentor for orientation.
- Start communicating expectations to Board members.
- Keep the meeting schedule and location as it is.
- Start talking about all system partners, not just Title I.
- Start creating value added services for private sectors board members.
- Start providing opportunities to build relationships with board members and partners. Put faces to names.
- Keep up the good engagement with Board members, but consider room for growth in this area.
- Keep the board free from financial commitment to participate.
- Start focusing on a specific program at each meeting so board members can learn about the programs.
- Start providing program and service outcomes to elected officials to take back to their governing bodies.

Jeff Stapel closed the meeting by saying that the information collected today will be processed and sent back out to the board. Please send any ideas or suggestions to staff. This is not the end of the process. Actionable items will be developed from the discussion points. The next board meeting on May 10, 2018 will include nominations for new members to the Executive Committee.

Public Input (Rules and Guidelines attached): There was no public input.

Adjournment: The meeting adjourned at 11:50 a.m.

Respectfully submitted, Joan Hollen

The next SVWDB Board Meeting: May 10, 2018, 10:00 a.m. – 12:00 p.m.

Location to be Determined

Resources:

SVWDB Board Retreat Minutes – March 8, 2018

Labor Force Participation Rate in Virginia

<http://virginialmi.com/content/pdfs/2016%20Labor%20Force%20Participation%20Rates.pdf>

ALICE 2017 Virginia Report

https://www.dropbox.com/s/9chqmvm4c6viv2n/17UW%20ALICE%20Report_VA_7.18.17_Lowres.pdf?dl=0

Labor Supply and Demand in Virginia: A Dynamic approach to Understanding the Labor Force 3Q2017

https://virginialmi.com/content/pdfs/Alternative%20Measures_2017%20Q3.pdf

Millions of jobs are still missing. Don't blame immigrants or food stamps.

https://www.washingtonpost.com/news/wonk/wp/2018/02/22/fewer-americans-are-working-dont-blame-immigrants-or-food-stamps/?utm_term=.114470ad8a1b

How the Money Flows – Cathi Michie

<https://prezi.com/view/3ExmaxXpOFYTbgJB516X/>