

STATE OF NEVADA
GOVERNOR'S WORKFORCE DEVELOPMENT BOARD
EXECUTIVE COMMITTEE

Wednesday, March 15, 2017 – 2:00 p.m.

Department of Employment, Training and Rehabilitation
500 E. Third Street – Director's Conference Room
Carson City, NV 89713

Alternate Location: Some members of the board may be attending the meeting and provide testimony through a simultaneous teleconference conducted at the following location:

Department of Employment, Training and Rehabilitation
2800 E. St. Louis Avenue – Director's Conference Room
Las Vegas, NV 89104

MINUTES OF MEETING

- Present:** Dr. Luther Mack (Chair), Horatio Lopez, Jim New, Don Soderberg, Debbie Banko, Bill Stanley and Marilyn Kirkpatrick
- Absent:** Patrick Sheets
- Also present:** Christopher Sewell (DETR), Grant Nielson (DETR), John Thurman (Nevadaworks), Beth Wicks (Nevadaworks), Milt Stewart (Nevadaworks), Manny Lamarre (OWINN, Governor's Office), Ardell Galbreth (Workforce Connections), and Jaime Cruz (Workforce Connections).

1. OPENING REMARKS

Chair Luther W. Mack called the meeting to order, welcomed participants and made announcements.

2. ROLL CALL - CONFIRMATION OF A QUORUM

Per direction from Chair Mack, **Christopher Sewell** took roll call and confirmed the presence of a quorum.

3. VERIFICATION OF PUBLIC NOTICE POSTING

Christopher Sewell affirmed that the agenda and notice of the Governor's Workforce Development Board (GWDB) meeting on March 15, 2017 was posted pursuant to Nevada's Open Meeting Law, NRS 241.020.

4. FIRST PUBLIC COMMENT(S) NOTICE

Chair Mack read the notice into the record as follows: "Members of the public are invited to comment at this time; however, no action may be taken on any matters during public comment until the matter itself has been included on an agenda as an item for possible action. At my discretion, in the interest of time, public comments will be limited to three minutes per person."

Chair Mack invited comments from Carson City, Las Vegas or via telephone.

Ardell Galbreth, Executive Director, Workforce Connections addressed State Compliance Policy 1.4 regarding how the one-stop operator will be rolled out. He referred specifically to the costs, including no more than 60 percent of infrastructure costs to partners. This item will be removed from State Compliance Policy 1.4, as the 60 percent figure was basically arbitrary. There is no data analysis or other information to make this determination. This can be addressed at a future date, if the State, local boards or elected official determine a percentage which is supported by data. The inclusion of the 60 percent cost figure also limits competition when local boards prepare solicitations for the one-stop operator during the RFP process. Mr. Galbreth also has concerns about other policies, and these issues can be addressed during discussion on the specific agenda item.

5. ***APPROVAL OF MINUTES**

Chair Mack called for a motion to approve the November 14, 2016, draft minutes of the Executive Committee as submitted.

It was moved by Mr. Lopez and seconded by Mr. Soderberg to approve the November 14, 2016 minutes of the Executive Committee. Motion carried.

6. **FOR DISCUSSION/INFORMATIONAL ONLY – OWINN UPDATES of Section**

Manny Lamarre, Director (OWINN) stated that OWINN manages and supports the Workforce Development Board. Staff has recently completed research on high functioning workforce boards. He plans to share the overview during an upcoming broader Workforce Board meeting. Attached to the information provided to Executive Board members is survey research from the National Governors Association. Research indicates that high functioning workforce boards do three things:

- Set and communicate the state vision for workforce development
- Support the development of high quality partnerships with industry
- Align workforce system partners to achieve results

Mr. Lamarre requested that Executive Committee members review the survey as a sample and provide feedback. Based on the results of the survey and helpfulness of the collected information, it may be useful to conduct a survey on an annual basis to both the Executive Committee and the broader Workforce Board.

Jim New asked whether Mr. Lamarre was seeking input beyond comments on the simple questions asked and hoping for recommendations based on experience with participation on other boards. **Mr. Lamarre** said the desire is to receive feedback on the specific questions as well as additional input based on experience. Ideally, it would be helpful to have input received well in advance of the next general board meeting. Mr. Lamarre will incorporate all comments into a version to present to the general board.

7. ***FOR POSSIBLE ACTION - Nevada State Compliance Policy (SCP) Revisions (WIOA):**

Grant Nielson, DETR's WISS Program Chief, stated that the Department of Labor requires enactment of these policies to be aligned with the Department of Labor regulations and the WIOA Act. Most of the policies are cut and pasted from the federal language, with slight exceptions, additions and clarifications.

A. SCP – 1.4

Mr. Nielson stated that Policy 1.4 was originally approved by the Board at the July 21st meeting, but required updates based on the release of Training Employment and Guidance Letters (TEGL) 15-16 ad 16-16. Changes were made based on the TEGLs. Discrepancies were noted between the approved State Plan and language in this policy. The policy was updated to be consistent with the State Plan language. The only State imposed language is the section Mr. Galbreth referred to earlier regarding the 60 percent FTD in the cost containment section on page six.

Marilyn Kirkpatrick asked about availability of an updated State Plan all contained in one binder again. There have so many changes that it would be helpful to have a concise, updated version. **Mr. Nielson** said he was unaware of an update to the State Plan. These are not part of the State Plan. They are the State Compliance Policies. It is basically a policies and procedures document used to run the workforce system. The State Plan is the overall guidance for how the workforce development system will work in the State of Nevada. They are separate documents. **Don Soderberg** said it would be helpful to have a binder containing the State Plan as well as the accompanying policies. **Mr. Nielson** stated that they are available on the website for those who are interested in viewing them electronically.

Ms. Kirkpatrick stated that she sits on the National Workforce Board for all counties across the country. That Board has had significant conversations about the one-stop career centers. They are controversial in some parts of the country and are the gold standard in other parts. A consistent focus on both was the reference to the housing component within the career center. Without the housing component, there is a lack of stable environment. She asked where this is addressed in current policy.

Mr. Nielson said the policy does not address housing. It addresses how to build a one-stop and not necessarily the activities that occur within the one-stop. **Bill Stanley** clarified his understanding that Ms. Kirkpatrick is referring to the policy that requires each locality include a house one-stop shop with a physical location manned by credentialed individuals. **Mr. Nielson** explained that that is a separate policy and that many such policies are contained directly in federal guidance.

Mr. New agreed with Mr. Galbreth's comments submitted under the public comments section. The note that was added on page six of nine regarding the 60 percent cap contains extremely confusing language. It does seem as though the number selected was arbitrary. The overall point of the effort was to address the need for a level of cost control. He stated it may not necessary to cite a firm number, but perhaps a request to provide evidence of cost control measures on the part of local workforce boards. **Ms. Kirkpatrick** said that it has to go back to the programming. There has to be some cost allocation as to a ratio of programming versus the people to administer the program.

Mr. Soderberg said that the 60 percent figure clearly came up nearly two years between Dennis Perea and himself. There was one one-stop center in the State. It was way over cost. There must be cost controls. The one-stops must be operated for less than what it would cost the State. In some parts of the country, one-stops run very efficiently. This issue was put out for discussion with no input. It was also voted on a number of times without comment from any of the local boards. There must be a cap on costs and a target for local boards to shoot for.

Mr. Stanley referred to State Compliance Policy 3.1 and noted that it provides the criteria for the cost containment, auditing procedures and allowances are outlined. **Mr. Nielson** said that Policy 3.1 discusses what is allowable and reasonable. However, it does not provide a specific threshold number that should not be surpassed.

Mr. Stanley asked whether there is an audit showing WIOA dollars that have flowed into the State of Nevada, where they have been allocated and what they have been allocated for. If there is such an audit, does it include analysis to show how many jobs were created and sustained through the process? **Mr. Nielson** said that when the Region provides an audit, they do not provide that depth of detail. The monitoring guide does not go into the quantitative and qualitative factors. It mostly looks at allowable activities and costs.

Mr. Stanley asked whether the State of Nevada has a financial statement that would show who received funds, when they received funds and where the funds originated. **Mr. Nielson** stated that knowing where the funds go is a requirement. The largest portion goes to local areas in order to fund downstream operations. The State keeps 15 percent for administrative purposes as well as a dislocated worker rapid response fund. This represents the Governor's reserve portion of the funds.

Ms. Kirkpatrick stated that she has been on the Board likely longer than most other members. In the past, there was an audit before the legislation changed. At that stage, workforce development was top-heavy, with very little programming. During the last Workforce meeting, Board Members requested more specific data. Perhaps 60 percent is not the right threshold. However, the basic question of the Board is where the \$35 million dollars that comes to Clark County is going.

Mr. New said he understands the need for a designated cap. At the same time, the local boards are fearful of what that cap could mean to them under certain circumstances. He suggested including language with any cap designation that would allow local boards to appeal the cap in specific circumstances. **Mr. Soderberg** stated this was always believed to be implicit, however, it would be a good idea to include the language in the policy.

Ms. Kirkpatrick asked whether the number could fluctuate depending on the sectors across the State. Northern Nevada is working on Tesla-related issues; engineering and science can mean higher costs. Clark County has a focus on building trades. **Mr. Soderberg** stated that he was unsure whether it was a good idea to have differing standards for different parts of the State. As the system matures, there will be more than one one-stop, each with its own complexities, including the possibility of requiring a waiver. Page six of nine of the packet includes an appeal provision. It says, "*If a one-stop partner's appeal to the State regarding infrastructure costs results in a change to the one-stop partner's infrastructure contributions, the MOU must be updated to reflect the one-stop partner's infrastructure contributions.*" Perhaps this can be made more clear. There was discussion on the political factors that affect policy making at the state and federal level.

Mr. New would like to hear from a local board CEOs regarding input and alternatives. **John Thurman, Nevadaworks**, said the inclusion of a cap in terms of a number designation does provide a target. A missing piece is how the number is calculated. For example, does it include wages, burdens, square footage costs? In addition, what is each of the partners is willing to continue to pay for on its own? Without answers to these questions, it is difficult to know whether 60 percent is a workable number. **Mr. Soderberg** said it is pretty clear that it is limited to operational expenses.

It was moved by Mr. Soderberg and seconded by Mr. Lopez to approve Compliance Policy 1.4 with amendment of the operational expenses cap from 60 percent to 75 percent.

Discussion:

Ms. Kirkpatrick stated that she would support the motion, but she was uncertain whether she would still support it by the time it reaches the full Board, because parameters need to be identified. **Mr. Stanley** said he was not comfortable with approval, because he does not know what the 75 percent designation means. The mission should be to deliver every penny possible to the client. He asked whether it has been established what DETR can deliver the same service for and whether this is the basis of the 75 percent figure.

Mr. Soderberg offered to amend his motion.

It was moved by Mr. Soderberg and seconded by Ms. Kirkpatrick to approve Compliance Policy 1.4 with amendment of the operational expenses cap from 60 percent to 75 percent and directing DETR's WISS staff to propose to the full State Board a further definition of what the cap applies to.

Discussion:

Mr. Stanley requested that Mr. Soderberg entertain a friendly amendment to his motion that it be changed to a percentage of DETR's costs for delivering the service, so that it can be tied to definable criteria. **Ms. Kirkpatrick** said that typically in government, there is a cost allocation process. Having the cost allocation information will provide the same information. **Mr. Soderberg** stated that for expediency, the WISS personnel should provide a more clear definition of costs before presentation of the policy to the full State Board. **Mr. Lopez** added that the 75 percent figure could be a starting point that can be changed as needed. The motion proceeded to vote.

Motion carried.

Mr. Lamarre shared an idea to identify other effective one-stops based on certain variables, such as population served and demographics. Reviewing those cost allocations will assist with identifying patterns and trends that can be used as a quantifiable way to determine accurate operational expense caps.

B. SCP – 1.17

Mr. Nielson stated that Policy 1.17 communicates proper ways of documenting veteran status within the eligibility process. It discusses requirements, data entry and documentation in regards to veterans. State rules have not been imposed within the policy, which contains federal language.

It was moved by Mr. Stanley and seconded by Ms. Kirkpatrick to accept the State Compliance Policy 1.17. Motion carried.

C. SCP 1.18

Mr. Nielson stated that Policy 1.18 communicates the priority of service requirements for covered persons (veterans and eligible spouses, including widows and widowers, as defined by the statute). Veterans and eligible spouses are given priority over non-covered persons for the receipt of employment training and placement services provided under WIOA. There are no State imposed rules on this policy. **Ms. Kirkpatrick** commented that it was put in statute last legislative session that veterans and spouses receive priority. **Mr. Nielson** stated that this is reflected in Policy 1.18 as written in federal policy.

It was moved by Ms. Kirkpatrick and seconded by Mr. Soderberg to accept the State Compliance Policy 1.18. Motion carried.

SCP 1.19

Mr. Nielson stated that Policy 1.19 communicates the policy for incumbent worker training as an allowable type of training. Incumbent worker training is designed to assist workers to increase their skills, retain employment and avert layoffs. There are certain eligibility requirements for employers and employees who receive the training. Limitations are identified. This policy does include State imposed language related to employer eligibility.

It was moved by Ms. Kirkpatrick and seconded by Mr. Lopez to accept the State Compliance Policy 1.19. Motion carried.

D. SCP 3.1

Mr. Nielson stated that Policy 3.1 discusses allowed versus disallowed costs under WIOA and that 2 CFR Part 200 establishes uniform administrative requirements, cost principals and audit requirements for federal awards. Extensive comments were received on the earlier version of the policy and staff has made many changes to the policy based on suggestions from local boards. There is State imposed language on pages three and six. These are as a result of findings received from the Department of Labor.

It was moved by Mr. Lopez and seconded by Ms. Kirkpatrick to accept the State Compliance Policy 3.1. Motion carried.

E. SCP 3.15 TABLED

This item was tabled.

F. SCP 4.4

Mr. Nielson stated that Policy 4.4 communicates the policies and procedures to local areas for the WIOA noncriminal grievance and complaint appeals process. Much of the policy is derived from federal requirements, however there are also State imposed requirements. Some feedback from local areas has been incorporated. He referred to a chart on page seven which refers to the order of grievance and how people and/or employers can grieve to the system.

The question would, “An impartial representative of DETR,” and whether this will always be a DETR employee. **Mr. Nielson** said it would be someone within the Agency.

Ms. Kirkpatrick asked about the timeline for the appeals process. **Mr. Nielson** said that decisions should be reached by 60 days. It was discussed that this is a reasonable standard.

It was moved by Ms. Kirkpatrick and seconded by Mr. Lopez to accept the State Compliance Policy 4.4. Motion carried.

8. DISCUSSION / INFORMATIONAL – WIOA “LOCAL AREA” DESIGNATION

A. WorkforceCONNECTIONS – Ardell Galbreth

Mr. Galbreth reported on activities by Southern Nevada Workforce Development Board. Solid partnerships have been formed with the local library districts in Southern Nevada. There are signed MOUs. Work moves forward for libraries to allocate appropriate space throughout Las Vegas, Clark County, North Las Vegas, Henderson and Boulder City. The process of opening offices in Laughlin and Mesquite are underway. Just recently, an independent audit conducted by Piercy Bowler Taylor & Kern (PBTk) of fiscal and programmatic operations has been completed with no significant negative findings at WorkforceCONNECTIONS. They were given a low risk designation.

There was discussion regarding nature of Agenda Items 8(a) and 8(b) and whether they are presented for information only. **Mr. Nielson** said that the intent of the Boards is to ask for recertification.

John Thurman, NevadaWorks said that northern and southern boards are requesting that their respective areas are recertified and designated as the low workforce areas. NevadaWorks is presenting a proposal to designate the 13 counties of northern Nevada as the workforce area which is currently overseen by NevadaWorks. In the south, there is a designation of the four counties in southern Nevada as the local workforce area overseen by Workforce CONNECTIONS. **Mr. Soderberg** agreed that this was correct. Although today's action by this Board may not be conclusive, the full State Board needs to certify these two organizations for their areas. Otherwise they are not in compliance with federal statute.

It was moved by Mr. Soderberg and seconded by Mr. Lopez to approve WorkforceCONNECTIONS' local service designation as proposed by the materials provided and by Mr. Galbreth's testimony. Motion carried.

B. NevadaWorks – John Thurman

Mr. Thurman said he was prepared to answer any questions. The information presented in the Board packets is the information necessary to support the designation of the Northern Area. NevadaWorks has met or exceeded all the federally negotiated performance levels over the last few years. There were no negative findings in any of the financial audits conducted by Eide Baily.

It was moved by Mr. Lopez and seconded by Mr. Soderberg to approve NevadaWorks local service designation as proposed by the materials provided and by Mr. Thurman's testimony. Motion carried.

9. PUBLIC COMMENTS NOTICE (SECOND)

Chair Mack read the statement into the record: "Members of the public are invited to comment at this time; however no action may be taken on any matters during public comment until the matter itself has been included on an agenda as an item for possible action. In my discretion, in the interest of time, public comment will be limited to three minutes per person."

Chair Mack invited comments from Carson City, Las Vegas or via telephone. There were no comments.

Mr. Soderberg said that a request was received from Virginia Hamilton regarding a regional convention in San Diego May 8-10. On the late morning of May 10th, two to three businesspeople are requested to speak at a closing plenary session. The request is for members of a state board who are also businesspeople. Nominations for attendance must be made by March 17th. He requested that interested Board members contact himself or Mr. Sewell. Travel expenses will be paid.

Mr. Soderberg addressed an earlier comment by Mr. Stanley. Many people would like to know where the money goes as it reaches different entities. NevadaWorks and WorkforceCONNECTIONS comply with federal regulations and both are financially sound. Members of this Board are seeking more of a subjective audit that identifies where the money goes and how many people walk away having received valuable service. WIOA dramatically changed many of the rules and it may be difficult to determine effectiveness after these significant changes. **Mr. Lamarre** said he has been working on a framework to develop a formula toward this. He will work towards completing an initial framework by the time of the next full Board meeting.

Mr. Thurman said that NevadaWorks has information derived from submissions to the Department of Labor quarterly. This information can certainly be brought to the table on the discussion of what the money goes to and how it's spent. In addition, a new data collection system and case management system will also bring answers to the table.

Mr. Soderberg introduced new employee, Chris Sewell.

9. ADJOURNMENT

The March 15, 2017 meeting was adjourned.