

**GOVERNOR'S WORKFORCE BOARD RI
STRATEGIC INVESTMENT COMMITTEE MEETING
JANUARY 10, 2008**

MEETING MINUTES

Members Present: Joseph MarcAurele, Chair, Brandon Melton, Armeather Gibbs, William McGowan and Martin Trueb
Members Absent: George Nee, and Lorna Ricci
GWB Staff Present: Michael Koback, Nancy Olson, David Francis, Maureen Mooney
DLT Staff: John O'Hare, Dottie Miller, Nick Ucci, Robert Ricci, Marie DeRoche, Patricia McCrea, Kathleen Partington, Kimberly Weiss, Sandra Powell
Others Present: Paul Harden

Minutes of 12/03/07

Chairman MarcAurele asked for a review of the meeting minutes of December 3, 2007 of the Governor's Workforce Board RI (GWBRI) Strategic Investment Committee. He then asked for a motion to approve the meeting minutes as presented.

VOTE: B. Melton moved to approve. M. Trueb seconded the motion. The vote was unanimous, the motion passed.

Budget Update

M. Koback presented the budget update and referred to the handout entitled: *HRIC Job Development Fund FY '08 Budget Status*. He stated this report highlights the current status of the budget through 12/31/07 noting the initial budget amount in July of \$14,147,096. He reported that the obligations are currently at \$9,328,039 leaving a balance of \$4,819,057. This balance will change based on the outcome of this meeting. M. Koback also noted that the two funding initiatives on the agenda today will require a shift of funds from the budget categories. This budget change will be depicted on the next budget report.

Chair MarcAurele asked for any discussion on the strategy of reallocating funds from the business retention category. B. Melton asked for clarification on the intent of the business retention funding category. M Koback reported that Hope Global is funded for \$50,000 for business retention purposes. He acknowledged that funds designated for business retention purposes have raised some concern at the board level in the past. M. Koback explained that although there are national initiatives emerging surrounding business retention, the GWB is not ready to go forward at this point in time. He did indicate however that there is renewed interest and that a committee will be formed to further review issues around business retention opportunities for funding.

Chair MarcAurele pointed out that the objectives for business retention overlap with some of the other funding categories. He noted that Hope Global was an isolated case utilizing this opportunity for funding in an effective manner. He proposed if a similar request were to occur in the future, it could be supported through another funding category.

Funding Requests

M. Koback turned the meeting over to the GWB grant coordinators to update the committee on the funding requests for the Comprehensive Workforce Training Grants.

D. Francis provided an overview of the grant proposal process which resulted in 96 proposals which were read and rated by 45 reviewers. As a result, 77 proposals were recommended for funding. He reported that one grant was removed because the employer was from Massachusetts and did not pay into the Job Development Fund (JDF). In summary, 22 proposals were submitted from the Manufacturing Industry, 18 from Professional, Science, Business, 4 from Finance and Insurance industry, 3 from the Wholesale trade industry and 2 from the Construction industry. These 49 proposals received an additional 5 bonus points as an incentive for being a high wage industry sector.

The handout: *Profile of Organizations Recommended for Funding* was included in the meeting packet and detailed other statistics on the funded organizations including company size, and profit and non profit status. The total number of employees to be trained is 3,506 indicating a large response for this round of grant funds.

Chair MarcAurele noted the diversity of organizations receiving grant funds. N. Olson commented on the AAA proposal as well as the proposals from the smaller garages associated with AAA. She reported that AAA was instrumental in assisting the garages with their successful proposals by providing technical assistance.

A general discussion followed regarding the training needs and plans of the organizations both funded and unfunded.

M. Koback noted the \$550,000 of unfunded training proposals. He informed the committee that traditionally the grant coordinators provide technical assistance for those organizations that do not receive funding. He proposed utilizing a rolling process to include those organizations that were not funded in this round. He suggested that if the shortcomings of the proposal were addressed, these organizations could possibly be considered in this round of funding rather than wait for the next release of grant funds.

A discussion followed which brought up several key issues relating to possible changes in the grant process: maintaining the current RFP process standards, compromising the integrity of these standards, the importance of following the rules in an RFP process, and attaching staff judgment to the proposals which could be in conflict with the rater review process.

Chair MarcAurele requested that GWB staff come back to the committee with a workable plan after hearing the discussion noted above. He asked that criteria for the re-evaluation of the unfunded proposals be established in order to come up with a revised

process. He also requested that the legal aspect of such a change in the process be considered and addressed.

Chairman MarcAurele asked for a motion to recommend funding in the amount of \$1,585,437.20 for the Comprehensive Workforce Training Grants.

VOTE: B. Melton moved to approve. W. McGowan seconded the motion. The vote was unanimous, the motion passed.

Industry Skill Initiative

W. McGowan provided a brief history of the 2 ad hoc committees created by the GWB when it first formed. One committee was chaired by Mia Caetano and was given the task of consolidating the processes of the two local workforce investment boards to better align with diminishing resources. The end result would be the sharing of information and services between these boards and the One-Stop System of netWORKri.

The other ad hoc committee was given the task of reviewing and restructuring the One-Stop Centers of netWORKri which were located throughout the state. These centers were established in the early to mid 90's and were in need of review. Presently the One Stop Centers provide services to more than 35,000 customers and are in need of a technology upgrade to support existing services and this revised service model. W. McGowan noted that this technology initiative would address some of the language barrier issues as well.

Chair MarcAurele affirmed this initiative is exactly in line with the vision of the GWB at the beginning. He acknowledged the continuing collaboration of a group of constituencies, many of which worked separately previously. He proposed that if a similar collaboration effort could be accomplished on other levels and with other constituencies, that this board's work will be successful. He thanked the committee members and staff for their hard work and cooperation.

Dottie Miller provided an overview of the Industry Skill Development Initiative concept paper. She explained how this initiative would expand upon the work of the GWBRI and its Industry Partnerships to improve the workforce system in RI. She discussed building capacity, creating sustainability and adding efficiency to the adult training system by leveraging state and federal funds to coordinate new and enhance existing workforce development efforts. She also discussed the goal of implementing new technologies throughout Rhode Island's One-Stop Career Center System. The objective is to better connect jobseekers and businesses to workforce training programs and employment resources by virtual access points. She emphasized that implementing these stated goals will assist in aligning meaningful and timely training resources and programs with the short and long-term labor market needs of RI's high-growth and high-wage industries. She explained how this model defines the LWIB as project fiscal administrator and the Industry Partnership as program manager. She concluded by emphasizing the importance of the collaboration between the Industry Partnerships and Youth Workforce system.

Kathy Partington provided an overview of the Governor's original plan for the redesign of the One Stop system which he identified as the primary source of workforce development programs for the state. She noted the key concepts of the 2007 -2009 state plan which outlines the strategic actions involved in connecting the redesign of the netWORKri service delivery system to industry partnerships. She emphasized the positive results of connecting and aligning with the Industry Partnerships in improving the skill base of RI's workforce. She also addressed questions relating to the current organizational reporting responsibilities of the One-Stop centers. An upgrade of technology is necessary to deliver both existing services and this new service model connected to the Industry Sectors.

A general discussion of the demographics of the current One Stop Centers by location followed. The budget summary for this initiative was reviewed for Year 1, 2 and 3 and it was reported that the vote of the committee today would be for year 1 of the initiative.

John O'Hare clarified that the money in years 2 and 3 would be applied to training costs and technology. He made comparisons of the funding process of the Industry Skill Initiative to that of the Youth Initiative model recently approved by the GWB. He discussed the concept of the leverage money as it relates to the Youth Initiative (from \$2 million approved by the GWB to \$8 million incorporating the funds leveraged). He also referenced the Industry Partnership Initiative which utilizes the skills gap study to identify and strengthen the linkages with industry and with occupational structure and training needed.

Mr. O'Hare stated the importance of following the youth initiative as a model for leveraging funds. He indicated he did not foresee needing more than a \$3 million investment from the GWB for the Industry Skill Initiative as we should be able to leverage additional funding. In conclusion, Mr. O'Hare noted that the same results could be achieved in the adult system as achieved with the Youth Initiative. The positive, end result would be building the connection between the youth and adult system for the state of RI.

A general discussion followed regarding the leveraging of funds, the quality of programs and the opportunities that would become available as a result of the Industry skills initiative particularly if tied to the Youth Initiative. The importance of assisting those populations with language barriers was also discussed as well as supporting the collaborative efforts that both of these initiatives create.

M. Trueb noted that the GWB must be willing to sustain the costs associated with this initiative noting the importance of it. He emphasized we must be cognizant that the board is making a long term commitment with this initiative.

Chair MarcAurele reiterated to the committee that we are allocating \$1 million in funding for this budget year. He indicated his support for this initiative but emphasized to the board that this is a strategic initiative that has the potential to utilize substantial budget allocations in future years. He noted however the success in obtaining leveraged funding with both the adult education and youth strategies and the success in the growth of these programs.

At the end of this discussion it was clarified that the committee will be voting on the Year 1 funding request amount of \$907,650.

A motion was entered to approve the funding for Year 1 of the Industry Skill Development Initiative for up to \$1,000,000.

VOTE: B. Melton moved to approve. A. Gibb seconded the motion. The vote was unanimous, the motion passed.

J. O'Hare requested that the committee designate that the money come from the State Workforce Investment Office so that the funds can be allocated per the proposal. Chair MarcAurele indicated his approval and noted this action for the minutes.

With no further business, Chair MarcAurele asked for a motion to adjourn.

VOTE: M. Trueb made a motion to adjourn. B. Melton seconded the motion. The vote was unanimous, the motion passed.

The meeting was adjourned at 9:50 a.m.

Respectfully submitted,

Maureen Mooney