



**Governor's Workforce Board
Strategic Investments and Evaluation
Committee**

**December 2, 2014
Meeting Minutes**

Today's Vision... Tomorrow's Opportunity.

Committee Members Present: Mike Grey, Chair, Constance Howes, Channavy Chhay, Cheryl Merchant, Martin Trueb
Committee Members Absent: Mario Bueno, George Nee
GWB Board Members Present: Charles Fogarty, Robin Coia
GWB Staff Present: Rick Brooks, Sherri Carello, Robert Kalaskowski, Amelia Roberts, Dan Brown
DLT Staff Present: Sean Fontes, David Tremblay, Carlos Ribeiro
Others Present: JoAnn Johnson, Tech Collective; Malcolm Baxter, BIS
Location: Department of Labor and Training, Conference Room 73-2

Call to Order

Chair Grey called the meeting to order at 9:05 a.m. and welcomed everyone to the meeting.

Minutes

Chair Grey asked for a review of the November 6, 2014 Strategic Investments & Evaluation Committee meeting minutes. Chair Grey asked if there was a motion to approve the meeting minutes.

VOTE: Constance Howes moved to approve, seconded by Martin Trueb. All were in favor, the motion passed unanimously.

Program Focus: Work Immersion

Chair Grey asked Sherri Carello to provide an FY2015 update of the RI Work Immersion Program. Referring to the summary handout for college students and unemployed adults, S. Carello provided an overview of the program and discussed the changes from FY14 to FY15 including an increase in the reimbursable hours from 200 to 400 and the inclusion of recent college graduates. She discussed the total contracted amounts, number of work experiences, average hourly wage, and number of employers hosting a work experience for both the college student and unemployed adult programs. S. Carello highlighted demographic information and the industry breakdown for both programs. She noted 50% of the employers have never provided a paid or unpaid work experience before participating in the Work Immersion Program which ultimately speaks to the responsiveness of businesses to GWB Programs. R. Brooks noted, when the program was first enacted, the Office of Management and Budget (OMB) was curious to know if the program would encourage the creation of new internships instead of providing subsidies for companies who were already offering paid internships.

S. Carello noted the Unemployed Adults piece of the Work Immersion program has taken off and discussed the number of work experiences (113) and contractually obligated funds (\$236,786) in comparison to FY2014 numbers. She indicated the total contractually obligated funds account for the 50% wage reimbursements, but does not include the additional 25% subsidy if a participant is hired for an additional 12 weeks. C. Howes asked what the maximum reimbursement per participant is. S. Carello indicated the maximum reimbursement is \$4,000 per participant for the first 400 hours. If the individual is retained for an additional 12 weeks, the employer could be reimbursed an additional \$2,000 for a maximum of \$6,000. C. Howes inquired about the comparison of the Work Immersion subsidy and unemployment benefits paid per individual. C. Fogarty noted the average benefit is \$370/week and the average length of unemployment is a little over 16 weeks. S. Carello noted the average wage is higher than what an individual might receive in unemployment benefits. C. Howes noted for around the same amount an individual might receive in unemployment benefits, a Work Immersion participant is provided a

work experience and potentially a higher wage and full-time position. C. Merchant noted many of the interns are hired at Hope Global as a result of the Work Immersion program. She noted that many of the interns are not hired because they are still in school, but could possibly be offered a full-time position upon graduation. R. Brooks discussed the program focus schedule for the rest of FY15, noting a detailed report for each program will allow the committee to better understand each of the investment categories and provide feedback to help develop the next RFP.

Updates

Chair Grey asked Rick Brooks to provide updates on the Non-trade Apprenticeships, RhodeMap RI funding for an Innovative Partnerships evaluation, and the CommerceRI Export Assistance Training Program. R. Brooks reported last year two Industry Partners were awarded funding to develop Non-trade Apprenticeship programs for CNC Machinists, Project Managers, and Cost Estimators. He noted this year one proposal was received from the RI Hospitality Association which was reviewed by a team of grant readers. R. Brooks stated all of the readers felt that it was not fundable and all of the scores were below the minimum required score. He indicated the GWB will be meeting with the RI Hospitality Association to review the reader feedback. The primary concerns with the proposal were the lack of employer partners, endorsements, or any mention of employer awareness. Additionally, the lack of labor market justification for the targeted occupation was concerning.

R. Brooks provided an update on RhodeMap RI, noting the GWB was designated as a lead on some of their initiatives relating to workforce development. He reported as a lead, the GWB was entitled to seek funding for technical assistance in the form of consultant time. R. Brooks reported the GWB was awarded an equivalent of \$20,000 in consultant time, which will be used to conduct a program evaluation of the Innovative Partnerships. C. Howes asked if the award is contingent on the adoption of the plan. R. Brooks reported that it is not and the evaluation will be completed by the end of January.

Regarding the Export Assistance Training Program, R. Brooks noted CommerceRI will no longer reimburse companies directly for export training. He reported CommerceRI will now be an intermediary to promote Export Assistance training using Express Grant funds. He noted businesses will still report to CommerceRI, which in turn, will report to GWB. R. Brooks stated there will no longer be a separate line item for Export Assistance in the financial spreadsheet; all funding will be reported under the Express Grants line item. The committee further discussed the FY14 contract with CommerceRI and previous contract extension requests.

Conflict of Interest

Per Chair Grey's request, Sean Fontes, Executive Counsel, asked for declarations on any of the voting matters before the committee for conflicts of interest. He explained that committee members should avoid the appearance of a conflict of interest according to the RI State Code of Ethics and Governor's Workforce Board By-Laws. He stated that committee members who disclose a conflict should both abstain from the vote and recuse themselves from any discussion.

Industry Partnership Wildcard

Chair Grey provided an overview of the past discussions regarding funding a wildcard Industry Partner. He noted, in the past, the committee has heard presentations from the Composites, Design, and Environmental sectors which provided additional information on emerging sectors that could potentially benefit from additional support from the GWB. Chair Grey noted past discussions have led to tabling the vote. R. Brooks stated, based on the discussions that have ensued at previous meetings, the committee was not inclined to not move forward with funding any of the proposals. Chair Grey asked if there was a motion to not fund a wildcard Industry Partner, in response to the RFP for a new Industry Partner.

VOTE: Constance Howes moved to approve, seconded by Cheryl Merchant. All were in favor, the motion passed unanimously.

R. Brooks highlighted the possibility of continuing to explore and learn more about emerging industries that might be of interest to the Board. R. Brooks noted CommerceRI is very interested in partnering with the GWB to seek guidance and research on emerging sectors. M. Trueb inquired about the guidelines for

potential candidates to self-evaluate and assess whether they qualify as an Industry Partner. R. Brooks noted the RFP for the wildcard sector did address items that would demonstrate potential growth such as investments and new businesses. C. Howes and Chair Grey encouraged the R. Brooks and the GWB staff to continue working with CommerceRI on identifying emerging sectors and gathering information that will inform the Board on possible future investments and opportunities.

Discussion of additional JDF investments

Chair Grey asked R. Brooks to provide an overview of the companies that were eligible for Incumbent Worker Training funds but did not receive a grant in FY14. R. Brooks noted, in Round 2 of FY14 Incumbent Worker Training Grants, the Board agreed to consider funding companies who had active grants but they would only be funded if there was sufficient remaining dollars after eligible companies who did not have an active grant were awarded funds. He noted there were a total of 11 companies who were eligible but did not receive funds in FY14. Now that additional funds are available through the elimination of the indirect cost recovery, GWB staff contacted the 11 companies to see if they were still interested in the training funds if the Board chose to fund them for a 6 month grant. 10 of the 11 companies responded and indicated they would be able to use most of the funds. A total of \$224,185.80 was requested by the 10 companies. Chair Grey asked if there was a motion to approve a total of \$224,185.80 to fund the following FY15 Incumbent Worker Training Grant companies for a 6-month grant period ending June 30, 2015. C. Chhay recused herself from the vote, stating Hyman Brickle & Son is a donor of the Center for Southeast Asians.

AAA Southern New Engalnd
Ahlers Design
Atrion Networking Corporation
Epoch Sleep Centers, LLC
Gem Mechanical Services
Gem Plumbing & Heating Services
Hyman Brickle & Son
International Packaging
Preventure
Sansiveri, Kimball & Co LLP

VOTE: Constance Howes moved to approve, seconded by Cheryl Merchant. All were in favor, the motion passed unanimously. Channavy Chhay abstained from the vote.

Chair Grey asked Rick to discuss other options of JDF investments for the committee to allocate the additional funds to. R. Brooks highlighted some of the major categories that were previously identified: Innovative Partnership Program, Youth Summer Program, and Work Immersion. Chair Grey asked if the Board has the ability to spend JDF funds on the Work Immersion Program. R. Brooks stated yes but the Board's approach has been to spend the General Revenue dollars first because those funds can't be carried over into the next fiscal year like JDF funds can. C. Fogarty informed the committee the likelihood of the Youth Program receiving TANF funds from DHS is unlikely and the committee should be cognizant of that when making investment decisions. To maintain the current funding, the Youth budget will have to be significantly increased using JDF funds. C. Fogarty stated the TANF funding was originally intended to be temporary and has only been used for the Youth Program the last couple of years. C. Howes inquired about the expected cost to hire a consultant for the Comprehensive System Improvement Plan (CSIP). R. Brooks noted the anticipated cost will be around \$75,000 - \$100,000. C. Fogarty noted the incoming governor may have some workforce priorities that she would like to address in the CSIP. C. Howes noted if additional funding was allocated to the Innovative Partnerships, it would not be spent in FY15. R. Brooks recommended looking at the budget for the next fiscal year before making any other decisions and will compile a worksheet that will show projected revenue for FY16 and what the Board has historically allocated to various investment categories. Chair Grey asked if tabling the vote on investments will cause an immediate issue. C. Fogarty noted the projected revenues for JDF funds have been conservative and the dollars available should be higher than anticipated. In regards to the GED waivers, C. Fogarty and M. Trueb agreed that if the Department of Education considers it a priority, they should be able to find \$75,000 in their budget to cover the cost of the wavier fees. The committee further discussed

the Board's role as a funder, the effects of continually funding the same programs every year, and ways to incorporate new innovative programs that meet the needs of both employers and jobseekers. Chair Grey asked if there was a motion to table the vote to the January 8, 2015.

VOTE: Martin Trueb moved to approve, seconded by Constance Howes. All were in favor, the motion passed unanimously.

Adjournment

With no further business, Chair Grey asked if there was a motion to adjourn the meeting.

VOTE: Martin Trueb moved to approve, seconded by Constance Howes. All were in favor, the motion passed unanimously.

The meeting was adjourned at 10:03 a.m.

Respectfully submitted,

Amelia-Anne Roberts