Central Pennsylvania Workforce Development Corporation

Workforce Development Board (WDB) and Local Elected Officials (LEO) Board

Joint Meeting
December 9, 2015

The Central Pennsylvania Workforce Development Corporation’s Board of Directors (Workforce Development Board (WDB)) and the Local Elected Official (LEO) Board held a joint meeting on Wednesday, December 9, 2015 at Union County Government Center, Lewisburg, Pennsylvania.

WDB Members Attending:
Jay Alexander
Jamie Aurand
Steve Bennett (teleconference)
Tracy Brundage
Annette Camuso-Sarsfield
Fred Gaffney
Dean Girton
KayLynn Hamilton
Bruce Jones (teleconference)
Corey Lockard
Teri MacBride
Michelle McCardle
Jim Stopper
Susan Swartz (teleconference)
Todd Taylor
Donald Wilver Jr.
Dave Zartman

WDB Members Excused:
Harry Adrian
Cynthia Bagwell
James Beamer
Dennis Greenaway
Dan Long
Mark Morgenfruh
Jim Nemeth

LEO Board Members Attending:
Malcolm Derk
Steve Dershem
Dave Kovach
John Mathias
Otis Riden
Pete Smeltz

LEO Board Members Excused:
Trevor Finn
Jeff Rauff
Richard Shoch

WDB Staff Attending:
Alexa DeBaro
Sandie Fairman
Karen Gehers
Brooker Gessner
Korrie Lucas
Kim Miller
Erica Mulberger
John Paul

Guests Attending:
Adele Craig
Mark Douglass
Sarah Gibson
Mary Mingle
Dyan Schauer
Ryan Tira
Katharine Vastine
Call to Order and Welcome
Dave Zartman, WDB Chair, called the meeting to order at 10:12 a.m. and welcomed everyone to the meeting. Dave personally welcomed Corey Lockard, Director, AFSCME District Council 86 to the Workforce Development Board.

Commissioner Otis Riden, LEO Chair, welcomed all members and guests to the meeting.

Public Comment
Dave Zartman called for public comment. No public comments were made.

LEO Action Items
Dave informed everyone the LEO Action Items will be moved to the top of the Agenda in order to accommodate scheduling conflicts.

- Malcolm Derk made a motion to approve the minutes from the September 9, 2015 joint WDB/LEO Board meeting. Steve Dershem seconded the motion. The motion was unanimously approved (6 members voted in favor).

Dean Girton, Audit/Finance Committee Chair, gave a brief summary of items the Audit/Finance Committee discussed at their last meeting on November 18. The members reviewed the Fiscal Year (FY) 2015 Single Audit Report with Scott Vinglas from Young, Oakes, Brown & Company (YOBCO); a summary of the Auditor’s Results were included in the WDB meeting materials. Dean explained an unmodified report was issued and the financial statements did not disclose any noncompliance to CPWDC’s financial statements; there were also no findings or material weaknesses in the internal controls noted.

- John Mathias made a motion to accept the Single Audit for Fiscal Year 2015 as presented by Young, Oakes, Brown & Company P.C. Dave Kovach seconded the motion. The motion was unanimously approved (6 members voted in favor).

Dean updated the LEO on the status of the $1 million line of credit which CPWDC was authorized to procure proposals for at the last WDB/LEO meeting in September. He explained the Audit/Finance Committee discussed four bank proposals and agreed the best option would be to proceed with a line of credit through First National Bank. The terms are: an annually renewable $1 million unsecured line of credit with a floating interest rate of the tax free equivalent or the Bank’s 30 day LIBOR rate plus 200 basis points which is currently 1.48 and 2.106%, respectively.

Snyder County Commissioner Malcom Derk asked Ryan Tira, CPWDC Solicitor, about the line of credit questioning if it would make the counties liable for the debt if CPWDC defaulted on the loan. Ryan explained that although he did not look over the bank documents, he is comfortable stating that the credit line, if the bank documents are prepared properly, would not obligate the counties. Dean clarified the bank has agreed to an unsecured loan which would relieve the counties of any fiduciary responsibilities.

Commissioner Derk then inquired how interest will be paid on the credit line if CPWDC is restricted from using federal and state funds for this purpose. Erica Mulberger, CPWDC Executive Director, explained CPWDC has unrestricted funds such as those collected for the research CPWDC contracts with other areas to provide and other sources of monies that would be used to pay for any interest that may accrue.

- Dave Kovach made a motion to secure an annually renewable line of credit of $1 million from First National Bank to utilize if there is a disruption in funding sources such as a budget impasse. All advances on the line will be approved by the CPWDC Executive Committee. John Mathias, Union County Commissioner suggested the motion be amended to include language regarding documentation be reviewed and approved by Ryan Tira before the line can be acquired. Dave Kovach then withdrew his original motion.

- Dave Kovach made a motion to secure an annually renewable line of credit of $1 Million from First National Bank to utilize if there is a disruption in funding sources such as a budget impasse with the contingencies that it only be accessed for amounts in which CPWDC is certain to receive and that such line of credit does not obligate counties in the event credit cannot be repaid, as verified by CPWDC legal counsel. All advances on the line will be approved by the CPWDC Executive
Committee. John Mathias seconded the motion. The motion was unanimously approved (6 members voted in favor).

PA CareerLink® Consortium Update
Bruce Jones, Bureau of Workforce Partnership & Operations, provided an update on behalf of the Consortium.

Lycoming County Updates:
- In partnership with the Central Susquehanna Intermediate Unit and their WATCH project, the site hosted and helped with a Direct Care Worker Integrated Education Training.
- The site introduced over 70 job seekers to ten local manufacturers on 10/21/15 during a “Rock Manufacturing” evening event.
- National Apprenticeship Week was acknowledged with events on November 5th.
- Rapid Response for Grizzly was conducted in October and they designated the PA CareerLink® as the point of contact for any company interested in hiring their dislocated workers.

Clinton County Updates:
- Tours of Beech Creek Manufacturing, Faber Burner, First Quality Tissue, and First Quality Water & Beverage were coordinated for local students to celebrate National Manufacturing Day.
- Rapid Response was held in November for Beech Creek Manufacturing and a TRADE BRI will be held for Wirerope Works, Inc. on December 17.

Bruce added that both the Lycoming and Clinton County sites held several recent recruitments. Staff at both locations attended training on the civil service application process. The Lycoming site is planning a Career Fair to be held February 10th.

Centre County Updates:
- There were two recruitment events on site in the month of November.
- Staff participated in South Hills School of Business and Technology’s Career Exploration Day on November 5th.
- Held an Applying for Jobs at Penn State: Tips and Insights workshop.
- Staff participated in the Community Super Fair on Saturday, November 14th.
- The Business Consultant arranged for a local HR Consultant to present workshops on November 16th titled HR101 and Selecting the Right Interview Questions for Your Business Culture.
- PA CareerLink® Centre County will partner with the Penn State Small Business Development Center to offer “The First Step of Starting a Small Business” workshop.

Mifflin County Updates:
- Nine recruitment events were held in November.
- The Chamber of Commerce and Boy Scouts of America are partnering to offer a Youth Explorer Program for high school students in Juniata and Mifflin Counties.
- Staff participated in the South Hills School of Business and Technology’s Career Exploration Day.
- A Human Resource Association sponsored Affordable Care Act Update breakfast seminar was held onsite with 14 representatives of 12 businesses in attendance.

Bruce added upcoming events at the Mifflin County site will include: Excel training for Mifflin County Library staff, a recruitment event on December 15 for the PA State Police and an open hour on December 16.

Northumberland/Snyder/Union Updates:
- The first annual Union County Job Fair was held at Silver Moon Banquet Center in Lewisburg.
- Staff is in the planning stages for a Career Exploration workshop focusing on the Building and Construction Industry.
- Unemployment Compensation Seminars are now being held for employers.
- Staff hosted a Manufacturer’s Day Event in honor of National Manufacturers day.

Columbia/Montour Updates:
- As a result of National Disability Awareness Month, staff partnered with the Office of Vocational Rehabilitation (OVR) and Geisinger to offer a job fair tailored to workers with disabilities at the hospital.
Recent recruitments were for positions in health care and customer service.

Staff attended the Veteran’s Expo held at Central Columbia High School to promote PA CareerLink® services.

Since October, approximately 40 people have taken the WorkKeys® test for either placement into employment at SEKISUI or an apprenticeship program with Autoneum.

PA CareerLink® resources and services with an overview of what to expect while job searching with a criminal background are now being presented to inmates nearing release from the State Correctional Institution Coal Township.

WDB Action Items

Jamie Aurand made a motion to approve the minutes from the September 9, 2015 joint WDB/LEO Board meeting. Michele McCardle seconded the motion. The motion was unanimously approved (17 members voted in favor).

Teri MacBride made a motion to approve the December 9, 2015 Consent Agenda Action Items. Donald Wilver Jr. seconded the motion. The motion was unanimously approved (17 members voted in favor).

Dean Girton made a motion to elect Jim Stopper as Treasurer effective January 1, 2016. Jay Alexander seconded the motion. The motion was unanimously approved (17 members voted in favor).

Audit/Finance Committee

FY15 Single Audit

Dean Girton, Audit/Finance Committee Chair, elaborated on his update regarding the FY15 Single Audit. He commented the major programs tested were the Workforce Investment Act (WIA) and Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker and Youth formula grants as well as the WIOA National Dislocated Worker Grants/WIA National Emergency Grants. Dean clarified that before the committee approved the Single Audit, they held an executive session with Scott Vinglas of YOBCO without CPWDC staff present in order to discuss how YOBCO was treated while performing the audit and whether requested information was readily provided. Scott provided a glowing review that Dean concurred with; he also praised Karen Gehers, CPWDC Finance Manager, for her hard work.

Dean Girton made a motion to accept the Single Audit for Fiscal Year 2015 as presented by Young, Oakes, Brown & Company P.C. Teri MacBride seconded the motion. The motion was unanimously approved (17 members voted in favor).

Financial Reports through 9/30/15

Dean referred the Board to the financial reports dated July 1, 2015 - September 30, 2015 in the meeting packet. He explained the footnotes at the bottom of each page explain significant items and noted that at this point in the year, the anticipated expenditure rate is 25%. CPWDC has only spent 20.5% due mainly to a staff vacancy. The FY16 Consolidated Training Contract Obligations report shows: 95 PA CareerLink® customers received individual training accounts (ITA) or on the job training (OJT); 193 unemployed workers and 28 incumbent workers received training under the H-1B STEM-CAP grant; 516 individuals received manufacturing related training with the Make It In America Grant. Dean referenced the FY16 Budget report and explained there is an increase in FY16 revenues of $115,593 since the Board last met in September; including $100,235 for a new WIOA Transitional Activities allocation and $19,476 for EARN performance funds.

Line of Credit

Referencing the preceding update and subsequent discussion with the LEO Board, Dean Girton called for questions; there were none.

Dean Girton made a motion to secure an annually renewable line of credit of $1 Million from First National Bank to utilize if there is a disruption in funding sources such as a budget impasse with the contingencies that it only be accessed for amounts in which CPWDC is certain to receive and that such line of credit does not obligate counties in the event credit cannot be repaid, as verified.
All advances on the line will be approved by the CPWDC Executive Committee. Jamie Aurand seconded the motion. The motion was unanimously approved (16 members voted in favor).

EARN Vans
A request for proposals (RFP) was issued for the procurement of two vans for Central Susquehanna Opportunities Inc. (CSO) to be purchased with EARN performance funds. Proposals were received by three dealerships. After scoring the proposals, Dean explained the best options were two 2014 vans from the Alexander dealership (Sunbury location) with costs of $17,477 and $18,977.

- Dean Girton made a motion to purchase two 2014 vans from Blaise Alexander at a cost of $17,477 and $18,977 with EARN performance funds. Donald Wilver Jr. seconded the motion. The motion was unanimously approved (16 members voted in favor).

CSO Funding Request
Dean explained CSO requested an additional $85,000 in Adult and $50,000 in Dislocated Worker funds in order to continue operations through the end of the current fiscal year. When the Board approved the original CSO budget, it was the same level of funding they received the previous year; however, CSO received a large refund from their workers compensation insurance last year and used the refund to offset operating costs and returned $200,000 to CPWDC which was then used for training (ITA and OJT). Dean noted CSO routinely expends 99%+ of their Adult/Dislocated Worker budgets and that the particular circumstance of the de-obligation last year must be considered. CPWDC does not currently have the funds available to fulfill the total amount CSO requested; they do however have $50,000 of Job Driven National Emergency Grant funds that can be used to support the operation of the Dislocated Worker program.

- Dean Girton made a motion to award $50,000 of the Job Driven National Emergency Grant funds to Central Susquehanna Opportunities Inc. to provide services for dislocated workers. KayLynn Hamilton seconded the motion. The motion was unanimously approved (16 members voted in favor).

The next meeting is scheduled for January 28, 2016.

Employer Strategies Committee
Erica Mulberger, CPWDC Executive Director, reported that the Committee has not met since the last WDB meeting. The next meeting date is to be determined.

Governance Committee
Erica reported the Committee has not met since the last WDB meeting. Dave Zartman explained Chris Minnich, former Governance Committee Chair, has accepted a position with a new employer and can no longer participate on the Board. As such, there are two LEO members on the Governance Committee, but no WDB members; anyone interested should contact Erica.

The Committee will be meeting in early 2016 to discuss updating the by-laws and reviewing Board Member applications for appointing new members to the WDB.

Local Management Committee
Steve Bennett, Local Management Committee (LMC) Chair, reported the Committee met on November 17 via conference call and provided updates. Steve provided an overview of the PA Workforce Development Association (PWDA) Welfare Technical Group meeting co-chaired by Korrie Lucas, CPWDC Operations Manager. He explained officials from the Department of Human Services (DHS) attended the workgroup meeting via conference call and sought input for the Program Year (PY) 2016 program design, including performance measures and how payments are tied to those measures. Through PWDA, the workgroup sent a letter (a copy of which was provided in the meeting packet) to DHS to formalize input, assure DHS the WDBs and providers share the goals of DHS and to express sincere thanks to the Department for wanting to work together. DHS responded positively to the letter and expects to have details about the PY16 requirements and performance models to the local Boards soon. The expectation is a level allocation with 35% of funds being tied to performance, but with new performance breakdowns.
Steve noted CPWDC last released an RFP for EARN services in 2010 and awarded contracts to CSO and Tuscarora Intermediate Unit 11 (TIU) for July 1, 2011-June 30, 2015. The contracts included an option for a one year extension at the discretion of the LMC. Those extensions were implemented at the October 28, 2014 LMC meeting, extending contracts through June 30, 2016 indicating CPWDC needs to competitively procure providers for July 1, 2016.

- **Steve Bennett made a motion to release a Request for Proposals for EARN program services to begin July 1, 2016. Tracy Brundage seconded the motion. The motion was unanimously approved (16 members voted in favor).**

Steve then reported an executive session of the LMC meeting was conducted after the public session adjourned. Members discussed EARN performance based funds and how they should be allocated to providers. Previously, the LMC made a determination regarding allocation of performance funds based on a DHS monthly cohort performance program design which meant a specified amount of funds were available each month for each performance measure that was met for a group of participants based on enrollment date. Performance funds were not released based on the success of one individual. In program year (PY) 2014, DHS changed the performance design to an individual model so that a specified amount of funding is tied to each individual who meets each performance measure in lieu of a group participation requirement. The LMC engaged in a lengthy discussion and collectively decided the allocation of EARN performance funds from the Individual Performance Model should align with DHS procedures.

- **Steve Bennett made a motion to align the allocation of EARN performance funds from the Individual Performance Model with the Department of Human Services procedures; allocating funds on an individual basis according to actual performance thus proportionately impacting a provider with failed document validation. Corey Lockard seconded the motion. The motion was unanimously approved (16 members voted in favor).**

The Committee is scheduled to meet on February 16, 2016.

**Personnel Committee**

Erica Mulberger provided the Personnel Committee update on behalf of Teri MacBride who regretfully needed to leave the WDB meeting early. She reported the Committee met on September 29th. CPWDC received renewal rates for the current Geisinger HMO plan which included a 5.7% increase from the previous year. Comparison rates with varying deductibles were reviewed and the Committee approved increasing the deductible from $250 to $500 per individual which kept the monthly premium expense unchanged from the previous year.

The Committee also approved the adoption of CPWDC’s Compressed Work Week Policy after the end of the pilot period based on positive staff feedback. The policy will be included in the CPWDC Personnel Manual with a caveat that continuation is at the discretion of the Executive Director.

The Committee will be meeting in the near future to discuss CPWDC’s 401k plan, salary structure, annual performance reviews and merit increases.

**Policy & Performance Committee**

Jim Beamer, Policy & Performance Committee Chair, was unable to attend therefore Erica gave the update on his behalf. She noted the Committee met on September 16th and discussed PY15 Common Measures for Adults and Dislocated Workers and referred the Board to the report in their meeting materials. Erica indicated performance was met for 4 measures and exceeded for two and explained these measures are still based on WIA requirements with WIOA measures taking effect July 1, 2016. Erica then referenced the Monitoring Update in the WDB meeting materials. She highlighted important monitoring activities for the Board, including: CPWDC monitored three OJT employers with no concerns identified; CPWDC monitored PA Careerlink® Lycoming County in July and suggested three recommendations to improve service delivery; Out of School Youth (OSY) programs were monitored in October and resulted in corrective actions required for both subcontractors.

The Committee will meet in early 2016 to continue discussions about policies that may be needed in order to properly align with WIOA.
Youth Council
Jay Alexander, Youth Council Chair, reported the Committee met on September 28th and provided updates. The first quarter PY15 Common Measures for youth were provided and performance for Placement and Literacy/Numeracy exceeded the negotiated rates while Attainment of Degree or Certificate was not met.

Jay explained the Workforce Innovation and Opportunity Act requires competitive procurement of youth program services; the last time CPWDC released an RFP for Out of School Youth (OSY) was in 2012 when WIA required procurement of services no less than every three years. The CSO and TIU OSY contracts that were awarded in 2012 are set to expire December 31, 2015. An RFP based on new WIOA requirements was released October 21, 2015 and CPWDC received 6 proposals. An evaluation committee made up of volunteers from the Executive Committee and Youth Council, in addition to CPWDC staff, closely read and evaluated the proposals and came to a consensus regarding a recommendation. The Committee directed CPWDC to initiate negotiations with the recommended providers; negotiations were successful and the Evaluation Committee recommended moving forward by awarding contracts to two providers:

- Arbor E & T, doing business as ResCare Workforce Services, proposes to provide services to 205 currently enrolled OSY and enroll 150 new OSY throughout the 18 month contract beginning January 1, 2016 through June 30, 2017 in Centre, Clinton, Lycoming and Mifflin Counties.
- Central Susquehanna Intermediate Unit (CSIU), a local intermediate unit, proposes to provide services to 165 currently enrolled OSY and enroll 150 new OSY throughout the 18 month contract in Columbia, Montour, Northumberland, Snyder and Union Counties.

» Jay Alexander made a motion to award Workforce Innovation and Opportunity Act (WIOA) Out of School Youth (OSY) contracts to Arbor E & T LLC doing business as ResCare Workforce Services and Central Susquehanna Intermediate Unit for the period of January 1, 2016- June 30, 2017 for amounts of $870,331 and $704,500 respectively, based on conditions outlined by the Youth Council with the option to extend the contract annually through June 2019. Dean Girton seconded the motion. The motion was unanimously approved (16 members voted in favor).

In the interest of ensuring current OSY receive seamless service, Jay recommended a one month transitional period for the providers beginning services and the providers concluding services. He suggested allowing CPWDC to discuss a one month contract extension with each of the current OSY providers; the incoming providers were asked about such a phase during negotiations and both expressed interest in a transitional period.

» Jay Alexander made a motion to pursue a one-month extension for Workforce Innovation and Opportunity Act Out of School Youth services with CSO and TIU through January 31, 2016 not to exceed the amount of their existing contracts. Fred Gaffney seconded the motion. The motion was unanimously approved (16 members voted in favor).

The next Youth Council meeting date is to be determined.

Executive Director’s Update
Erica Mulberger provided updates and referred to reports included in the meeting materials.

PA Employers and PA Careerlink®
The PA Employers and PA Careerlink® report highlights employer usage of the Job Gateway system. The Central Region maintains a 30-39.9% of registered employers and 13% employer activity rate. Erica informed the Board that the new Workforce Innovation and Opportunity Act included a new performance measure called Employer Engagement and although the State is still determining how to measure this, CPWDC and the Employer Strategies Committee have been discussing using the PA CareerLink® employer usage data.

PA Jobs by Education and Training Level
Erica explained this report contains data taken from the U.S. Census and was presented at the Pennsylvania Workforce Development Board meeting. She pointed out that the report indicates 21% of PA jobs require a bachelor’s degree or higher and 33.8% of Pennsylvanian’s self-reported having a bachelor’s degree or higher. The data gives the impression Pennsylvania is over educated by reviewing as a percentage and not actual numbers.
Pennsylvania Workforce Development Plan
Erica attended the PA Workforce Development Board meeting on December 3rd in Mechanicsburg and received a copy of the state’s Workforce Development Plan. WIOA requires every state to develop and submit a four-year strategy in the form of a single unified strategic plan for core programs. The draft copy of the plan indicates the Department of Labor and Industry intends to increase the amount of federal and state funds all local workforce development areas must spend on training. Currently, there is no minimum threshold in place for spending training dollars. The department is proposing to require local areas to spend 30% of all WIOA Youth, Adult and Dislocated Worker funds on training with the following years incrementally increasing 10% until the minimum threshold reaches 50%. The draft plan also requires a mandatory 50% of the 30% be spent on individuals with barriers to employment; the state also intends to incrementally increase these thresholds until 70% of the 50% must be spent on individuals with barriers to employment. The plan fortunately does not define ‘training’ like WIOA does. Erica is hoping that a broad definition is put in place in order to keep providing different soft skills services that the individuals in our region are in need of the most. She explained once the plan is published, the public has 30 days to comment on it and according to Federal law, the State must not only respond to each comment but submit all public comments with their plan to the U.S. Department of Labor (USDOL). Once the State plan has been submitted, USDOL could reject parts of the plan based on the public comments.

CPWDC FY16 Competitive Funding Portfolio
Erica highlighted the Community Based Partnership for Workforce Services Grant which CPWDC applied for November 6. She explained the grant would allow CPWDC to create and lease a mobile workforce center to include workstations, a printer, a presentation screen and internet access among other features. The mobile center will be staffed and would make scheduled visits across the region in an effort to bring workforce services to as many Central Region residents as possible.

Labor Market Updates
Erica directed the Board to the labor market reports including the PA Unemployment Rates by County and Central Pennsylvania Labor Market Status Report.

Open Discussion
Dave Zartman thanked the WDB/LEO members and Erica for the support he received during his time as WDB Chair. Commissioner Otis Riden also thanked Erica and the WDB/LEO members and told the Board that he has been involved with this Board since 2006 and worked with 4 Executive Directors; he explained that he feels good about leaving the Board during such a time when it is stronger and better than it has ever been. Commissioner Riden commended the CPWDC staff for their knowledge and perseverance. Erica Mulberger gave a heartfelt thanks and appreciation to both the outgoing Chairs for their leadership and support through the years.

Date of Next Meeting
The Executive Committee will meet on Friday, January 8, 2016 at the CPWDC office in Lewisburg. The WDB/LEO Board will meet on Wednesday, March 9, 2016 at the Union County Government Center in Lewisburg.

Adjournment
Dave Zartman adjourned the meeting at approximately 12:02 p.m.

Respectfully submitted,
Kimberly Miller