

## Board of Directors

The Franklin Center, Rocky Mount, VA  
Friday, October 5, 2007

### Minutes

#### I. Call to Order

Board Chair **Bill Jones** called the meeting to order at 9 a.m.

#### II. Roll Call and Introductions

**Sherry Dean** called the roll. Members present:

**Bill Jones**, HomeTown Bank  
**Joyce Kessinger**, Boxley Materials Company  
**Tim Tobin (via conference call)**, Alleghany Regional Hospital  
**Wayne Flippen**, John C. Nordt  
**Walter L. Harper**, Harper's Plumbing Co  
**Barbara Winstead**, Five Star Chef Service  
**Rob Ledger**, Roanoke Valley Economic Partnership  
**Melody Stovall**, Roanoke Redevelopment & Housing Authority  
**Paul Paradzinski**, Craig County  
**Earl Dodrill (for Richard Teaff)**, Dabney S. Lancaster Community College  
**Carroll Gentry**, Virginia Western Community College  
**Bruce Johannessen**, Virginia Employment Commission, Roanoke  
**Roger Johnson**, Roanoke County Schools  
**Lew Bishop**, National College of Business & Technology

Members absent:

**Joe Brinley**, JATC/NECA, IBEW Local 26  
**Jane Conlin**, Roanoke City Department of Human & Social Services  
**Kathy Hodges**, Franklin County Workforce Development Consortium  
**Robert Glenn**, The Issues Management Group

Staff present:

**Doloris Vest**, president  
**Sherry Dean**, accountant/office administrator

Visitors present:

**Jerry Barnett**, Virginia Employment Commission, Roanoke  
**Kim Moore**, Department of Rehabilitative Services  
**Luke LaRoca**, Virginia Employment Commission, Roanoke

A quorum was present.

**Rick Huff**, Administrator County of Franklin, welcomed the board to the new Franklin Center and reported the building use had exceeded expectations. He noted workforce development has been important to Franklin County for many years and the partners are what make the facility work. Employee or employer services are offered, at all times. and partners work as a team to meet the needs of the community.

**Ms. Vest** noted that WIA funding is allocated on a "first come, first serve" basis and, with Franklin County taking an aggressive approach to serving their community, Franklin County

received 25 percent of Area III funding last year under the dislocated worker, youth, adult and consortium funding. Franklin County only represents 17 percent of the Area III population.

### **III. Presentation: Youth Special Events**

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Youth Council Chair **Paul Paradzinski** introduced and reported on council plans for three Youth Service Provider Summits.

- Council member **Kim Moore** shared plans for the Franklin County event November 13, which will include a networking breakfast, information sharing sessions for participating organizations, a lunch for participants and key note speaker Harriett Woodward who was instrumental in establishing the Alleghany Highlands Career Council.
- Council member **Earl Dodrill** described "Yes, We Can Do That!" the Alleghany Highlands event set for November 19. Hosted by Dabney S. Lancaster Community College, activities will include a roundtable discussion with providers and local youth leaders, a peer-to-peer conference for providers and a public forum for program participants, parents and others interested in youth issues.
- Ms. Vest described tentative plans for the Dec. 11 Roanoke area event which will include a networking breakfast for providers followed by a presentation from each of the valley's six school districts on how to link program services to youth in need.

Ms Vest noted that the groups have done an outstanding job leveraging the relatively small amount of funding provided by the board.

### **IV. Approval of Consent Agenda**

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**Mr. Flippen moved to accept the consent agenda**

- **Minutes from the August 3, 2007 meeting**
- **Budget Report July 31, 2007**
- **Training Provider Approval**

**Ms. Kessinger seconded. The motion was passed on a voice vote.**

### **V. Staff Report**

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**Ms. Vest** reported on the following:

- 1. Program Monitor Resignation:** Clay Stein has resigned his position with Area III as of November 30, 2007. Ms. Vest noted, that as an implication of realignment uncertainty, many workforce professionals around the state are deciding to look for alternative employment. The board staff is currently looking at what can be done with local monitoring for Area III.
- 2. New State Computer System:** Ms. Vest gave a brief overview of the new system: The state contracted a year ago with GEO Solutions for a new computer system to track and maintain WIA and Wagner-Peyser records and activities. This new system will allow case managers to input an individual's job search, educational and personal information only once and the individual can then be tracked throughout their workforce system experience. Case managers and other staff with proper security access can add information to an individual's electronic file as they progress through the workforce system. Case managers will be able to share notes on the system about individuals although different levels of security are included to insure an individual's confidentiality is maintained. The public side of the system allows employers to post jobs and individuals can post resumes under the job/employee search function. This system also has a very detailed reporting function that can be used by case managers and workforce development to assess progress of participants. State-wide training was not included in the contract the state made with GEO Solutions. One-hundred individuals were provided training and the first twenty were testers and another eighty became regional trainers. Six people in Area III are regional trainers and they are Doloris Vest, Jerry Barnett, Clay Stein, Beverly Amberg, Gary Sheffler and Jenny Wright. Area III devised its own local training plan and created classes which include Wagner-Peyser and WIA case managers and program operators. By involving these two

groups, each is learning more about what the other does. There will be two more training sessions in Area III and the system will go live on November 14. One drawback to the project is there was not ample funding set aside, by the state, for marketing the system to employers. This system was funded by \$3.5 million of Wagner-Peyser funds and \$1.5 million of state WIA funds.

3. **Area Realignment:** At the Virginia Economic Development Association meeting yesterday, in Newport News, Governor Kaine announced his workforce development strategy: Glen Dubois, Chancellor of the Virginia Community College System, will evaluate workforce development and determine what programs and services should move under the community college system. If the governor decides to move workforce investment under the community college system, this will require General Assembly approval and he indicated that he intends to introduce legislation to the general assembly in the upcoming year. The state workforce council was not told of this decision, by the governor, beforehand and appeared concerned about the lack of details. The council requested specifics on the plan before the governor takes any legislation to the general assembly. The governor encouraged local areas to continue to work together regionally while waiting for recommendations. Many workforce areas are grandfathered under JTPA and if they do not want to change, they may not have to change. **Mr. Flippen** does not see the governor's process as saving dollars or helping more people. **Mr. Gentry** sees the governor's plan as a huge political issue and believes Area III should move forward and make an impact on the Area III economy.
4. **Career Readiness Certificate:** Under former Gov. Mark Warner, the state established a Career Readiness Certificate (CRC) which, after proper testing, an individual can obtain either a bronze, silver or gold ranking in reading, math, or information retrieval. The CRC can be used by individuals to notify employers of their competency in these areas. A few years ago Area III was used as a pilot project and had funding to provide these certificates to individuals meeting the requirements but neither employees nor employers were interested in this certification. The state council desires that CRCs be used as a credential issued by local boards and would like to know if this is something local boards are interested in. Twenty states use this certificate; Virginia was the first to accept this certificate but has the fewest involved. Mr. Gentry noted that the reading portion of the career readiness certificate can be used to replace the SOL reading test in high schools for an individual that is up for graduation. Ms. Vest noted that this certificate worked well for the Gatorade company in Wytheville but that it almost seems you must have a company behind it for it to work. **Mr. Johnson** noted that this is not the direction the U.S. Department of Education is headed in. Funding is heavily based on industrial certification testing and if employers have not bought into the CRC then it is worthless to the person searching for a job. **Mr. Dodrill** noted that all community colleges advertise the workforce readiness CRC but does not know if it has been successful at any college and there are many other assessment tools that can be used to determine if a person can read and write. **Mr. Harper** sees it as a lack of understanding of what employers need, in each industry, and that this program has been put together but does not benefit anyone.

## **VI. Unfinished Business**

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**Dislocated Worker Program Operation:** The VEC was given a six-month contract at the June board meeting and was to report back on specific goals before another six month contract would be awarded. **Mr. Johannessen** reported on the VEC's progress made during the first few months of the contract:

1. **Scheduling in Rocky Mount:** Last year there was a staff member sick for a long time which affected the VEC's ability to meet scheduled times. This has been resolved.
2. **Space and computer access in Rocky Mount:** With the new facility both of these issues have been resolved.
3. **Enrollment:** Last year's three percent unemployment rate hurt enrollments but it is believed with the layoffs, in the current economy, the enrollment will increase.
4. **Recruiting:** The VEC recruits program participants through its REA, RSW and ERP programs.

**5. Trade Act:** Dislocated worker and trade act have worked successfully for some time now in Roanoke.

Mr. Johannessen also noted that the VEC, for the past six years, has been fiscally responsible by keeping cost down which allowed unspent funding to be moved to the adult program. The VEC has met or exceeded all goals which is part of the reason Area III received the incentive grant for the past year. If this contract is lost by the VEC, three individuals will lose their jobs.

## **VII. New Business**

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**1. Dislocated Worker Contract Completion:** Ms. Vest reported that a contract with the VEC has not yet been signed due to the state assessing an administrative fee to cover WIA costs incurred at the state level. The U.S. Department of Labor (DOL) has directed the state to charge this fee. The fee is based on an indirect cost rate provided to the state, by the DOL, and is applied to state staff personnel costs in order to distribute costs to the programs for which they are incurred. (Indirect cost rates are used when multiple federal programs are operated by a single state or agency.) Originally, the rate was 20.3 percent of personnel costs or approximately \$24,000 on the current contract. This cost would have to be reported as board administrative costs because of the VEC's role in the operating consortium. The Governor's Office for Workforce Development has agreed to cover half, of the 20.3 percent, out of the state's discretionary funds for the 2008 fiscal year. Ms. Vest outlined the following options the board could take:

- **Accept Contract With Administrative Fees:** For the current year, this would reduce the board's administrative budget by \$12,000. Due to conservative budgeting practices, the administrative budget could absorb this amount of cost, for the current year, but not in the future.
- **Decline Administrative Fees:** Pay the VEC for services rendered to date excluding the administrative fee and either designate another provider or begin Request For Proposal (RFP) process. This could cause a possible disruption of service for those already in the program during the time of establishing a new provider.
- **Remove the VEC as Operator Consortium Member:** Dissolve the existing consortium, with 60-day notice, and designate a new consortium. If a non-profit service provider is also a partner in the consortium and charges administrative costs to the program contract, the costs must be reported as board administrative cost. This is not an issue if the service provider does not charge administrative costs to the contract or if the service provider is not a non-profit. Future administrative fees would be charged to program funds. Additionally, the VEC would not have an official voting roll and a third mandated partner would have to be found to join the consortium.

Ms. Vest's recommendation would be to pay the contract out this year with the administrative fee of \$12,000, put the contract out to bid for next year, and remove the VEC from the consortium. Since the Area III consortium works openly, it would not be an issue for the VEC to not be a member as they can still attend the meetings and note their views on issues discussed.

After lengthy discussion by board members, **Ms. Kessinger moved that the board accept the VEC contract with the \$12,000 administrative fee, taking special note that such a substantial change to an existing contract was a one-time exception. Mr. Gentry seconded. The motion passed on a roll call vote:**

**Yes: Jones, Kessinger, Tobin, Flippen, Harper, Winstead, Leger, Stovall, Paradzinski, Gentry, Johnson, Bishop**

**No: None**

Following discussion of the requirement to report such administrative fees as board-level cost, **Ms. Kessinger moved to remove the VEC from the Workforce Center Operator Consortium and find a third mandated partner. Mr. Flippen seconded. The motion passed on a voice vote.** Ms. Vest will locate a third partner to bring to the December 7 board meeting.

**2. WIRED Initiative:** After attending the DOL training in September in Arizona, Ms. Vest learned about Regional Innovation Grants (RIG) from Lenita Jacobs with the DOL. A \$250,000 RIG is usually granted for three years and is used to address long-term issues and is tied more closely to strategic planning. Per Ms. Jacobs, there may not be anymore WIRED grants issued although, Ms. Vest prefers to use the wired model which involves bringing various groups together for problem solving.

**3. Board Retreat:** Ms. Vest suggested a retreat at the December 7 board meeting, for board members, and also a recognition luncheon for case managers and program operators to celebrate meeting and exceeding all Area III goals for the past year.

**4. Marketing the Trades:** Mr. Johnson would like to see trade training marketed state-wide to individuals as another route to college or higher education. He voiced concern that trade training does not get the recognition it needs to be enticing to the public. Instead of the "Other Ways To Win" message of "not everyone needs to go to college", the message should be that colleges need to incorporate trade training as a part of college. Ms. Vest noted the trades need to show the pay differential trade training can produce. Ms. Vest will speak to Mr. Johnson about his ideas.

**5. Chair of State Workforce Council to Visit Area III:** Dr. Bob Leber head of apprenticeship program with Northrup-Gruman and chair of the Virginia Workforce Council would like to visit Area III and the Franklin Center on Oct. 22 or 23.

**6. VEC Open House:** Mr. Johannessen was very pleased with the open house hosted this past week, at the VEC, in Roanoke where there were 11 employers and partners in attendance with 375 individuals taking the opportunity to visit. A portion of this event was paid for using incentive grant funds.

**VIII. Announcements**

Next meeting December 7, 2007 at Roanoke Higher Education Center

**IX. Adjournment**

The meeting was adjourned at 11:12 a.m.

*Doloris E Vest*

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Doloris Vest, president

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Date