

**Governor's Workforce Board**  
**Strategic Investments and Evaluation Committee Meeting**  
**January 9, 2014**

**Meeting Minutes**

**Committee Members Present:** Mike Grey, Chair, Constance Howes, Cheryl Merchant, George Nee, Martin Trueb, Mario Bueno

**Committee Members Absent:** None

**GWB Board Members Present:** Charles Fogarty

**GWB Staff Present:** Rick Brooks, Elizabeth Jardine, Dan Brown, Sherri Carello, Amelia Roberts, Hillary Feeney

**DLT Staff Present:** David Tremblay, Diane Gagne, Sue Chomka, Nancy Olson, Scott Greco, Sean Fontes, Paul Genovesi,

**Others Present:** Malcolm Baxter, BIS; Cheryl Dacosta, Tech Collective; Mike Perrotti, Workforce Solutions of Providence/Cranston; Paul Harden, EDC

**Location:** Department of Labor and Training, Conference Room 73-2

**Call to Order**

Chair Grey called the meeting to order at 8:06 a.m. and welcomed everyone to the meeting.

**Minutes**

Chair Grey asked for a review of the December 4, 2013 Strategic Investments & Evaluation Committee meeting minutes. Chair Grey asked if there was a motion to approve the meeting minutes.

**VOTE:** G. Nee moved to approve, seconded by C. Howes. All were in favor, the motion passed.

**Export Training Allocations**

Chair Grey asked Dan Brown to discuss the RI Commerce Corporation Export Assistance Program. D. Brown referred to the handout, highlighting the businesses served in FY13 – FY14 for the Export Management Training and Trade Mission Support programs. He noted the total individuals trained through both programs was 93 and discussed the expenditures for FY12-FY14 (as of 1/7/14). D. Brown stated that the Export Assistance Program has a total of \$44,598 in remaining funds. He recommended a no-cost extension of their current contract through June 30, 2014. D. Brown added that if the need for additional funds arises, the RI Commerce Corporation can submit a request. Chair Grey noted at a previous Strategic Investments and Evaluation Committee meeting, members discussed the option of providing an additional \$40,000 of funding. G. Nee inquired about the type of training that is funded through the RI Commerce Corporation and the relationship to the Export Center at Bryant University. E. Jardine explained that the Export Management Training Program allows companies who are interested in moving into a particular market to hire a specialist in that market country to train their employees. She added that the Trade Mission Support initiative provides companies matching funds to attend federal, Department of Commerce sponsored "trade missions." E. Jardine highlighted that many businesses participating in the Export Management Training will use the Bryant International Center as their training provider. R. Brooks noted that Bryant had previously submitted an unsolicited proposal and the committee consensus was to forgo

providing direct funding to Bryant and to abstain from prioritizing one particular training provider over another. P. Harden noted that the Export Training Program provides businesses flexibility in choosing their training provider. Committee members further discussed the market demand and complexity of training employees in export training.

Per Chair Grey's request, Sean Fontes, Executive Counsel, asked for declarations of conflicts of interest on any of the voting matters. He explained that committee members should avoid the appearance of a conflict of interest according to the RI State Code of Ethics. He stated that committee members who disclose a conflict should both abstain from the vote and recuse themselves from any discussion. G. Nee abstained from the vote. Chair Grey asked for a motion to approve the recommendation of a no-cost extension for the RI Commerce Corporation Export Assistance Program contract through June 30, 2014

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

### **Industry Partnership Evaluation Update**

Chair Grey asked Rick Brooks to provide an update on the Industry Partnership Evaluation. R. Brooks noted that the private consulting firm, 4ward Planning, was hired to review the activities of the Industry Partnership Program and assess the value that it has had for businesses within in each of the represented sectors and overall workforce system. He added, the firm will make recommendations for any modifications to the structure or focus of the IP program in light of current strategic planning efforts and overall economic development strategies for the state.

R. Brooks provided an interim report, noting that the consulting firm has finished 35 interviews with business representatives from each of the different partnerships, conducted 10 interviews with individuals from the workforce development system, and held seven industry focus groups. He added that 4ward Planning has completed a preliminary draft of findings but the recommendations are not yet complete. He expects the recommendations will be completed in conjunction with the strategic input of the overall RhodeMap process and the concurrent development of the Economic Development Corporation strategic plan. R. Brooks noted that a new RFP for Industry Partnerships will be issued later this spring. The evaluation will allow for a more in-depth discussion of the recommendations, sectors, and priorities at the next meeting.

### **Program Updates**

#### *Work Immersion*

Chair Grey asked Sherri Carello to provide an update on the Work Immersion Program. S. Carello referred to the intern description spreadsheet, noting a total of 28 college students and 18 different companies are currently participating in the program. She reported that the first application was received for the unemployed adult phase of the program, noting that two individuals will be starting at Quick Fitting, Inc., a local manufacturing company. S. Carello highlighted that most college students are on break so application submissions should increase when they return to classes. C. Howes inquired about how the program is being marketed to businesses, students, and unemployed adults. S. Carello stated that R. Brooks has used the GWB e-News, Constant Contact, and meetings with college career counselors to market the program. S. Chomka added that the Business Workforce Center, which is the business liaison to the employer community, has been promoting the unemployed adults piece. Chair Grey noted the large increase in college student participants in comparison to the update at the last meeting. The committee further discussed the increase in activity for both the college students and unemployed adults segments. S. Chomka noted that Interplex may be submitting an application soon.

### *Express Grants*

Chair Grey asked Sherri Carello to provide an update on the Express Grants. S. Carello referred to the spreadsheet and discussed the December 2014 awards and breakdown of Express Grants for the last 12 months. She explained that companies have taken advantage of the option to apply more than once a fiscal year. C. Howes asked if any of the recent applicants have come close to, or hit the \$5,000 limit in funding and have expressed concern with the maximum funding limit. S. Carello noted that she hasn't heard any criticism of the award restrictions but many companies are not taking advantage of the youth incentive bonus.

### *Innovative Partnership Grants*

Chair Grey asked Sherri Carello to provide an update on the Innovative Partnership Grants. S. Carello referred to the Innovative Partnership Grant spreadsheet, noting the same handout was provided at the last meeting but was not discussed due to time constraints. S. Carello stated the grantees are on pace after the first quarter ended in December 2013. Chair Grey inquired about any program highlights. S. Carello discussed the recent graduation ceremonies and collaboration between Connecting for Children and Families (CCF) and Rhode Island Hospitality Association (RIHA). She explained CCF provided a cooking demo and passed hors d'oeuvres at the annual RIHA Stars of the Industry event. E. Jardine discussed the flexibility of JDF funds which allows programs to immediately implement supporting services, such as stipends or childcare assistance. She explained that federal funds can be more restrictive in how they can be used. G. Nee described the misconception of barriers and administrative costs that are tied into the federal funding system and C. Fogarty noted that federal funds can be very prescriptive. R. Brooks highlighted the ongoing employer involvement which provided support in developing recruitment standards, training curriculums, and work experience. As a result, the program saw higher rates in participant employment. M. Trueb discussed the feedback from the Employer Advisory Group, noting the positive outcomes from the ongoing engagement and alignment between employers and training providers. The committee further discussed the projected job placements and results of the Innovative Partnership Program to date.

### **Proposal for Investment of Unobligated FY14 Funds**

Chair Grey asked Rick Brooks to review the investment options of unobligated and/or deobligated FY14 funds. Chair Grey reminded committee members to recuse themselves from the vote if a conflict of interest arises. R. Brooks referred to the FY2014-FY2015 GWB Worksheet, highlighting the \$467,080 of funds that were never allocated to any particular line item. He discussed the \$ 1,646,281 of total projected deobligations and total projected carry-in of \$2,113,361, which the board has the ability to reallocate for the remainder of the fiscal year or beyond. R. Brooks discussed the anticipated funding availability for FY15, noting the \$12,900,000 in anticipated JDF revenue, \$650,000 for the Work Immersion and Non-Trade Apprenticeship programs, the 10% Indirect Cost Recovery, and total program availability of \$10,442,519. He reviewed the priorities identified at the last Strategic Investments meeting: reallocating FY14 unobligated funds to support two rounds of Incumbent Worker Training Grants, address the DLT request to upgrade the technology infrastructure of the One-Stop Centers, reallocate an additional \$500,000 to support FY15 Summer Youth Employment, and use a combination of FY14 unobligated funds and FY15 revenue to support the Innovative Partnership Grant Program.

R. Brooks noted, at the last meeting, the committee requested a program data analysis of the last five years of Incumbent Worker Training Grants. E. Jardine referred to the FY9-FY14 analysis worksheet, noting that FY12 data does not exist because the program was not funded that year. She stated that over the five years of spending, there were a total of 469 applicants

with 335 total grantees (71% success rate). E. Jardine noted the similarity in success rate to the percentage of money that is spent by grantees (72%). She discussed the total number of employees at all companies (63,668) and potential number of employees trained (20,107). E. Jardine noted that the number of employees trained could be misrepresented based on the lack of follow-up data available. She reported the median company size (59), median grant initial allocation, and industry breakdown. E. Jardine discussed the large percentage of manufacturing grantees (40.5%) and under-represented industries such as hospitality, retail, and healthcare. She noted that most healthcare employers do not pay into the JDF and are not eligible for Incumbent Worker Training Grants. E. Jardine referred to the breakdown of fiscal year data, noting that the success rate decreased in FY11 due to the General Assembly cutting funding and then restoring it later that year. She added that the overall success rate is around 75% for employers who applied and were funded. R. Brooks noted that a successful application could mean that a company who applied had a qualifying proposal but there was not enough funding or applications that were received did not score high enough to receive funding. Chair Grey inquired about the status of the grantees for FY14 to date. E. Jardine noted that we are on track to reaching and possibly exceeding the 75% success rate. C. Merchant commented on the upward trend in the numbers of companies applied and addressed the educational level of different industries in relation to the training needs of employees. M. Trueb discussed the varied training requirements for each industry and C. Howes highlighted the under-representation of the construction industry possibly due to the apprenticeship program. G. Nee noted that training in the construction industry uses an employer based model that includes both academic and on-the-job training.

R. Brooks referred to the handout of proposed changes to the Incumbent Worker Training Grant program criteria, noting the current program criteria and pros and cons of the possible changes. The committee discussed the potential impact of the following changes: eliminating the company size restriction, adjusting the minimum and maximum awards for the Incumbent Worker and Express Grant programs, issuing two RFPs starting on April 1<sup>st</sup> and October 1, 2014, permitting companies to receive grants in consecutive cycles, expanding the incentive bonus to include unemployed adults, and requiring employees to have been with a company for at least six months.

After further discussion, the committee members agreed on the following criteria changes and allocation of FY14 unobligated/deobligated funds:

Chair Grey asked for a motion to approve the allocation of \$700,000 of FY14 unobligated/deobligated funds to support the Incumbent Worker Training Program and to implement the following changes to the Incumbent Worker Training Grant Program criteria:

1. Eliminate the current company size restrictions and allow any size company to apply for the maximum award.
2. Maintain the minimum award at \$5,000 and, if needed, reevaluate the minimum and maximum award limits (including Express Grants) after the first round of RFPs.
3. Issue two RFPs annually with starting dates of April 1, 2014 and October 1, 2014.
4. Permit companies to receive grants in consecutive cycles, provided there are sufficient funds, with preference given to those who have not received awards in the previous cycle.
5. Expand the bonus incentive funding to reward internships for youth and unemployed adults.
6. Eliminate the requirement that trainees must be employed with a company for at least six months (Express Grants).

**VOTE:** C. Howes moved to approve, seconded by M. Trueb. All were in favor, the motion passed unanimously.

Chair Grey asked for a motion to approve the following allocations of FY14 unobligated/deobligated funds:

1. Shift \$356,000 to Capacity Building to fund technology upgrades at the netWORKri centers, subject to the development of a plan to continually maintain the technology infrastructure of the one-stop centers.
2. Allocation of an additional \$500,000 for Summer Youth Employment for FY15.
3. \$550,000 to support the Innovative Partnership Grants, subject to further discussion before submitting the new RFP.

**VOTE:** G. Nee moved to approve, seconded by C. Merchant. All were in favor, the motion passed unanimously.

**GWB Performance Data System**

Due to time constraints, Chair Grey tabled the performance data system discussion to the next Strategic Investments and Evaluation Committee meeting.

**Adjournment**

Chair Grey asked if there was a motion to adjourn.

**VOTE:** C. Merchant moved to approve, seconded by G. Nee. All were in favor, the motion passed.

The meeting was adjourned at 9:33 am

Respectfully submitted,

Amelia-Anne Roberts