

*Workforce Investment Board for Regions 5, 8, 9, and 11*  
Room A, Indiana Government Center South  
Preliminary Meeting  
June 30, 2011  
1:30 p.m. Eastern Time  
**Minutes**

**Members Present:** Beth Blasdel, TJ Brink, Steve Bryant, Jean Crowe, Mike Heffner, Chris Kinnett, Rebecca Nickoli, Jennifer Osterholt, Paula Pinkstaff, Marilyn Pitzulo, David Reitnauer, Art Sterken, Tom Washburne, Dennis Wimer

**Members Absent:** Timothy Flesch, Pam Fox, Betty Lonis, Gene McCracken, Art Sterken, Jeff Williams

**Department of Workforce Development Staff:** Commissioner Mark Everson, Deputy Commissioner Gina DelSanto, Chief Financial Officer Randy Gillespie, Policy Director Nate Klinck

**Workforce Investment Board Staff:** Cheryl Musgrave

**Acting Secretary:** Allison Cole, Regions 5 and 9

**Guests:** Rusty Shade, John Kaufman.

**Regional Operators:** Tony Cross, Region 5; John Corcoran, Region 8; Bart Brown, Region 9; Jim Heck, Region 11. Brianna Morse, Director of Youth Services Region 5.

Paula Pinkstaff called the meeting to order at 1:45 p.m. and members introduced themselves.

#### **Public Comment Period**

Chair Pinkstaff asked if there were any public comments; there were none.

#### **Introductions**

- Chair Pinkstaff invited Senior Deputy Commissioner Gina DelSanto to deliver comments.
- Dr. DelSanto provided an overview of the newly constituted Balance of State Workforce Investment Board for Regions 5, 8, 9, and 11. She noted that this Board will be charged with providing policy direction for the implementation of the Workforce Investment Act. A more detailed overview of the Workforce Development system will be provided at the next meeting on July 19, 2011. Dr. DelSanto gave assurance that the matters the Board is asked to vote on have been thoroughly vetted by professional staff. She asked that the members trust that these proposals are in order and requested that they provide affirmative support of the resolutions.
- Dr. DelSanto introduced Department of Workforce Development staff present at the meeting: Nate Klick, Director of Policy and Randy Gillespie, Chief Financial Officer.
- Commissioner Mark Everson addressed the Board. The workforce development system was described as complicated due to several layers of authority.
- Commissioner Everson discussed performance measures. At present, performance is difficult to track due to the variety of ways to “count”. This fall, a new tracking system will be deployed for the Unemployment Insurance data. With combined systems, the Department of Workforce Development and the Workforce Boards will create metrics. After the system combination, effective regional comparisons can be made.

- Commissioner Everson noted that Indiana’s Workforce Investment Act funds are vulnerable. First, he relayed that Indiana is receiving a smaller allocation, due in part to better employment rates than other states. The Workforce Investment Act budget allocation is part of the discretionary funding that Congress is targeting for reductions. Given that resources are diminishing, all Boards will be tasked to make sure that resources are allocated in a prudent fashion to minimize administrative costs in order to preserve programs delivering services.
- Commissioner Everson informed the members of a new drug-testing mandate beginning July 1. The new policy requires Workforce Investment Act funded clients to submit to a drug test prior to receiving training. This change in policy was implemented in response to the failure of prospective employees to pass employer’s drug screening process after the training was complete. Indiana is the first state to implement this change.
- Commissioner Everson noted that the newly enacted laws regarding Unemployment Insurance go into effect July 1, 2011. As passed by the state legislature, employers will pay a higher premium for Unemployment Insurance. The ability to collect unemployment payments was also affected and some workers will not be able to collect Unemployment Insurance as in the past. Indiana’s debt to the Federal Government reaches \$2 billion.
- The Commissioner reviewed a major change in the administration of Adult Basic Education. Until this spring, the Adult Basic Education system had been administered by the Department of Education. The program was not a “core” program for the Department of Education and legislative agreement was obtained to move the program. The goal is to provide adults with the education required to get a job, whether it is a high school graduation equivalent or a certificate for a specific skill. The Department of Workforce Development and the WorkOne Systems are currently implementing the new Adult Basic Education system throughout the state.
- The Commissioner summarized, saying several things are happening all at once: new programming, new data systems, and new governance structures in an environment that is very financially restrictive. He noted that hard decisions would need to be made. He emphasized that getting the Workforce Development System right is crucial. This point was underscored by the report that Indiana ranks low nationwide in workforce development.

## **Action Items**

### **➤ Election of Preliminary Chair**

Beth Blasdel nominated Paula Pinkstaff for Preliminary Chair, Chris Kinnett seconded the motion; the vote was unanimous in support of Paula Pinkstaff to serve as Preliminary Chair.

### **➤ Resolution to Adopt Protocols for Regional Operators and Youth Service Providers**

- Chair Pinkstaff described the proposed protocols for Regional Operators.

Rebecca Nickoli made the motion that the Regional Operator and Youth Service Provider Protocols be accepted; Chris Kinnett seconded the motion; all voted in favor of the resolution.

➤ **Regional Workforce Board Plans for July to September**

- Chair Pinkstaff explained that each of the Regional Workforce Boards developed and submitted plans that describe the Program Year 2011 activities.
- Dr. DeSanto provided background on the development of the plans. She noted that while every region prepared fine plans, there were issues that need to be resolved. First, there were misunderstandings about definitions. The Department of Workforce Development will be working with each region to provide prescribed definitions for terms. This will enable comparison of plans on a standard basis.
- Second, the unanticipated cuts made to Workforce Investment Act resources by Congress were not taken into account by the plans as they were submitted at the same time the cuts were announced. The Department of Workforce Development felt it only fair to allow each region to revise budgets accordingly. The State Workforce Innovation Council approved the extension of additional time.
- The Deputy Commissioner noted that this board would submit one local plan, a combination of the four regional plans. This Board will need to approve the combined plans. The State Workforce Innovation Council will act in September on the revised plans.
- At present, this Board needs to approve the four regional plans for the period of July 1 to September 30. This enables each region to begin the new program year that runs from July 1, 2011 to June 30, 2012. The Deputy Commissioner explained that the State Workforce Innovation Council previously approved these plans for July 1 to September 30, 2011.

Chris Kinnett moved that the local plans be approved for the first quarter, Steve Bryant seconded; the vote was unanimously in support of all plans.

➤ **Regional Workforce Board allocations for FY2012**

- Chair Pinkstaff asked the Department of Workforce Development's Chief Financial Officer Randy Gillespie to give a presentation on the most recent financial status of the federal Workforce Investment Act funds.
- Mr. Gillespie stated that the Workforce Development system is quite complicated. He described how Indiana's allocation is distributed by formula to each region in the state.
- Mr. Gillespie informed the board that of the \$53.1 million in Workforce Investment Act funding the state will receive for fiscal year 2011, 87% will go to the Workforce Investment Boards. This board will receive \$11.3 million to distribute by contract to the four regional workforce boards. Using the same formula as for the rest of the regions in the state, the recommendation is: \$4,744,752 to Region 5; \$1,969,499 to Region 8; \$2,146,827 to Region 9; and \$2,459,163 to Region 11. This amount is assuming a certain level of funding by Congress and the number may change. If and when this change is known, the board will take further action.
- Mr. Gillespie further explained that funding is distributed in two portions this year. The first quarter will be distributed for July to September. Assuming no changes by Congress, the remainder will be distributed in October and will not require further action by the

board. The amounts distributed in the contracts voted on today are for the first quarter of Program Year 2011.

- A question was asked about how the formula is created for distribution of Workforce Investment Act funds. Mr. Gillespie explained the allocation formula is prescribed by the U.S. Department of Labor with only a few allowed changes at the state level.
- Mr. Gillespie noted that each region is allowed to retain 10% for administration and normally the board would reserve funds for this purpose. Instead, the State will use its Administration funds to cover the board's expenses this year. Next year, the board will determine its administrative budget and reserve funds from the state allocation prior to distribution to the four regional workforce boards.
- A question was raised regarding performance metrics for the regions. Board member Dennis Wimer explained that "Common Measures" are being negotiated with the U.S. Department of Labor. Common Measures count the clients who: 1) obtained employment; 2) retained employment; and 3) average wage earned. In addition, each workforce investment board can negotiate performance measures based on unique regional factors.

Beth Blasdel moved to approve the recommended annual allocations for each region. Rebecca Nickoli seconded the motion. The contracts were approved unanimously.

➤ **Regional Workforce Board contracts with Regional Operators for Regions 9 and 11**

- Chair Pinkstaff asked the board to approve the contracts between Regional Workforce Boards 9 and 11 with the Regional Operators. She noted that these contracts received only one bid each. The "sole source" process has been reviewed and found to be in compliance.

Chris Kinnett moved that the contracts be approved; Jean Crowe seconded. All approved the contracts with the exception of Paula Pinkstaff and Beth Blasdel who abstained.

➤ **Youth Service Provider Contract for Region 9**

- The Board was asked to approve the Youth Service Provider contractor, River Valley Resources, as recommended by the regional workforce board. This was a competitive process. State officials reviewed the contract and have verified that it has been properly prepared according to procedure.

Steve Bryant moved that the Youth Service Provider Contract for Region 9 be approved; T.J. Brink seconded the motion. All approved the contracts with the exception of Beth Blasdel who abstained.

➤ **Other business**

- Chair Pinkstaff asked the Regional Operators to introduce themselves to the board members. She urged the board members to become acquainted with the Regional Operators.
- The members were informed that the board is in need of a place to meet on a regular basis and volunteers were solicited to recommend a meeting space.
- Members were requested to turn in the conflict of interest forms.

➤ **Adjournment**

- A motion to adjourn was made by David Reitnauer and seconded by Mike Heffner. The meeting concluded at 3:00 p.m.

**Next meeting of the  
Workforce Investment Board for Regions 5, 8, 9, and 11  
July 19, 2011 at 11:00 a.m.  
Indiana War Memorial  
Spruance Hall  
431 N. Meridian St.  
Indianapolis, IN**