

Yavapai County Workforce Development Board Executive Committee May 14, 2020 Meeting Minutes

Attendees:	Present/Absent	Number of Absences in 2020
Anita Payne, Chairman	Present	0
Philip Tovrea, Vice-Chairman	Absent	1
Steve Silvernale	Present	0
Mark Timm	Present	1
Gary Hassen	Present	0
Rick Duff	Present	0

Staff: Teri Drew, Executive Director
Julia Sawyer, Executive Assistant

Guests:

I. Call to Order/Welcome/Introductions

Chairman Anita Payne called the teleconference meeting to order at 9:05 AM and asked Executive Director Teri Drew to call the roll. A quorum was present. Chairman Payne asked if anyone was present on the phone as a guest member of the public – no one identified themselves. Chairman Payne went through the meeting protocol for the meeting, and asking attendees to refrain from unrelated comments for the sake of the public record.

II. Approval of the March 12, 2020 Minutes

Chairman Payne asked for questions and comments on the minutes from March 12, 2020. With no comments, Chairman Payne called for a **motion to approve, so moved by Gary Hassen, seconded by Steve Silvernale. The motion carried unanimously.**

III. Chair’s Report

Chairman Payne noted that she met with Ms. Drew prior to the meeting today to discuss the agenda, and noted that the COVID-19 pandemic has taken a toll on our businesses, and would like to keep the agenda on task for today’s meeting for the sake of time. With no comments from the members, Chairman Payne turned the meeting over to Ms. Drew for the Director’s report.

IV. Director’s Report

➤ **Program Update**

Director Teri Drew reported that the NACOG office has been busy, accepting calls from many individuals seeking assistance with filing unemployment claims following many business closures due to the COVID-19 pandemic. She noted that Congressman Tom O’Halloran requested our office to assist individuals from all around U.S. Congressional District One, which we have done. The unemployment rate is 14.7% and climbing in Yavapai County. Ms. Drew expressed gratitude to the staff at the One Stops for walking people through each step of unemployment insurance (UI) claim application process. She remarked that many of the people filing claims have never done so before, noting that the Department of Economic Security system for unemployment was developed in 1988,

and has not had the capacity to keep up with the demand nation-wide. She noted the impact of trillions of dollars being required to move through the system and the stresses placed on the infrastructure and staff demand.

Ms. Drew noted that there are more than 200 jobs open and available at the NACOG site, but a “side effect” of the COVID-19 UI federal allocation is seeming to be a deterrent for people to return to work, since the individuals are making more money on unemployment than they were at work, due to the increased federal amount of \$600 per week in addition to state unemployment funds. Many are making the decision to stay on unemployment for now, rather than return to work at a lower wage. Ms. Drew spoke of the difficulty for many, having never experienced a situation like this before. Some discussion followed related to the predicament employers are facing in trying to get workers to fill the positions available. Ms. Drew noted that she is working with employers to encourage them to put an invitation to return to work in writing to their employees, and if the employee refuses to return to work, to notify them that they are considered to have tendered their resignation. The employer would then report to Unemployment that the employee refused a position, and that individual may then lose their unemployment benefit. Ms. Drew commented that this assists the business with recovery planning. Those employers who applied for the Paycheck Protection Program funding have to use 75% of those funds on salaries and wages, which allows them to bring their employees back and pay emergency leave, giving them the resources for reopening.

Ms. Drew reported that the staff at NACOG – EWD are considered “essential workers” and have been in the office since the Governor’s COVID-19 related Executive Orders were issued. She noted that the Marina Street office is closed to the public, but offers a “curbside” eligibility process, with a safe, secure pick-up and drop-off process for paperwork. She announced that the West County One Stop is developing a process for a “soft opening,” likely beginning on May 18. Part of the process will be to open the downstairs portion of the office building and confining activity to that space in an effort to protect the staff, following Centers of Disease Control (CDC) guidelines. She paused for questions, there were none.

Ms. Drew reported that a bulletin board has been placed outside to post available resources and jobs for public access, noting that resources from social service groups are reviewed and updated weekly as applicable. She reported flexibility in working with employers and job seekers to scan information back and forth. She noted that staff members are still writing contracts with employers that are open, and that she has been communicating with Congressman Tom O’Halloran’s office for federal updates. Ms. Drew reported that she was honored to have a one-on-one conversation with the Congressman regarding federal stimulus packages. She also reported assistance to employers with Rapid Responses and reopening strategies. Ms. Drew noted high participation with 5-7 Zoom meetings per day related to response to COVID-19 across the County, including meetings with Supervisor Craig Brown, current Chairman of the Board of Supervisors, and the Board Liaison, Supervisor Randy Garrison.

Ms. Drew reported that we have developed Business Recovery webinars, a series related to cash flow and reopening strategies. The webinars have been well received. Ms. Drew noted that she has been participating in several federal and state Zoom calls, noting her appreciation to Jeffrey Stone, Department of Labor (DOL) representative in Seattle, for the consistent communication she has been receiving regarding federal initiatives. Ms. Drew reported that the National Federation of Independent Businesses (NFIB) is a great resource, and that she has attended some of their webinars. One in particular she attended included Vice President Pence and the Assistant DOL

Secretary John Pallasch, these have been very informative meetings. With that, Ms. Drew concluded the Program Update.

➤ **Shared Governance Agreement Discussion (Action)**

Ms. Drew reported on what has been taking place regarding the Shared Governance Agreement, the local agreement between the Board of Supervisors and the Workforce Development Board (WDB), sharing a brief history of the work that had to be done to obtain approval from the State, including a meeting with the Chairman of the Performance Excellence Committee. She reported that our Board has achieved the pre-approval of our SGA, with thanks to Chairman Payne and Supervisor Randy Garrison for their input at the recent Performance Excellence Committee. Ms. Drew noted that the Workforce Arizona Council is meeting today to ratify approval. Ms. Drew paused for comments from Chairman Payne, who noted that this was an intense meeting, and gave kudos to the Executive Committee for their patience with the process. Chairman Payne acknowledged and expressed appreciation for Ms. Drew's detailed outline of the process before the Performance Excellence Committee and getting the SGA approved.

➤ **Monitoring Updates**

Ms. Drew noted that the County is monitoring the Title I-B system, and because of COVID-19 the state has pushed out their fiscal monitoring to a future date to be determined. Ms. Drew will share the reports when received.

➤ **Budget Transfers/Update**

Ms. Drew reported the need based on demand to transfer funds from Dislocated Worker to Adult in the amount of \$150,000, which has been approved by Chairman Payne, and to be ratified by the Executive Committee today. Ms. Drew noted that the funds are transferred for training only, no administrative funds added. Chairman Payne called for a **motion to approve the transfer of \$150,000 from Dislocated Worker to Adult, so moved by Steve Silvernale and seconded by Mark Timm**. There was no discussion, **the motion carried unanimously**.

➤ **Infrastructure Funding Agreement**

Ms. Drew reported the Infrastructure Funding Agreement (IFA) process is again underway as required by the State of Arizona, requiring that all Workforce Innovation and Opportunity Act (WIOA) partners pay their fair share in system costs, including the WDB budget and Comprehensive One Stop Center expenses. Ms. Drew recommended continuing the fair share methodology of 1/3 per partner – NACOG, DES and Yavapai College. She noted that invoices have been sent with no response from DES or Yavapai College. Ms. Drew noted that the Board has achieved what was required of them to identify and collect the fair share, although she does not anticipate partner payments. She noted that the budget and IFA were not sent out ahead of the meeting because the One Stop Committee had to cancel their meeting due to COVID-19 restrictions, therefore they could not plan the IFA ahead of the Executive Committee meeting. Ms. Drew noted that last year locally it was agreed to support the IFA methodology, but the state agents did not respond to it. She also noted that the budgets have not been prepared as of yet because allocations were not available from the State until after the Workforce Arizona Council meeting today. A discussion on allocations will follow later on this agenda. Ms. Drew called for discussion on the IFA, some brief discussion followed regarding collecting on the invoices sent. Ms. Drew suggested informing the Performance Excellence Committee (PEC) and let them assist us in resolving the issue. Chairman Payne asked Ms. Drew to draft correspondence to the PEC. Ms. Drew asked Chairman Payne for action to approve the IFA methodology to continue in thirds as stated. Chairman Payne called for a **motion to approve, so moved by Steve Silvernale, seconded by Gary Hassen. The motion carried unanimously**.

➤ **Membership Considerations**

Board of Supervisors requires all membership terms and appointments for all County divisions to be considered at the first Board of Supervisors meeting in June. Ms. Drew reported that Chris Tafoya of DES Title III has resigned, as he has been reassigned to a different area. Ms. Drew also reported the resignation of Wendy Bridges, Economic Development representative from the City of Prescott, who relocated out of the area. Ms. Drew noted that both seats are required partner seats. She reported that Alineth Gamero-Hernandez of DES has been recommended by DES to replace Mr. Tafoya. Ms. Drew noted that although Ms. Gamero-Hernandez does not live in Yavapai County, she oversees DES operations in Yavapai County, and Ms. Drew recommended her to be approved as the Title III required partner. **Steve Silvernale made a motion to recommend Alineth Gamero-Hernandez to the Board of Supervisors for appointment to the WDB as the Title III representative, seconded by Mark Timm.** Chairman Payne called for a vote, **the motion carried unanimously.**

Ms. Drew continued to report that John Heiney of the City of Prescott is being recommended by Mayor Greg Mengarelli to replace Wendy Bridges on the WDB as the economic development representative. She read the letter of recommendation from the Mayor. Ms. Drew noted that she has worked with Mr. Heiney and recommends the approval of his membership application. Chairman Payne called for a **motion to approve John Heiney's membership application; so moved by Gary Hassen and seconded by Steve Silvernale. The motion carried unanimously.**

Ms. Drew reported that Brenda Rhodes of Arizona Public Service is being recommended for renewal, noting that Ms. Rhodes was appointed last year to fill the remainder of Pam Blackburn's term. Ms. Drew recommended Ms. Rhodes to be renewed for a full term as a private sector member. Chairman Payne called for a **motion to approve; so moved by Steve Silvernale, seconded by Mark Timm. The motion carried unanimously.**

Ms. Drew noted that NACOG-EWD has purchased a Zoom account for future meetings to make it easier to manage virtual meetings.

➤ **Title II RFP Process/Application Review Update**

Ms. Drew reported that she has reviewed the Title II Provider application that was submitted by Yavapai College, noting that it was the only application submitted. She shared highlights from the application, such as reported job placement information. Ms. Drew noted that the application must demonstrate alignment with the local area workforce development plan. In the review, Ms. Drew commended Title II Director Craig Lefever's participation on the board, noting that he received the Director's Award last year and is serving as the One Stop Committee Chairman. She also noted that, while Yavapai College is a financial partner, there is still a need for Yavapai College to comply with fair share requirements of WIOA. Ms. Drew noted that the review was sent to the Arizona Department of Education, however the award hasn't been announced yet. She acknowledged the well-written application, noting that it complimented our local plan.

➤ **PY 2020 Allocations Discussion**

Ms. Drew reviewed the PY2020 allocations options for each local state area. Ms. Drew noted that the traditional process for the local areas is to agree on the least harm to the most areas. She detailed the report, and noted an overall 31% increase for the state - \$105 million for Title I-B Adult, Youth and Dislocated Worker (DW). There is a 15% set-aside for the State; 10% for Governor's discretionary funds and 5% for administration of the Office of Economic Opportunity (OEO) and DES.

Yavapai County is expecting an increase of \$293,585 increase for a total of \$1,827,564. Ms. Drew noted that these are the regular formula funds appropriated by Congress, having nothing to do with COVID-19. An additional \$19 million is being considered at the federal level for approval. Ms. Drew noted a significant change to DW and Rapid Response (RR). There was no worksheet for RR as in the past because the state is recommending retaining the nearly \$10 million amount at the state and not to pass it through to the local areas for Rapid Response activities. Ms. Drew noted that this has never happened before. The demand at the local level is greater than ever before for RR funding because of COVID-19. She reported the need for Yavapai County business to have access to the funds immediately. Ms. Drew expressed concern about how the state will handle RR across all local areas. The state says a plan for RR will be executed by July 1 and that the plan is being reviewed by DOL. The State would have to change their State Workforce plan to accommodate the change as well. Ms. Drew has no description of the RR plan and noted that state-driven programs are concerns for rural areas. She will suggest today at the Workforce Arizona Council meeting that there be a set-aside of RR funds for rural areas because of the high demand in urban areas.

Ms. Drew noted a 15% local area reduction from the state's allocation as well, commenting that concern rests with community service and being able to respond quickly.

Comments followed regarding the concept of Rapid Response, how it can be rapid if it's being administered by the state. Ms. Drew noted that she expects the recommendations to be approved. Other discussion followed regarding the rationale for the change, it was suggested that it was related to COVID and to not burden DES, being inundated by UI claims. It was suggested that it might be used for business incentives for attraction. Other comments followed. Ms. Drew noted that there is now a need to pull rapid response activities out of the WDB Plan and marketing. She assured the Executive Committee that the law is being followed, that governors do have the discretionary right to the funds, but the funds must be used statewide. In conclusion following further discussion, Ms. Drew noted that the local areas must follow the state plan. No action was required for this agenda item.

V. Local Workforce Development Plan Review/Approval

Ms. Drew began this item by thanking Julia Sawyer for framing the plan and working to put it together. Ms. Drew commented that the current plan instructions are not relevant to today's situations, but no other instructions have been received. The Plan is due July 1, and Ms. Drew reported that we have a full draft that she is currently finalizing. She recommended publishing the plan for 10 days in order to keep to the deadlines established. Updates from 2018 that are being reviewed today for approval by the Workforce Arizona Council are being put into the new Plan, reformatting the information to align with the state's outline. Ms. Drew noted that this will be a base Plan according to the state's outline, and will have the definitions and information the same as the state. Ms. Drew noted that we will have to write a recovery plan when/if funds come, so today's ask is for the Executive Committee to approve the release of the draft Plan for public comments for 10 days to get it back in time to be approved by the Board, the Board of Supervisors, and then to the State by July 1, 2020. **Steve Silvernale made the motion to approve the draft Plan for release for public comment, seconded by Chairman Payne. The motion carried unanimously.**

Ms. Drew noted that we will also ask the state to make their comments during the public comment period to expedite the process of approval. Comments followed regarding the difficulty in developing a state-based plan when the state changes their verbiage. Ms. Drew also commented that there is no current accurate data right now, but this one will meet recommendations and serve as a boilerplate ahead of the final plan.

VI. Member Comments

Chairman Payne called for member comments, there were none.

VII. Public Comments

Chairman Payne made a call to the public for comments, there were none.

VIII. Adjournment

Chairman Payne called for a **motion to adjourn; so moved by Mark Timm, seconded by Gary Hassen.**
The meeting adjourned at 10:03 AM.

Minutes of the Workforce Development Board Executive Committee – May 14, 2020

Approved:

DRAFT