



## **Illinois Workforce Investment Board**

**Pat Quinn, Governor**

**John Rico, Co-Chair**

**Rend Lake College  
468 North Ken Gray Parkway  
Ina, IL 62846-2408  
September 13, 2012**

### **IWIB Welcome/Roll Call**

The meeting was called to order at 1:04 p.m. Roll call was taken and a quorum was present.

**Present:** John Rico, Tom Ashby, John Coliton, Joseph Costigan, Elizabeth Dickson, Scott Frick, Steve LaRocca, Michael Massie, Francisco Menchaca, Sandeep Nain, Barbara Oilschlager, Janet Payne, Teresa Payne, Michael Perry, Eloy Salazar, David Stoecklin, Gary Swango, Grover Webb, Mike Williams

**Present by Proxy:** John Holton (Jennifer Morrell), Dr. Chris Koch (Dora Welker), Geoffrey Obrzut (Lavon Nelson), Dr. George Reid (Ocheng Jany), Jay Rowell (Gideon Blustein), Sophia Siskel (John Meech), Kristine Smith (Philip Locascio), Diane Williams (Jack Hazan)

**Absent:** Honorable James Clayborne, Jr., Donald DeDobbelaere, Sandy Moldovan, Honorable Sandy Pihos, Tom Prinske, Jeff Pritts, Michelle Saddler, Juan Salgado, Shelley Stern, Larry Walsh

### **Approval of June 14, 2012 Minutes**

Board members were asked to review the June 14, 2012 minutes as provided in the meeting handouts. Co-Chair Rico requested a motion to approve the minutes. Barb Oilschlager motioned and Mike Williams seconded. The motion passed.

### **Opening Remarks**

Co-Chair John Rico welcomed members and guests and extended thanks to Rend Lake College, President Terry Wilkerson, and his staff for hosting the meeting. President Wilkerson welcomed everyone and introduced several of his staff members.

Co-Chair Rico thanked Mayor Ashby for assisting the college and its staff in hosting the meeting. Mr. Ashby welcomed everyone and noted that the lunch and cake was provided by the Culinary Department from the college and thanked them for their wonderful southern Illinois hospitality.

#### Introductions and Comments by the Special Guests

Mayor Ashby introduced Lieutenant Governor Sheila Simon as the Governor's point person on education reform and noted she is leading efforts to increase college completion, inspire ethical government, protect our military bases from closure, improve services in rural areas, advocate for women, and keep our waterways clean and safe. He stated in her first year in office, Lt. Governor Simon conducted a fact-finding tour of the state's forty-eight community colleges to highlight the role they play in increasing the state's college completion rate. Her goals for Illinois are to have sixty percent of working-age adults hold meaningful college degrees or certificates by 2025 up from the current forty-four percent.

Lieutenant Governor Simon expressed gratitude for the opportunity to address the board. She reiterated that she has been working at the request of the Governor on educational issues and has visited all the community colleges. The one consistent comment she received throughout the entire state from schools and the manufacturing industry is that students are not ready for college level or workforce level math. In response, a model state math curriculum is being developed for middle school through high school to provide four years of math for students with the first three being regular math and the fourth year focusing on agriculture economics, statistics, etc. which will assist in making a seamless transition into postsecondary education and/or the workforce. Lieutenant Governor Simon expressed a desire to Governor Quinn to be actively involved with the Illinois Workforce Investment Board and looks forward to beginning a great relationship as it continues to improve Illinois' workforce to be competitive in a global economy.

Co-Chair Rico introduced Director David Vaught of the Illinois Department of Commerce and Economic Opportunity (DCEO) who is in charge of the agency that manages the Workforce Investment Act and staffs the IWIB. DCEO is also responsible for raising Illinois' profile as a global business destination and expanding economic opportunity throughout the state, whether that be through small business financing and assistance, business location assistance, infrastructure development, or many other state and federal program areas. Co-Chair Rico welcomed Director Vaught and invited him to address the board members.

Director Vaught thanked Co-Chair Rico and the board members for the opportunity and introduced several staff members in attendance. He announced that earlier in the day the Rend Lake South Tourism Information Center in Whittington re-opened after being closed since June 2010. He was pleased that the re-opening will help increase tourism spending and revitalize the local economy and surrounding southern Illinois communities.

Director Vaught stated the Governor's global agenda, which he refers to as physical stability with economic growth, has challenges that need to be achieved and a strong Illinois workforce will be a crucial part in the economic growth strategy.

Director Vaught concluded by sharing several success stories of companies and Illinois' workforce. He emphasized that these success stories are due to continuing efforts to make

Illinois' workforce better beginning with the board's continued guidance, best practices, and creating a competitive workforce in Illinois in this global economy.

### **State Plan – Action Item**

Mike Baker, DCEO's Manager of the Planning Unit of the Planning and Policy Development Office, presented the State Plan Task Force Report. He explained the State Plan is statutorily required. The existing plan was originally completed in 2002 and the most recent modification was submitted in 2009 for the American Recovery and Reinvestment Act. He covered the three main components of the State Plan: 1) The Governor's strategic vision for the state's economy and overarching goals for the state's workforce system. 2) The State Operational Plan for the Workforce System. 3) Assurances. He noted Governor Quinn has worked with public and private leaders to establish a clear vision and strategic direction to align economic development, workforce development, and education initiatives and investments to achieve two overarching goals; create and retain jobs which meet the needs of Illinois employers, and expand career opportunities for youth and adults throughout the state. The strategies to achieve the goals include sector focus, public-private partnerships, credential attainment, flexible education and training opportunities, integrated and seamless services, employers and jobseeker services, and data-drive solutions. He highlighted the economic and workforce analysis of several sectors (healthcare, manufacturing, information technology, transportation/distribution/ logistics, and agriculture, food and natural resources). He noted the second component, State Operational Plan, identifies how specific workforce programs administer and implement systems and structures to achieve the vision and goals which include state board role, local area description, operating systems and policies, services to target populations, Wagner-Peyser Agricultural Outreach, services to employers, waiver requests, and coordination with Trade Adjustment Assistance. He emphasized no new waivers were requested in the proposed State Plan; however, there was a request to extend all existing waivers. He briefly explained the final component of the State Plan which is a list of specific assurances to confirm to the US Department of Labor that Illinois is complying with statutory and regulatory requirements. In conclusion, he reviewed two public comments received from the Council for Adult and Experiential Learning and Chicago Jobs Council. Following a discussion with regard to strategies to handling workers aging out specifically to agriculture, Therese McMahan suggested reconvening the Agriculture Task Force to address this issue. Several members commented and briefly discussed the decreased level of college enrollment, the cost of education, and the economic recovery with regard to achieving the state's vision and goals within many of the sectors outlined. Mayor Ashby made a motion to approve the State Plan as provided. Francisco Menchaca seconded and the motion passed.

### **Illinois Benchmark Report – Action Item**

Lisa Jones, Manager of the Policy Unit, presented the eighth annual Illinois Benchmark Report. She explained the ten established benchmarks are designed to provide a comprehensive and balanced picture of the status and progress of workforce development services in Illinois. The state benchmarking process requires the inclusion of competitor states for comparisons over time and the report compares Illinois' performance to that of the United States and nine other states selected on the basis of total populations and states representing the largest industrial states competing with Illinois for business. The states used for the comparison are: California, Florida, Georgia, Michigan, New Jersey, New York, Ohio, Pennsylvania, and Texas.

The ten benchmarks required by Public Act 93-0331 are divided into three general categories; workforce quality, earnings, and competitive business advantage. Workforce quality benchmarks measure workforce quality and are arranged in an order that tracks the life of a worker through various educational milestones that includes three youth benchmarks. The benchmarks are education level of working-age adults, percentage of the adult workforce in education or workforce training, adult literacy, percentage of high school graduates transitioning to education or workforce training, high school dropout rate, and the number of youth transitioning from eighth to ninth grade. The earning benchmarks include percentage of individuals and families at economic self-sufficiency and average growth in pay focusing on earnings, the primary indicator of workforce quality. The competitive business advantage benchmarks focus on earnings a primary indicator of workforce quality which includes net job growth and productivity per employee.

She stated some data for the benchmarks were not updated due to significant problems in measuring and reporting progress on many of the statewide benchmarks on an annual basis, specifically Benchmark Three - Adult Literacy (which is difficult to measure) and Benchmark Six - Number of Youth Transitioning from eighth to ninth grade (although efforts have been made by working with the State Board of Education).

A highlight of Illinois' performance on each benchmark is as follows. Benchmark One - Education Level of Working-Age Adults: Illinois is keeping pace with most other states and the nation as a whole in increasing the percentage of its population with high school diplomas. Illinois has moved ahead of the nation and most benchmark states in the percentage of its population with a bachelor's degree or higher. Data found is as follows: 1) Illinois increased the percentage of the working-age population with high school diplomas from 85.8 to 90.0 percent between 2002 and 2012. When comparing this rate with those of the benchmark states, Illinois ranks fourth out of ten and exceeds the national rate by 2 2/10 percentage points; 2) Illinois increased the percentage of the working-age population with bachelor's degrees and above from 28.3 to 34.1 percent between 2002 and 2012. Illinois is ranked second among benchmark states; 3) Only a small difference between males and females in the percentage with a high school diploma and the percentage with a bachelor's degree or higher. The difference in percentages between genders is approximately one percent or less; and 4) Persistent racial/ethnic differences remain in the percentage of the working-age population with high school diplomas and four-year college degrees with Blacks and Hispanics lagging behind the attainment rates of Whites.

Benchmark Two - Percentage of the Adult Workforce in Education or Workforce Training: The number of WIA clients entering training decreased from 2010 to 2011 by 5 percentage points, but is still up overall from 2008 when Illinois implemented a policy that required LWIA to spend 40 percent of the adult and dislocated worker formula allocation on direct training expenditure.

Benchmark Three - Adult Literacy: There has not been any measurement of literacy in Illinois since the 1992 NALS study in which Illinois participated in providing funding for a comparable State Adult Literacy Survey. In that study, Illinois performed roughly at the same level as the nation as a whole. In 1992, 48 percent of Illinoisans tested at the inadequate level and the average scores were slightly lower than other Midwest states and approximately the same as adults nationwide.

**Benchmark Four - Percentage of High School Graduates Transition to Education or Workforce Training:** Illinois has not kept pace with leading states in the percentage of high school graduates transitioning to college or workforce training. Data indicates in Illinois the rate of students who are transitioning from high school to college or training has fluctuated for the past fourteen years, ranging from 33-35 percent. In 2008, Illinois ranked seventh among the ten benchmark competitor states. In 2008, only two out of ten of the benchmark states increased their number of graduates transitioning to college since 2008. Illinois is one of the seven other benchmark states who show a decrease in the number of students who transitioned to college/training since 2006.

**Benchmark Five - High School Dropout Rate:** In the past fourteen years there has been a significant drop in the high school dropout rate in Illinois. However, state comparisons are very difficult due to the lack of comparable data. Illinois has a very high percentage of Black and Hispanic school-age youth (16-19) without high school diplomas. In 2007-2008 Illinois had a dropout rate of 5.2 percent which is down almost two percentage points since the 1997-1998 school years. The dropout rate has continually decreased in the past fourteen years. According to the most recent available data, Illinois has about 14.1 percent of youth aged 16-19, who are not in school and do not have a diploma, compared to approximately 15.9 percent for the nation as a whole. Black (19.2%) and Hispanic (20.5%) youth had significantly higher dropout rates than White (12.4%) youth in Illinois.

**Benchmark Six - Number of Youth Transitioning from Eighth to Ninth Grade:** Illinois currently does not have information systems in place to measure the number of youth transitioning from eighth to Ninth grade on a reliable statewide basis. Comparable information for other states does not exist. The Illinois State Board of Education is developing a longitudinal data system that can track students as they transition from grade to grade, school to school and district to district. Agency staff will review progress on implementing this system and explore how to use this system to provide data for this benchmark.

**Benchmark Seven - Percentage of Individuals and Families at Economic Self-Sufficiency:** Available data shows significant differences across the state, reflecting the range of economic opportunities in Illinois: 1) The Southern Economic Development Region has the highest percentage of households living below self-sufficiency, while the Northwest, Central, and Northern Stateline Economic Development Regions have the greatest percentage of households achieving self-sufficiency; and 2) Racial composition impacts self-sufficiency much more than economic development region. The percentages of Black and Hispanic households living below self-sufficiency are more than 2.5 times the percentage of White households living below self-sufficiency. Only 16.6 percent of White households are below the standard which is much less than even the statewide average of 23.5 percent.

**Benchmark Eight - Average Growth in Pay:** Illinois is keeping pace with the growth in average earnings nationwide and in most comparable Midwest states. The average earnings of workers in Illinois increased by 28 percent between 2000 and 2010 reaching a level of \$55,035 in 2010 which was above the national average of \$51,714. Average earnings decreased by 8.2 percent in Illinois between 2005 and 2010 which was slightly off the national average for that period. Illinois ranked first among the benchmark states in earnings growth between 2000 and 2009, but dropped down to fourth in earnings growth between 2000 and 2010.

Benchmark Nine - Net Job Growth: Illinois experienced a decrease in jobs from 2005 to 2010. Illinois decreased by about 60 jobs from 2005 to 2010 ranking fifth out of the ten competitor benchmark states. Data indicated that jobs in Illinois decreased by about -0.8 percent from 2005-2010 and -1.1 percent from 2000 to 2010.

Benchmark Ten - Productivity of Employee: Data indicates that Illinois is keeping pace with the rate of growth of employee productivity nationwide as well as when it is compared to the ten competitor benchmark states: 1) In the past five years Illinois employees increased productivity by over one and half percent. 2) Illinois had the fifth highest productivity rate among benchmark states in 2009 (decreasing its rank from fourth in 2008) and has continually exceeded national figures over the past ten years.

In conclusion Lisa stated DCEO asked for changes in legislation with regard to the benchmark system with no response to date. Gary Swango made a motion to approve the Illinois Benchmark Annual Report. Barb Oilschlager seconded and the motion passed.

### **Proposal for the Reconfiguration of LWIA 4 & LWIA 12 – Action Item**

Pam Furlan, Executive Director of Business Employment Skills Team, Inc. (BEST, Inc./LWIA 12) addressed the Board regard reconfiguration of LWIA's 4 and 12. She provided a brief presentation of the proposal and distributed a document which included a map of the affected areas, levels of the funding sources, and the areas' population and demographic served by the two LWIAs. Currently nine counties are included in the proposal. At least one of the counties asked for an opportunity to consider partnering with another LWIA; however, they instructed Ms. Furlan to present it at the IWIB meeting as is. She continued with a summary of the reasons to reconfigure the local workforce investment areas as 1) continued decline in allocations; 2) opportunity to be proactive and define an area that secures the Northwest part of the state's needs for the future; and 3) both LWIAs benefiting by streamlining staff and overhead costs with a direct benefit of providing more dollars for services and programs to the participants. Ms. Furlan stated BEST, Inc. would be the grant sub-recipient for the newly reconfigured LWIA and probably would be referred to as LWIA 4 with the currently LWIA 12 Executive Director (Pam Furlan) serving as the WIB Director and the current LWIA 4 Executive Director (Kathy Day) serving as the Program Director. The overall intention of the proposal is to retain/employ as many staff from both LWIAs as possible, at least through the first year in order to ensure customers do not see a disruption in service. All existing offices in both LWIAs will remain open under the reconfiguration for at least the first year to determine client flow as well. Additionally, one Workforce Investment Board (Northwest Central Illinois Works) will be formed that will consider geographic locations, industry sectors, and required mandated partners. The Regional workforce Partnership Boards will be formed and consist primarily of members from the private, economic development, and education sectors who will oversee local issues and strengthen the relationship between workforce and economic development.

Kathy Day provided program/customer service information as well as the timelines of the reconfiguration process. Kathy addressed the following issues: Core and intensive services will be offered by staff at the newly merged BEST, Inc. Case management services to those clients currently enrolled into training will continue to be provided by the new entity with many of the clients remaining with the current career advisor. She emphasized the reconfiguration process

was designed to eliminate any major changes in benefits to the current clients. In conclusion, Ms. Day addressed the timeline as follows: 1) The letter of request to the Governor delivered by October 19, 2012 with his office having 30 days to review and approve the reconfiguration proposal; 2) Assuming approval, the Transition Plan submitted by December 31, 2012 with the assistance of the two current WIBs and a transitional team consisting of a variety of staff; 3) Hiring staff between January 1 through June 30, 2013; 4) Programmatic policies and procedures will be reviewed and revised accordingly; and 5) The Northwest Central Illinois Works (NCI Works) membership orientation scheduled with an effective date of transition to the new workforce area being July 1, 2013.

Following the presentation they addressed questions and discussion topics. Barb Oilschlager asked what the two top challenges are with the transition plan. They answered with ensuring the transition is seamless so the focus is on customer service, and the review of all policy and procedures and to implement cohesiveness policies and procedures throughout the newly formed LWIA. Lavon Nelson showed concern in how the proposal changes if one or more counties choose to opt out of this new LWIA. They responded by saying if one or more counties choose to opt out the plan, the services and funding plans will not be affected. It was reiterated that one or more counties want the opportunity to review their options to move to another area but no decisions have been made.

Mike Williams, Executive Director of LWIA 3 stated that his area supports the initiative; however, the CEOs within his area would like the opportunity to discuss and explore options with several of the counties under the current proposal since his office was just notified of the proposal the day before the IWIB meeting. Assistant Deputy Director Becky Harmon and Deputy Director Therese McMahon emphasized that the proposal was established to be a fluid proposal and the final decisions as to which counties decided to opt out before the letter was sent to the Governor's Office was taken in to consideration. The push for approval at this meeting was to meet future timelines without having to wait for approval at the December meeting. Mr. Williams made a motion to amend the current proposal to allow other local workforce investment areas to explore and discuss with interested counties as to which local workforce investment area they would want to have association. Ms. Furlan stated the current caveat in the proposal ensures that exploration exists until the letter for the request for reconfiguration is sent to the Governor's Office. Mr. Williams rescinded his amendment to the motion. Mayor Ashby made a motion to approve the proposal for the reconfiguration of LWIA 4 and LWIA 12. David Stoecklin seconded and the motion passed.

### **Legislative Task Force & WIA Update**

Mayor Ashby provided an update on the Legislative Task Force. He stated the Task Force members have been actively meeting and noted they met earlier in the day at Rend Lake College prior to the IWIB meeting. He briefly reviewed the purpose of the Task Force as being a uniform platform for key stakeholders when educating Congressional members and their staff to secure critical training funds for Illinois. He stressed while interacting with the elected officials it is important to emphasize the public-private partnership when sharing Illinois' success stories. He stated such meetings have been well received with Congressman Shimkus' Office and it is the private partnerships' contributions that have become the mainstay of the visits. In conclusion he thanked the Task Force members, especially John Coliton with UPS, John Deere, and the other

private partnerships as they continue educating and fighting for the necessary funding for Illinois.

Therese McMahon again noted the importance of having private partners/employers involved on the Task Force in order to help Congressional members and staff understand that the return on investment is and that its real and vital to moving the economy forward. She concluded that meetings with Senator Durbin's office and others are scheduled in the near future and the efforts to continue to use the private partnerships' media outlets to keep Congressional members and staff informed.

### **Public Comment/Adjournment**

Co-Chair Rico stated that the Entrepreneurship Task Force report would not be presented at the meeting due to meeting conflicts but looks forward to an update on the task force's work at a future meeting. Co-Chair Rico opened the meeting up for public comment.

Grover Webb, a farmer and owner of Tanglefoot Ranch in Simpson, IL, emphasized the need to continue to work on increasing the numbers of entrepreneurs within Illinois specifically in food production. He stated he attended a conference earlier in the year and a representative from Minnesota complained about the high cost of growing tomatoes in a greenhouse during the winter and another representative from Louisiana stated the state's weather was too hot for good growing conditions. He therefore concluded that southern Illinois is a halfway point between those states and Illinois farmers could grow tomatoes as well as many other crops. He stressed the need for Illinois to create more workforce training programs in agriculture to take advantage of these economic development opportunities. In conclusion, he invited everyone to the Shrimp Festival on September 15 in Golconda, Illinois. Lavon Nelson with Illinois Community College Board stated she and Grover had a previous conversation regarding the Local Foods Initiative programs through community colleges which addresses some of his concerns. She stated the funding was made possible through a DCEO 15% grant which ended June 30, 2012.

Eloy Salazar, Executive Director of the Illinois Migrant Council, stated his office was informed the previous week that the U.S. Department of Agriculture announced the University of Illinois was awarded one of the twenty-seven grants for a three-year project for the Beginning Farmer and Rancher Development Program to increase commercial fruit and vegetable farmers within Illinois. The Illinois Migrant Council is working in coordination with the university training being held at the UOI Extension Service sites in southern, central, and northern Illinois. He invited anyone wanting additional information to contact his office.

Francisco Menchaca expressed his concern regarding the Annual Benchmark Report with regard to the statistics reported for the Hispanic/Latino high school dropout rate. He was hoping the IWIB would be able to locate resources to address the challenges this population faces in order to continue to improve the workforce of Illinois. Co-Chair Rico stated the board would take that under advisement and would report back to the membership in the future.

Lavon Nelson with Illinois Community College Board (ICCB) stated that during the past seven years she has provided updates regarding the Illinois Shifting Gears Initiative. One of the final products of this initiative was the complete practitioner's guide entitled, "Bridge Initiative: Creating a Successful Bridge Program: A "How to Guide". She noted Illinois has made



investments in bridge programs as a strategy to help more low-skilled and low-wage workers improve their skills, acquire postsecondary credentials, and move into better employment opportunities which will increase the productivity and competitiveness of employers in Illinois. She distributed copies to members and noted the entire document was uploaded to ICCB website as well.

Mayor Ashby noted Co-Chair Rico recently attended the National Workforce Board Chairs Conference in Seattle, Washington representing the Illinois Workforce Investment Board. Co-Chair Rico stated that 33 of 50 states were in attendance and Illinois was praised for the efforts being made in workforce and economic growth more than any other state. He reported Governor Quinn and State Superintendent Chris Koch would be announcing the first designated STEM Learning Exchanges in Chicago on September 14, 2012. In prior meetings presentations and updates have been given on the Illinois Pathways initiative and the upcoming launch of the STEM Learning Exchanges. The Learning Exchanges build off of the sector-based approach that was advanced as part of the IWIB's task force strategy. A separate Learning Exchange will be launched in each of the identified STEM areas and will have a lead entity that coordinates a statewide network of businesses, employer associations, education partners, and other stakeholders. These networks will be funded by public-private partners and will improve the coordination and delivery of resources, work-based learning opportunities, career guidance and partnerships that support local STEM programs for youth and adults.

Elizabeth Dickson, Director of Human Resources of Engineered Glass Products briefly discussed a meeting with school administrators regarding the needs of a local Catholic school with no funding from the Diocese. She reported 98 percent of their funding is derived from fundraising efforts and limited payment of tuition by parents living on limited incomes. The school serves a poor neighborhood with approximately 90 students for sixth, seventh, and eighth grader students who are below their academic learning counterparts. She walked away with the challenge of finding additional resources to schools such as theirs with caring teachers, staff, and administrators. Ms. Dickson stated that she was looking for additional resources, support and input from the board. Co-Chair Rico asked her to provide him with the school's information. Therese McMahon suggested the school administrators contact the local workforce investment area to if they could help identify any resources.

Co-Chair Rico announced the next IWIB meeting will be held December 13, 2012 at 3:00 p.m. in Chicago, Illinois.

There being no further discussion, Mike Williams made a motion to adjourn. David Stoecklin seconded and the motion passed. The meeting adjourned at 3:05 p.m.