



## Illinois Workforce Innovation Board

**Bruce Rauner, Governor**

**John Rico, Co-Chair**  
**Sean McCarthy, Co-Chair**

**Rend Lake College**  
**468 Ken Gray Parkway**  
**Ina, IL 62846**  
**September 15, 2016**

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

The meeting was called to order at 1:00 p.m. Roll call was taken and a quorum was present.

**Present:** John Rico, Tom Ashby, Mike Conley, Elizabeth Dickson, Jennifer Foster, David Friedman, Kirk Gadberry, Thomas Hacker, Grailing Jones, Alicia Martin, Angela Mason, Michael Massie, Sandeep Nain, Barbara Oilschlager, Eloy Salazar, Margie Schiemann, Grover Webb, Thomas Wendorf, Sylvia Wetzels, Terry Wilkerson, Michael Williams

**Present by Proxy:** Sean McCarthy (Julio Rodriguez), Elba Aranda-Suh (Felipe Luna), Julie Courtney (Kathy Lively), Victor Dickson (Arthur Bishop), Jeffrey Mays (Jilian VanZandt), Kris Smith (Randy Staton),

**Absent:** Henry Beards, Senator Melinda Bush, C.D. Davidsmeyer, Debra Day, Dr. John Donahue, Pat Fabijanski, Danielle Ferrari, Joe Forbes, Representative Norine Hammond, Marlon McClinton, Terri Payne, Michael Perry, Juan Salgado, John Sigsbury, Representative Mike Smiddy, Aaron Tennant, Larry Walsh, Andrew Warrington, Senator Chuck Weaver

**Ex-Officio Members Present:** Dr. James Applegate (Amanda Winters, proxy), Karen Hunter-Anderson (Brian Durham, proxy), Tony Smith (Dora Welker, proxy)

### **Approval of June 16, 2016 Minutes**

Co-Chair John Rico requested the board members to review the June 16, 2016 minutes as provided in the meeting packet. Ms. Barbara Oilschlager made a motion to approve the minutes as presented; Ms. Jennifer Foster seconded the motion. With no further discussion, the motion passed.

### **Opening Remarks**

Co-Chair John Rico welcomed the board members and informed the membership that Co-Chair Sean McCarthy, the Acting Director of Commerce and Economic Opportunity was unable to attend; however, the Department's Deputy Director Julio Rodriguez of the Office of Employment and Training would be speaking on behalf of Co-Chair McCarthy.

Co-Chair Rico thanked Mr. Terry Wilkerson and the Rend Lake College staff for hosting the day's meetings and for providing the luncheon.

*The Illinois workNet Center System, an American Job Center is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this website may be reached by persons using TTY/TDD equipment by calling TTY (800) 526-0844 or 711.*

Co-Chair Rico provide an overview of the agenda which included: a report of the WIOA NGA Summer Meeting held in Chicago which was hosted by Illinois, updates regarding the Executive Committee, Minimum Training Expenditure Workgroup, TDL Task Force, Youth Standing Committee, and Apprenticeship Standing Committee. Additionally, update on the Illinois House Bill HB5729, Illinois Unified State Plan revisions, and the discussion of an action item in creating a Strategic Planning Task Force.

### **WIOA NGA Summer Meeting Chicago Update**

Deputy Director Julio Rodriguez provided a brief update with regard to the National Governors Association Summer Annual Meeting of the National Association of State Workforce Board Chairs and the National Association of State Liaisons for Workforce Development Partnerships in Chicago during the week of July 31, 2016. Deputy Director Rodriguez stated that the two associations met, separately and jointly, to discuss strategies for building the United States' talent pipeline to support a competitive workforce.

Mr. Mark Burgess, a Department of Commerce, Office of Employment and Training staff member, provided a brief narration of the pictures from the slideshow that was shown during the luncheon prior to the board meeting. The slideshow highlighted the innovative programs and resources that the NGA attendees were able experience including UI Labs, City Digital & DMDII, Malcom X College and 2112/Fort Knox Studios. In conclusion, Co-Chair Rico stated that the week was a great opportunity for Illinois to showcase its nationally recognized workforce development and training system.

### **Committees/Task Forces/Workgroups Updates**

*Executive Committee* – Mayor Tom Ashby provided an update on the Executive Committee's discussions and actions since the last quarterly board meeting. He stated that he Executive Committee convenes on a bi-weekly basis. He stated that the Executive Committee approved the changes to the Unified State Plan, directed a review and analysis of the WIOA Final Rules, discussed Illinois' Integrated Business Services Environmental Scan which Deputy Director Rodriguez will provide more detail later in the agenda, and monitored all of the Standing Committees, Task Forces, and Workgroups to ensure they stay on track with their goals. Additionally, he mentioned that the Executive Committee began discussions on Strategic Planning with applications submitted for funds for technical assistance to assist with those efforts.

*Minimum Training Expenditure Workgroup* – Mr. Terry Wilkerson stated that the workgroup held two meetings since the initial meeting in June and reminded the board members of the current policy including: the minimum training expenditure level is 40%, a decision was made by the Board to combine the Adult and Dislocated Worker programs into one single calculation rather than separate as previously existed, and the data for the current complete year indicates the following:

- Lowest local area combined calculations is 42.35%
- Highest local are combined calculations is 66.28%
- 16 of the 22 local areas exceed 50%

Mr. Wilkerson stated that discussions have been data driven, as well as included programmatic discussion from the local perspective. Additionally, discussions were held among workgroup on what will be considered direct training costs and other allowable costs to include in the formula and identifying what will not be included which left some variables which left the workgroup unsure as to how they will affect both the formula and the provision of the services to the customers. He stated that in order to address the variables, the workgroup will continue to meet and review the data in modified calculations in order to identify their effects.

Mr. Wilkerson provided some of the workgroup's final decisions that will be incorporated into the final policy and presented to the Board at the December board meeting which included:

- Finalize a list of allowable costs and direct training definitions, adding to what is in the current policy in order to include those identified in the WIOA Act
- A proposal to increase the minim level to 60% by imposing a three-year phase-in period
- Identifying benchmarks for each year along the way escalating to the 60% level
- A continuous review of the data with multiple supplementary formulas as an evaluation tool addressing those variables
- Impose a “hold-harmless” policy during the phase-in period.

He stated that these proposals must come with much understanding as it will impact the local areas; however, the phase-in period will be designed to determine the level of impact and the willingness to negotiate the final level based on information gathered during this period is imperative. He emphasized that understanding that this policy may or should drive systemic changes that are currently part of the discussions of the Interagency Workgroup, such as provision of career services, local plans and MOUs, and other policies such as career planning and case management.

A brief discussion was held among board members expressing concern regarding the increase in minimum training expenditure as well as what will be allowable expenditures. Co-Chair Rico suggested that Kirk Gadberry and Mike Conley join the Task Force due to their level of questions and discussion after the presentation update. Following these discussions, it was determined that the policy would be revised in two phases, one to address the list of allowable training services and a second to revisit the policy in its entirety following the analysis and recommendations. In conclusion, Mr. Wilkerson thanked the workgroup members for the efforts thus far and stated that the workgroup would tentatively provide its recommendation to the Board at the December 2016 meeting.

*TDL Task Force* – Mr. Grailing Jones, the Task Force Chair, stated that the Transportation, Distribution and Logistics (TDL) Task Force was reconvened and the current Task Force members would be building upon the previous findings and recommendations. The members defined the mission statement as: to increase the number of Commercial Driver’s License (CDL) drivers available in Illinois to support industry cluster growth and to drive economic growth across the state. He stated the Task Force would be extending an invitation to those who previous served on the Task Force as well as strive for a fifty-one percent business-sector involvement. It is the Task Force’s objective to be able to have industry recognized models in place by March 2017 and would provide necessary update to the Board.

A brief discussion was held among board members with regard to attracting more individuals into the industry including veterans and Mr. Jones stated that as a the National Executive Director of Schneider National, Inc., efforts have been started to do outreach to the veterans and the military industry. Additionally, it was emphasized that the TDL industry is larger than just the CDL and asked if the Task Force would explore the entire spectrum or just focus on the CDL. Mr. Jones stated that the current focus of the Task Force would be the CDL because having enough qualified CDL drivers is the key to economic growth within the industry. He stated that the average CDL driver was at the age of 55 and too many companies are stealing qualified drivers from each other and by having the models in place would provide a path to increase qualified drivers and to retain the current talent within the industry. Deputy Director Rodriguez referenced several reports that have been issued in recent years by the American Transportation Research Institute. First, a report released in December 2014, entitled, “White Paper: Analysis of Truck Driver Age Demographics Across Two Decades” speaks to the shifting demographics of truck drivers. Additionally, the American Trucking Associations issued a report in October 2015, entitled, “Truck Driver Shortage Analysis 2015” which expands on the truck driver shortage and predicts the industry will experience a significantly larger number over the next decade that will severely affect the supply chain if the issues are not addressed. Deputy Director Rodriguez stated that he would have those reports emailed to the board members for their review.

In conclusion, Mr. Jones emphasized that the main objective of the TDL Task Force has been to assess the shortage in Illinois and make recommendations that could halt or significantly reduce this projected shortage and reduce the increasing average age of truck drivers, in general. This will also include a look at a higher level of retention of truck drivers. Co-Chair Rico thanked Mr. Jones for his service as a newly appointed member.

*Youth Standing Committee* – Mr. Mike Massie, Chair of the Youth Standing Committee, and Mr. Matt Hillen, staff member with the Illinois Department of Commerce and Economic Opportunity, Office of Employment and Training, provided brief overview of the Youth Standing Committee’ activities since the last board meeting. Mr. Hillen explained to the board members how the WIOA has impacted youth services with regard to the targeted population with a stronger focus on the out-of-school youth and what services and resources are provided to this population. Additionally, he briefly explained the short-term goals include reviewing the findings and recommendations as submitted by the IWIB Disadvantaged Youth Task Force including potentially piloting a set of programs that exemplify the program criteria as best practices with career pathways. The long-term goals need to focus on taking intentional steps to build capacity within the entire system as a whole and to gear it toward working with the WIOA core partners which will ensure a common set of competencies to build a robust business-driven approach.

Mr. Massie stated the committee members met prior to the September board meeting and plan to continue to meet prior to each of the quarterly board meetings and will provide updates to the Board as needed. Additionally, he thanked, Andrea Messing-Mathie with Northern Illinois University for the support her and her staff have given in the Standing Committee’s efforts.

*Apprenticeship Standing Committee*– Ms. Alicia Martin, Chair of Apprenticeship Standing Committee, provided an overview of the committee’s activities since the last board meeting including referencing the meeting materials entitled, “Proposal Summary: U.S. Department of Labor ApprenticeshipUSA Expansion Grant.”

Ms. Jennifer Foil, Senior Research Associate, Center for Governmental Studies at Northern Illinois University, provided a brief overview of the meeting material entitled, “ApprenticeshipUSA State Expansion Grant Proposal” by highlighting the apprenticeship pathways. She stated that in addition to the well-known options of Registered Apprenticeship, pre-apprenticeship, and youth apprenticeship, the Apprenticeship Plus System includes a fourth option of customized employer based training. These options will require the five features associated with DOL Registered Apprenticeship programs which include: business involvement, structured on-the-job-training related instruction, rewards for skill gains, and industry-recognized credential.

Ms. Diana Robison, Director, Center for Governmental Studies at Northern Illinois University, presented an overview of Illinois’ grant proposal in which Illinois is seeking \$3 million under the competitive funding opportunities to increase the number of active registered apprentices by 606 within 18 months, which is the minimum 5% increase in participants as required by DOL. Additional funding was available for states to expand apprenticeships in non-traditional industry sectors and to individuals who historically have been underrepresented in registered apprenticeships. Illinois has requested funds in both categories.

Ms. Robinson explained that the \$3 million would be awarded through three separate funding streams which include a base award, innovation pilots to expand access to underrepresented populations, and innovation pilots in increase industry demand for apprenticeship. She emphasized that the Apprenticeship Standing committee will provide overall guidance and support of the Expansion Grant funding including a robust evaluation process with the Department of Commerce administering the funds. Additionally, she stated that the Standing Committee members have a wealth of experience in using apprenticeships and their contributions of knowledge and expertise will be a great asset.

### **Illinois Workforce Policy Process**

Ms. Diana Robinson provided a presentation to the board members referencing meeting materials entitled, "New Process for the Development of WIOA Policy Guidance in Illinois." She stated that with the implantation of the Workforce Innovation and Opportunities Act (WIOA) in Illinois required changes in policy to reflect the new legislation and regulations. The IWIB Executive committee has approved a new policy advisory process that would strengthen the involvement of the IWIB, WIOA partners, and other stakeholders. The intent was to make WIOA policy development in Illinois more collaborative and to ensure that it yields cost-effective and efficient guidance to the field.

Ms. Robinson emphasized that central to this revised process are the Policy Workgroups which will advise on new policy and need change to existing policy. The IWIB, the IWIB committees, and the WIOA Interagency Team would be asked to nominate individuals from the various stakeholder categories which are: local practitioners/Illinois Workforce partnership members; core partner agencies; other affected agency partners; employers where practicable; service providers; experts in the technical/regulatory/compliance aspects of specific policy areas; education entities; and economic development entities.

The eight-step WIOA policy guidance process to develop new policy or to revise existing policy was reviewed and explained as outlined in the meeting materials. The recommendation to the Board and to the Policy Workgroup would be to address the following policy areas first: training, the eligible training provider list, and case management/career planning and eligibility.

After the presentation was completed, the board members held a brief discussion with regard to the board involvement and additional policies that could be addressed including memorandum of understandings. Mr. Terry Wilkerson suggested that the draft policy be submitted to the Executive Committee and/or the IWIB membership for review and comment earlier in the process.

### **Illinois House Bill HB5729**

Co-Chair John Rico and Diana Robinson provided an overview of the Illinois House Bill HB5729: Postsecondary and Workforce Readiness Act. They stated that the statewide P20 council has set a goal that 60% of Illinoisans have a high-quality post-secondary certificate or degree by the year 2025. Too often the expectations for what it means to be prepared for college and career are inconsistent and unclear, and students in Illinois are graduating from high school unprepared for college, careers, and life. As a result, approximately half of Illinois high school graduates require remedial education in community college. Co-Chair Rico and Diana Robinson briefly reviewed the key implementation milestones as listed on the meeting handout material entitled, "HB 5729: Postsecondary and Workforce Readiness Act." After the presentation, many of the board members expressed positive comments with regard to having the legislation passed.

### **Illinois Unified State Plan Revisions**

Deputy Director Rodriguez provided a brief update with regard to the Illinois Unified State Plan. He stated that the U.S. Department of Labor and the U.S. Department of Education (Departments) approved the State of Illinois' 4-year plan in June with the stipulation that a number of technical revisions were required to be submitted to the Departments as a plan modification by September 1, 2016. He informed the board members that the Departments expressed that all of the states were being required to submit a modification due to the delay in the release of the federal regulations, a lack of direction from the federal program, the late release of electronic portal for submission of the plan, and the overall transition from WIA to WIOA.

Deputy Director Rodriguez continued to state that the core partners (the Illinois Departments of Commerce, Employment Security, Human Services Division of Rehabilitation Services, and the Illinois Community College

Board), immediately prepared a work plan and timeline to address the revisions of the common elements of the United State Plan as outlined by the Departments in their June letter. He continued to state that in early August, the core partners met with the federal representatives from the Departments for technical assistance on the submittal of the plan modifications at which time, the representatives were able to view the modified content that was entered into the electronic portal. The representatives emphasized the need to make sure that the plan fully describes all the innovation and collaboration that has occurred among the core partners as related to workforce, education, and economic development.

In conclusion, Deputy Director Rodriguez stated that the final version of the Unified State Plan modification was submitted to the Departments through the portal prior to the deadline of September 1<sup>st</sup> and upon submission, all plan modifications and attachments are available in their final form on Illinois workNet.

### **IWIB Strategic Planning**

Ms. Lisa Jones, a manager of the Department of Commerce and Economic Opportunity, Office of Employment and Training, stated under WIOA, state workforce boards are to act as conveners of the workforce system and have a more strategic role ensuring it is well-positioned to meet state, regional, and local employers' workforce needs. It is envisioned that this will occur by the state board implementing the state unified vision and shared principles for workforce, education, and economic development; giving guidance and direction for the alignment of programs and services that will result in a coordinated, comprehensive, and integrated system for employers and job seekers; and providing oversight to ensure expanded accountability and transparency of the system.

Functions that support the State workforce board's efforts in providing strategic leadership of the workforce development system included:

- Ensuring the implementation of the strategies outline in the Unified State Plan support the statewide vision and guiding principles.
- Recommending and reviewing statewide policies leads to alignment and integration of the services within the system.
- Establishing benchmarks that drive continuous improvement of the workforce development system.
- Identifying and disseminating best practices.

Ms. Jones stated that at the June IWIB Retreat, members discussed how best to proceed in a strategic planning process that would solidify the IWIB as the keeper of the guiding vision and the driver of the system to ensure the alignment of workforce, education, and economic development leads to a roadmap for board members to put into place a sound operational structure that would ensure the expanded functions under JWIOA were carried out. She referenced a memorandum sent to Deputy Director Julio Rodriguez from Beth Brinly with Maher & Mayer regarding discussions and recommendations as the result of the retreat as provided in the board members meeting materials

To build upon and continue the strategic work began at the retreat, the IWIB Executive Committee recommended the establishment of a task force that would take the lead in coordinating the strategic planning efforts. Specifically, this would include securing a facilitator to guide the IWIB through the strategic planning process, coordinating with the State Inter-Agency Workgroup and other interested parties, and developing recommendation for the Board.

Additionally, Ms. Jones stated that a request for technical assistance for this strategic planning process has been submitted to the U.S. Department of Labor Region 5 for approval. If approved, the request would allow the IWIB to quickly move into the next phase of the strategic planning through an analysis that will inform the IWIB goals and objectives, as well as the key strategies and indicators that will promote continuous improvement.

She referenced meeting materials entitled, “State of Illinois Technical Assistance Request: Illinois workforce Innovation Board Strategic Planning Support” with regard the framework and the type of technical assistance.

*Create of Strategic Planning Task Force – Action Item*

Mr. Tom Ashby made a motion to approve the creation of a Task Force to lead the strategic planning efforts of the IWIB that will establish the Board as the system leaders for guiding the implantation of the Unified State Plan, recommending policy change, and crating investment opportunities in sectors and career pathways that serve employer needs. Ms. Margi Schiemann seconded the motion. The board members held a brief discussion regarding the importance of the task force, as well as board members volunteering to be part of such task force. Volunteers included: Tom Wendorf, Sylvia Wetzel, Mike Conley, and Amanda Winters (proxy for Dr. James Applegate). Motion passed. Ms. Sylvia Wetzel volunteered to be the Chair for this group and the board provided its support for her assignment to this position.

**Public Comment**

Grover Webb, owner of Tanglefoot Ranch, showed a brief news media spotlight of him being interviewed regarding the importance of the agriculture industry in today’s society.

Eloy Salazar, Executive Director of the Illinois Migrant Council, announced that the U.S. Department of Labor has awarded a total of \$81 million in grants through the National Farmworker Jobs Program to provide additional employment, training and housing assistance to migrant and seasonal farmworkers and their families and the Council was awarded funding again for the upcoming year.

**Adjournment**

Co-Chair Rico stated that the next meeting was scheduled for December 8, 2016 beginning at 3:00 p.m. in Chicago with meeting logistics to be forthcoming. He asked for a motion to adjourn the meeting. Tom Ashby made a motion to adjourn the meeting and the motion was seconded by Sylvia Wetzel. With no further discussion, the motion passed. The meeting adjourned at 3:00 p.m.