

**Governor's State Workforce Development Board
July 14, 2020 Executive Committee Meeting Minutes**

MEMBERS PRESENT:

Mr. Don Tomlin
Mr. Pat Michaels
Representative Mike Forrester
Mr. Thomas Freeland
Mr. Charles Brave, Jr.
Mr. Dan Ellzey
Mr. Nick Foong
Mr. Warren Snead

DEW STAFF PRESENT:

Ms. Towanna Hicks
Ms. Nina Staggers
Ms. Michelle Paczynski

GUESTS:

Mr. Gregory Clark
Mr. Perry Shuping
Ms. Amy Firestone
Mr. John Denise

EXCUSED:

Mr. Jay Holloway
Dr. Mike Mikota
Ms. Val Richardson

WELCOME AND OPENING REMARKS

Mr. Don Tomlin, Board Chair, called the meeting to order at approximately 11:05 a.m. A quorum was present.

APPROVAL OF MINUTES

Chairman Tomlin asked for discussion on the June 25, 2020 meeting minutes, noting open items including cost per participant data. Ms. Michelle Paczynski stated that cost per participant and cost per participant in training data is included in the meeting packet. There was no further discussion on the minutes. A motion was made by Mr. Charles Brave, Jr. to approve the June 25, 2020 meeting minutes, seconded by Mr. Thomas Freeland and unanimously approved by the Committee.

Mr. Charles Brave, Jr. made a motion to approve the July 7, 2020 meeting minutes, seconded by Mr. Nick Foong and unanimously approved by the Committee.

UNEMPLOYMENT INSURANCE UPDATE

Chairman Tomlin asked Director Dan Ellzey for an update on the state's Unemployment Insurance situation. He reported the following:

- Initial claims went up to 86,000 during one week and then dropped dramatically for about 8 straight weeks. There was an increase followed by 4 weeks of decrease but since then, claims have averaged about 17,600 each week. Initial claim numbers for the week ending July 10, 2020 will be officially reported on Thursday, July 16, 2020. The report will show an increase over the previous weeks. The average number of weekly claims is double what we experienced in 2009 during the Great Recession.
- Increased claims will put stress on the Trust Fund. As of Tuesday, July 14, 2020 there is \$611,000,000 remaining in the Trust Fund, which had a balance of \$1,100,000,000 at the beginning of the pandemic. A lot of money has been paid out but the state has also received some reimbursement from the Federal Government and revenue from taxes paid by employers.

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- At the recommendation of the Governor, the House and Senate approved the allocation of \$500,000,000 from state CARES Act funding to be used to rebuild the Trust Fund.
- DEW will tax employers next year (2021) based on how much money is going to be needed to cover 2021 claims. We will start rebuilding the Trust Fund in 2022. The tax rate is going up for everyone even though employers are not currently being charged for individual layoffs as a result of the Governor's Executive Order. It will take 4 years to rebuild the Trust Fund. Director Ellzey acknowledged the leadership of the Governor and members of the legislature for making funds available to help rebuild the Trust Fund.
- DEW has paid out \$696M from the Trust Fund to South Carolina UI recipients. In addition to Federal programs, DEW has paid out more than \$3B in UI benefits. A total of 423,000 individuals have received UI benefits since the beginning of the pandemic.

Director Ellzey also provided an update on the status of SC Works centers and local service delivery and other projects that are in development:

- As of July 14, 2020, 34 SC Works centers were open to the public and 14 were not; six of the 14 centers have a reopening date and the other 8 do not for a number of reasons, including COVID-19 exposure and economic reasons. All but one Comprehensive Center was open to the public; the Charleston Center is closed due to COVID-19 exposure.
- WIOA Core Partners (Vocational Rehabilitation, Commission for the Blind, and Adult Education) are being encouraged to return their staff to the centers just as Wagner-Peyser and WIOA staff.
- A youth program, focusing on work experience and soft skills, is being developed in partnership with Local Workforce Boards to ensure that graduating high-school students are prepared to enter the workforce.
- Lower Savannah is providing a drive-through job fair. The model seems to have potential and there is internal discussion about how to expand the model to other areas. Some areas have also facilitated virtual job fairs. DEW is looking at purchasing technology to be used statewide for virtual job fairs.
- DEW is developing and planning for roll-out of the Be Pro Be Proud program.
- DEW is pivoting to focus on fraud to ensure that only those who should receive UI benefits are receiving them. The agency nearly doubled its staffing capacity with the vast majority of new employees staffing the call centers.

APPRENTICESHIP GRANT

Ms. Amy Firestone, Vice President of Apprenticeship Carolina, provided a brief summary of the grants recently awarded to Apprenticeship Carolina. She stated that Apprenticeship Carolina was awarded two US Department of Labor (USDOL) apprenticeship grants on July 1, 2020 totaling nearly \$12M.

Youth Readiness Grant: Apprenticeship Carolina was 1 of 14 organizations to receive the Youth Apprenticeship Readiness Grant, the first USDOL grant to focus on youth apprenticeship in nearly 20 years. Approximately \$4.5M was awarded for a period of 4 years. During the grant period, Apprenticeship Carolina will serve 800 new youth apprentices, ages 16-24, and 230 youth

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apprentices focusing on growing opportunities in high-growth industries. The focus will be on both in-school and out of school youth.

State Apprenticeship Expansion Grant: Approximately \$7M was awarded for a 3 year period to expand apprenticeship and grow the number of apprentices by 25%.

A grant kick-off will be held in the next few months.

Chairman Tomlin stated that Mr. Chad Hardaway is working with Ms. Paczynski and partners to apply for the Reimagine Workforce Preparation Grant program. A letter expressing the state's intent to apply for funding through this program was submitted on July 13, 2020.

SWDB RESOURCES

Chairman Tomlin stated that the Federal government cut WIOA funding by \$2.2M. Funding has been declining each year as the state moves toward full employment. He referenced a document in the packet, "SWDB Resources for COVID-19 Recovery," and explained that the SWDB has funding available from Program Years 2018 and 2019 and new funds for PY'20. Chairman Tomlin stated that a total of \$7.7M is available.

He also referenced the document, "Summary of WIOA Allocations by Local Area," which shows the amount by which each area's funding was cut, totaling \$2.254M. Chairman Tomlin recommended that funding be made available to the local boards that received a decrease in funding for PY'20. He stated that funds should not be used for overhead or back payments to the counties or COGs but should focus on training and case worker interface with unemployed individuals.

Ms. Paczynski stated that these funds will make whole local budgets moving into PY'20 at a time when we are expecting a spike from the public in training and employment services. The impact of awarding these funds will allow areas to continue to retain case management staff and allow areas to invest in reskilling, upskilling, and soft skilling. She further stated that areas have agreed that funds will be used for participant costs, including supportive services. Administrative costs will not be included in the funding made available to local areas.

Mr. Nick Foong asked why the gaps in funding are smaller for some areas and larger for others. Ms. Paczynski stated that the process of fund allocation is through a formula. Labor market data elements go into the formula. At the time that DOL allocated funding to the states, they were using pre-COVID data. When PY'20 funding was received, states were already in the midst of the pandemic but still had to allocate the dollars received based on that data and formula. Some areas may have received less money because there were fewer indicators of need, while one area received a greater portion because the data elements indicated a greater need for services.

A motion to approve funding the difference between PY'19 and PY'20 funding in the amount of \$2,254,877 was made by Mr. Warren Snead, seconded by Mr. Brave and unanimously approved by the Committee.

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SWDB PRIORITIES UPDATE

Chairman Tomlin introduced Mr. John Denise, CEO of Advanced Automated Consulting (AAC), who has been engaged to assist the SWDB with implementation of innovative priorities.

Mr. Denise stated that his company is a local, private IT consulting company that tries to help companies look at the big picture and bring project discipline to help solve the problem. The goal is to use readily available technology and to bring projects to fruition in the shortest amount of time possible and under budget. Mr. Denise further stated that kick-off meetings have been held with some of the project teams and he hopes to have project plans in place so that vendor engagement can begin.

Chairman Tomlin stated that Mr. Denise will be taking a hard look at Zip Recruiter which could overlay existing job search functions and provide marketing emails to job seekers. He also stated that a notebook computer with a key board and case has been identified and purchased to test for the tablet initiative. A purchase of 1,000 of these tablets will cost \$75,000.

Ms. Paczynski transitioned to the "Cost per Participant – Adult, DW, and Youth" data included in the meeting packet. She explained that the chart represents total expenditures by local area, divided by all WIOA participants served through March 30, 2020. The result is an average cost per participant by area. The cost per participant in all areas is under \$5,000 and below \$3,000 in some areas. She referred to page 12, "Cost per Participant for Training", and explained that the chart reflects the average cost per participant for training through March 30, 2020. For the most part, the cost for training is under \$2,000. One area has a higher cost which may be the result of an increase in on-the-job training and the type of training provided because some trainings cost more than others (e.g. CDL training).

OTHER BUSINESS AND ADJOURN

Mr. Brave asked if the center reported to have closed due to COVID-19 exposure was as a result of the public or staff. Ms. Paczynski explained that a center in the Charleston area was closed due to virus exposure on the staff team. All precautions have been taken to make sure that folks are quarantined and that the center is sanitized. The area anticipates that the center will reopen on July 20, 2020.

The meeting adjourned at 11:51 a.m.