

UPSTATE WORKFORCE INVESTMENT BOARD ONESTOP OVERSIGHT COMMITTEE MEETING

Date of Meeting: October 16, 2013
Time of Meeting: Noon
Place of Meeting: SC Works Spartanburg Conference Room
Next Meeting Date: December 18, 2013

63% Committee Member Attendance

Members Present:

Mr. Shelly Blount
Mr. Robbie Faucett
Mr. Wayne Gregory
Mr. Craig Jacobs, Chair
Mr. Carter Smith

Guests Present:

Ms. Rochelle Brown
Mr. David Wall

WIB Staff Present:

Ms. Ann Angermeier
Ms. Brenda Connelly

Welcome and Opening Remarks

Mr. Craig Jacobs called the meeting to order at 12:05 p.m. and welcomed those in attendance.

SC Works Upstate Dashboard

Ms. Brenda Connelly, Upstate Workforce Investment Board (Upstate WIB) OneStop Services Coordinator, shared the SC Works Upstate August 2013 Dashboard with the committee. She explained that due to a SC Works reduction in workforce and the government shutdown, the September and October 2013 dashboards were not currently available. Ms. Connelly assured the committee that those dashboards would soon be available and sent via email.

Ms. Rochelle Brown, SC Works Upstate Project Director, pointed out that there was a definite change in center traffic, especially in the Gaffney and Union SC Works centers. She stated that at least part of that change is due to unemployment insurance services being taken out of the centers. She added that center traffic will be closely monitored in the future to assess if changes need to be made.

Mr. Jacobs asked if the number of workshops and attendance were typical. Ms. Brown explained that workshop quality and attendance have greatly improved with the hiring of an Intensive Services coordinator, Mr. Ken Moon. Those numbers will be reflected in the September and October dashboards. Ms. Angermeier questioned the quality of the core workshops conducted by the SC Department of Employment and Workforce (SCDEW) staff. Ms. Brown assured her that the workshops conducted by the SCDEW staff were closely monitored through Mr. Moon, as well as through workshop surveys. Ms. Connelly added that she reviews all of the workshop surveys and addresses any concerns with Mr. Moon.

SC Works Spartanburg Evans Building Relocation Update

Ms. Rochelle Brown, SC Works Project Director, provided a brief update regarding the SC Works Spartanburg relocation to the Evans Building in downtown Spartanburg. Ms. Brown explained that the move took place on September 26 & 27, 2013 and the new SC Works Spartanburg center opened on Monday, September 30, 2013.

She explained that although everyone is happy to be in the new, larger space, there have been some infrastructure challenges at the building. She explained that some furnishings need to be purchased, but she wanted to wait until all partners were in place to assess the exact needs. She informed the committee that the USC Upstate Achieve youth program would be moving into the facility beginning October 24th.

Mr. Jacobs asked if parking was an issue at the new location. Ms. Brown explained that customers were instructed to park in the city parking garage across the street from the center. She explained that there were designated spaces for SC Works Spartanburg customers on the second floor. Ms. Connelly added that Ms. Dana Wood, Upstate WIB Program and Project Manager, was in contact with the city on a weekly basis to ask if there were any parking issues. The city has had no complaints thus far.

Ms. Brown informed the committee that due to the government shutdown several Arbor E&T d.b.a. ResCare Workforce Services (ResCare) staff were furloughed from SC Works Upstate beginning October 1, 2013. She further explained that ResCare found temporary placements for all except two of the furloughed staff at other ResCare project locations; therefore, those employees were not losing their pay. Ms. Ann Angermeier stated that all of the furloughed workers should be able to return to work as soon as Thursday, October 17, providing that the Spartanburg county administrator signs the necessary fund transfer documents. She promised to notify Ms. Brown when the documents were executed.

RSA/MOU Update

Ms. Connelly informed the committee that the PY13 RSA/MOU negotiations between SCDEW and the Upstate WIB had resumed after a brief interruption. She explained that when SC Works Spartanburg moved into the Evans Building, the SCDEW chose not to move their staff into the building because the RSA/MOU documents were not agreed upon, or signed. She went on to say that several Upstate WIB and SC Works staff attended a negotiation meeting in Columbia on Friday, October 11, 2013. She asked Ms. Brown to provide an overview of that meeting.

Ms. Brown explained some topics discussed at the negotiation meeting. She reported that last year SCDEW's final RSA invoiced amount totaled approximately \$259,000 and the PY13 amount proposed prior to the meeting was approximately \$263,000. She indicated that the PY13 actual amount would change because SCDEW is only invoiced for actual expenditures incurred within the agreed upon line items. She further explained that although SCDEW had some concerns over the increased amount of the rent at the Evans building location, they needed to take into consideration that utility costs would be absorbed by Spartanburg Community College (SCC) and that costs would be lowered with the addition of the USC Upstate Achieve program, as well as any other partners that may occupy space in the facility in the future.

Mr. Robbie Faucett, committee member, asked if the Department of Labor (DOL) had expressed any concerns about SCDEW's decision not to move into the Evans Building, which does not meet SCDEW's one stop center criteria. Ms. Angermeier stated that she could contact DOL. Ms. Angermeier further stated that SCDEW said they did not have the funds to move into the Evans Building, but it had been reported that they made an early payment toward their UI payback totaling approximately \$70 million. She stated that if they have the money to pay that much above their scheduled payments and to fund the WorkReady Communities and Jag initiatives they should have the money to take care of their existing obligations.

Ms. Connelly explained the next steps in the negotiation process. She stated that Ms. Brown would revise the actual RSA budget to include USC Upstate Achieve's portion of the costs. This budget, along with a narrative of any adjustments made since the last proposal, would be sent to the SCDEW negotiating committee. They were scheduled to meet on Friday, October 18th to discuss the proposal and share their recommendation with Ms. Cheryl Stanton, SCDEW Executive Director. Once SCDEW indicates whether or not they will accept the latest Upstate WIB proposal, the next step would be to schedule a meeting to hopefully execute the RSA document. If SCDEW ultimately chooses not to move to the Evans Building, then the meeting would be held to discuss customer service delivery.

Mr. Jacobs and Mr. Wall asked that Ms. Angermeier request information regarding other local workforce investment area RSA agreements through the Freedom of Information Act.

Ms. Connelly told the committee that she would keep them apprised of any communications or decisions made regarding the RSA.

PY13 Performance Negotiations

Ms. Connelly updated the committee on the PY13 performance negotiations. She explained that there have not been any additional formal negotiations since the previous conference call. She shared that Ms. Wood and Ms. Mary Jo Schmick, SCDEW, had verbal communications regarding negotiations. Ms. Connelly also reported that Ms. Wood, Ms. Brown, and she had a brief meeting with Ms. Schmick in Columbia on October 4th. During this meeting Ms. Schmick shared that SCDEW in fact does use a certain methodology when determining each areas performance measures. She said she would make sure that methodology was shared with the local areas. When asked if there was any room for further negotiations on the measures not agreed upon, Ms. Schmick answered that she did not think there was, but she would research the possibility and contact the Upstate WIB staff when she receives an answer. Ms. Connelly assured the committee that they would be notified of any information regarding this issue. Ms. Angermeier stated that the form needed to be sent in soon.

Adjournment

With there being no other business or discussion from the floor, the meeting was adjourned at 1:20 p.m.

SC Works Upstate

PY13 - JULY 1, 2013 to JUNE 30, 2014

(Monthly Report Card - AUGUST 2013)

	1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			TOTAL
	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
Total Center Traffic	5484	4673											10157
Total Unduplicated Center Traffic	3565	3037											6602
# Scheduled for Orientation	89	52											141
# Attended Orientation	63	31											94
# of Workshops Offered	30	102											132
# Scheduled for Workshops	77	246											323
# of Workshop Attendees	61	152											213
New ADULT Enrollments	23	10											33
New DW Enrollments	2	3											5
Total Caseload	422	377											
Avg Caseload per Career Consultant	70.3	62.8											

Total NEW ADULT Training Activities Started Current Month

215 Pre-Employment	3	30											33
300 Occupational	0	27											27
301 On the Job Training	0	0											0
327 GED	4	1											5

Total NEW DW Training Activities Started Current Month

215 Pre-Employment	0	9											9
300 Occupational	7	14											21
301 On the Job Training	0	0											0
327 GED	2	1											3

Adults Beginning Training Current Month	7	20											27
DWs Beginning Training Current Month	3	4											7
% New Clients vs Clients Entering Trng	40.0%	184.6%											#REF!

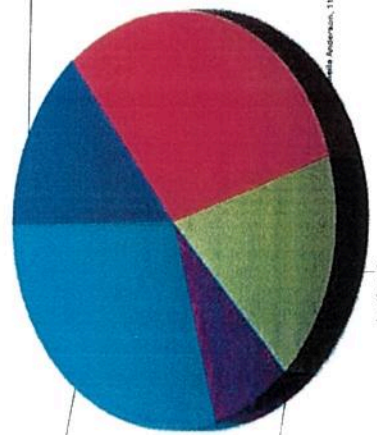
# of New Job Orders Placed	168	132											300
# of Jobs New Jobs Available	1935	454											2389
# Entered Employment	239	56											295

PY13 Training Obligation Total													
PY13 OJT Obligation Total													

Current Consultant Caseloads

CENTER TRAFFIC
AUG Comparison

GAFFNEY	
PY13	1223
PY12	4185
Change	-2962
SPARTANBURG	
PY13	2777
PY12	3642
Change	-865
UNION	
PY13	673
PY12	1923
Change	-1250



Overhead Station, \$0

Joint Kiosk, \$7

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USAA Money Manager
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By RICHARD ECKSTROM

(2) Comments

At a time when our state and national debts have reached mind-boggling levels, South Carolinians received some encouraging news recently:

The state's unemployment agency recently repaid \$75 million to the federal government ahead of schedule.

The payment by the S.C. Department of Employment and Workforce takes another big bite out of nearly \$1 billion borrowed from the feds for unemployment checks the state disbursed during the Great Recession.

Like many other states, South Carolina borrowed heavily from the federal government to pay greatly extended unemployment benefits during the recession.

We still owe nearly half of what we borrowed. But this recent \$75 million early repayment, on top of another \$144 million early repayment a few months earlier, will save state taxpayers an estimated \$2.4 million in interest costs, according to DEW.

Plus, by making these early payments the state has avoided higher federal unemployment insurance taxes for three consecutive years – good news for employers.

The Department of Employment and Workforce says the state remains on track to repay the remaining balance of the unemployment debt in 2015.

How we got into this mess is an old story: In short, there was sloppy management at the state's unemployment agency, and the unemployment tax rates that businesses paid were not being adjusted to keep up with declines in the economy that increased joblessness, and with federal mandates that greatly extended benefits.

Those were among the conclusions of the General Assembly's Legislative Audit Council.

The Audit Council's findings spurred the Legislature to retool the unemployment agency and restructure the state's unemployment tax rates. And to help offset the new rates, which were higher for some businesses, lawmakers provided \$223 million of combined assistance in fiscal 2012 and 2013.

It's looking like the state's unemployment overhaul worked, and I applaud the Legislature for tackling the heart of this problem like it did.

As the state's chief accountant, however, it's my unhappy duty to inform you that we're still swimming in a sea of red ink.

First there's the national debt. About \$17 trillion, it's truly inconceivable. You can go to usdebtclock.org to see the massive debt accumulating in real time.

But ah, we might tell ourselves, that's Washington's problem – they created this disaster let them deal with it.

completely understand that sentiment. The truth of the matter is, though, it's going to be everybody's problem when the massive national debt comes due, and that's partly why we're in the midst of another federal government shutdown.

But beyond that, we have our own problems to worry about here at home.

The biggest debt crisis looming in South Carolina is the difference between how much we've accumulated to pay future retirement benefits earned by state and local government employees, including those already retired, and how much we'll be required to pay.

Called an "unfunded liability," it's a shortfall that totals \$15.6 billion in promised retirement checks. You can dress it up with a fancy name, but it's plain old debt. On top of that, we have another unfunded liability, or debt, of \$9.7 billion to cover the state's commitment to provide health insurance benefits for state and local government retirees.

Together, that's more than \$25 billion in retirement benefit payouts we're legally required to make, but we lack the money to cover.

Last year, the General Assembly passed legislation reforming the state retirement system. The changes will help slow down the growth in the debt, and I applaud lawmakers for taking those steps.

But to address the \$25 billion of existing retirement benefit debt, the reality is we must either trim the benefits that produced the debt, or provide more tax dollars to pay it off – or some combination thereof.

This is something I emphasize when I speak to citizens, because I really do believe we're setting ourselves up for a very hard fall. The real tragedy is that we're burdening our children and grandchildren with a crushing load of debt.

That's something we should all remember the next time state retirement benefits are debated. I don't have all the answers, but I know it will require strong medicine and shared sacrifice to deal fairly with this looming financial crisis.

Republican Richard Eckstrom, a CPA, is the comptroller general of South Carolina and commander of the S.C. State Guard.

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