The quarterly meeting of the TCWIB Executive Board was held at 8:00 am, on Thursday, March 24, 2011.

Attending were:

Executive Board Members: Commissioner Dale Pinkerton, Executive Board Chair; Butler County Board of Commissioners
Commissioner James Kennedy, Butler County Board of Commissioners
Commissioner James Lokhauser, Butler County Board of Commissioners
Commissioner Patricia Kirkpatrick, Armstrong County Board of Commissioners
Commissioner Richard Fink, Armstrong County Board of Commissioners
Commissioner James Scahill, Armstrong County Board of Commissioners
Commissioner Rodney Ruddock, Indiana County Board of Commissioners
Commissioner Dave Frick, Indiana County Board of Commissioners
Commissioner Patricia Evanko, Indiana County Board of Commissioners

WIB Members: Jim Ferguson, Jerry Richardson, Art Cordwell, Warren Capenos, Vickie DeThomas
WIB Staff: Fred Fornataro, Executive Director; Steve Paffrath, CFO; Tina Plaisted, Admin. Assistant

Call to Order
The Executive Board Chair called the meeting to order at 8:20 am with a quorum present.

Approval of Minutes
Commissioner Scahill moved to approve the minutes of December 16, 2010 as written. Commissioner Evanko seconded the motion. The motion unanimously carried.

Fiscal Report
The Chief Fiscal Officer gave the fiscal report through February 2011. The report included a two-year comparison of revenues and expenditures. TCWIB received a sizeable amount of ARRA money in the prior year and a lesser amount this year along with more Rapid Response money. ARRA funds will be gone at the end of this fiscal year. The Chief Fiscal Officer reviewed portions of the detailed, in-depth budget breakdown.

The combined CareerLink expense budget totaled $826,000 across the three counties. Certain partners are leaving the CareerLinks after July 1st and the remaining partners are still waiting for budget information. Meetings are being held in Armstrong County due to their lease expiring first on December 31, 2011, and the Butler and Indiana CareerLink leases both expire June 30, 2012. The CareerLinks are a major concern because future funding is unknown for WIA, the CareerLinks and their partners. WIB and EARN programs contribute a substantial $437,000 to the CareerLinks.

The House version of the federal budget zeroes out funding for job training, but the Senate version includes job training funds. The next Continuing Resolution could include funding cuts to job training. Significant cuts will require a review of staffing, then CareerLink facilities, lease costs, and whether the current building structures will meet future needs. Steve Paffrath reported there may not be much training money for ITAs. One rumor is that the State may make available approximately $6 million in Rapid Response money on a formula basis for training. If it follows last year’s ratios, TCWIB could receive about $217,000. One option being considered is trying an aggressive OJT type of training, which would be far less expensive than ITAs. Discussion continued.

The finance committee has been meeting and met with the auditors to review the audit and the 990 tax form. The 990 can be found on the website and anyone wanting an electronic copy should contact Steve Paffrath. The audit was clean with no findings or recommendations.

Budget issues are affecting the federal government, the states, counties, schools, local municipalities and non-profits. The Director’s message to the local legislators has been that TCWIB knows it must do its share but hopes that draconian cuts aren’t made. It’s important to educate the legislators on how it all comes together at the CareerLinks and includes BWDP, OVR, Veterans, Wagner Peyser, and goes beyond just the WIB. It’s going to take everyone cooperating and getting the best information possible to move forward. The WIB Chair has brought a great deal of positive leadership to the board and TCWIB will continue to do the best it can.

The Director commented on his conversations with other WIB directors and what adjustments they are planning to make with their budget issues. The three areas that will be looked at are staffing, buildings and training. Staffing would include providing intensive services such as classroom training in ABE/GED and work certified; and training would include areas such as skill training, ITAs and OJTs. Since $200,000 isn’t much money to provide skill training, one option would be to write OJT contracts again and subsidize employer wages for a certain period of time. Reduced funding will result in cutting staff, reducing types of services, and going back to the basic core mission. Clients would still be provided services, but not at the same high level as before and not at the same type of investment for the individual.
The joint personnel committee met and made the recommendation to table any staff raises or changes in the benefit structure until the level of the funding cuts is known and what staff adjustments will have to be made. There has been discussion on going to cut back to a four-day work week to save money coupled with some permanent furloughs.

When WIA first started in 1998, the State Employment Service closed job centers and moved into the larger CareerLinks that became super centers with more State staff and more services. Eventually, the agencies housing the 12 to14 funding streams that were to be part of the CareerLinks didn’t have the funds to support the CareerLinks as was originally planned and those parties only rented small spaces at the facilities. The State has retrenched and is not replacing State positions as people retire and the State is right-sizing itself to its Wagner-Peyser budget. WIBs and Title I providers who helped develop the CareerLinks can’t continue to support the centers and the partners can’t support the empty space remaining when another partner leaves. Locally, everyone involved wants to keep the three CareerLinks with the core partners WIA, BWDP and OVR. It needs to be determined what the size of the CareerLinks will be, who else will be located there, and what space is available. The CareerLinks are being looked at for available space and the common area in each facility. Steve Paffrath reported on his conversations with the State and others regarding the CareerLinks. There were questions and comments from board members. It was felt that it all depends on the federal level and what happens to WIA and what Congress’s idea is for the next model. In the eastern part of the State there have been discussions on closing or merging certain CareerLinks.

Discussion continued. Commissioner Scahill felt the CareerLinks would probably still be in existence but the future of WIA and the WIBs was at risk. He felt that the WIB has done a lot for people over the years and staff should be able to tell the Feds how many people have been helped by this organization. It was felt that some WIBs across the country haven’t done as much as TCWIB has done, and the states won’t know what to do until WIA is reauthorized.

Steve Paffrath said there has been no information regarding money. Staff is preparing to provide services in the CareerLinks beginning July 1st, and without ITAs its unknown what those services will be. Discussions are ongoing with the CareerT.R.A.C.K. regarding future changes, programming, and planning to have something in place to begin July 1st. It was noted that any funding received will be for much less money. Discussion continued.

**Director’s Report**

The Director reported on the latest news regarding WIA Reauthorization. WIA funding is not affected in the latest Continuing Resolution, which runs until April 8, 2011. The feds are trying to come up with one final budget, either an omnibus budget or another Continuing Resolution running through September 30th, so Congress can then focus on the 2012 budget. The latest news is that there will be some kind of compromise between the House and Senate. The Senate version would cut $40 billion and did not negatively affect WIA formula funds, and the House version cuts over $60 billion. It’s hoped that WIA funds won’t be included in the additional compromise for the remainder of this fiscal year. If things work out through June 30th, and the WIB can cut costs going forward, things might be alright barring a total shut down.

The Director reported on a State meeting with the executive directors last week. The State had interesting viewpoints indicative of the entire system. Wagner-Peyser is the Federal funding stream that supports BWDP; however, the State has used additional funding sources such as ARRA and 10% WIA discretionary funds to cover CareerLink costs including maintaining current staffing levels. The State indicated that Wagner-Peyser must also learn to live within its budget, so the different funding streams that helped with CareerLink costs and staff will also be reduced and the State might not be able to cover those costs. Once the new Secretary of Labor is seated, things could happen quickly and could go in any direction.

One particular issue was that site administrators in many areas are State employees. The State’s recommendation would be that site administrators become locally held positions making decisions on the CareerLinks and site administrators more local. This would be a touchy situation because of the way things are set up. Every area is different and currently the CareerLink partners share 10% of the site administrator’s salary with 90% being covered through various State L&I funding sources. Over the last few years the BWDP has been reducing its square footage in the CareerLinks and has not been backfilling site administrator positions. The State may expect the WIBs to start covering the costs of the CareerLink site administrator positions that the WIBs want. This is supposed to be a partnership between local elected officials and State officials and it’s important that everyone involved locally sticks together to have a unified message to carry forward. Once the policy people are in place, tough decisions will have to be made and it’s possible the State may decide to merge or close some CareerLinks and merge WIBs to save money.

The Director said the State departmental people want to return to the letter of the law and regulations where it was within the purview of the WIBs to charter CareerLinks. Since the State has always held the CareerLink trademark, they added their own set of requirements and restrictions on the CareerLinks. Now the State thinks it should all go back to the local WIB areas to handle, and any CareerLink closings would be done by the WIBs instead of the State. This may be the State’s only way to cut costs and live within the Wagner-Peyser budget, and it will be up to the WIBs to figure it all out.

The Director reported on the PA Workwear program, which is a centralized community service program that accepts donations of clothing for clients instead of providing clothing allowances. Costs are running $5,000 to $6,000 per month and the program will never be self-sufficient because of the overhead. The State still owes TCWIB some money for the program and the WIB will
not support the program with WIA money. Welfare has a couple of months to decide how much they will support it and it may
not be enough to keep it open much longer.

The Director reported on the March 4th joint personnel committee meeting. The committee discussed staff salary adjustments,
benefit changes and related issues. The committee recommended tabling any further discussion of wages and changes in
hospitalization until further notice. With the uncertainty of future funding, a number of internal personnel changes will be made
and there could be furloughs and the possibility of going to a four-day work week. Through all of the funding uncertainties, WIB
and CareerT.R.A.C.K. staff are continuing to do a tremendous job and the morale has remained high. Staff is working hard and
maintaining a positive attitude.

It was noted that Armstrong and Indiana Counties each have a private sector vacancy on the WIB board. It’s very important to
have these seats filled prior to the monitoring visit in May. Commissioner Kirkpatrick indicated that Armstrong County is trying to
find someone from the gas and oil industry. Commissioner Ruddock indicated that Indiana County is trying to find someone and
would also like someone from the oil and gas industry. The Director added that under WIA the board size went from 21 to 37
members and it’s always difficult to find private sector members who have the time to serve. Discussion continued regarding
board member orientation and showing new board members how these programs can help their business or industry.
Commissioner Kirkpatrick felt that industry cluster members have seen the value of these programs and the oil and gas industry
is critical. Commissioner Ruddock said there has been some frustration from the private sector that the board tends to talk
about other performance driven issues and they wonder whether the program is here to serve clients or here to serve job
growth, or both. The WIB can either train the untrained and unemployed or look for and market jobs that are open and find
people to train to fill those jobs and have industry partnerships help them get the jobs and demonstrate there is job growth. The
WIB chair agreed and added that its difficult finding people interested in manufacturing work and it needs promoted better.
There were comments regarding problems that job seekers are having with the State CareerLink computer system.

Discussion continued regarding the quality of young job seekers today and their lack of work ethics, basic skills, and their drug
issues, and whether it’s a problem of society and the quality of youth coming from the school system who are not prepared and
ready to work. The Director added a comment from a WIB member that the numbers of youth making up the bottom 10-20%
who need the most help is growing and the organizations that help them only have a certain amount of money to spend, which
can lead to creaming the best off the top and not knowing what to do with the rest. There were comments regarding some
programs locating within churches in the future and the debate surrounding it. Commissioner Pinkerton added that churches are
involved in a great deal of work in the communities including expanding help for the homeless, and homeless problems in the
communities will increase due to funding cuts to programs that helped them in the past. Discussion continued.

Commissioner Fink noted that the Boards of County Commissioners are still fiscally responsible and there needs to be a limit to
their liability.

Commissioner Ruddock asked staff to quickly develop a plan so everyone can meet as a group and review the proposals and
have a starting point to decide what to do. In addition, a letter should be sent to the State making them aware of how critical it is
to maintain the integrity of the current system in our tri-county area. We need to promote this as something very important and
indicate that we will look internally at managing the system more efficiently. The State needs to be made aware of how
important it is to work collectively and that locally we don’t want to lose the CareerLinks, which are the neighborhood response
to the needs of our communities. Once the CareerLinks are gone, the counties will never get them back. The letter should be
signed by Commissioner Pinkerton as Executive Board Chair.

The Director said that staff is looking at all three CareerLink facilities and Armstrong County will be the first to experience
changes with renters leaving. The Butler CareerLink will shrink in size and staff is already working on it. A plan is in place with
both the WIB and CareerT.R.A.C.K. staff to get back to providing core services and to possibly provide alternative services to
save money. All leases and escape clauses are being reviewed. Some WIB areas are doing nothing to prepare and are
waiting to see what happens first. Discussion continued.

Adjournment
Commissioner Scahill moved to adjourn. The meeting adjourned at 9:30 a.m.

Submitted by Tina Plaisted