

**Nebraska Workforce Investment Board
Performance Committee Meeting Minutes**

Blue Cross/Blue Shield
1919 Aksarben Drive, Omaha, NE
October 31, 2014
12:00 p.m. – 1:30 p.m. (CST)

Agenda Item #1 – Call to Order

The meeting of the Nebraska Workforce Investment Board (NWIB) was called to order on October 31, 2014 at approximately 12:20 p.m. by Ms. Becky Stitt, Chair.

Agenda Item #2 – Roll Call

NWIB members present (9):

John Albin
Cheryl Anderson
Randy Kissinger*

Dacia Kruse
Cherisa Price-Wells*
Terri Ridder

Becky Stitt
Carol Swigart
Thomas Warren*

NWIB members absent (3):

Matt Blomstedt

Vanessa Brown

Clyde Tyndall

*Indicates members who attended via conference call

Bold indicates voting members of the Committee

Other Guests in Attendance (10):

Shirley Carlson.....Heartland Workforce Solutions
Seth Fager.....Nebraska Department of Labor – Employment & Training Administrator
Amanda Felton.....Nebraska Department of Labor – Employment & Training
Vicki Leech.....City of Lincoln – Urban Development
Brooke Siefker.....Nebraska Department of Labor – Employment & Training
Joan Modrell.....Nebraska Department of Labor – Employment & Training Director
Stan Odenthal.....Nebraska Department of Labor – Employment & Training
Erin Porterfield.....Heartland Workforce Solutions
Thomas Ukinski.....Nebraska Department of Labor – Legal Counsel
Zoé Verboon.....Nebraska Department of Labor – Employment & Training

Agenda Item #3 – Working Lunch and Approval of Minutes

Chair Stitt invited all of the Committee members and staff to partake in a working lunch. She then entertained a motion regarding the meeting minutes from August 20, 2014. Cheryl Anderson moved to approve the August 20, 2014 minutes as presented; Terry Ridder seconded. No discussion ensued. Motion carried unanimously by voice vote.

Agenda Item #4 – Distribution Weights for Dislocated Worker Funds

Chair Stitt invited Stan Odenthal forward to review the distribution statistics for the Committee. Mr. Odenthal summarized for the members the changes that will occur to Dislocated Worker (DLW) funds under the Workforce Innovation and Opportunity Act (WIOA). Ms. Modrell emphasized the ability to transfer 100% of funds between DLW funds and Adult funds. She encouraged the members

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to think of the consequences this ability could have for Dislocated Workers. Ms. Modrell stressed that these are not "State" options, but rather options as a starting point for discussion. Anyone of the criteria could be weighted differently based on the input from the Committee.

Mr. Odenthal continued by discussing for the Committee the various ways that the calculations were formed for the previous year's statistics. He explained how we took guidance from the State of Colorado in adding certain categories to the new weight breakdowns. He offered two different weight distribution options for the members to review and critique. Each option showed how the funding would have been effected over the last three years if used.

Discussion ensued regarding the options. Ms. Dacia Kruse inquired as to how often the weights distributions are reviewed. Ms. Modrell responded letting her know that there is no specified term for review, but that whenever a shift in the economy occurs is when a review is encouraged.

Mr. Thomas Warren asked if the calculations took into account the actual amount that was spent per fund source after transfers were complete, or if it was based on original allocations. Mr. Odenthal verified that it was based on original allocations. Ms. Terri Ridder commented that in either scenario, the Greater Nebraska area would take the largest hit to their funding numbers. Many members felt that further information was needed before a decision could be made. The State will provide a 3-year snapshot on the percentage of DLW expenditures per local area.

Chair Stitt suggested that another meeting be scheduled to review additional information. The Committee agreed upon the date of January 14, 2015 at 9:30 a.m. for their next meeting to review in the hopes to have a motion to present to the full Nebraska Workforce Investment Board at their January 23, 2015 meeting.

Agenda Item #5 – Upcoming Meetings

The Chair reminded the Committee to put the date of January 14, 2015 on their calendars for the next Performance Committee Meeting.

Agenda Item #6 – Adjournment

It was moved by Carol Swigart to adjourn. Terri Ridder seconded the motion. No discussion ensued. Motion carried by unanimous voice vote. Meeting adjourned at 1:01 p.m.

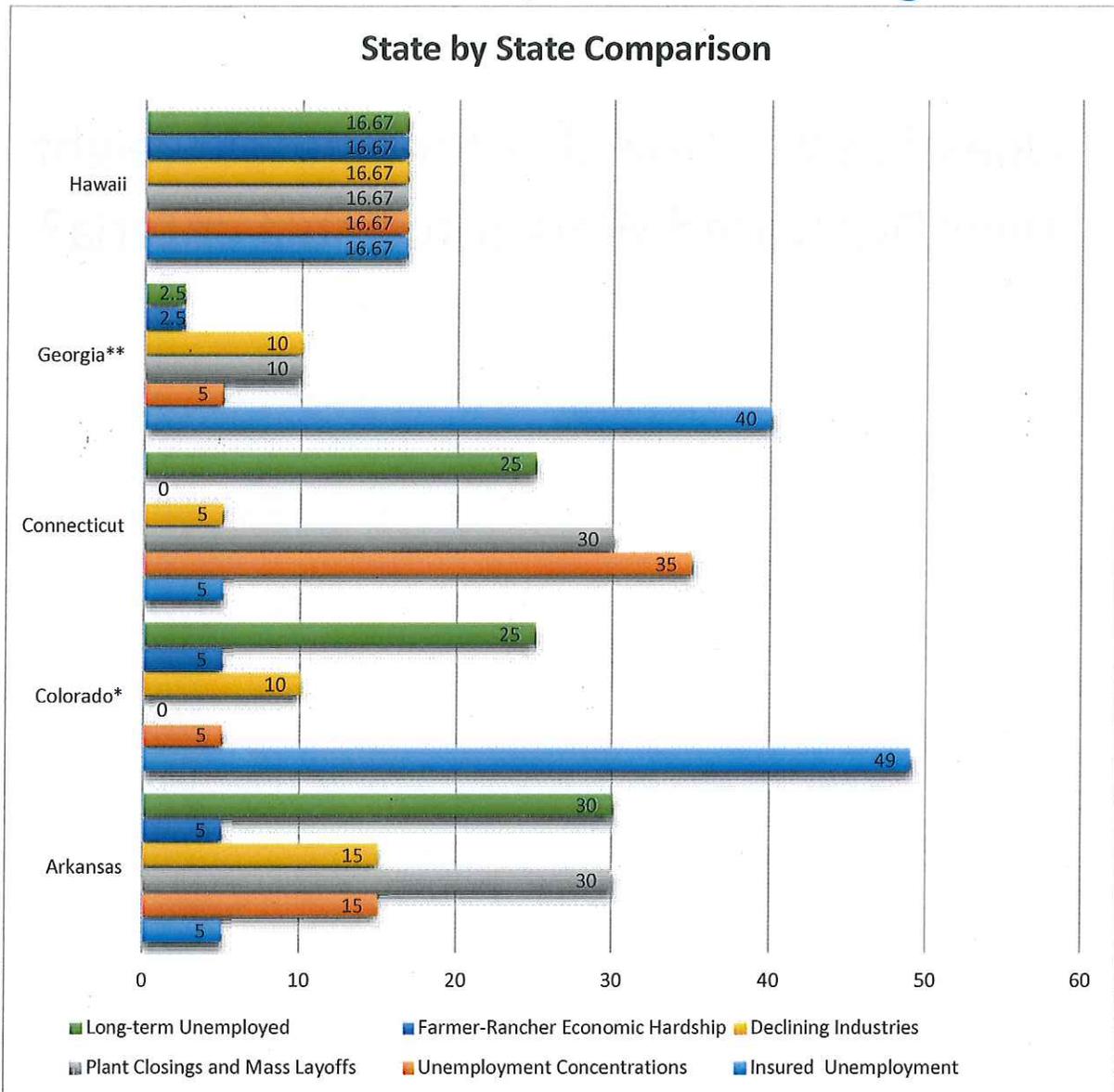
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Question #1: How do other states weight their Dislocated Worker formula criteria?

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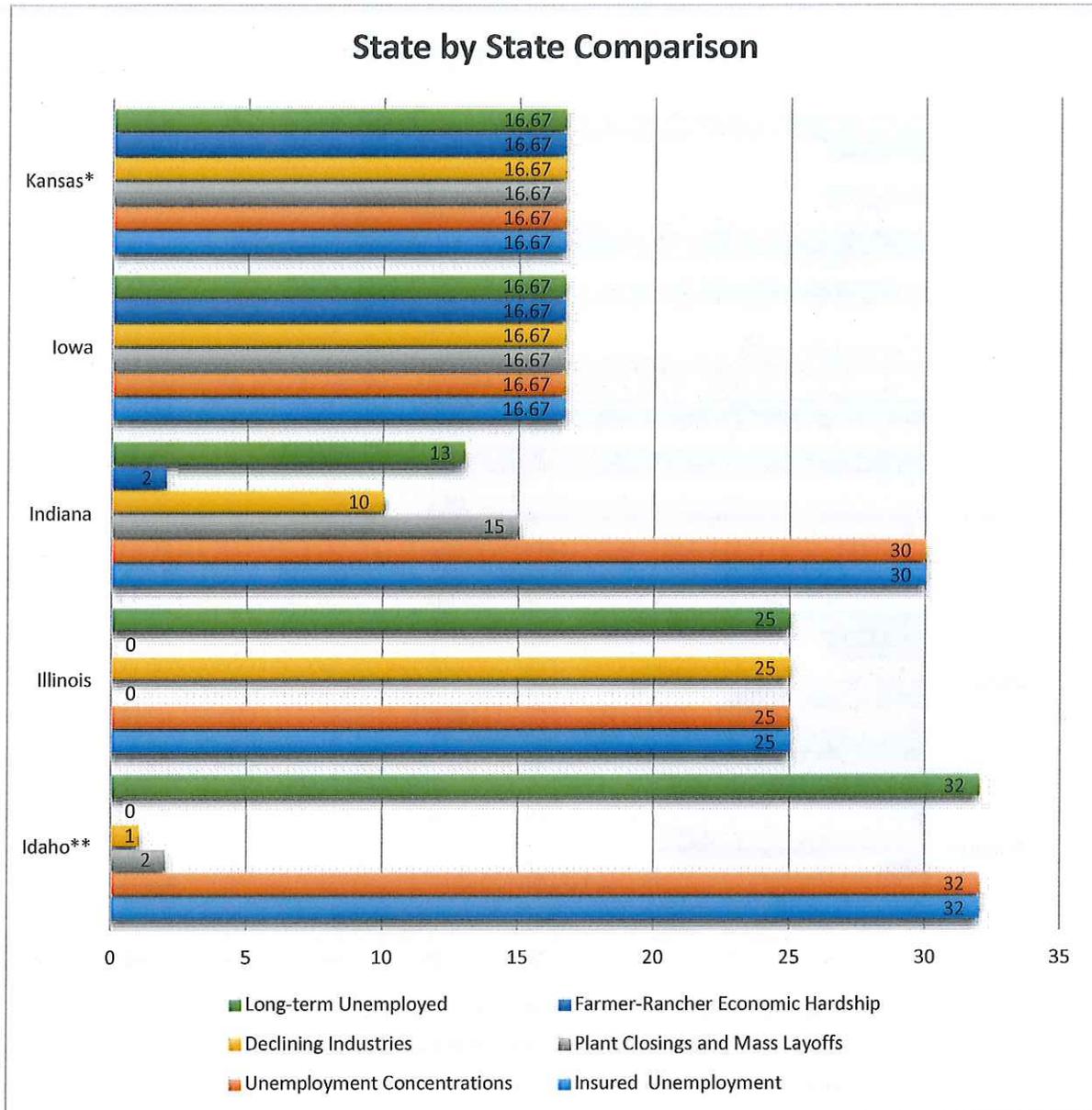
Dislocated Worker Formula Weights



Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.

*Colorado no longer includes the Mass Layoff weight as part of its formula due to data being unavailable. Colorado does include two additional weights: 1) Number enrolled in Dislocated Worker Programs (20%) and 2) Percent of Dislocated Worker Funds Expended (15%)

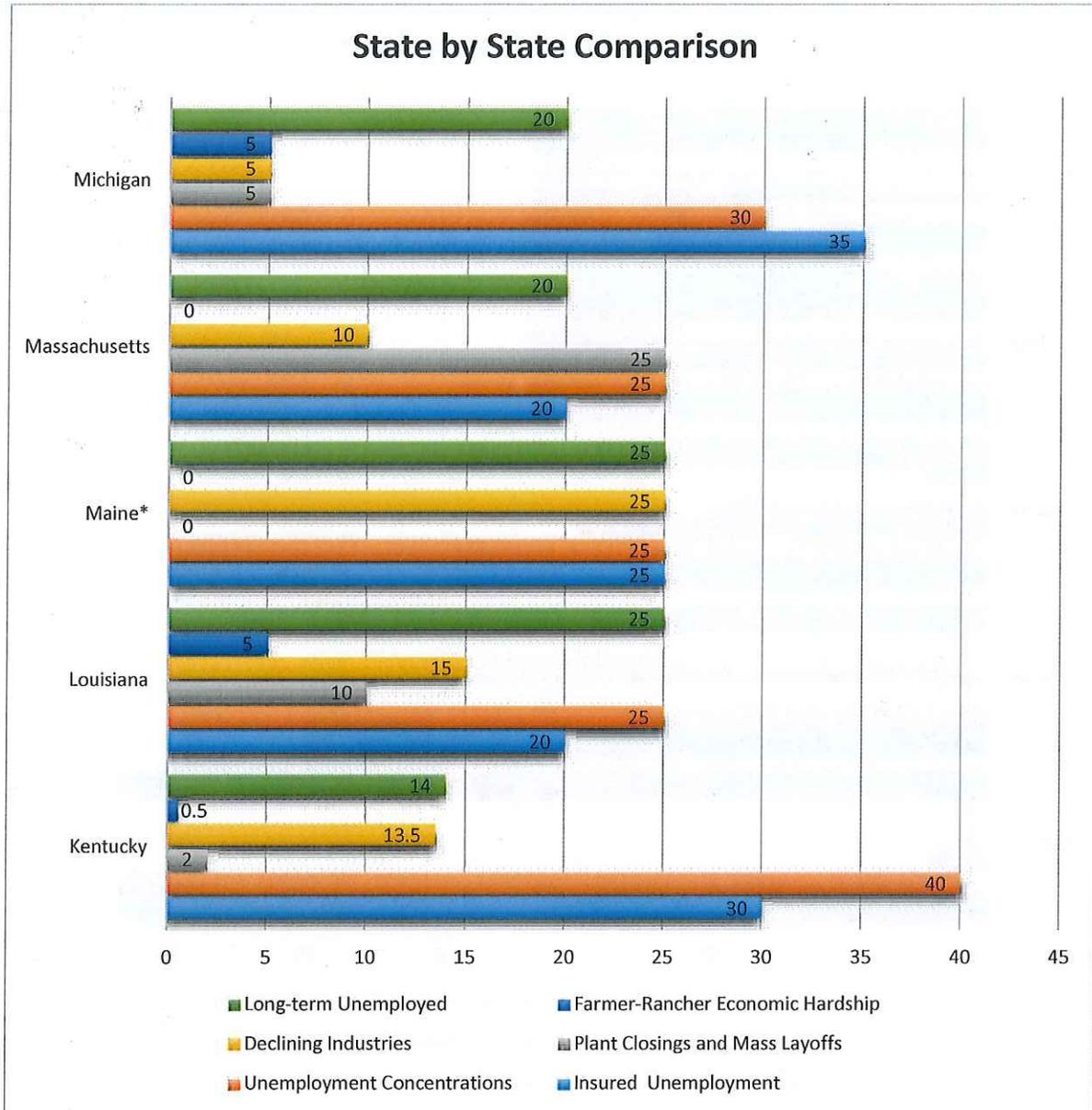
**Georgia includes three additional weights: 1) Number of individuals employed in manufacturing in the last 18 months (10%), 2) Number of individuals employed in retail and wholesale trade for the last eighteen-month period (10%), and 3) Number of individuals employed in WIA dislocated worker training services during the prior program year (10%).



Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.

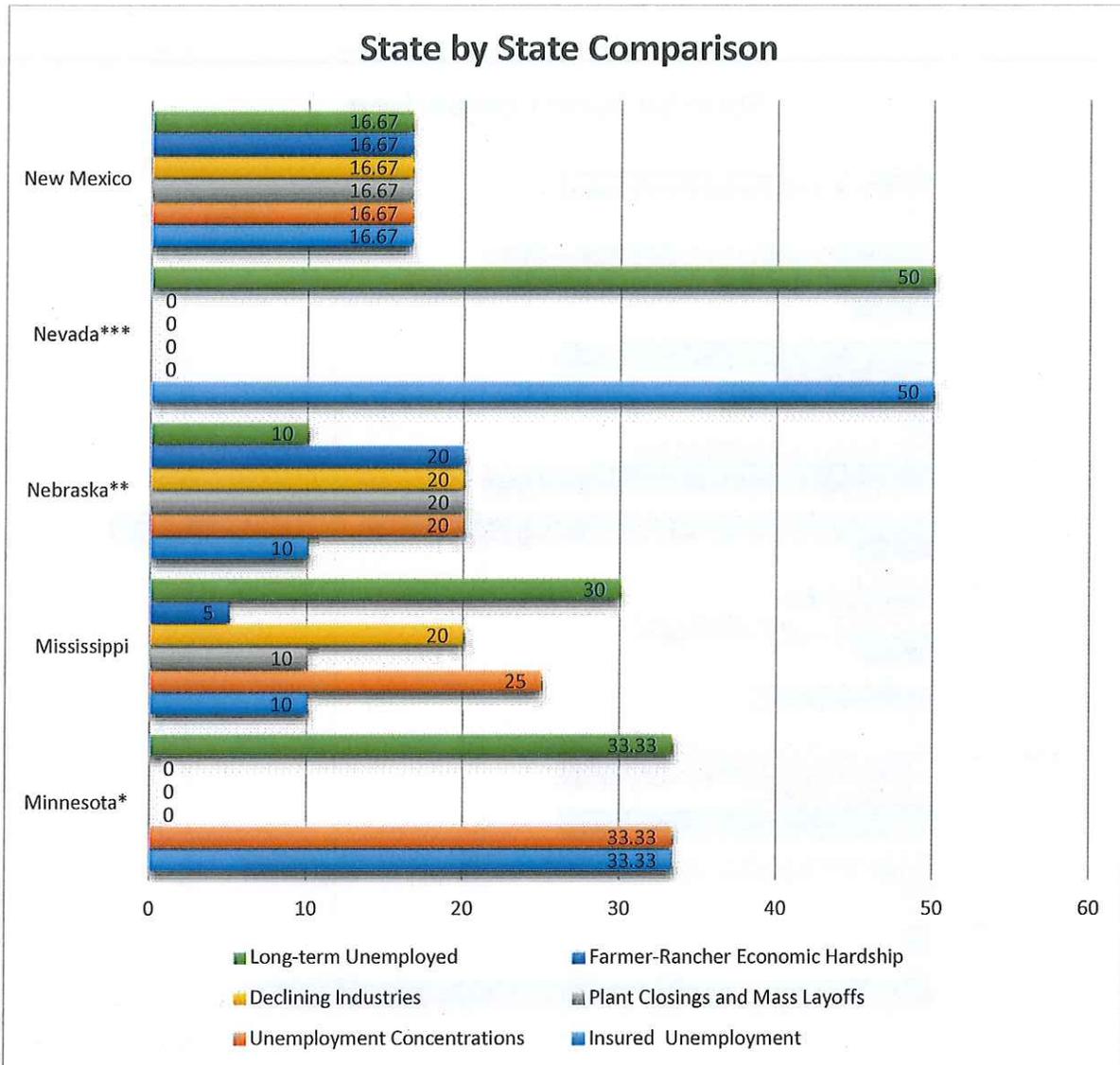
*Kansas uses Mining and Manufacturing Job Gains/Losses for its Declining Industries Measure

**Idaho includes an additional weight of Number of FHA borrowers who are bankrupt or delinquent



Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.

*Maine indicates that the two weights of "plant closing and mass layoff data" and "farmer-rancher economic hardship data" have "not proven to be useful for the distribution of funds to areas of need in Maine."

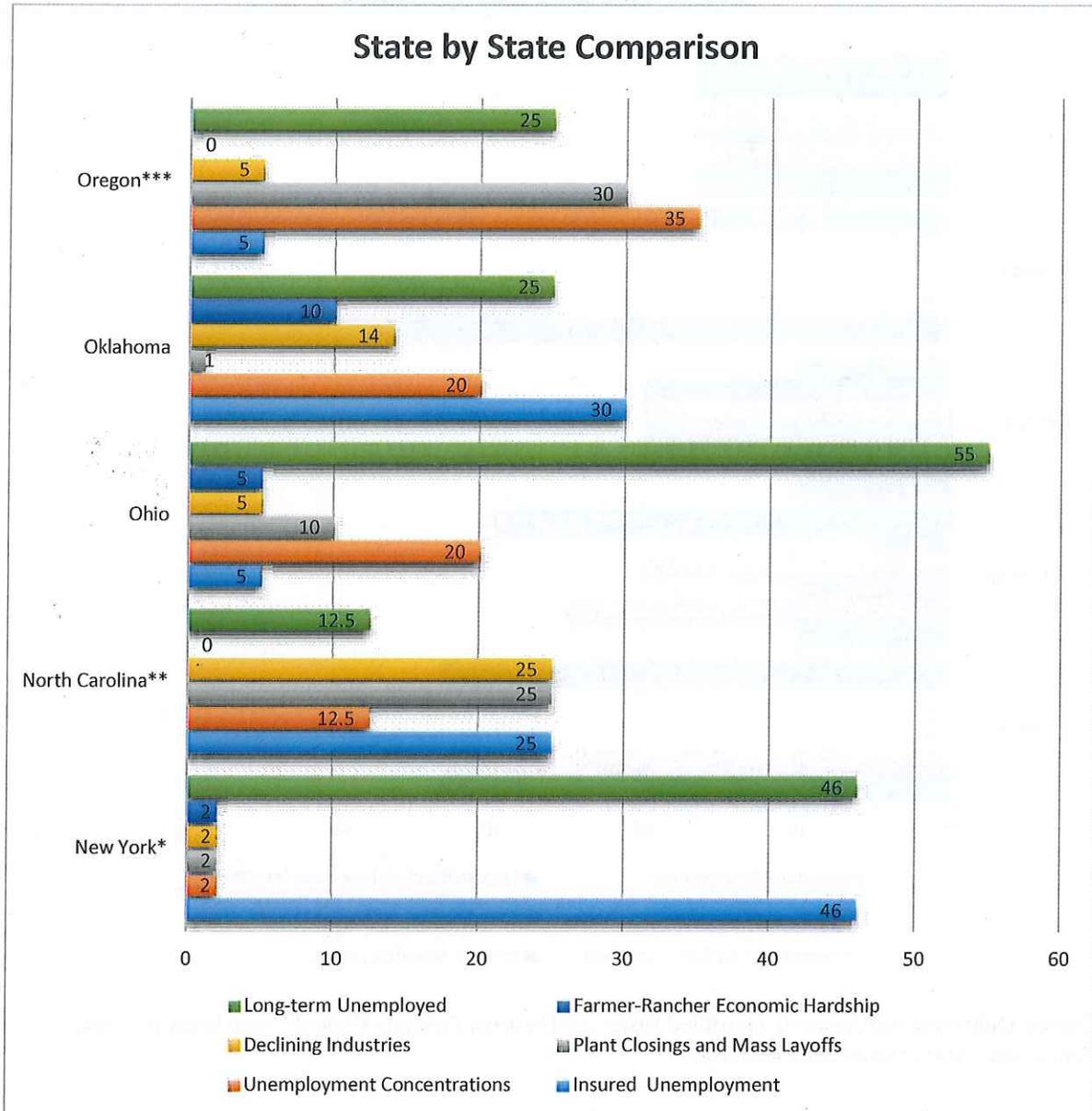


Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.

*Minnesota splits the weight evenly between three categories (Long-term Unemployed, Unemployment concentrations, Insured Unemployed). Minnesota adjust each local areas share by job and earning density as deviated from the state average. Afterward this adjustment it employs a 90% hold harmless provision.

**Nebraska – Farmer-Rancher Hardship is included in the Dislocated Worker measure under the current measurements. This 40% weight has been split evenly 20% for Farmer-Rancher Hardship and 20% for Dislocated Worker.

***Nevada only includes two measures in their formula: 1) Insured Unemployed and 2) Long-Term Unemploy

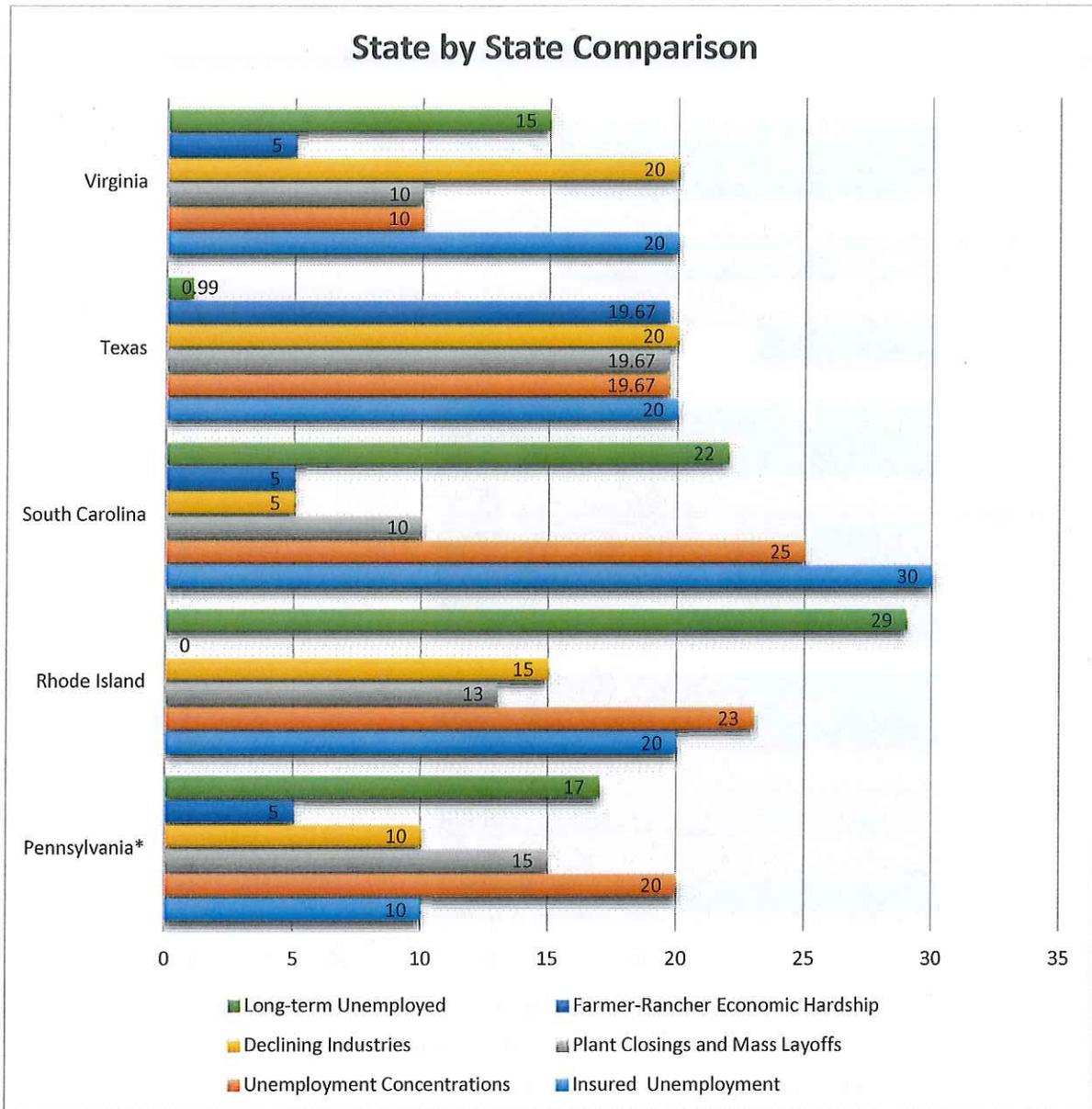


Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.

*New York combines Insured Unemployment and Long-Term Unemployment to account for 92% of its weight. Each weight has been separated (46% each) for the purposes of this chart.

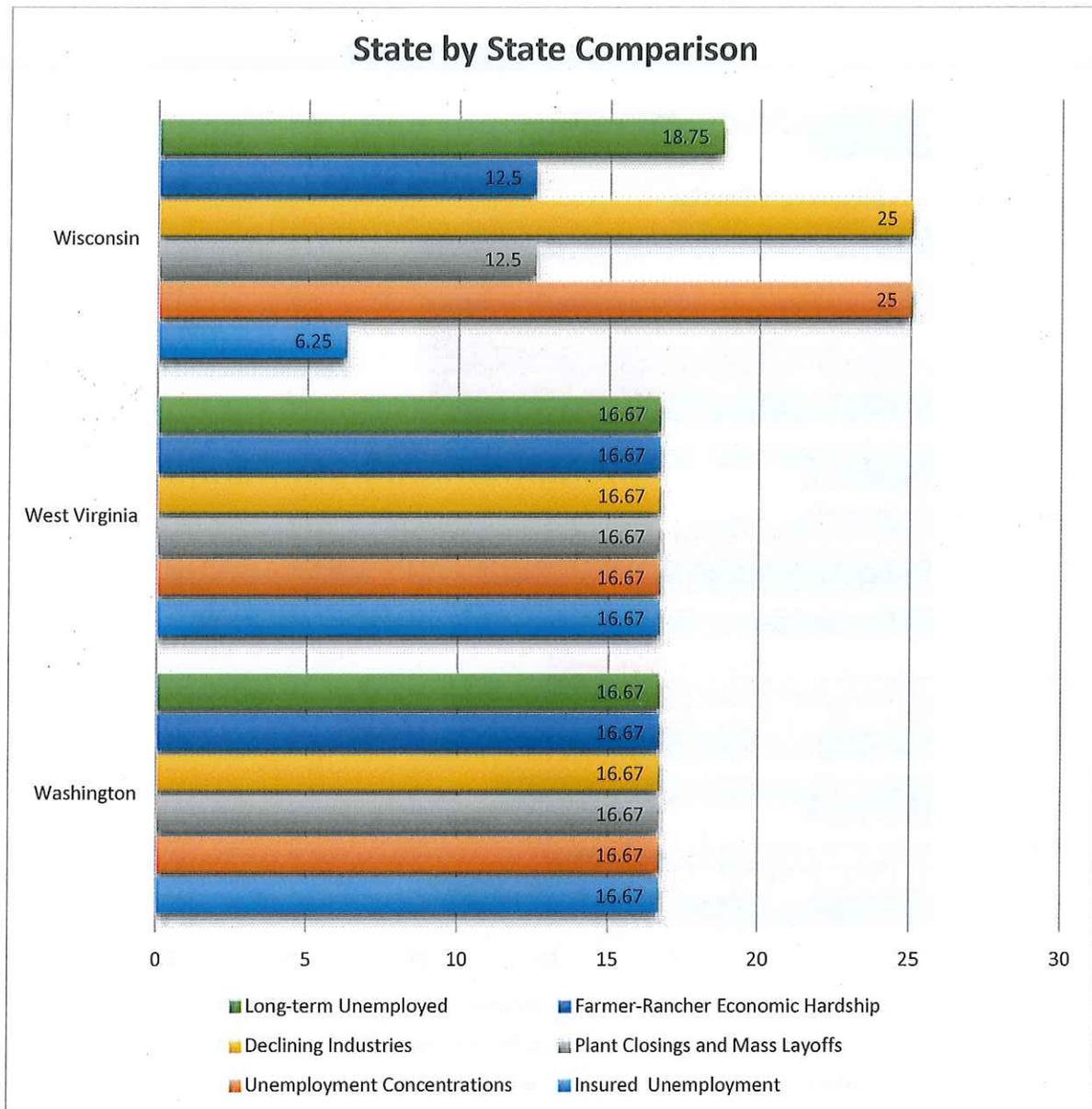
**North Carolina indicates that Farmer-Rancher Hardship is “zero weighted because the data necessary to make it a weighted part of the formula is not available in North Carolina.”

***Oregon does not include Farmer-Rancher Economic Hardship because “the only data that is available is based on gross sales and it has little relationship to the dislocations of an area.



Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.

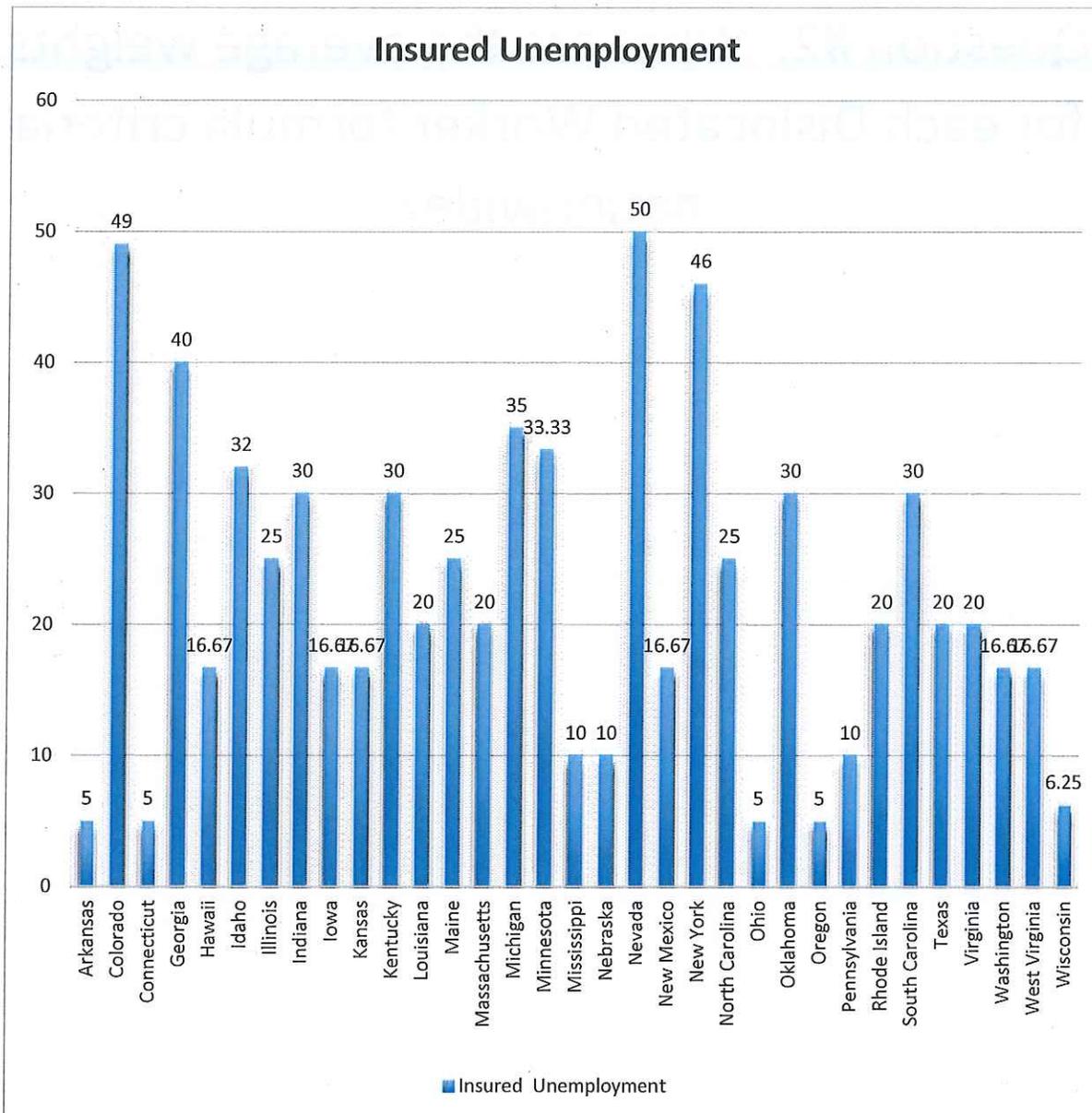
*Pennsylvania adds an additional weight of Estimated Number of Dislocated Workers which accounts for 23%.



Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.

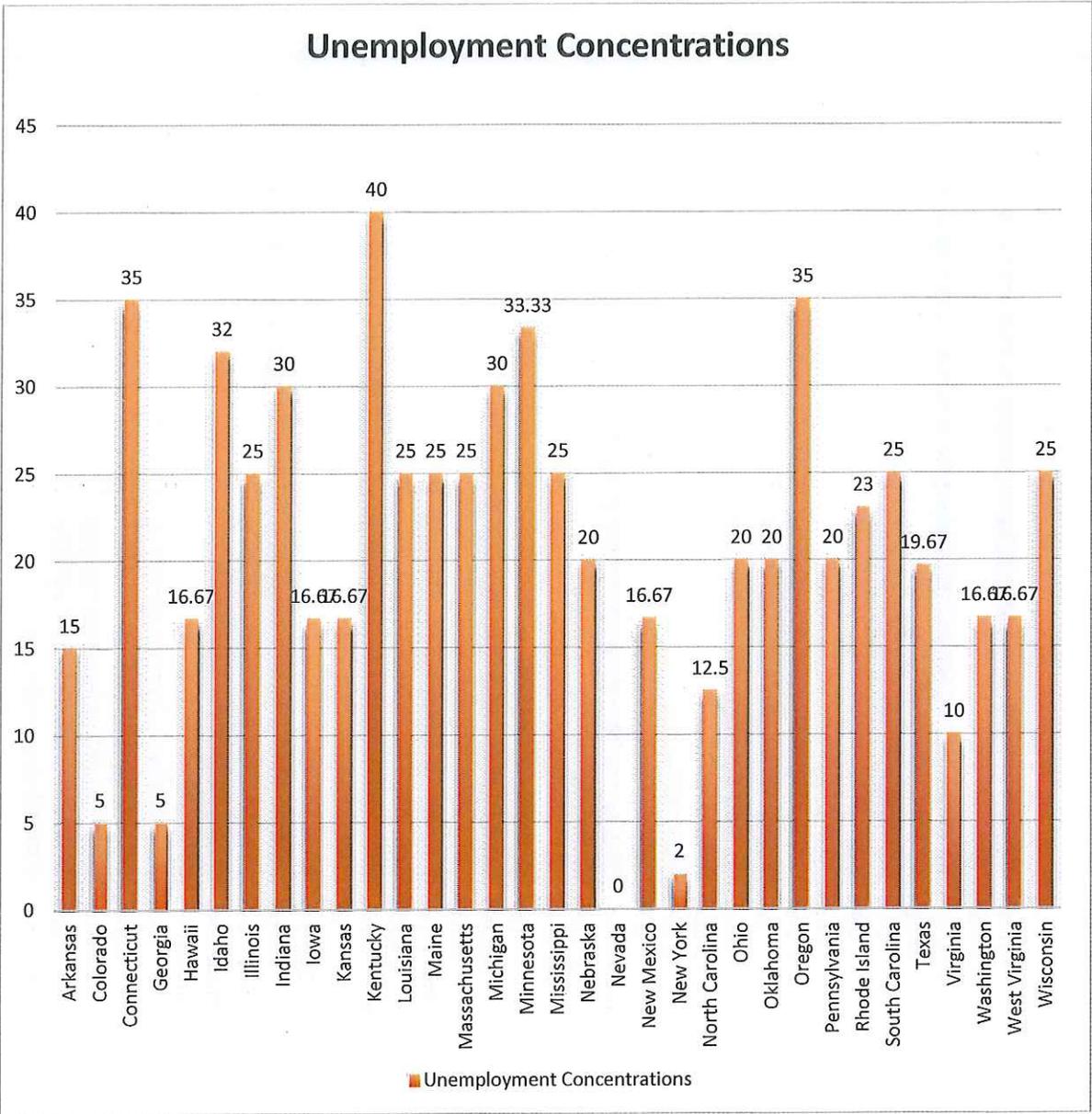
Question #2: What are the average weights
for each Dislocated Worker formula criteria
nationwide?

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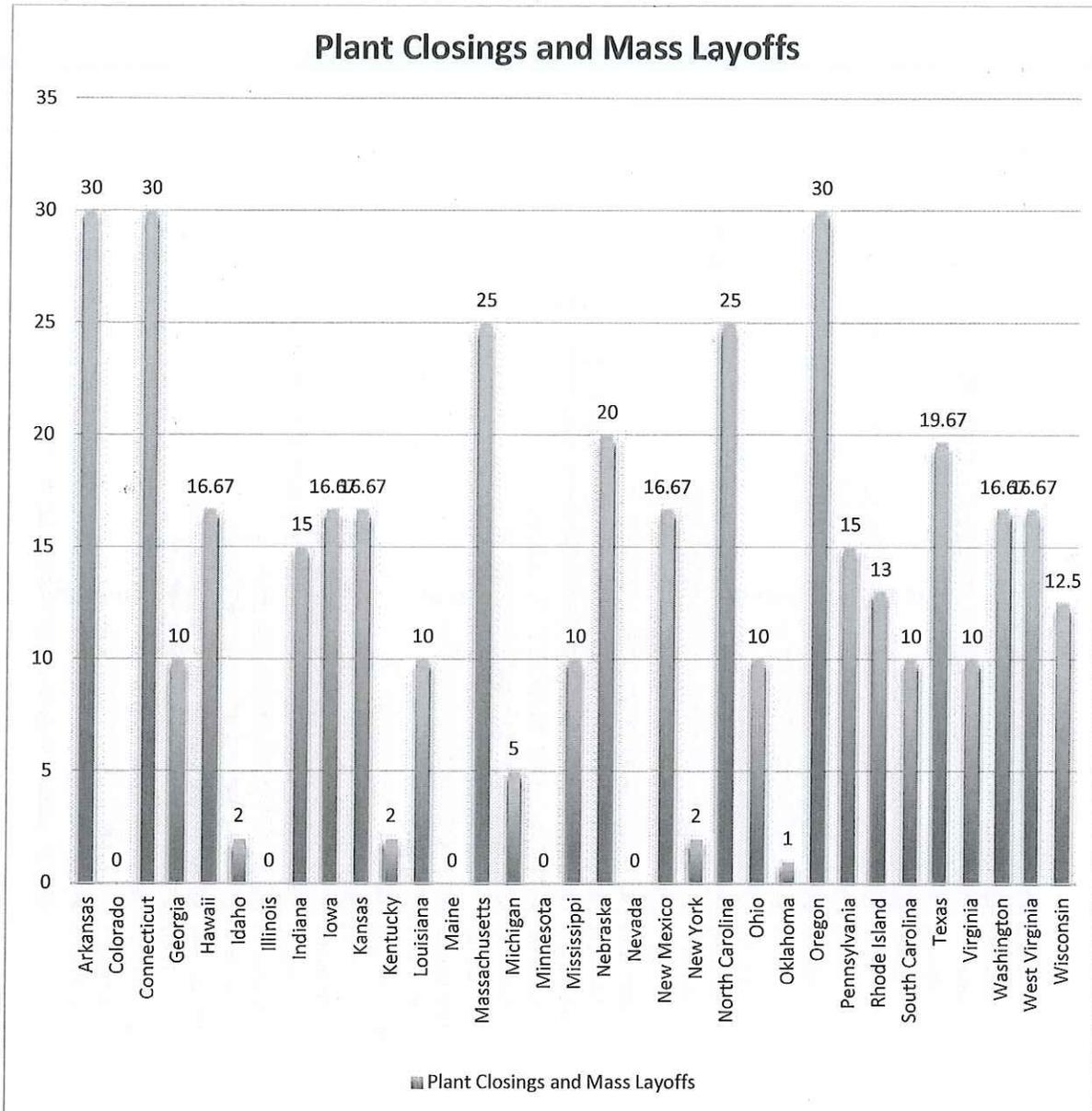
Average = 22.32%

Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.



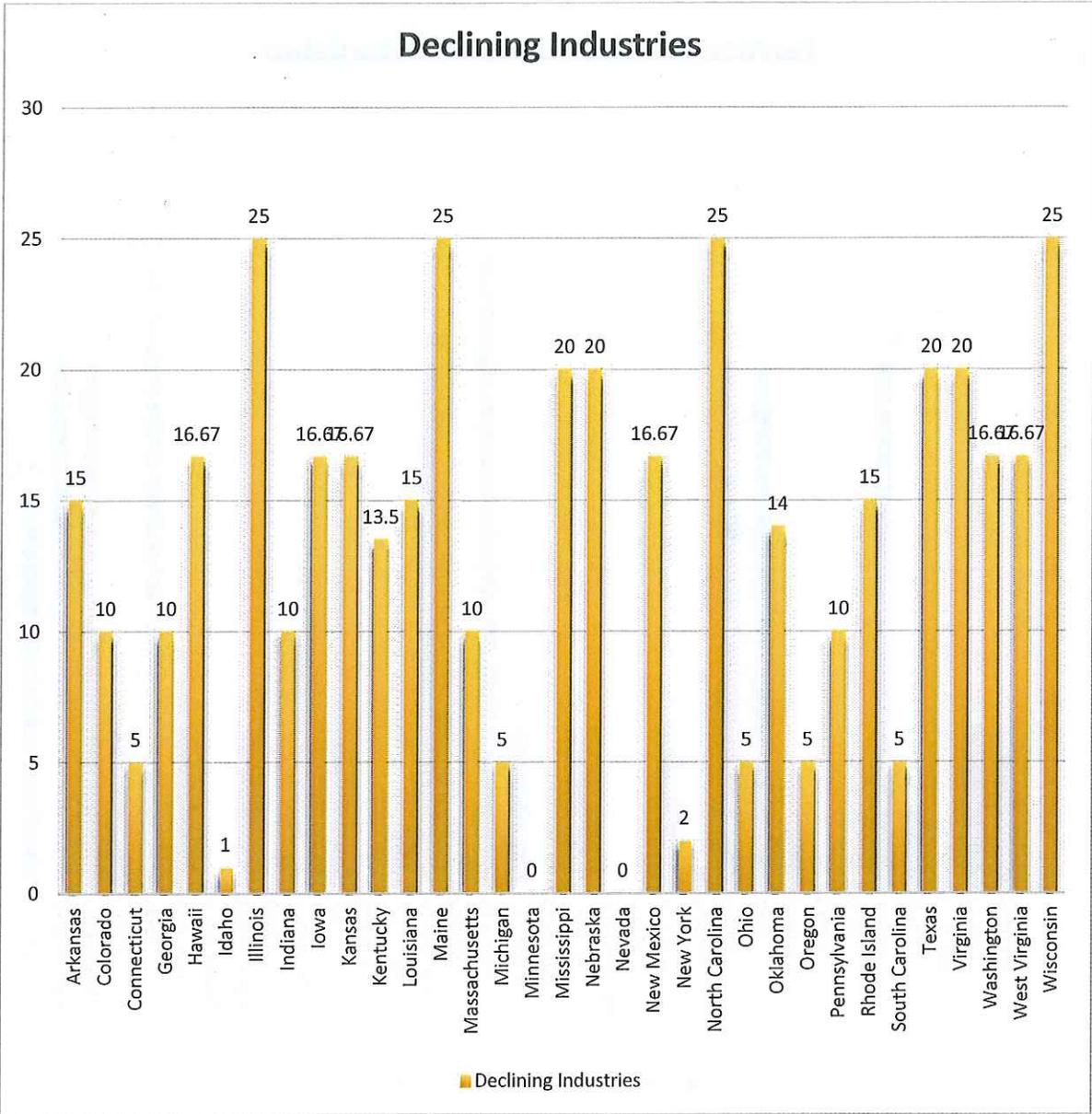
Average = 20.68%

Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.



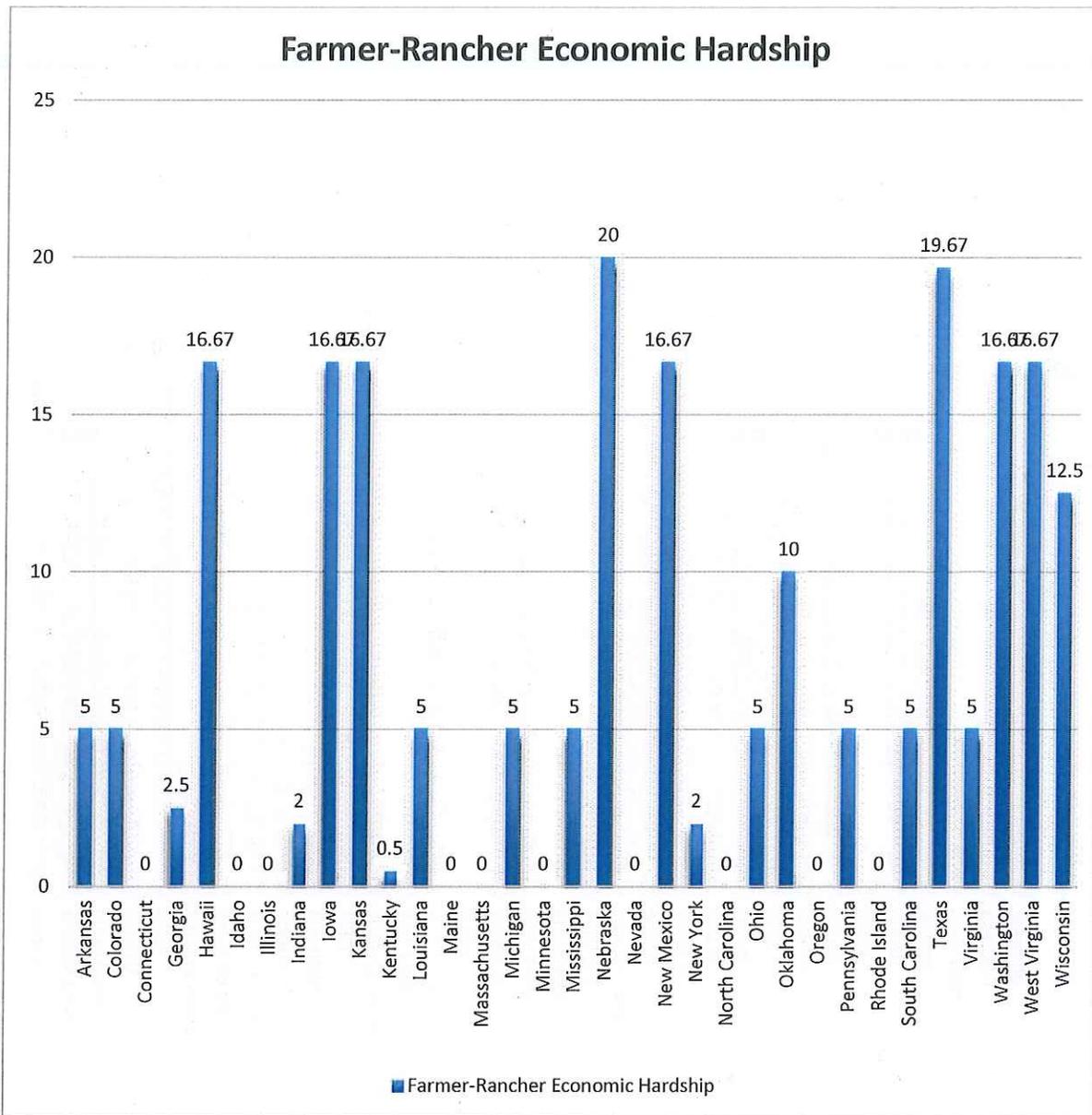
Average = 12.34%

Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.



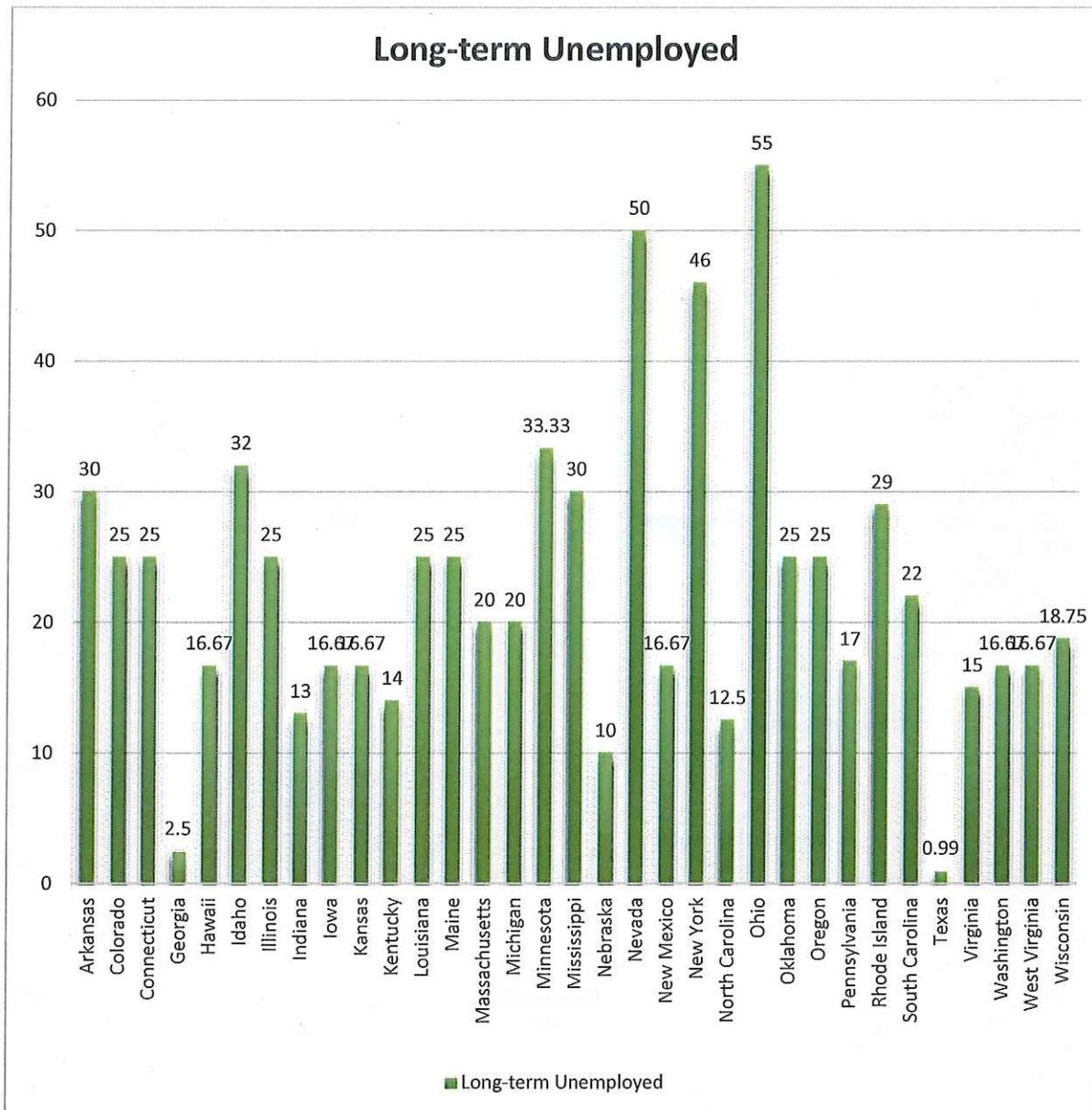
Average = 13.02%

Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.



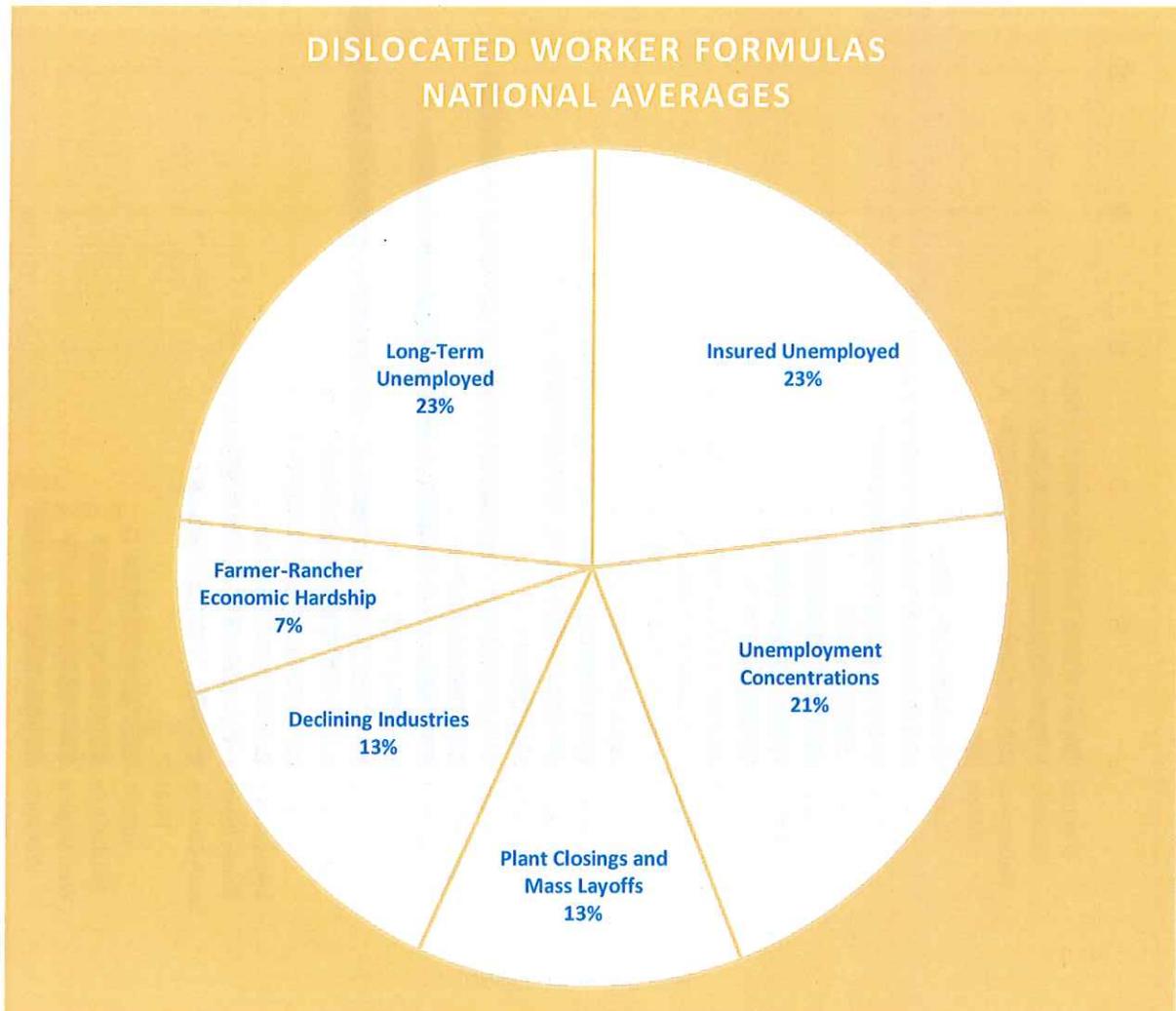
Average = 6.49%

Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.



Average = 22.61%

Notes: Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.



Notes: All percentages have been rounded to the nearest whole percent. Only states with clearly identified Dislocated Worker Formula Weights have been included. Single-Area States have been excluded.

Question #3: Are other states using any additional weights outside of the required weights listed in the law?

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Additional Dislocated Worker Formula Weights Used in Other States

Colorado

- Number enrolled in Dislocated Worker Programs (20%)
- Percent of Dislocated Worker Funds Expended (15%)

Georgia

- Number of individuals employed in manufacturing in the last 18 months (10%)
- Number of individuals employed in retail and wholesale trade for the last eighteen-month period (10%)
- Number of individuals employed in WIA dislocated worker training services during the prior program year (10%)

Idaho

- Number of FHA borrowers who are bankrupt or delinquent (10%)

Pennsylvania

- Estimated Number of Dislocated Workers (23%)

Question #4: How do other states define
Farmer-Rancher Economic Hardship?

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Farmer-Rancher Economic Hardship

State Measures

Georgia – The number of individuals employed as farmers or ranchers according to the most recently available census (2.5%)

Indiana – Census of Agriculture – county data for previous Calendar Year (2%)

Iowa – During the most recent calendar year, the number of farmers/ranchers who have delinquent loans as reported to the U.S. Department of Agriculture.

Kansas – Farm and Agriculture employment is derived from the previous Census Agriculture employment. Each month BLS supplies a ratio that is applied to the Census employment and the month farm employment is made by county. A five year period is looked at and compared by county. (16.67%)

Louisiana – Numerical difference between the last two Census of Agriculture to determine decline in hiring farm workers (5%)

Michigan – Relative number of farms with debt ratio of 40 percent in each local workforce area (5%)

New Mexico – Number of job declines in agricultural employment. (16.67%)

New York – Number of farms with sales of \$10,000 or more, with expenses in excess of sales, Census of Agriculture. (2%)

Ohio – Relative share of deficits between farm earnings per county in the area and the Federal Poverty Guidelines for a family of four multiplied by the number of farms in the county. Farm earnings taken from the most recent report of annual farm earnings produced by the Department of Commerce, Bureau of Economic Analysis. (5%)

Oklahoma – Function of the most recent Net Income per farm/ranch operator by county and the percentage change in the number of farm/ranch operators whose primary occupation is not farming. (10%)

Pennsylvania – Estimated number of farms with delinquent loan payments. (5%)

Texas – Texas State Data Center estimates for previous year. (19.67%)

Wisconsin – Based on each WDA's prorated share of Farm Hardship as measured by farm closings. (12.5%)

Question #5: How many Dislocated Worker participants in Nebraska were previously employed in a farming or ranching occupation?

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**Number of Dislocated Workers Served with
Previous Employment in a Farming or Ranching Occupation**

	PY11	PY12	PY13	PY14*
Greater Nebraska	0	3	2	2
Greater Omaha	0	0	0	0
Greater Lincoln	0	0	0	0

Data Collected through NEworks (12/04/14)

*Still within program year

Question #6: What does the Declining Industries criterion look like for Program Year 2015 fund allocation?

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PY14 Declining Industries Numbers

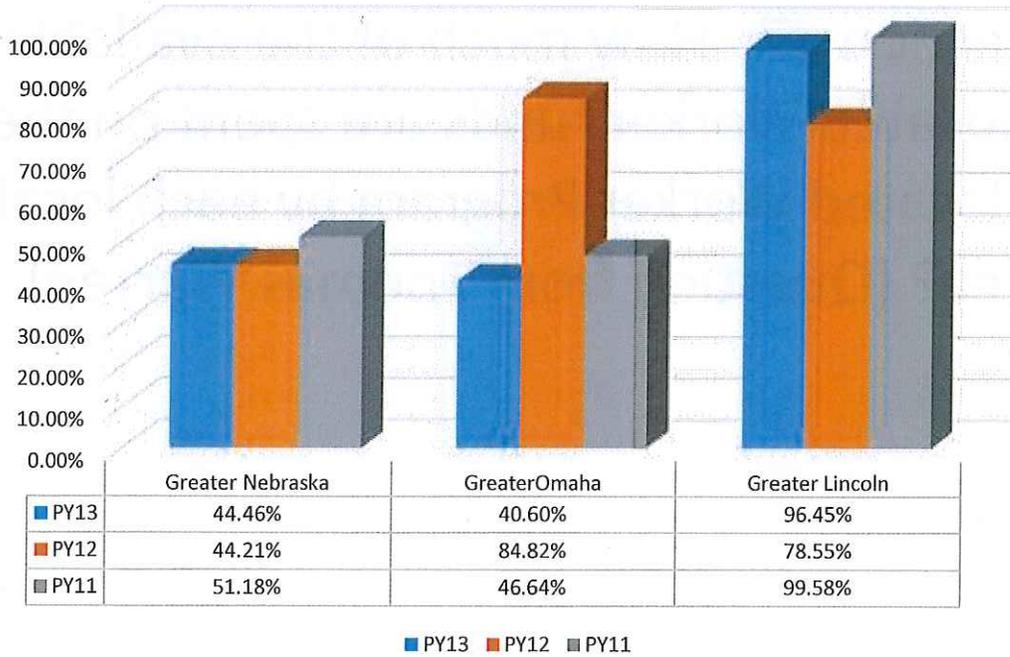
(Rapid Response database and short term industry projections as of 1/6/2015)

Local Area	Number of Unemployed in Declining Industries	Percent of State	Percent of Region
Omaha	0	0%	
Lincoln	0	0%	
Greater Nebraska	209	100%	
Region I	0		0%
Region II	0		0%
Region III	0		0%
Region IV	0		0%
Region V	209		100%
Nebraska	209		100%

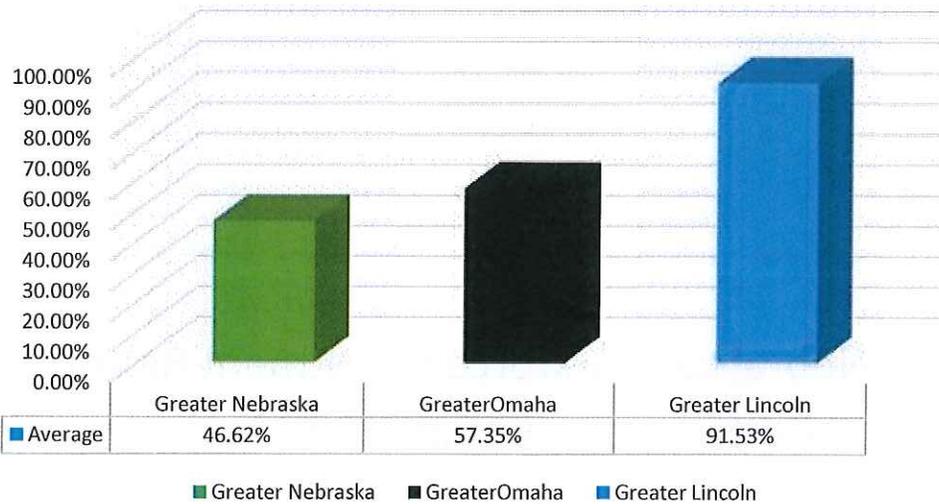
Question #7: How much of the available Dislocated Worker funds are spent on the Dislocated Worker Program by each local area? (Question from Thomas Warren)

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Percent Expended of Available Dislocated Worker Funds on Dislocated Worker Program



Average Percent Expended of Available Dislocated Worker PY11 through PY13



Question #8: How often do Nebraska's local areas transfer Dislocated Worker funds to the WIA Adult program and how much has been transferred?

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Transfers from Dislocated Worker Funds to WIA Adult Program

Program Year 2014 (July 1, 2014 to present)

	Greater Lincoln	Greater Nebraska	Greater Omaha
10/31/14 (full board)		\$194,526 ¹ \$39,474 ² \$185,500 ³ \$185,500 ⁴	\$133,487 ⁵ \$38,235 ⁶ \$96,620 ⁷
01/09/15 (executive)		\$61,000 ⁸	

Program Year 2013 (July 1, 2013 to June 30, 2014)

	Greater Lincoln	Greater Nebraska	Greater Omaha
10/18/13 (full board)			
12/13/13 (executive)		\$150,000 ⁹	
1/24/14 (full board)			\$75,000 ¹⁰ \$75,000 ¹¹
4/11/14 (executive)			
6/20/14 (full board)			

Program Year 2012 (July 1, 2012 to June 30, 2013)

	Greater Lincoln	Greater Nebraska	Greater Omaha
9/7/12 (full board)			
12/7/12 (executive)		\$100,000 ¹²	\$120,000 ¹³
1/25/13 (full board)			
4/12/13 (executive)			
6/28/13 (full board)		\$60,000 ¹⁴ \$80,000 ¹⁵	\$80,299.52 ¹⁶ \$29,700.48 ¹⁷

¹ FY14 to FY14 effective 8/11/14
² FY14 to FY14 effective 10/01/14
³ FY15 to FY15 effective 10/01/14
⁴ FY15 to FY15 effective 1/1/15
⁵ FY14 to FY14 effective 11/1/14
⁶ PY14 to PY14 effective 11/1/14
⁷ FY15 to FY15 effective 11/1/14
⁸ PY14 to PY14 effective 8/11/14
⁹ FY13 to FY13

¹⁰ FY13 to FY14 effective 1/1/14
¹¹ FY14 to FY14 effective 1/1/14
¹² FY13 to PY13
¹³ FY13 to PY13
¹⁴ FY13 to FY13
¹⁵ FY14 to FY14
¹⁶ FY12 to FY12 effective 5/16/13
¹⁷ PY12 to PY12 effective 5/16/13

Question #9: How would the two options we reviewed at our October meeting look with a Hold Harmless formula applied?

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Dislocated Worker Allocation Provisions under WIOA

WIOA Section 133(b)(2)(B)

(B) DISLOCATED WORKER EMPLOYMENT AND TRAINING

ACTIVITIES.—

(i) ALLOCATION.—In allocating the funds described in paragraph (1)(B) to local areas, a State shall allocate the funds based on an allocation formula prescribed by the Governor of the State. Such formula may be amended by the Governor not more than once for each program year. Such formula shall utilize the most appropriate information available to the Governor to distribute amounts to address the State's worker readjustment assistance needs.

(ii) INFORMATION.—The information described in clause (i) shall include insured unemployment data, unemployment concentrations, plant closing and mass layoff data, declining industries data, farmer-rancher economic hardship data, and long-term unemployment data.

(iii) MINIMUM PERCENTAGE.—*The local area shall not receive an allocation percentage for fiscal year 2016 or a subsequent fiscal year that is less than 90 percent of the average allocation percentage of the local area for the 2 preceding fiscal years.* Amounts necessary for increasing such allocations to local areas to comply with the preceding sentence shall be obtained by ratably reducing the allocations to be made to other local areas under this subparagraph.

WIOA Section 133(b)(4)

(4) TRANSFER AUTHORITY.—A local board may transfer, if such a transfer is approved by the Governor, *up to and including 100 percent of the funds allocated to the local area* under paragraph (2)(A) or (3), and *up to and including 100 percent of the funds allocated to the local area* under paragraph

(2)(B), for a fiscal year between—

(A) adult employment and training activities; and

(B) dislocated worker employment and training activities.

PROPOSED NEW WEIGHTS FOR DISLOCATED WORKER ALLOCATIONS with **HOLD HARMLESS Applied**

Current Weights:

Allocated Factor	Current Weight
UI	10%
Excess UI	20%
Long Term	10%
Dislocated Workers	40%
Declining Industries	20%

Option 1:

Allocated Factor	Proposed New Weight	Current Weight
UI	20%	10%
Excess UI	20%	20%
Long Term	30%	10%
Dislocated Workers	20%	40%
Declining Industries	5%	20%
Farmer/Rancher Hardship	5%	(Part of Dislocated Worker)
	100%	100%

Option 2:

Allocated Factor	Proposed New Weight	Current Weight
UI	15%	10%
Excess UI	15%	20%
Long Term	20%	10%
Dislocated Workers	20%	40%
Declining Industries	5%	20%
Farmer/Rancher Hardship	5%	(Part of Dislocated Worker)
Enrollments in DW programs	20%	--
	100%	100%

Definitions

UI: Regular UI claimants

Excess UI: Regular UI claimants plus UI claimants in Areas of Substantial Unemployment

Long Term: Individuals who have been unemployed for 15 weeks or more

Dislocated Workers: Individuals meeting the dislocated worker eligibility requirements, most commonly those that have been laid off due to employer closing or downsizing

Declining Industries: The reduction in the number of jobs within declining industries

Farmer/Rancher Hardship: Low income farmers and farm bankruptcies

Enrollments in DW programs: Number of enrollees in the WIA Dislocated Worker program

Option 1 (with Hold Harmless):

Greater Nebraska			
	PY14	PY13	PY12
TOTAL (with Option 1)	\$718,821	\$775,969	\$821,411
Percent (with Option 1)	43.28%	51.27%	54.63%
Without Hold Harmless	\$675,041	\$543,721	\$589,686

Greater Omaha			
	PY14	PY13	PY12
TOTAL (with Option 1)	\$726,538	\$542,324	\$460,063
Percent (with Option 1)	43.74%	35.83%	30.60%
Without Hold Harmless	\$748,359	\$751,093	\$680,214

Greater Lincoln			
	PY14	PY13	PY12
TOTAL (with Option 1)	\$215,550	\$195,098	\$222,214
Percent (with Option 1)	12.98%	12.89%	14.78%
Without Hold Harmless	\$237,370	\$218,577	\$233,275

Option 2 (with Hold Harmless):

Greater Nebraska			
	PY14	PY13	PY12
TOTAL (Option 2)	\$739,240	\$775,969	\$821,411
Percent (Option 2)	44.51%	51.27%	54.63%
Without Hold Harmless	\$739,240	\$618,996	\$657,020

Greater Omaha			
	PY14	PY13	PY12
TOTAL (Option 2)	\$699,369	\$542,322	\$460,063
Percent (Option 2)	42.11%	35.83%	30.60%
Without Hold Harmless	\$699,369	\$669,935	\$618,591

Greater Lincoln			
	PY14	PY13	PY12
TOTAL (with Option 2)	\$222,301	\$195,098	\$222,214
Percent (with Option 2)	13.38%	12.89%	14.78%
Without Hold Harmless	\$222,301	\$224,458	\$228,264

