**Workforce 3One**

**Transcript of Webinar**

**Innovation and Opportunity to Act Now: WIOA Governance**

**Wednesday, May 13, 2015**

*Transcript by*

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CHRIS WATSON: And turn things over to Joe Barela. Joe is the senior advisor here in the Employment and Training Administration here at the Department of Labor.

JOE BARELA: Good morning, everyone, and thank you for joining us. We appreciate you taking the time to work with us as we move forward to full implementation of WIOA on July 1st. With me this morning in the room is Amanda Ahlstrand who's an administrator with the Office of Workforce Investment. We have Heather Fleck who is the governance unit chief with the Office of Workforce Investment, and Sean Fox, who's a workforce analyst with the Office of Workforce Investment.

If you haven't done so already, we really do like to know who our audience is and maybe address some of those needs as we go through the presentation. So please fill out poll question number one and tell us who you are with, either a governance representative, state workforce board, state workforce agency, local workforce board, representative of local elected official, One-Stop operator, or other. And if it's other, please indicate what other entity you are with.

We hope that the webinars that will support technical guidance that the department puts out will be supported and hopefully provide more clarification and give the system an opportunity to ask questions. At this time I'd like to turn it over to Amanda, again the administrator of the Office of Workforce Investment.

AMANDA AHLSTRAND: Thank you so much, Joe, and good morning, everyone. Thank you for joining us here today. I think we have over 350 participants, and we know that means many more as you're grouped together in your offices. We appreciate doing that. We also appreciate all of your registration and coming to join us this session. It really is part of our series of act now, take immediate action to implement the WIOA for July 1st. There's a lot going on in your states and local areas. We know taking time out is doing just that, and we appreciate your time and attention today.

I do want to just briefly go through the agenda here this morning. We are going to talk a bit about the vision for the state board, the time frame for completing the activities discussed in TEGL 27-14. We'll go into some detail on appointment of the state board. We'll talk about the state policy for local board appointments, the state policy for designation of local areas, and the identification of regions and local area designation.

As I mentioned, this is primarily focused on content that was published in TEGL 27-14. It does include a lot of act now guidance. We also talk about some things that can happen post-July 1, but we really want to look at this session as a galvanizing event to check in with you all. We're going to be doing some polling questions later to see how you're making progress across the country.

But we can't emphasize enough the urgency of doing some of the activities that we're going to be going into detail here about today. So please, if you take nothing else, a sense of urgency that I know you all have is really a key take-away today.

I also want to note that the notice of public rule-making remains open for public comment. As you've heard in other sessions and in talking with your ETA colleagues across the system, we are working to publish operations guidance as quickly as possible to facilitate an orderly transition to WIOA.

With that rule open for comment, we know that there are some things that are going to be finalized with the final rule. So we're looking at operating guidance in the meantime when the final rules are published, that those final rules will supersede anything that might happen differently between now and that final rule. But please go to the operating guidance as it becomes available, and know we are working very hard to get that out as timely as we can.

And I just want to emphasize a couple things her. At DOL and with our partners at education we do really believe that the WIOA is a significant chance for transformation of the public workforce system. We are hearing from across the country that you're embracing this opportunity.

We also know there are challenges in doing that, and so we're looking forward to talking with you and hoping you're talking with one another as you're making transitions. It's important to know that without an active state board, a state cannot effectively pursue the following activities: crafting a WIOA-compliant local area designation policy, designating local areas, and identifying regions. So again, it's act now on getting that active state board in place.

So let's take a look at the state and local board vision. WIOA is designed to help job seekers and workers access employment, education, training, and support services needed to succeed in the labor market and to match employers with the skilled workers needed to compete in the global economy. A state board represents a wide variety of individuals, businesses, and organizations throughout the state, and we'll get into detail on how it's constituted later in the presentation. But I want to note that the state board has a set of big jobs to do. It must lead efforts to make sure that the One-Stop system in each state is customer-driven for both job seekers and employers.

Doing this means aligning federal investments and job training, integrating service delivery across programs, and ensuring that the workforce system is job-driven and matches employers with skilled individuals.

The state board also serves as a convener of state, regional, and local workforce system partners to enhance the capacity and performance of the workforce development system, align and improve employment training and education programs, and through these efforts promote economic growth. As a strategic convener, the state board promotes partnerships and engages key stakeholders.

This role can only be accomplished if each state board member is an active participant in the business of the board. State board members must actively participate and collaborate closely with the partners of the workforce development system, including the public and private organizations. This engagement is crucial in the board's role to help integrate and align a more effective job-driven workforce investment system that invests in the connection between education and career preparation development systems.

So let's highlight a few things that must be completed by July 1. Most of the provisions of WIOA take effect on July 1st of this year. The governance transition operations guidance requires states to take immediate action to ensure that major pieces of governance structure in place by the state. Specifically, the governor must appoint a WIOA-compliant state board and establish criteria for the selection of local board members.

In consultation with the state board, local boards and chief elected officials, the governor must develop a policy for designation of local workforce development areas. Please note that even when consultation with the state board may not be required by law or guidance, the governor is encouraged to consult the state board in the development of all major policy.

So let's take a look at some things that may be completed after July 1. The governor, in consultation with the state board in consideration of public comment, must designate local areas. For existing WIOA local areas that wish to request initial designation under WIOA, the department encourages states to approve all requests for additional designation of local areas by July 1.

So we'll discuss this difference between initial and new designation later in the session. The governor, in consultation with the state board, must identify regions and the submission of their WIOA unified or combined state plan. And the chief local elected official must appoint a WIOA-compliant local board. The department strongly encourages these local elected officials to appoint a WIOA-compliant local board within the first quarter of program year 2015. The department's allowing this additional time to ensure a more orderly transition to WIOA. This time line can be referenced in Section 7 of the TEGL.

So now that we've gone through a few of the key points and some previews, let's get into the details. I'm going to turn it over to Heather Fleck, and we'll go from there. Thanks, Heather.

HEATHER FLECK: Thank you, Amanda, and welcome, everyone. So I'm going to get into more of – the next part of our webinar is going to be really a lot of nuts and bolts and some fairly technical information, and this is all very well laid out in the guidance letter 27-14. So while we may not hit on every single point in that guidance letter, we'll hit on a lot of them.

So what I'm going to talk to you about is what's required in terms of putting a WIOA-compliant state board in place. And even though many of the requirements are similar to WIOA in terms of the membership requirements, WIOA does introduce some new changes to the requirements that you'll want to pay attention to, and some of the criteria for selection of board members has changed slightly. So even if you think you may have a WIOA-compliant state board in place now, you'll want to review it against this particular guidance to ensure that you are in fact meeting expectations.

So if we could for a minute transfer to the attachment, attachment two, and this is found in the guidance letter. I'm going to walk through – we're going to walk through this, and I'll talk about it as soon as it comes up.

OK. So just a quick overview. So the membership of a state board needs to include a business majority, 20 percent workforce, and the remainder of the board needs to be government entities. And then within some of those categories there are some optional membership that the governor can consider when appointing members.

So if you look at this chart – is that – (inaudible) – everyone's seeing it? OK. So this table is really kind of the nitty-gritty detail of how many in each category, what some of the considerations are, what's required, what's optional. So take a good hard look at that, and again, it's attachment two in the guidance letter.

So a few things. So as I said, it has to be majority business, similar to WIOA, and then representatives of the workforce, which includes two or more representatives of labor organizations who have to be nominated by state labor federations, and at least one representative of a joint labor management apprenticeship program. And then the government representatives do constitute the rest of the board. There does need to be a chairperson for the state board, and that person must be selected from among the business representative of the board.

So I'm going to take a moment to look at the optional membership categories. For example, the governor may appoint one or more representatives of certain organizations to contribute to the 20 percent workforce category.

Some of these optional representatives can come from community-based organizations that have specific experience in addressing employment training education needs of particular population groups. So this could be CBOs that serve veterans or individuals with disabilities or youth-serving organizations. And again, this is a way to meet the 20 percent of workforce requirement.

In terms of the government category on the next page of the document, there are some required categories. Of course the core partner programs need to be on the board, the agency heads that represent those programs. And then to fulfill the government category, the governor could also appoint agency officials that represent the mandatory One-Stop partner program, economic development individuals, individuals that represent juvenile justice programs in the state.

They could be those that represent tribal organizations, if that's appropriate for your state, and really – and any other officials that may be administering education programs. So there's a wide variety of folks that the governor has an option to appoint. And we would encourage you, the states, to look at that, although we realize there's an interest in having a very streamlined board. We recommend you look at that in terms of expanding the diversity of voices on your board as well as consider thinking about how you might comprise – we can flip back to the slide – committees that could be used to – that could be used in combination with board membership to foster wider representation and inform board leadership about particular issues of interest.

So that's kind of the nuts and bolts of the composition of the board, and again, really look at that chart when you're making your decisions to ensure that you're meeting those requirements. So next slide, please.

Just a few things to note that are required when considering board members. The multiple entity representation has changed under WIOA from what it was in WIOA, and Section 101(b)(3) of WIA – WIOA, rather, does prohibit members from representing an entity in more than one of the three required categories with business, workforce, and government. And a state board member may not generally represent more than one entity within the category. But there is a little bit of a nuance we want to point out when it gets to the government agency officials in relation to the multiple entity representation.

So each core program must have a state agency official that is appointed to the board, and again the core programs are WIA, Title I, adult dislocated worker, youth, Wagner-Peyser, adult basic education, and vocational rehabilitation programs. So the expectation in the section is the agency head of each of those should be – must be appointed to the board.

However, for the way some states are organized, they may have the lead agency official overseeing multiple programs. So in some instances that same official may represent well multiple programs, and in others there maybe can't represent them so well.

So we're encouraging governors to make strategic choices there about when it makes sense to allow – even where a single agency official might oversee multiple of the core programs, it may make sense to appoint an individual from a particular program like the adult education program or vocational rehabilitation program to more effectively represent that program's interest on the board. So that is a little complicated. It's explained in the TEGL, but you want to pay attention to that.

Other requirements that you need to take into – that the governor needs to take into account – see if we can go back – include that all representatives must have optimum policy-making authority. This is defined in the guidance but the state – (inaudible). They need to be the top dog. And then all state board business has to conform to the "Sunshine Provisions" that are in WIOA in terms of conducting business in an open manner, making sure people know when board meetings are, posting information about the meetings, outcomes of the meetings, that kind of thing.

So I think now we're ready for some polls.

MR. BARELA: Thank you, Heather. On your screen you should be coming to poll question number two. We'd really like the state representatives on the webinar this afternoon to answer this question for us. We want to know, of those participating today that represent a state, do you think you will have a WIOA-compliant state board on July 1st, 2015? And there are your choices.

Take a moment to fill that out if you are a state representative on the phone today, and thank you. And we are just about ready to close that out. So if you haven't done so, please fill in that poll for us, and it looks like we have a healthy group today that are telling us definitely they are 100 percent compliant or will be 100 percent compliant as we get towards July 1st. So that's good news.

We do have a couple that are we are confident that we'll get there by July 1st, and then about 16 percent that are saying we have begun identifying and recruiting members. It's nice to know that there's very few of you that have put not at all. So thank you.

Poll question number three, we want to know – again a chance to self-assess your local or state systems. For state participants, if you have started recruiting state board members, are there member categories that Heather just talked about, any that you are having difficulty recruiting? And this is your opportunity to actually tell us who those are.

MR. WATSON: So please use that chat box just below the question. If you could type your response in there, and we can have a healthy record of it. Thank you.

MR. BARELA: OK. Thank you for responding to that poll. We'll give you just a few more seconds to provide that information to us. Again, if you have started recruiting state board members, are there member categories, any that you are having difficulty recruiting?

OK. Thank you very much. We're going to move on with the presentation. Back to you, Heather.

MS. FLECK: Thank you, Joe. So just a few more things about what WIOA allows in regard to state boards. So I think this is probably good news that the state board may hire a director and other staff to assist in carrying out the functions of the state board. The state board does have a lot of new functions assigned to it in the law, and this resource probably will be a helpful way to get some of the important work done.

However, we want to emphasize that staff don't replace the need for the board to be active and take leadership within the state and the state board is the decision making body at the end of the day. And then please note that there are some salary limitations. Sorry. We accidently muted the phone there. So I wanted to note that there are some salary limitations in regard to what the director and staff may be paid. So pay attention to that.

So that sort of sums up the state board area in terms of getting a board in place. Hopefully in the next several weeks you all can accomplish that. And then the next section talks about some of the critical things we want the state board and the leadership in the state, the governor to do – to put in place in order for things at the local level to happen. So I'm going to turn it over to Sean Fox, my colleague here in the department, to talk about the development of policy for local board appointments.

SEAN FOX: Thanks, Heather. So in addition to taking speedy action to constitute a WIOA-compliant state board, the governor, in consultation with the state board, has to establish criteria that the chief local elected official can use to appoint local board members. So there's some similarities between the state board requirements that we'll address now. For example, first and foremost, the business majority is also required on the state – on the local board. These are folks that are owners, chief executives, chief operating officers, or other individuals with optimum policy-making authority, and this is similar to the state board requirement.

Can we pull up attachment three? Now, these representatives must be representatives of business, including small business, or organizations representing business. They must provide employment opportunities in the local area and in-demand sectors. Now, additionally, WIOA adds the requirements that these representatives must make quality workforce training available to their employees, and this is also the same for the state board.

Now, moving on, like the state board requirements, at least 20 percent of members of the local board need to be workforce representatives and must include two or more representatives of labor organizations, one or more representatives of apprenticeship, and I would also add that all of the optional membership categories that contribute to the 20 percent state workforce threshold also apply to the local threshold. And to recap, that includes representatives of organizations serving veterans, the disabled, and youth.

So the third category is organizations administering education and training activities in the state, and this can be satisfied with at least one of these members being a representative of adult education and literacy activities under Title II of WIOA and at least one of these members being a representative of higher education institutions that provide training opportunities. And this includes community colleges. So the optional members for this category include local education agencies and community-based organizations with demonstrated expertise and experience in addressing education or training needs of individuals with barriers to employment.

The fourth category includes members of government, economic community development entities in the local area, and must include at least one representative of economic or community development groups, the state employment service office under Wagner-Peyser, and programs carried out under Title I of the Rehabilitation Act of 1973.

Now, like the state board, or like the governor, the local chief elected official may also appoint any other individuals to the local board at his discretion. Some optional partners here include local agencies administering transportation programs, housing and public assistance programs, and reaching out to other philanthropic organizations, as appropriate.

So again, when the governor and the state board is establishing the minimum criteria for appointment, we encourage you to take a look at attachment three and make sure that at least these minimum requirements are met.

So in addition to the minimum membership requirements, the governor's local board policy has to address some minimum criteria, and that includes an assurance that business, labor, and adult education and institutions of higher education are all nominated by organizations representing these various groups. So, for example, a business representative would have to be appointed – or would have to be appointed from individuals nominated by a local business organization or a trade group.

Again, like the state board, an assurance that all board members will have optimum policy-making authority is required in the state's local board appointment policy. And unlike the state board, there are no multiple entity representation prohibitions. When a single local board member fits the requirements of more than one category, that board member can satisfy the requirements for both categories.

Now, I'd like to turn it over to Joe for a few polling questions on boards.

MR. BARELA: OK. Thanks, Sean. On your screen you'll see polling question number four. Again, this is for our state participants this afternoon. Has the governor published a policy for appointment of local board members yet? Yes or no?

And I'll give you a few more seconds to close out that poll. It looks like we are about 25 percent of the states have issued their policy or published their policy, and we have about 70 – 80 percent that have not. So hopefully our states are in a position to do that shortly.

Polling question number five, moving to that. We're going to close out number four. Of those participants today that represent local areas, do you think you will have a WIOA-compliant local board on July 1st, 2015? Let's take a few moments and get some answers from our local participants this afternoon.

MR. WATSON: Just as a reminder, in the follow share window just beneath the PowerPoint presentation, we have uploaded both attachments two and three from our recent discussion, and all resources will be uploaded to Workforce3One within two business days.

MR. BARELA: Thanks, Chris. I'll give everyone, our local participants this afternoon, a few more moments to finish polling question number five. Again, how well positioned are you to have a WIOA-compliant local board on July 1st, 2015? And some initial results, there are probably about 45 percent that are telling us definitely.

We have about 33 percent that say – or tell us that they are confident that they will have a WIOA-compliant local board on July 1st. About 15 percent have just begun identifying and recruiting members, and we have about four percent that tell us that they haven't started the process.

So it looks like we are in fairly good shape. I would encourage those that need assistance to work on getting that in line so that you are ready for July 1st. Hopefully the TEGL and the information we're sharing with you today can do that.

Let's move on, Chris. And it looks like we have another polling question. Again, for our local participants, if you have started recruiting local board members, are there member categories, any that you are having difficulty recruiting?

Again, we'd like to know at the local level are there some issues on membership requirements that you're struggling to meet those requirements. So we'll give you a few moments. You'll need to type in in your chat box what member categories you're having difficulty recruiting, if any. I'll give everyone a few seconds to do that.

Again, as our local participants are doing that, I would encourage you at any time during the presentation that you – a question pops up, that you send us that via the chat box that's open on your webinar screen.

And those answers are coming in. Thank you for sharing that with us. And we are going to close out that poll now. So thank you very much, and I am going to turn it back over to Sean.

MR. FOX: Thanks, Joe. There is just one point I wanted to make before we launch into a conversation on standing committees. Can we return to the slide before the polling questions? So a point that I wanted to make, members of the workforce in education and training categories must have demonstrated experience and expertise in their areas, and all board members must have optimum policy-making authority.

And this is similar to the state board requirement. I think it would be helpful here to define those terms. So to have optimum policy-making authority means that an individual could be reasonably expected to speak on behalf of their organization and set them on a course once a decision has been made.

Demonstrated experience and expertise describes an individual who is a workplace learning advisor as defined in WIOA Section 370, contributes to the field of workforce development, human resources, training and development, or work program function. Alternatively, this could define a local board recognizing an individual for valuable contributions in education or workforce development in a related field.

So going back to standing committees, the final requirement for the governor's local board policy is the state's position on standing committees. WIOA authorizes local boards to establish standing committees to assist in the local board in carrying out what is truly a large number of new functions that are both strategic and operational in nature. Standing committees are a vehicle for increasing stakeholder participation on the board, particularly for organizations that are no longer required to sit on the board.

So these committees have this twin benefit of expanding the capacity of the board and meeting its required functions while streamlining the overall structure. Now, while standing committees are optional under the new law, we strongly encourage local boards to make use of them. Now, WIOA identifies some potential standing committees organized around three topic areas, and that is youth, individuals with disabilities, and One-Stop operations.

I'd like to take a minute to discuss the youth standing committee in particular. Here local boards have some options in determining the needs for a youth standing committee. So WIOA eliminates the requirement for local boards to establish a youth council, but some local boards may wish to appoint their existing youth council as their youth standing committee.

In other instances the local board may appoint entirely new standing committee, and the local board may choose not to have a standing committee at all. If the local board goes with this last option, I would say that the board is still responsible for conducting an oversight over youth activities and identifying eligible providers of youth activities on a competitive basis.

So finally, the local board can appoint other standing committee as they see fit. I see the slide does acknowledge the chief local elected official. Hopefully the local board would assign a standing committee in consultation with the local elected official. Then I'm going to send it back to Joe for another polling question on standing committees.

MR. BARELA: Thank you, Sean. Again, this polling question is for our local participants. Which standing committees are you considering putting in place? And your options are youth standing committees, service to individuals with disabilities standing committee, One-Stop operations standing committee, or tell us what you're thinking outside those three.

OK. We'll give you a few more moments. We need you to respond, if you're a local participant, to the polling question that's up on your screen. We'd like to know what work or what thoughts people have on appointing standing committees as part of their local board responsibilities. Give you a few more minutes to do that. OK. We're going to move forward, and I'm going to turn it back over to Heather.

MS. FLECK: Thanks, Joe, and thank you, Sean. So there was a question I think someone asked related to local boards about timing of when they needed to be appointed. I think it was when – basically when is it required to have a local board in place?

And we're encouraging that it be in place within the first quarter of this next program year, program year '15 for – so that we can have orderly functioning at the local level. We under – but ETA understands that there's going to be some lag time between the state actions and when some of the policies can get in place. So we're encouraging that to happen early in this next program year or before, if you're in a position to do that.

MR. BARELA: Thank you.

MS. FLECK: You're welcome. OK. So the next area that we're going to discuss in this webinar is about designation of local workforce development areas and the identification of regions. Right. And we just – I just want to point out that by March of 2016 the state must describe in its state plan what local areas it has designated as well as how – what regions it has identified and describe it in their unified or combined state plan that's due to Departments of Labor and Education.

So that is really kind of the end goal date we're working with. However, because we're implementing WIOA this program year, much of that action has to take place sooner. So one thing that we want to point out is that the timelines for identifications of regions and the designation of local areas don't completely line up in the law.

However, the department, ETA, we are strongly encouraging states and local areas to undertake both regional identification and local designation as sort of concurrent related processes, and when designating local areas, which may in fact happen before regions are identified, just have that in mind at the state level about how local areas may fit into the overall context of regions. So I know that's kind of hard to wrap your head around. The timing's not perfect, but the ideal is that the local areas would make sense within a regional context.

And really the purpose of a region is to facilitate the alignment of workforce development activities within regional economic development activities, and it's a contract that can really better support the execution and implementation of such things as sector strategies, which the boards are expected to carry out, as well as career pathways. So that's something to be working on.

Do look for future guidance on regions that we are currently developing and we'll go in a little bit more detail about what it means to identify a region. But one thing to know is that when two or more local areas do get assigned to a region, they must participate in regional planning to coordinate some service delivery strategies. So next slide, please.

So just in terms of local areas themselves, local workforce development areas, these are intended to serve really as the jurisdiction for the administration of the workforce development activities. And this local area is expected to coordinate efforts related to all the core programs at the local level as well as other relevant programs and the key One-Stop partners. And these local areas have to be designated in order for the state to receive its Title I funding.

In terms of timing I think we have a couple place we talked about timing, but it's worth repeating. The statute – so I already mentioned consider the – in terms of timing, thinking about regions and local areas sort of at the same time, where possible.

And in terms of WIA local areas that wish to continue to be a local area under WIOA, those – that initial designation status applies to the program years '15 and '16, and we're encouraging that type of designation to occur as close to the – as early in the program year '15 as possible just because it would facilitate a more orderly transition.

However, there's no absolute statutory requirement that it has to happen by then. However, we encourage it, as I said, for orderliness. And then again by March 2016 everything needs to have been kind of completed and described in the state plan. OK. Next slide, please.

OK. So our operating guidance 27-14 does describe the steps that the governor and other state and local entities must complete in order to designate the local areas in the state. And by July 1st of this year we do expect that the governor has consulted with a state board, hopefully a WIOA-compliant state board, to develop a policy and procedure for the designation of all local areas, including new local areas that it intends to form as well as the initial designation of local areas.

So for any type of local area designation, whether it's new, whether it's a WIA local area that's going to continue under WIOA, the policy that the state develops must include consultation with the state board. So the state board needs to be consulted in development of the policy as well as once the policy is in place, all local area designation must occur with consult with the state board.

The policy must include consultation with the chief elected officials and effective local board. This is critical. Obviously it's required, but consultation needs to be meaningful and real and not cursory. And then there must be a public comment process put in place that allows adequate time for the public to respond and relevant stakeholders to review choices related to local area designations.

And then for local areas that may be newly forming under WIOA, like, for example, merge – local areas may merge under WIOA or some other configuration may end up be – end up putting in place, the policy must include consideration of the extent to which the proposed area is consistent with local labor market areas as a common economic development area and has the federal and non-federal resources, including appropriate education and training institutions to administer activities within the local area for the adult dislocated worker and these formula programs. So that's what minimally needs to be in the state's policy.

Next I'm going to talk a little bit more about what "initial designation" means, and the statute refers to the WIA local areas that continue under WIOA as initial designation. It's kind of a little bit a funny term, but that's who it specifically applies to is those local areas that exist now and will exist still in WIOA. So the statute allows for chief elected officials and local boards that currently operate to have – in local areas to have the option of requesting local area designation status under WIOA.

And I think I've mentioned this, before but we are encouraging such requests to be completed kind of before the onset of PY '15 or early in PY '15 for those local areas that wish to continue. The governor should establish a procedure for accepting such requests, just so it's clear to everybody the process for making that request. And then those requests for initial designation must meet the criteria of performing successfully and sustaining fiscal integrity.

So that WIA local area must have performed successfully and sustained fiscal integrity in order to become a WIOA local area. We'll talk about that more in a second. And then, as I said before, that period of initial designation applies to program years '15 and '16, and then after that the subsequent designation comes into play.

So I want to define for you, because it's a very important definition – I think we've even gotten a few questions about this at this point – on what it means to perform successfully. And this is straight from our guidance, but I'm just going to read it. And these parameters have to be in the state's policy.

So "perform successfully" is defined as the local area has met or exceeded the levels of performance the governor negotiated with the local board and chief elected official, and the local area has not failed any individual measure for the last two consecutive program years before the enactment of WIOA. That means not failed the same measure twice – two years in a row.

The terms "met or exceeded in failure" must be defined by the governor in the state's policy consistent with how those terms were defined at the time the performance levels were negotiated. When designating local areas, the governor may not retroactively apply any higher WIOA threshold to performance negotiated and achieved under WIA. So again, that's the criteria for continuing as a local area in WIOA, and expect that to be clear in the state's policy.

And then the next criteria is sustain fiscal integrity, and our operating guidance defines this as the secretary – and we mean the secretary of Labor – has not made a formal determination that either the grant recipient or the administrative entity of the area misexpended (sic) funds due to willful disregard of the requirements of the provision involved, gross negligence, or failure to comply with accepted standards of administration for the two-year period preceding a determination. So again, that's the secretary of Labor that comes into play, or by secretary of labor, we mean the Department of Labor, Employment and Training Administration, while representing the secretary.

So hopefully that is clear to everyone what those terms mean. I think we skipped a slide. So go back. OK. We're missing a slide. OK.

So finally in regard to local area designation, another aspect – another policy that needs to be in place is an appeals process, and that appeals policy specifically applies to units of local government that request but are denied initial designation status. So it only applies to those WIA areas who want it and are denied WIOA designation.

So the state has to develop that policy. There has to be some recourse for that local area put into place, and that process – that procedure has to include a mechanism for the Department of Labor to review the decision, if the local area wants to appeal it to the Department of Labor. So that is an important thing to have in place.

OK. So that's going to sum up the local area designation, but actually this slide is completely out of place. So can you go two more forward? I'm sorry. We'll get back to that. OK. So it doesn't – (inaudible) – from it because I forgot we have the topic of single area states to cover.

So WIA single area states may be designated at a single state local area under WIOA. Those get grandfathered, if that state wants that to continue, but they have to then identify themselves as such in their state plan. And they have to include the local plan in the state plan, and we'll have to get out some guidance on local planning the next mini month.

For these type of states, single area states, the state board must carry out local board functions. I realize some of them duplicate state board functions, and we will attempt to provide either technical assistance or guidance on more about what that means in the future. And then this point is fairly important, that states that were not single state local areas in WIA may not designate themselves as such in WIOA. They will have to follow local area designation requirements.

So that is area states, and then I want to quickly point out – and we do not need to return to the slide – that we issued a change one to this particular guidance. It just came out last night. It's a very short change, page and a half. It corrects a typo. It has some information related to the very few areas for concentrated employment programs. So take a look at that. It's available on the ETA website or it should have been blasted to you, if you're on that mailing list.

So I think, Joe, we're ready for some polls.

MR. BARELA: Thank you, Heather. We are going to polling question eight that just appeared on your screen. This is for our state participants this afternoon. Again, it's a yes or no polling question. It's two parts. Has the state identified WIOA regions yet? Yes and no are your options, if you could fill that out for us quickly.

The second part of the question, does the state plan to align the WIOA regions with other established regions in the state? And we have had several questions come in in regards to economic development regions and some other regions. So we'd really like to know if that's the plan, and you have an option for, yes. We align the regions with, and tell us what that is. And then again you have the option to say no, and you're creating new regions.

So take a moment, our state participants, and provide us some answers to those polling questions. Thank you.

MR. WATSON: If you do answer yes to part B, could you please let us know what you will align with in the chat, please? Thank you.

MR. BARELA: So again, the second part of polling question eight, does the state plan to align the WIOA regions with other established regions? If you checked yes, we want you to check yes and then to go the chat function and enter that information for us. We'll give you a few more minutes.

MS. FLECK: We've got another polling question; right?

MR. BARELA: OK. So just going to share some initial results for you. It looks like the first question, it's about a 50/50 yes and no. So we have both – states are on both sides of that question. For the second part, we're getting about the same.

About 55 percent say yes, and 44 say no. And we are interested to see what – in the yes category what those entities are or what those regions definitions will be. So please put those answers in the chat box for us so we can look at that. Again, if you answered yes, you need to give us some more information by using your chat box.

Let's go on to the next polling question. Thank you very much. Again, this is for our state participants, polling question nine. Do you think you will have a local area designation policy in place by July 1st, again looking at those timelines that the WIOA have for us? Real similar format to our earlier questions, definitely, confident, developing, and then we haven't started.

So if you could take a moment, our state participants, and give us some information on how you're doing as far as policy publication in regards to local area designation. Real quickly, results on this it looks like we're bouncing around.

About 55 percent definitely, 25 percent confident. Have about 15.2, 16 percent saying the development stages are in process, and we have about 10 percent on this one that are saying we haven't starting developing policy yet. So we encourage you to hopefully use the TEGL, use your regional offices and your state agencies to hopefully move in the direction of confident and definitely in getting out guidance for local area designation.

We are coming to the last polling question. We have ten of them this morning. Again, this is for all participants. What technical assistance activities, tools, and resources regarding the implementation of governance provisions would be helpful to you? We'd really like you to use the chat function and tell us how we can help you with some of the issues in regard to state governance, in relation to TEGL 27-14 moving forward.

On your resource tab this morning you should have had not only the TEGL but links to the Workforce3One.org collections page that has the queue steps that are available for state governance. If you haven't looked at those, we strongly encourage you to look at those. They should be some assistance to not only the Department of Labor in the state agency but also our partners as we think about WIOA implementation and governance.

And we do have responses coming in now. Thank you for those. There's some good insight in there. We're seeing some checklists, a list of chat Q&A, and we'll give you a few more seconds. OK. Thank you. We appreciate your response on that and to all the questions we've asked of you this morning. I'm going to turn it over to Amanda so she can wrap up the content of the presentation for you. Amanda.

MS. AHLSTRAND: Thanks, Joe, and thanks, Heather and Sean. Before we get into some time for questions, we just wanted to kind of wrap up with some reminders. Thank you for your input through the polls today. That's definitely helpful to us. We certainly saw a lot of states and local areas that are confident in the progress they're making, and cheers and kudos to you all.

There's also still some of those who are hoping and working hard and have some work to do. We appreciate that – A, we appreciate your honesty, and, B, we appreciate the work that we know you're going to be doing between now and July. So there's certainly a lot of opportunity to keep moving and get moving.

And obviously, some key take-aways, appointing WIOA-compliant boards as soon as possible, ensuring that the state board works with the governor and state agency to develop that local board criteria and local area designation policies. We got some feedback just now on some tools or checklists that might be helpful on some of these things. And just a reminder that we're really looking and encouraging immediate action on all the provisions, not just those with a statutory deadline.

So we know we're going to have different levels of progress across the country, but aiming for July and knowing there's tons to do after July, we're all in it together and we appreciate that progress. We certainly are doing what we can to get guidance out as quickly as possible, and we know that our regional offices in ETA are in regular communication with you all and working as hard as they can to be helpful and responsive too.

A quick reminder. Obviously the notice for public rule making is still open. The 60-day comment period ends June 15th. Please take a look at it. We know it's long, but it impacts you. We want your feedback to put into the final rule and are looking forward to hearing from you through that formal process.

Given that that process is open, there are questions we can't answer right now about that proposal. So we appreciate your bearing with us when we do have to explain that. With public comment period open, there are some things we just can't talk about.

So with that I'm going to turn it to questions. We've been gathering them throughout the presentation. I think we have some lined up here across the team that's been presenting today. So we really want to focus on the discussion we've had here with the guidance of 29-14. Some other things might sneak in there, and again, bear with us if there's certain questions we haven't been able to answer for you today. We have gotten a lot of them, and some of them might have been too specific to the proposed rule.

So I'm going to take the liberty of kicking off the questions. I've got one that came in about "What role does the chief elected official have in the governance activities and policies discussed today?"

So certainly refer to the guidance, but just quickly, requesting local designation is important. The selection of local board members in accordance with the state policies, that really can make or break your board. So it's important that chief local elected officials pay attention to that. Working with that board to set the strategy and vision for growing your economy and your workforce, again that's a pretty important role in your local area, and involvement from local elected officials is very important.

Providing input into any local committees that you want to stand up as part of the board, and we talked a little bit today about negotiating performance, another important thing. So there's a lot of opportunities for leadership and setting the stage and vision that we hope is taken advantage of, and that's just the tip of the iceberg. So let me turn it over to Joe, who's got another question.

MR. BARELA: Thanks, Amanda. And I'm going to ask this question of Heather and Sean. It's on our chat line several times in several different forms. But basically people are asking, "Can board members represent multiple entities, or could one board member serve a dual role on the board?" And I think it's worthy to again go over both at the state level and at the local board level. Sean?

MR. FOX: Thanks, Joe. As Heather indicated, in general there is a multi-entity representation prohibition for state boards, the exception being the government representatives which Heather identified. At the local board level there is no prohibition on multi-entity representation. So as long as the board member represent – can fulfill the requirements of each membership category, they can wear multiple hats.

MS. FLECK: At the local level.

MR. BARELA: OK. Here's one. "What happens when 20 percent workforce requirement is a fraction? Do you round up or down in terms of membership?"

MR. FOX: Yeah. That 20 percent needs to be 20 percent.

MS. FLECK: It doesn't have to be exactly 20 percent but –

MR. FOX: At least.

MS. FLECK: – at least. Yes.

MR. BARELA: Thank you. "Does the term demonstrated expertise experience only apply to CBOs, community-based organizations?"

MR. FOX: The answer is yes, and that is for both the state and local board in the workforce category. And that is CBOs serving youth, veterans, and persons with disabilities. And for the local boards that's CBOs in the education and training category, and these are optional members.

MR. BARELA: Thank you, Sean. Another question coming in, "Who determines which standing committees are put in place at the local level? Is it the local elected official or the local board chair?"

MR. FOX: The local board would be making that decision, but we hope they do so in consultation with the chief local elected official.

MR. BARELA: Thank you. This is going to again a question on a definition or a term. "Does the term 'maximum decision making authority' only apply to business members on the board?" And the question didn't specify state or local. Is there a difference, or can you answer the question for both?

MS. FLECK: Optimum policy-making authority requirements apply to all board members.

MR. FOX: Both state and local.

MR. BARELA: OK. Initial local area designation question. "If a local area failed a measure in only one year, are they still eligible for designation?"

MS. FLECK: Yes, according to the performed successfully definition, assuming they meet the other criteria, and that matter needs to be taken up with the state.

MR. BARELA: Another one. "Does local board member have to chair youth standing committees? Does a local board member have to chair youth standing committees?"

MR. FOX: The answer is yes, and I'm sorry for glossing over that important point. All standing committees must be chaired by a board member.

MR. BARELA: Good point. So all standing committees must be chaired by a local board member. Another one. "If a local area meets the requirement for automatic designation, can governor deny automatic designation if it is requested?"

MS. FLECK: So the term in the law, just so we're using the new terminology, is initial designation. And the – I'm sorry. Can you repeat the question?

MR. BARELA: "If a local area meets the requirement for automatic initial designation" – I should say, I guess – "can governor deny automatic initial designation if it is requested?"

MS. FLECK: Well, the governor could, in accordance with the policy. However, again, they have to put an appeals policy in place so that the local area has recourse if they do not agree with the decision. And then if it eventually makes it to the Department of Labor, we would examine the policy against the requirements of WIOA and assess whether the policy conforms and the decision conforms to those requirements.

MR. BARELA: This one is not a question, but they're asking us to, "Please restate definition for performing successfully as it relates to local area designation."

MS. FLECK: OK. It is in the guidance. So it is written there but – and it's also on the slide deck. So I'll just read it again. Perform successfully means the local area met or exceeded the levels of performance the governor negotiated with the local board and chief elected official and the local area has not failed any individual measure for the last two consecutive program years before the enactment of WIOA.

The terms met or exceeded failure must be defined by the governor in the state's policy, consistent with how those terms were defined at the time the performance levels were negotiated. When designating local areas, the governor may not retroactively apply any higher WIOA thresholds to performance negotiated and achieved under WIA.

MR. BARELA: Thank you, Heather. Here's another question. "The act requires the governor to identify developed regions in collaboration with boards and local elected officials. How can the state use existing economic development regions, given this requirement?"

MS. FLECK: So it's possible that the existing economic development regions, the areas they cover could be identified as the region. There's nothing prohibiting that, but also our future guidance can address that issue in more detail.

MR. BARELA: And Heather brings a good point. There is future guidance coming out. I'm going to let Cathy Tran answer that.

Cathy Tran: I think – there – so we will be issuing future guidance on the regional designation, but I think also in this case that you would – there would just be the consultation process still has to happen, if that makes sense, to align them with the economic development regions. So you can still have the consultation process. Thank you.

MR. BARELA: This one is pretty – "How can someone get appointed to the state board?"

MS. FLECK: Well, they would need to be nominated by the governor or nominated, rather, in accordance with the nomination procedure. So nominated – if they're a business member, nominated by those relevant entities that would nominate them.

If they're – that's more for the business member criteria. For CBOs, things like that, there's also probably a nomination process that needs to be put in place for that. So there's also – that person could reach out to I guess state agency officials to express their interest as well.

MR. BARELA: Thank you. "Can regions cross state lines?"

MS. FLECK: Yes. They can.

MR. FOX: Yes. They can.

MR. BARELA: "Can a U.S. DOL Office of Apprenticeship, for example, a state director, be on the state board?"

MS. FLECK: Oh, on the state board? They could fulfill the government – they can be represent – well, U.S. DOL? No. That would not be appropriate. No. Sorry. Misunderstood.

MR. BARELA: So a U.S. DOL or federal government Office of Apprenticeship state director is not allowed as a state board member?

MS. FLECK: No.

MR. BARELA: OK. Question, "What guidance do you have for single area states regarding what needs to be done for state boards and local boards?" Single area states.

MS. FLECK: So there's some limited guidance in this TEGL 27-14. We also encourage single area states to comment on the proposed regulations as well to see what those regulations are that would apply to them in that area. And then we will look – investigate this. ETA will tend to either issue guidance or providing technical assistance directly to those states, where needed.

MR. BARELA: Here's one going back to standing committees. "So do local standing committees have to be chaired by private sector board members or just board members?"

MR. FOX: The requirement is just a board member. There's – or other is not specified.

MR. BARELA: Thank you. We encourage you to continue to provide us questions. If we're unable to provide an answer today, we will work on that and get answers hopefully through another means, either frequently asked questions or webinar questions and answers, if we're able to do that.

Again, I want to reiterate Amanda's earlier comment that it's a little bit too close to the NPRM that's out now. We cannot address that. We will only address questions based on the operating guidance that we're talking about today, which is TEGL 27-14.

MR. WATSON: And just as a reminder, all resources will be uploaded to Workforce3One, including a transcript of today's webinar as well as a recording, PowerPoint, and any handouts will be uploaded to Workforce3One within two business days. Joe, you ready for the next question?

MR. BARELA: I'm getting there. The question, "Can a WIA workforce investment board be grandfathered in as a WIOA workforce board?"

MS. FLECK: So there are – at the state board level there are some considerations for alternative entities that I think we addressed in this operating guidance, and so for those that meet the requirements of alternative entities, those may be grandfathered in. So hopefully that answers the question.

MR. BARELA: OK. Again, continue to provide us questions. As they come in, if we can answer them or have the ability to do so, we will. Here we go. "Do non-voting members of state board count towards the total membership?" Good question.

MS. FLECK: And the other question –

MR. BARELA: And it's similar. "When we look at composition requirements, e.g. 20 percent workforce representation, are we looking at voting or non-voting members?"

MS. FLECK: So we did not address this issue in this operating guidance. However, we did – there is a proposed rule regarding this that we invite you to comment on.

MR. BARELA: OK. This is going to be the final question this afternoon. Again, I'd like to thank you for sticking with us, and I especially want to thank Heather Fleck and Sean Fox for their subject matter expertise and Amanda for being with us today and providing some verbal guidance and assistance to the system as we look for WIOA implementation.

One last question, "Do single area states have to develop a policy for designation of local area?"

MS. FLECK: So the answer is no. Single area states that are choosing to remain – they are allowed to remain a single area state under WIOA, do not have to develop a local area designation policy. However, if they don't want to remain a single area state, they would need to. Just want to point out that there are a very limited number of states who have a waiver that allows their state board to act as a local board. Those states must develop a local area designation policy.

MR. BARELA: Again, thank you, Heather. And with that we are going to conclude today's webinar. Please stay tuned. We will be scheduling additional operating guidance TEGL webinars as we get closer and throughout – once we get to July 1st of this year.

Again, at any time if you have questions or need other assistance, you're always encouraged to contact your state office or the appropriate ETA regional office. Thank you, and have a great afternoon.

(END)