**WorkforceGPS**

**Transcript of Webinar**

**Business Engagement Series: Incumbent Worker Training #3**

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GRACE MCCALL: Hello, everyone, and welcome to today's webinar, "Business Engagement Series: Incumbent Worker Training as a Business Service."

My name is Grace McCall and I'm here if you need anything technically speaking. Hopefully you won't need to hear too much from me, but if you do have any technical questions, please let us know in the chat window on the bottom left-hand side of your screen. That chat window is also where we'd like you to introduce yourself now, so please go ahead and type into that chat your name, your organization, and how many are joining you today, if you're attending in a group.

You may also use that chat box to ask our presenters any questions you may have during the webinar. There is also a poll that we have up in the lobby that says what is your level of experience with incumbent worker training: high, some, low, or none. Please enter that at your leisure.

You'll also notice that we have a copy of today's presentation and additional files uploaded into the file share window on the bottom right-hand side of your screen. You can download those at any time throughout today's webinar. Also, a copy of today's presentation as well as the transcripts, recording, and executive summary will be made available on WorkforceGPS in a few business days.

Additionally, to continue producing quality content, we'll be sending out an anonymous survey concerning today's event. Please take a few minutes to fill that out once the webinar concludes. We will also be sending out a follow-up survey in a month's time. Again, if you haven't already done so or if you're just joining us, please introduce yourself in that welcome chat. We'll have that chat up throughout today's webinar where you can type in your questions or comments at any time.

Welcome to "Business Engagement Series: Incumbent Worker Training as a Business Service."

Without further ado, I'd like to turn things over to your moderator for today, Jeff Ryan, Business Solutions Specialist, United States Department of Labor, ETA. Take it away, Jeff.

JEFF RYAN: Great. Thank you, Grace. Thank you to everyone for participating on a Friday afternoon/late morning, or for some of you maybe even early morning. But we do appreciate everyone taking the time to come and learn from our excellent presenters.

Today we're going to hear from three folks. Wendi Secrist is the executive director of the Idaho Workforce Development Council; Patrick Crow who is the human resources manager at a company called Aviation Specialties Unlimited; and Adriana Kaplan, a workforce analyst in the Office of Workforce Investment of ETA.

This is the third of our series on using incumbent worker training as a business service. We had a session on Monday where we heard from the folks at a local area called New River/Mount Rogers Workforce Board in Virginia. On Wednesday we heard from the Workforce Southwest Washington about their incumbent worker training activities. Today we are hearing from Wendi and Patrick in Idaho. We think it's a great conclusion to our series.

But before we get into our webinar too much, I want to do another quick poll just to get a sense of if you've used resources for incumbent worker training; and if so, what type of resources those are. Do you use WIOA funds, non-WIOA funds, a mix of WIOA and non-WIOA funds, or you don't do it or you're not entirely sure whether it's an activity that your organization utilized. If we can, just take a few minutes to answer those questions.

Interestingly, this webinar looks like the majority of folks are using WIOA funds for incumbent worker training. In the last couple of sessions I think we had kind of a mix of WIOA and non- WIOA, so it's good to see that there are different ways to access funds too; talked about incumbent worker training and today we will hear from Wendi about the way Idaho has used their program.

But appreciate you all taking time to take the poll. Grace, we're going to move on now, so if you can get back to the webinar. Thank you.

OK. As I mentioned, today we're going to hear from Idaho Workforce Development Council and an employer that they have worked with. Again, this is the third session of the week. If you missed either Monday or Wednesday, or you want to hear them again, those will be posted to WorkforceGPS hopefully soon. We will try to have them all connected to a single resource page where you can access all of that information.

But again, today we're talking about incumbent worker training as a business service. Partly, what we don't want to talk too much about sort of the real nuts and bolts of incumbent worker training. We're talking about how incumbent worker training can be valuable to your business engagement overall to specific solutions for businesses that you work with.

But before we do that, I do want to reiterate again that we believe business engagement is a really, really important aspect of what we do in the workforce system, but we also believe there's a lot of different interpretations of what the words mean.

So we wanted to start by telling you what our definition for business engagement is. It's a little long, but I want to read it so that we are all hearing the same words. It's a comprehensive value-added set of strategies, activities, and partnerships designed to support and promote economic prosperity by providing valuable solutions to address the needs of business.

It's a lot more than just workforce; it's looking at the broad economic activity in our states, in now regions, and in our communities, and working throughout our systems across government and across other entities to ensure that we are creating prosperity by providing valuable solutions. What we mean by solutions is that we ask what's needed and then we deliver a solution, as opposed to, say, here are the services that we offer and you need to pick one from one.

The purpose of business engagement is to promote long-term economic stability, competitiveness, and growth. Those are big concepts. They are a lot different than talking about placements or talking about our performance metrics that we otherwise would use. We play a really, really important role in ensuring the economic success of our country and, so, we always need to remember that there is a bigger picture that we fit into.

Because we are looking at economic prosperity, we're looking at something that benefits the entire community, but it's also something that's a lot bigger than just workforce. If we're looking at our business engagement efforts as workforce entities, we have to remember that that's only part of the puzzle.

A business needs to cross a number of different areas and, in order to provide effective solutions to really develop relationships that are long-lasting and drive value, we need to be representing the appropriate entities in our areas that cover all of the possible needs that business might have so that we can develop those critically valuable solutions and allow those businesses to thrive.

But as you all know, business engagement is a really big topic. We could talk for hours about just those definitions. We wanted to start today with a little more targeted element. One piece of what could be a business engagement strategy, we're talking about incumbent worker training in this element. In the future we intend to talk more about the bigger picture and other elements of business engagement.

As we go through this session today, if there are other things you want us to address in the future, if there are any areas that you find challenging or that you want to learn more about, or if you have a story you want to tell about – successful activities you've carried out – let us know in the chat box and we'll be able to use that to build our program going forward.

Really quickly, most of you in that early chat had indicated that you have a good amount of experience or knowledge of incumbent worker training, but we want to just really briefly give you an overview for anyone who's not fully aware of what this activity is. Incumbent worker training does increase both the participant's and company's competitiveness so that businesses can prosper. It's about increasing skills for workers and, therefore, increasing the ability of companies to compete in a competitive global marketplace.

There are sort of two primary reasons that IWT exists. One is that it builds worker skills to help sort of the upskill/backfill concept that we talked about earlier in the week, which can be a great opportunity for new individuals to get into companies and then start working their way up.

But also, it can be used to help avert layoffs. There are a number of different ways this can happen: either to provide skills so that individuals don't have to be laid off because they aren't able to do the work in the company they're in, or even to help get them prepared for other opportunities in the economy should a layoff actually occur.

There are a number of sources of funding for incumbent work training. We're going to hear about one today that is not WIOA but under WIOA, which is sort of where a lot of us tend to look first, we have the adult and dislocated worker formula with their 20 percent limitation. Rapid response funds, on the other hand, does not have a limitation to that degree percentage wise, but it does have a limitation that any incumbent worker training activities must be carried out as part of a layoff aversion strategy or activity. So it is designed to prevent or minimize the duration of unemployment, which is how we define layoff aversion.

That's enough from me. I want to now let you guys hear from Wendi Secrist who's in the Idaho Workforce Development Council, about how they use incumbent worker training in the state of Idaho. Wendi?

WENDI SECRIST: Thank you, Jeff. Good afternoon, good morning, everyone. As Jeff mentioned, I'm the executive director of the Idaho Workforce Development Council. In Idaho we service both the state and local workforce board. While we have many, many responsibilities under WIOA, we are also very fortunate that we have an additional tool that is state-funded.

I'm going to jump right in and talk a little bit about the creation of the fund and then I'll go into some changes that were made recently and where we are headed in the future with our Workforce Development Training fund.

Our fund was initially established in 1996 and it was primarily used as an economic development incentive until 2014. The state didn't have any other mechanisms to help recruit and offset the cost of training new employees for employers, and so this became kind of the primary vehicle for business recruitment in Idaho for a number of years.

As Jeff and I mentioned, our fund is entirely state-funded. The funds are collected when employers pay their unemployment insurance tax. When they pay those taxes, 3 percent of that amount is transferred into the State Workforce Development Training Fund. The really nice thing about that is that it's a dedicated fund. We don't have to ask the legislator to appropriate general funds into our budget every year.

Being tied to the unemployment insurance rate, though, it fluctuates every year. When the economy is doing great in Idaho, our legislator tends to lower unemployment insurance taxes and we will see a decrease of funding coming into the fund. When the unemployment insurance tax rate is higher, then we're getting more money into the fund.

We've fluctuated between $4 million and $6 million per year over the last number of years of what comes into the fund. There was one time a general fund appropriation of about $2.5 million a few years ago that went into the training fund because the legislator was going to decrease the unemployment insurance tax rate and they wanted to give a cushion to the training fund for the couple of years until it built back up to that $4 million to $6 million level.

As I mentioned, initial purpose of the fund was to support business recruitment and new job creation. Because of that, when the fund was set up, the directors of the Department of Commerce and the director of the Department of Labor were charged with making all of the funding decisions with respect to the fund. The Workforce Development Council was involved, but they were just responsible for setting policy, and the directors were making the decisions.

On this next slide, I just copied in the Idaho statute that refers to the fund. I've put that in the file share, if you want to download the statute and see where we are today. But initially, it was limited to being used for new hires. Technically, we were training incumbent workers because the employer had to hire them first, but the fund could not support pre-employment and it wouldn't support temporary employees. An employer who used a staffing model where they hired folks first through a temp agency and then converted them to permanent employees could request reimbursement for training after they made that conversion.

In 2012, there were a couple of updates that were made to the statute. It included retraining as one of the options for the funding. That was really important because we wanted to be able to support projects where companies were investing in new technology or equipment and where those employees could be subject to layoff. So that was a very useful addition.

In addition, the second bullet here: to provide innovative training solutions to meet industry-specific workforce needs or local workforce challenges was added. That gave us the ability to start a sector grant program that engaged the minimum of three employers.

That could provide pre-employment training, incumbent worker training, or both. I'll give some examples later on here on how we use that for sector grants. Our fund has always required that there be a specific event that triggers a company's eligibility. They have to be expanding or investing in new technology, new products, or new services.

In 2017 we went through a significant reset on how the fund is administered. Governor Otter, our previous governor, appointed a workforce development task force to study ways to improve Idaho's funding and delivery of training programs to meet the state's growing demand for skilled workers.

There was some frustration that the fund, among other workforce development initiatives, were not clearly aligned to the needs of Idaho's employers, and, quite frankly, supporting new companies who were moving into Idaho became really unpopular as the unemployment rate dropped and our existing employers were challenged to find any applicants, much less ones that had the skills that they needed.

There is a copy of the Workforce Development Task Force report in the (meaning ?) resources. If you're interested in learning more about our task force, it covered far more than just the training fund.

But one of the first things that the governor did to implement those recommendations was move the Workforce Development Council from being an advisory body to the Idaho Department of Labor to an independent entity under the Office of the Governor. With that change, decision-making on grant awards transferred to the Council, and our current statute clearly states that the Council is responsible for decisions on how the fund is spent.

As staff to the Council, the only authority that I have is over administrative expenses from the fund. I cannot commit any of our training funds to a business or other entities on behalf of the Council. It has to go through our Council decision-making process.

In addition with that statute change, we added outreach to the eligible uses of the fund. One of the things that the task force recognized was that we could develop all sorts of amazing workforce training and education programs that we could make available in Idaho. But if our citizens didn't know about them, that we weren't going to close the gap between our citizens and the employers who are trying to offer career opportunities.

We refer to that as creating a line of sight between our youth and our jobseekers and employers. The legislator gave us the ability to provide public information and outreach on career education and workforce training opportunities, including existing programs and services that were not funded by the training fund, which was important to give us kind of that broader scope on connecting education to careers.

The first task for this kind of newly reimagined council was to review existing policies for the fund and establish goals. I am pretty excited that the council viewed as the top priority of the training fund that it was to lift the economic mobility of our citizens, knowing that if we can accomplish that, Idaho's employers are going to benefit accordingly.

In addition, we still wanted to provide timely assistance to businesses while we were shifting our focus to broader talent pipeline development strategies that serve multiple employers. We want to support the growth of the economy, assisting employers with job creation and integration of technology.

We want to ensure that the fund provides a return on investment to Idahoans, as evidenced by increased wages, job creation, capital investment, and so forth. Last but not least, we want to promote innovation and talent development and make sure that we are replicating best practices.

Over the past two years since this shift happened, we've been shifting somewhat away from direct grants to employers to more of these broad talent pipeline initiatives. The Council hasn't come to consensus as to whether they want to eliminate the employer grant program, but the actions, the decisions that they've been making, kind of are pointing in that direction. In the first year that the grants were awarded under the Council, we nearly doubled the percentage of industry sector grants and are continuing that trend into 2019.

Really, what our next step is, is to become more proactive about what we want to fund. We very much operate on a bring-your-ideas-to-us, we will review of them, look at it, and decide if we want to invest in that. But we're really starting to understand better what we want to invest in, and at our January council meeting we're going to start a discussion about making some additional policy shifts to support a more proactive approach to investing the training fund dollars.

The way that we look at return on investment is looking at whether the training results in a wage increase, whether it enhanced retention, and then we use some additional economic impact factors. To track the outcomes – and right now we only evaluate the employer grant.

We've just kicked off a process to start evaluating the industry sector grants and will be doing that moving forward. But in the past, the employer grants were the only ones that had enough consistency and collecting data to be able to evaluate the effectiveness.

Again, I have a copy of the most recent evaluation and last year's annual report in those file share resources that are available to you if you're interested. But overall, to track outcomes on employer grants, we require that the grantee provides a Social Security number for the individuals that they train so that we can verify independently the wage gains and retention.

You'll see, if you take a look at the evaluation, there's a lot of information that speaks to improvements in data collection because prior to 2014 reimbursements were made regardless of whether the employer provided the Social Security numbers or not, and now we're hardened fast on that rule; we will not reimburse unless we have a Social Security number and we're able to match that Social Security number to the employer to verify the they are an employee of that company.

We've been questioning, on the retention aspect, questioning whether we should measure retention by the employer who trained the individual or whether that individual was retained in Idaho. We're really thinking that retention in Idaho is more important because we're starting to place more emphasis on the transferability of skills versus structured on-the-job training that is specific to an individual employer.

For the last evaluation report, which covered grants between 2009 and 2016, the average annual wage growth one year after training was 12 percent. During that same time period, the statewide labor force had an average annual wage increase of 2 percent. So we feel like the training fund is certainly making a difference. Then using an economic multiplier methodology, the additional impact for that time period was 886 new jobs, producing $40.2 million in new wages and $4.3 million in new taxes.

Moving forward, we're also – so, two years ago when we took over the decision-making for the fund, we started requesting and are tracking the investments that are made in the project by the employer, so looking at the capital investments that they are making. As I mentioned earlier, there has to be some sort of a trigger: they've got to be expanding, investing in new technology. We're capturing that so that we can look at what overall economic impact these expansions are happening in the state.

We are also starting to look at how the training ties to in-demand occupations in Idaho, again, because we want to be training for things that provide transferable skills. We want to see how well or how not well we are aligning to occupations that are in high demand. Then our wish list includes whether the individual that was trained through the training fund went on for further degrees or certifications. That's truly a wish list at this time.

It's going to require some additional effort to connect our statewide longitudinal data system and be able to track these individuals to see whether the training that either their employer invested in them or through a sector grant where they may have received the first postsecondary training in their lifetime, whether that helps them to believe that they can go on for further education.

What I wanted to do is just give you a quick peek at what one fiscal year looked like for us. In FY '19, we awarded a total of 33 grants, totaling nearly $5.2 million. The expected outcome for those are that 3,900 individuals will be trained and that 85 employers are involved in those grants. Right now we've been seeing a trend for the amount invested per trainee that has been going down, which is great because that means we can impact more people, more employers.

But we've decided that that's not necessarily going to be something that we measure our success on because if we look at our sector grant program, the type of training that's being developed and implemented can vary widely, and we don't want to discourage good products because we're trying to drive the cost per trainee down.

As I mentioned earlier, today we've got four different programs that we are able to award grants under. We have our traditional employer grant program, a sector grant program, an innovation grant, and then what we call outreach projects. I'm going to touch on each of these briefly and them I'm going to turn it over to Patrick who is one of our employer grant recipients so that you can hear firsthand how the program has impacted his company.

With our employer grant program, I thought it might be nice to show you our scoring model. We have transitioned to a completely objective scoring model. Part of the frustration that led to the workforce development task force and the shift of the training fund to the Workforce Developing Council was that there wasn't a real methodology for how much was offered to an employer as part of an economic development project.

In 2014, the director of the Department of Labor introduced the first iteration of the scoring model, but there was still discretion on what was actually awarded. The directors could increase or decrease what was suggested by the model based on other factors. We decided that we want transparency and equity in here. We make absolutely no exceptions to this model. Whatever a company score is based on these metrics defines how much they can receive under the training fund for a grant.

One of the first changes that we made to the model was to tie the wages, the first metric there, to a percentage of county average wages. Previously, it was just a scale that awarded more points based on each additional dollar per hour, but Idaho is a very, very rural state and we have communities where the best employer in the community is the one that pays just over $12 an hour and offers year-round employment along with benefits.

We wanted to index the points to something that took into account those local economic factors and came up with this scale. We still have a threshold that our grants can only go to employers that pay more than $12 an hour, but, after that, we wanted to level the playing field.

For the education and training metric, we want to reward employers that are providing training that's transferable and offers credentials. We're very supportive of registered apprenticeship and we offer five additional bonus points for employers that invest in apprenticeship programs. Effectively, what that does is bump them up by one line on the funding scale. So whatever their total score comes out, we give another five points and it bumps them up by one category.

The other factors that we use are an industry economic multiplier, county unemployment rate, and the location quotient essentially. Those also just help to level the playing field across our rural and urban communities.

We don't have enough data yet to know whether this is moving the needle in the right direction, but we've charged ourselves through our policy to review and update the scoring model annually, and so we keep these conversations going about whether we're getting the right outcomes out of the training fund.

Now I'm going to just give you a couple of examples of our industry sector grants and our outreach program. What we've been funding for industry sector grants have been pretty interesting over the last year or so. We've invested about $1.5 million in two of our public institutions to increase cyber security offerings.

One of those grants helped to develop a facility in Eastern Idaho near the Idaho National Lab where the college can deliver programming, but it also gives the ability for the National Lab, the Department of Homeland Security, FBI, and other employers who are very much at the leading edge of cyber security, to train their employees in an off-site location that provides a realistic environment, but it's not connected to their day-to-day business networks.

The National Lab donated a supercomputer to the project to support that, so we do look at match when we're evaluating our grant application to see what the partners are bringing to the project.

Another one of our institutions is developing a cyber physical security certificate program that's targeted to the individuals and companies who need to understand threats and how to secure assets from them, but they aren't the IT experts. This is for the non-computer science degreed folks. This certificate is going to be available to students in any degree program throughout the university.

It'll be available as a standalone certificate and as a noncredit program for those who don't need college credit. It also will be delivered entirely online and includes industry certification in it. This is something that really kind of hits on all of our priorities where it's providing an option that's available throughout the state; it's tied to a credential; it's transferable, and really has a broad impact. The institution is also working to connect at the high school CTE programs as well so that we're giving pathways from those into either degree or non-degree options.

We also just funded an institution to develop a competency-based alternative teacher certification program that's delivered online with support of mentors. K-12 teachers are in significant demand in our state and the State Board of Education created a pathway into the professional for people who already had a Bachelor's degree but didn't have an education degree. They've got three years to complete a program once they've been hired by a school district, so they are incumbent workers because they've been hired by the school district, but they have three years in which they can earn their certification.

What our investment does is remove the need to travel to a postsecondary institution, and it also provides them with a mentor to support them in that transition. In the time that this alternative route has been in place, the retention rate for teachers going into their fourth year has been under 50 percent. We knew that there was a significant barrier in access to the certification program and were able to tie it into high-quality work-based learning as well.

I didn't include innovation grants on this slide, but we've got a pretty cool project that's going on in one of our most rural communities. It's where the economic development organization is working with the college that's located about an hour away and the county's problem-solving court.

Folks that are going through the drug court, the problem-solving court, that aren't going into a jail but have opted to get on a pathway to make better decisions, they are providing them with some basic workplace readiness skills training and then offering industry certifications in contractor safety, Microsoft Office, and other things that are available locally that will help these individuals get into their first job.

When our grant review committee saw that application come in – and they only requested about $7,000 from us to get this program up and going – their first question was can we give them more money? This is a really wonderful idea.

We're looking at that as something that we would want to scale and replicate across the state based on the success of that. For outreach, we do a wide range of activities, everything from busing kids to career fairs to investing in a website where all Idahoans can find information on careers, education, and training, again, so that we are connecting education to careers.

We also launched a unique incumbent worker program this summer where we placed teachers in businesses over the summer for an externship so that they can go back to the classroom and not only contextualize their teaching but they can share information about careers with their students.

As part of that pilot, we hosted one of the externs. She's a first-grade teacher in one of our local school districts. She went back to her class this fall and, where she was used to talk to her first graders about, "Well, you can be a doctor or a nurse or a policeman or a firemen," she's going to have exposed her kiddos to over 100 career opportunities by the end of first grade, which we think is just a great outcome.

With that, I'm going to turn it over to Patrick to talk about one of our employer grants. He is the Human Resource Manager for Aviation Specialties Unlimited and received a grant from us just about a year ago.

Patrick, I'll turn it over to you.

PATRICK CROW: OK. Thank you very much. Thanks, Wendi. Hello, everyone, and greetings from Boise, Idaho. We hope you'll come visit us this winter for some of the best snow skiing in the world.

With that said, I am the HR manager, as Wendi mentioned, for Aviation Specialties Unlimited. I suspect that none of you have ever heard of us because we are the world's largest company in the world's smallest niche. I always tell people our company specializes in night vision and specific to aviation.

We are a real American Dream-type story where a married couple in 1995 started this company which is now 65 employees. They started their company in an airstream trailer and have since moved into a full, big beautiful facility right at the Boise Runway with the sole mission of making flights, specifically rescue flights, law enforcement flights, firefighting flights, more safe for the pilots and the aircrews involved.

Twenty-five years ago, one of the most dangerous jobs in the world was flying a helicopter at night, the life-flight type pilot, because the most common accident was actually running into the earth, was crashing into a tree or hitting something that you couldn't see. The military had fantastic night vision technology that our founder wanted to help propagate out to the rest of the aviation community that could use it.

If you can go ahead and hit that next slide, this is the what we do slide. What we do really up until mid-2018 – and our business has been really specific to night vision, so we sell you the night vision gear and then we teach you how to use it using our in-house flight school, and then we service and we modify your aircraft so that you can better utilize this night vision technology.

With that said, the company itself really is vertically integrated. It is all things night vision for aviation, and, really, one of the most value partners and learning compatriots along the way has been the FAA. Over this first 25 years we have helped make that nighttime flight much safer. Nearly every air medical company in the United States uses night vision gear now, and the vast majority of them are actually customers of ours.

Over those 25 years we've continued to grow and, just in this next year – I guess we can switch to the next slide – you'll see here come our expansion plans. Up until this point we had only resold other manufacturer's night vision goggles, and it was our contention over the last couple of years that we too wanted to build our own goggles because – for two reasons: one, we felt like we could improve on the existing design; and, two, the second reason was there was a real long lead-time for many of our customers to be able to procure night vision goggles from our other manufacturers.

Wendi mentioned earlier that one of the things they were looking for in companies to work with as partners for these grants was are companies that are either expanding their offering in new services or are creating new technology. We were lucky in that our company right now, we're trying to do both.

We are actually manufacturing what we call the E-3 Goggle now. It'll be manufactured fully in Boise. We are working with the FAA for complete approval. They have prototypes. We are flying this goggle and offering it to our customers. Then when it becomes available after our FAA approval, we'll actually have them in stock rather than having to have this 90- or 180-day lead-time.

As I mentioned, the reason that we created this new goggle was both because of lead-time, but then also because we felt like we could build a better goggle, a safer goggle. Our design is significantly lighter. It has fewer moving parts. It's much simpler to maintain, and the comfort for the pilot is enhanced significantly because of that weight reduction.

If you can imagine, any night vision goggle you've seen in the movie, it's sort of an apparatus that's attached to the pilot helmet and over time they can become rather heavy and fatiguing on the pilot. By making it lighter, we're trying to increase the comfort and the safety for the pilots, their aircrews, and the passengers aboard.

Wendi mentioned that they're looking for companies that are investing in new technology and new services. We are really doing both. The E-3 goggles is the new technology that we're working on.

If you click forward to the next slide, it's part two. This is the service we are now operating. We have partnered, as a result of the work that we had done with the FAA over all this time, we were able to partner with the cruise operation that is global. They're called Scenic. If you'd like to Google, you're sure more than welcome. Google them boat Scenic Eclipse. It is a cruise line on a mega yacht-type craft that is really focusing its attention on environmental stewardship and adventure.

They take passengers to places you might not normally go on a cruise. They're going to actually go through the Northwest Passage. They are right now – the boat is in the Straits of Magellan where it'll stay at the tip of South America for another couple of weeks on and then head to Antarctica for three separate cruises to Antarctica over our winter, their summer.

We are able to because of our partnership with the FAA and the work we've done with them, use what's called a 135 certificate to fly from the cruise boat, over a site, and then back. Now, we're the only company doing this in the world right now and we're the only company able to do that on a 135 certificate.

Now, creating a new night vision goggle and offering this new service – if you'd go ahead and click to the next slide – has created many additional training requirements. On the E-3 Goggle, we need to get significantly better at manufacturing because this is a space we haven't participated in.

We need to get better at 3-D printing; we need to get better at understanding the use of different material than we've ever been exposed to; and we need to actually manage our projects better than we ever have if we're going to compete at this level.

On the Scenic side, on that service side, we need to get better at understanding the actual aircraft that we are using aboard this boat. It was a very specific designed aircraft by Airbus designed to be extremely quiet over sensitive areas.

We need to get better at understanding how to maintain this aircraft. Our pilots needed training on how to be good sailors because they have not had that as part of their flight training and they need to understand how to sail safety, how to get in and out of their helicopter in the event of an emergency, and also get their passengers out as well.

Now, I heard Wendi mention earlier one of the ways that they are tracking this is to see do we see increases in people's retention; do we see increases it people's income over time. As a result, then, of these two expansions in our business, we've hired 10 people in this last year. We were a company of 54. I just did payroll yesterday. We're 64 as of today and they are very high-paying jobs. As you may or may not have heard, aircraft mechanics are very difficult to find and we have to pay very well to get those folks to come work for our company here in Boise.

The same applies on the manufacturing side where we've had to increase that training and hire additional people with skillsets that we didn't have, and now we are competing against other large manufacturing companies in our area, and that requires our labor costs to go up just so that we can compete to bring these people in.

I'd sure like to thank Wendi and her entire team. It's been very valuable for us. It's helped us defray some of these costs that require us to get into these businesses, into this area of business, and we found Idaho to be extremely gracious and easy to work with as we've navigated our way through, not only this program but then the expansion of our company.

Thank you very much. I appreciate the time today.

MR. RYAN: All right. Thank you, Patrick. We appreciate you taking the time to share your story and the success you've had. We wanted to give you a brief intro to a toolkit that we're working on for Incumbent Worker Training. We are running a little short on time, so Adriana is going to give you a somewhat shorter update than previous sessions, but this is recorded on Monday and Wednesday, if you want to hear a deeper version. But Adriana, if you want to just kind of give the highlights about what you're working on and then we can get into some questions before we run out of time at the end of the hour.

ADRIANA KAPLAN: Sure, Jeff. Thanks. As Jeff mentioned, we've been developing this toolkit which is specifically for Incumbent Worker Training, and it'll give everyone resources so that they can tap into. The toolkit contains several documents, the main one being the policies and procedures manual. Since we're going faster, I won't say specifically what those sections are in it.

It also contains some documents that should help (their form ?), that should help anybody who is starting the program. There would be a training program form which asks the business to provide some information related to its company; the work plan, which asks the employer business to describe the proposed training project and following up with the program results; and, finally, a needs assessment which the employee will take; and incumbent worker training registration for employee contact.

Finally, also, it's not included on this list, but there is a PowerPoint deck which is included, and it helps either the boards or the agencies give presentations to potential employers helping them explain the program further.

If you have any comments on anything that you would like us to add to the toolkit, please let us know.

In the next slide, just going over real quickly the fact that all these resources will be located on the ION Workforce GPS page. Currently these materials are not on there, but they will be, and this will be the link that they will be located on. The site also has information on OJT programs and other work-based learning models. Thank you.

MR. RYAN: Thank you, Adriana. We will jump into some questions. We have about five minutes. I first want of thank Wendi and Patrick and Adriana for sharing your expertise. If you have any additional questions that we don't get to today, particularly for Wendi, her contact info is in this presentation. Again, if you have any other questions on topics that you want to hear about in the future, let us know.

But for now, let me really quickly ask a couple of questions for Wendi. I'm going to kind of combine a couple of these, Wendi, just to kind of get – you would be able to answer them quickly. The first one would be, "So does the employer have to commit to a pay increase after completion of the training?" Somewhat related, "Is there an upper wage limit for eligibility?"

MS. SECRIST: With the wage increases, yes, we do require that an employer commits to a wage increase. During our update of the policy, we really struggled with how to define that. If you download the approved policy that we're working off of right now, you'll see that the language says that the training must lead to a significant wage increase, in essence, beyond the typical cost of living, annual increases for existing workers based on the skillset attained during training.

Our policy committee didn't want to create too tight of a box while we were really trying to navigate our way through some of the changes with the program, but they expect more than a 3 percent wage increase, but still have the flexibility.

With respect to an upper wage limit for eligibility, we have not put that in yet. Again, that's been something that has been discussed, but – it's no secret that Idaho has been kind of considered a low-wage state and we didn't want to put any types of barriers into our policy to be able to support really good projects.

What Patrick described is one where they are having to hire folks that – they're not able to get the skills that they need off of the market; they're having to hire folks and invest significantly in them to train them to the level that they need them, and we're thrilled that their wages are higher than the county average wages.

That's kind of where we've landed right now, but as I said, we're iterating as we go. We don't feel like we've done it all and this is the policy we're going to live with for the rest of our tenure.

MR. RYAN: Great. While we're talking about limits, there's a somewhat similar question about an age – "Is there an age requirement for eligibility?"

MS. SECRIST: No. We don't have any age requirements. Some of the work that we do, we're trying to support work that is connecting high school kids into postsecondary and into school to registered apprenticeship is a high priority of ours. We have another funding stream in the state that can help support that, but, no; we have not put any age limits in.

MR. RYAN: OK. Let's do one more and then we will let people have their afternoon.

You mentioned the cyber security lab related to the – in your earlier discussion. The question is, "Were there any WIOA funds that were used to help fund that construction?" I don't know exactly what that means.

MS. SECRIST: No. We did not leverage any WIOA funds for that particular project. Idaho's WIOA allocation is fairly low and we don't have some of the flexibility that other states – when we look at putting 20 percent of WIOA funds into incumbent worker training, we can, quite frankly, do more with our state training fund. There may be opportunities to braid the two together from time to time, but for that particular project, no, we didn't even consider it.

MR. RYAN: Great. OK. We are out of time. I want to thank our panelists, again, for their excellent contributions. Folks on the call, your contact info for Wendi is in the slides, and if you need to reach us for anything, please do so.

Again, we want to thank you for participating in this webinar and the other two this week. Reach out if you have any comments or questions and, if not, we will wish you a great weekend, a happy Thanksgiving, and we will talk to you soon.

Thanks so much, everybody.

MS. MCCALL: All right. Excellent. I'd also like to thank all the participants and presenters for today's webinar.

(END)