

BUSINESS SERVICES COMMITTEE

Meeting Summary

October 3, 2022

The Business Services Committee met with attendees including Co-Chair Lee Hunter, members Adam Forrand, and Robert Duffield. Business Services Manager Henry Charlot presented the attached Issue Summaries. After discussion, the committee members in attendance moved to recommend to the Executive Committee the following items:

- 1) Increasing the minimum wage for work-based learning programs to \$17 per hour, the per participant limit to \$7,000, and the maximum OJT contract to \$35,000 as detailed in the Issue Summary.
- 2) Changing the current committee structure to that of a task force as outlined in the Issue Summary.

Both items will be considered for adoption at the ARWDB Executive Committee scheduled for October 26, 2022.

DATE: September 29, 2022

TO: Business Services Commit Committee

FROM: Henry Charlot, Business Services Manager

SUBJECT: **PROPOSED ACTION – Approval of the Living Wage Policy Update**

CC: Rob LeBeau, Director - ARWDB

Requested Action (What)

To approve changes to the minimum wage for Work based learning programs. The rate currently stands at \$15.00 per hour. An increase to \$17.00 per hour is recommended.

Reason (Why)

WIOA incentivizes employers to meet their workforce needs and offer opportunities for workers to learn with increased reimbursement rates for on-the-job and other work-based training programs. In addition, Georgia targets in-demand occupations that pay an above-average entry-level wage, which are considered strong options for pursuing a successful career. As such, local workforce boards are empowered to determine which jobs and training programs it will support financially. Mandating a living wage supports overall Federal, State and local workforce and economic development goals and objectives. The ARWDB has reviewed and adjusted its Living Wage Policy annually since 2016. The MIT Living Wage Calculator has typically been used as the basis for adjustment. The rate is the amount that an individual working full time would need to support themselves. The MIT rate currently stands at \$18.37.

Timeframe (When)

The policy, if adopted will go into effect for any new work-based learning written thereafter until the policy is next updated.

Impact (Who and How Much)

Both the companies who use our programs and the trainees that are hired are impacted. The policy supports a living wage, and strategically targets jobs that pay at least this much. Low wage jobs with limited career paths are not supported. Though companies are required to pay a minimum amount, it is noted that the market rate is typically higher than our required minimum for most occupations.

Recommendation

The Business Services Committee was asked to consider a lower rate than the MIT calculator when last reviewed in October 2021.

The concern was that a substantially increased rate would cause additional hiring difficulty while companies were adjusting to COVID labor market conditions. The impact on smaller businesses was of particular concern. In consideration of the request, the committee wanted to ensure that there was a rationale and justification for departing from our usual basis for adjustment (the MIT rate), so that the decision was not subjective. The Business Services Committee voted in favor of adjusting the rate to \$15 per hour, as an interim step over the next year, with the intent to raise it to the MIT rate over time. The Business Services team notes similar concerns this year with moving all the way up to the MIT rate of \$18.37. Most of our current OJT companies are paying between \$15-\$18, with only one at \$20 per hour. Staff recommends an increase to \$17, which moves toward the MIT standard as intended by the Committee, while still not hampering the hiring by companies in a tight labor market.

A related consideration by staff is that if the rate is increased, the per participant maximum should also be increased from the current \$5,000 to \$7,000 to maintain a positive program benefit. In summary, the Business Services staff recommendation is:

1. Increase the minimum rate for work-based program participation from the current \$15 to \$17 per hour
2. Increase the per participant benefit from \$5,000 to \$7,000.
3. Increase the annual maximum OJT contract to \$35,000 to accommodate the increased per participant benefit, while holding the number of participants constant at 5.

END

DATE: September 29, 2022

TO: Business Services Committee
Atlanta Regional Workforce Development Board

FROM: Henry Charlot, Manager
Business Services and Partnerships

SUBJECT: **PROPOSED ACTION** - Consideration of change in Committee Structure

Requested Action (What)

To consider changing the structure of the Business Services Committee to a Task Force.

Reason (Why)

All ARWDB committee meetings must be conducted under the provisions of the Open Meetings Act. This means, in part, that all committee meetings need to be posted on the ARC website with an agenda 7 days prior to the meeting, that a summary of the meeting must be posted 2 days after the meeting, and that all meetings must be open to the public. It also means all committee meetings need to be conducted in person. Additionally, committees cannot not have separate operating procedures, unless they are specified in the Board approval action establishing the committee. Operating procedures follow board bylaws and default to Roberts Rules of Order if not specified in the bylaws.

It is noted that other ARWDB committees have had difficulty in establishing a quorum and hence conducting the business of the committee and the ARWDB. The Career Services Committee is also considering a change to the Task Force structure, and the ITA Committee has already been converted to a workgroup. The Youth Committee has more formal requirements for a committee structure along with existing workgroups, which may require it to maintain its committee structure.

Timeframe (When)

Any change would be effective immediately upon adoption by the Board.

Impact (Who and How Much)

The public at large would be affected, as there would be no notice or requirement that they be allowed to participate in meetings. It is noted however, that public input or the lack thereof has not been an issue in the past. Committee members would be impacted in that they would no longer be required to incur the time and cost to meet in person rather than virtually.

Additionally, a task force cannot function like a committee with regular meetings and taking official action; A task force is advisory and fluid; and must be smaller than ARWDB quorum. Task Force recommendations would be presented to the Executive Committee for recommendation to the Board.

Recommendation

As this is a matter of Committee and Board structure, the staff does not make a recommendation of either in favor or against. It is simply noted that this change would allow for virtual meetings as it has had for most of its existence; and it is believed that this feature has led to significant participation in the work of the committee. Even though the Task Force Structure would require recommendations to first be presented to the Executive Committee, it is not believed that this would in any way hinder the group's function or impact on policy and operations of the Business Services programs.

END