



NATALIE SHIRLEY
SECRETARY OF COMMERCE & TOURISM

MEMORANDUM

To: Governor Brad Henry
From: Secretary Natalie Shirley
Date: March 24, 2009
Re: ARRA Coordinating Council Report

The Department of Commerce will receive eight separate lines of formula funding authorized under ARRA. The lines of funding fall under the purview of two Commerce divisions – workforce and community development. Both of these divisions are historically largely funded with federal dollars and thus are experienced in handling, dispersing, monitoring and reporting required in connection with the receipt of such funds.

Several weeks ago, in anticipation of ARRA, Commerce formed a team to develop a process to deal with the expected funding streams and opportunities for competitive grants. The Stimulus Team includes representatives from both the workforce and community development divisions, as well as legal, administrative, research and communications. In addition, the Department's grant writer and comptroller are members of the team. The team divided its work into three categories: establishing procedures; developing operational methodologies; and creating strategies to accomplish ARRA's mandates consistent with the needs of Oklahoma.

In connection with establishing internal procedures, the team has created spreadsheets for managing the stimulus dollars, made sure each member understands his or her role and the early or expected directives for the money, prepared contract templates for the parties and procured the resources needed to accomplish the mission. Once the procedures were firmly established, the team moved to developing operations, including assuring there was proper programmatic support, undergoing a thorough external review of the department's control environment, creating a unit to identify and obtain competitive opportunities, assuring appropriate metrics (including jobs created, jobs retained, energy

saved, etc) and transparency, ensuring monitoring capabilities and identifying partnerships and intersections with other agencies and interested partners.

Although final strategies can not be implemented without the federal guidance that will accompany each income stream, the agency has begun preliminary development of such strategies, including convening working groups of partners and interested parties. Goals and metrics have been developed for each area, working groups have been created and convened or scheduled to be convened. Through these working groups and with the overlay of the federal guidance, funding priorities are being/will be established.

Attached are the following documents:

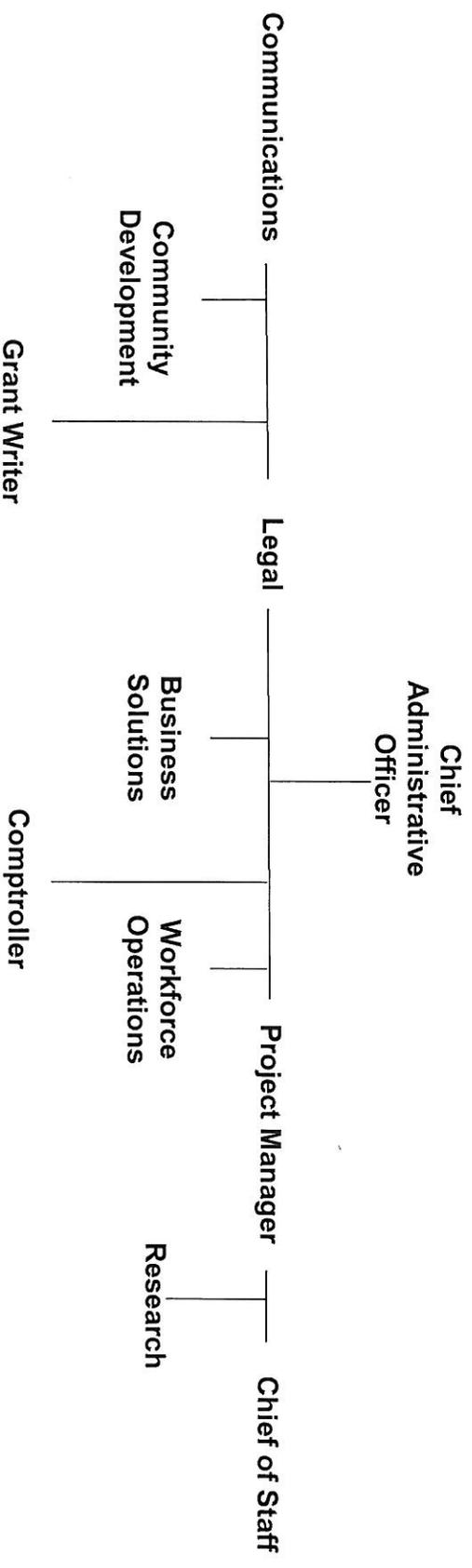
- Commerce Stimulus Response Team
- Anticipated formula funding, by program (pie chart)
- Formula funding, direct pass-through (pie chart)
- Initial report, by program, including amounts, goals, working groups, whether guidance has been received, and identified potential issues

More detailed information is available if you wish to review it.

cc: Scott Meacham, State Treasurer
Susan Savage, Secretary of State
Steve Burrage, State Auditor
Lisa Davis, General Counsel

Commerce stimulus response team

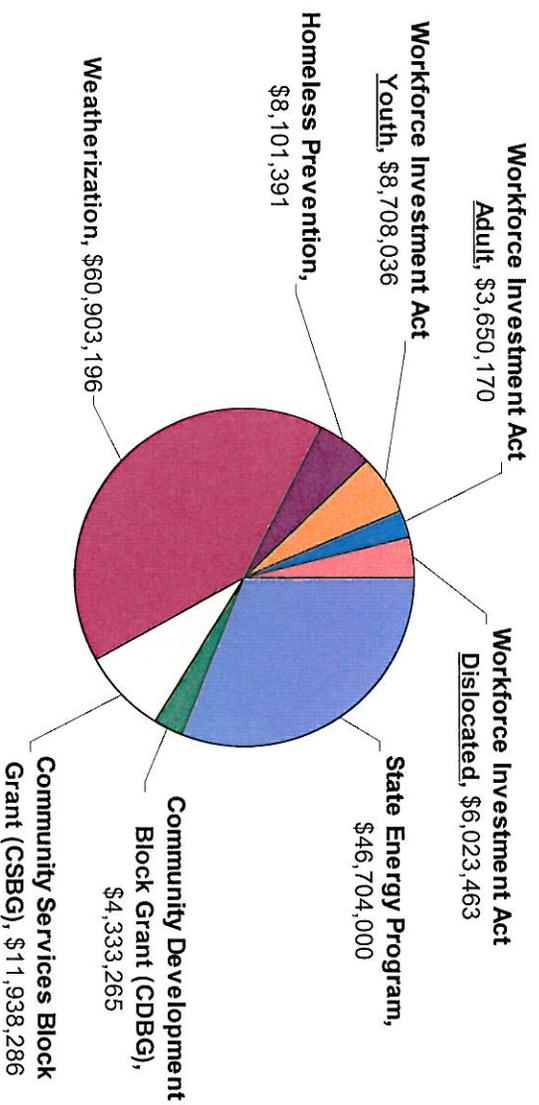
Agency process and monitoring



Anticipated formula funding, by program

Total Projected: \$150,361.807

Oklahoma Department of Commerce

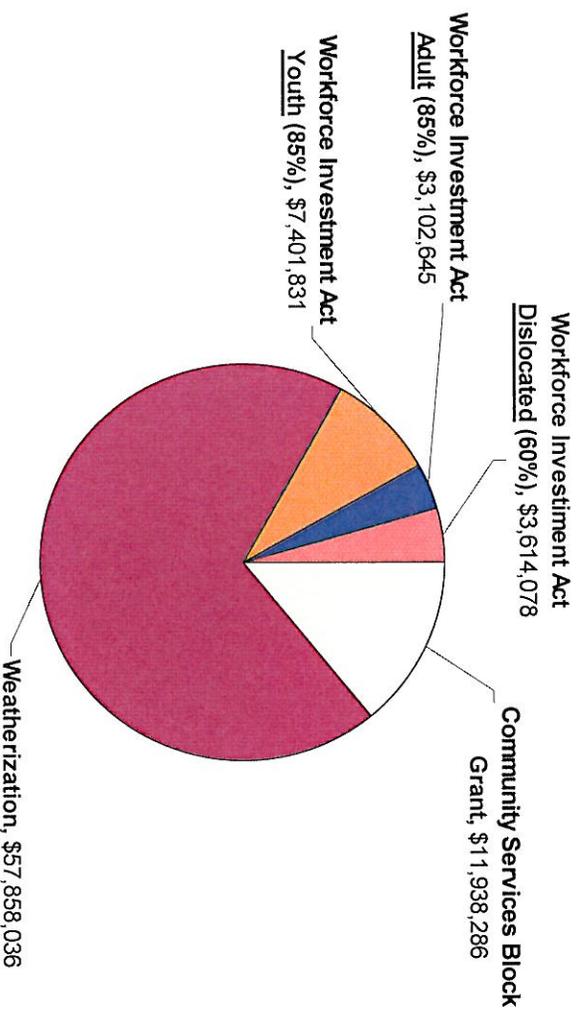


All numbers are projected and subject to change

Formula funding, direct pass-through

Total Projected: \$83,914,875

Formula Pass-Through



All numbers are projected and subject to change

Estimated funds and calculations rounded to the nearest dollar.

**Oklahoma Department of Commerce
Stimulus Funding – Management Information**

Workforce – Norma Noble, Helen Rambo

Workforce Investment Act – Youth	\$8,708,036
Workforce Investment Act – Adult	\$3,650,170
Workforce Investment Act – Dislocated	\$6,023,463

Funding Type: Direct Appropriations – Does not provide much state flexibility in determining how funds can be spent.

- **Working Group Members**
 - Gordon Anderson, Pelco Inc
 - Hank Batty, Office of Personnel Management
 - Pat Beck, Great Plains Technology Center
 - Dr. Phil Berkenbile, Oklahoma Department of Career and Technology Education
 - Victor Bird, Oklahoma Aeronautical Commission
 - Jon Brock, Oklahoma Employment Security Commission
 - Houston Davis, Oklahoma State Regents for Higher Education
 - Sandy Garrett, State Superintendent of Public Instruction
 - Sheryl Hale, Oklahoma Department of Career and Technology Education
 - John Hawkins, Integrated Insurance Services
 - Howard Hendrick, Secretary of Human Services
 - Steve Hendrickson, Boeing
 - Oscar Jackson, Secretary of Human Resources and Administration
 - Dr. Glen Johnson, Chancellor, Oklahoma State Regents for Higher Education
 - Justin Jones, Department of Corrections
 - Chuck Mills, Mills Machine Company
 - Mike O'Brien, Department of Rehabilitation Services
 - Narissa Rampey, Air Assurance
 - Steven Shepelwich, Federal Reserve Bank – OKC Branch
 - Steve Stokes, Oklahoma Humanities Council
 - Hardy Watkins, Oklahoma Tourism and Recreation Department
 - Ron Webb, Governor's Council Member, Healthcare Representative
 - Terri White, Secretary of Health
 - Natalie Shirley, Secretary of Commerce and Tourism
 - Norma Noble, Deputy Secretary Workforce
 - Terry Watson, ODOC

Goal: The Oklahoma Goals for the Recovery Act funds are Transformational

- Transform the Service Delivery System
- The Recovery Act includes leveraging changes in the system's basic operations (One-Stop service delivery strategies) – TEN
- Regional Sector strategies aligning education with key high growth Industries- green jobs, healthcare, advanced manufacturing. (Guidelines)
- Transform Career Pathways that lead low-income and low skilled Oklahomans to high wage, life sustaining jobs
 - Emphasis on training and innovation in our service delivery systems (Key Measures)
 - Substantially increase the number of Oklahomans receiving training (Guiding Principle)
 - Seamless education, job training, apprenticeships and supportive service. (TEN)
 - Summer Youth program including Summer Jobs
 - Emphasis on services to hard to serve
- Transform our Reemployment and Employer Stabilization services (shift from worker shortage to worker retention and skills upgrades)
- Dual customer focus: supply-side workers and demand-side employer needs for skills and talent (Guiding Principle)
- Implement newly-funded Reemployment Services (State Plan Modification)
- Transform data collection, tracking and reporting systems.
- Transparency and Accountability (Key Measure)

Metrics:

- Impact on Employers
 - Decrease in time to hire rate?
 - Employer use and continued use of the Workforce System
 - Satisfaction level
 - Just in time training
- Impact on Workers
 - Number of people who get jobs
 - Number who get jobs in area of credential
 - Increased per capita income
 - Increase in the Worker participation rate to 66%
- Impact on Partnerships
 - Resources leveraged
 - Number of Partners engaged
 - Increase number in the education and training pipeline 3% per year

- Increase in adults returning to education and training for skills in targeted industries
- Increase in Number of Regional projects engaging workers
- Impact on the System
 - Increase in graduation/retention rates
 - ROI - Net cost of tax revenue compared to cost of services
 - Increase in Customer Satisfaction
 - Increased number of Career Ready Certificates
 - Decreased post secondary remediation costs

Dates/Timelines:

- DOL Guidance and Notice of Obligation –March 16th - Done
- Agency Directors and Governor’s Council Executive Committee March 23 - Done
- Governor’s Council (Planning facilitated by Larry Fitch - CSW) - April 3
- Recovery Planning Group - April 3 - May 10
- Oklahoma submits Plan Extension Request - April 15
- Grounding in Green Workshop - April 22
- Regional Department of Labor “Recovery” Conference - Week of May 4
- Council submits recommended plan to Governor and Public for review - June 5
- State submits PY 2009 State Plan Modification - June 30
- Governor’s Council completes 2010 Plan recommendations - December 30, 2009

These are driven by the following questions:

1. What credentials and certificates are needed to demonstrate to employers that Oklahoma employees have the skills they need? What skills are employers looking for right now?
2. What skills will be needed in the two years from now as we emerge from the current economic downturn?
3. What can we do to provide training for the needed skills right now with the new stimulus resources?
4. How many Oklahomans can we train right now?
5. How many Oklahomans can have certificates or credentials within the next two years?
6. What two-year certification programs make sense for our WIB/Region
7. What is the earliest success we can expect to publicize?

Funding Guidelines

- Training and Employment Guidance Letter No. 13-08 (TEGL) (3/06/09)
- Training and Employment Notice 30-08 (3/04/09)
 - **Youth** – Youth programs are aimed at providing employment (particularly summer jobs) and training opportunities for low-income and at-risk youth, ages 14-24
 - **Adult** – Adult programs are aimed at assisting low-income adults (over age 22) with employment, training opportunities, and supportive services for high-demand occupations in local workforce investment areas
 - **Dislocated worker** - Funds will be used for dislocated workers (workers out of work due to no fault of their own) to receive employment and training services in high-demand occupations
 - **Rapid Response** – Rapid Response is a program which provides short-term, early intervention and immediate assistance with layoffs and/or plant closures affecting a significant number of workers
 - Training for high growth industries such as green jobs and health care

Community Development – Vaughn Clark, Kathy McLaughlin, Scott Myers

State Energy Program	\$46,704,000
Weatherization	\$60,903,196
Community Development Block Grant (CDBG)	\$4,333,265
Homeless Prevention	\$8,101,391
Community Services Block Grant (CSBG)	\$11,938,286

State Energy Program **\$46,704,000**

Funding Type: Direct Appropriations – Does not provide much state flexibility in determining how funds can be spent.

- **Working Group Members**
 - Richard Clements, OG&E
 - Martie Oyler, ONG
 - Janet Smith, PSO
 - Jim Stout, ONG
 - J D Strong, Secretary of Environment
 - Bobby Wegener, Secretary of Energy
 - Scott Williams, Western Farmers Co-op
 - Natalie Shirley, Secretary of Commerce and Tourism
 - Kyla McNabb, ODOC
 - Kathy McLaughlin, ODOC
 - Carolyn Sullivan, ODOC

Goals:

- **In coordination with Secretaries of Energy and Environment, establish funding priority areas (i.e. wind power development, expansion of CNG availability and usage, energy demand side management projects, etc)**
- **Stimulate green jobs creation and/or retention**
- **Saving energy (kwh/therms/gallons/BTUs)**
- **Reducing greenhouse gas (GHC) emission**
- **Create revolving loan program (for continued circulation of funding for energy projects in Oklahoma)**

Metrics:

- Jobs created
- Energy (kwh/therms/gallons/BTUs/etc) saved
- Renewable energy installed capacity and generated
- GHG emissions reduced (CO2 equivalents)
- Energy cost savings
- Funds leveraged

Planned Activities:

Buildings	
Building Retrofit - Performance Contracting Loan Program	
Develop loan program and require use of Energy Service Coalition Organization. Funding for retrofits of buildings to reduce energy consumption. Eligible projects include public buildings, schools, universities, city or county government, state agencies, industrial facilities, and commercial facilities.	
Electric Power and Renewable Energy	
Solar Power	
Solar thermal power development.	
Wind Energy	
Funding for wind energy activities in Oklahoma, including anemometer/tall tower installation to study wind speeds.	
Demand Reduction	
Smart Grid Pilot - advanced metering infrastructure (AMI) for single-family homes to reduce consumer cost and energy usage.	
Retrofit of public buildings to reduce energy consumption.	
Energy Education	
Curriculum Development (Green Jobs)	
Development of curriculum for green jobs at institution of higher education job curriculum (wind, alt fuel conversion, etc).	
Policy, Planning and Energy Security	
Building Energy Codes	
Training & implementation of new building energy codes in Oklahoma.	
Green Power Programs	
Outreach, partnerships and training on green energy programs.	
Transportation	
Alternative Fuels	
Funding for infrastructure on alternative fuel stations, conversion of fleets to alternative fuel vehicles and purchase of alternative fuel vehicles such as CNG.	
Other - ODOC Administration Costs	
3 - 5% for third party evaluation (audit costs, monitoring and verification). Additional costs for State Energy Office personnel, and contractual needs (engineering, etc)	

Funding Guidelines

- DE-FOA-0000052 Received 3-12-09
 - Must comply with State Energy Program Formula Grant Federal Regulations
 - Initial Application due 3/23/09 - Done
 - Will allocate funds by competitive application (Request for Proposal to be issued)
 - Comprehensive Application due 5/12/09
 - Fund Allocation 10% of total allocation at time of initial award of Recovery Act funds
 - 40% of total allocation upon DOE approval of the State Plan
 - 20% of total allocation upon demonstration by Grantee that it has been obligated under its procurement system at 50% of the Recovery Act Funds awarded previously, is complying with all reporting requirements and that jobs are being created
 - Remainder of total allocation upon demonstration by the Grantee that Grantee is making continued progress

Weatherization

\$60,903,196

Funding Type: Direct Appropriations – Does not provide much state flexibility in determining how funds can be spent.

- **Working Group Members**
 - Kathy Champion, Policy Advisory Council Member, Weatherization, PSO
 - Cari Crittenden, Policy Advisory Council Member, Weatherization, DHS
 - Wanda DeBruler, Policy Advisory Council Member, Weatherization, Consultant
 - Michael Jones, Policy Advisory Council Member, Weatherization, Executive Director, Oklahoma Association of Community Action Agencies
 - Gary Marchbanks, Policy Advisory Council Member, Weatherization, OGE
 - Steve Wright, Mecklenburg Duncan
 - Natalie Shirley, Secretary of Commerce and Tourism
 - Kathy McLaughlin - ODOC
 - Marshall Vogts, ODOC

Goal: Weatherize 7,060 residential homes statewide.

Metrics:

- Number of homes completed
- Energy saved
- Jobs created at the state agency level
- Jobs created using state contractors
- Jobs retained at the state agency level
- Jobs retained with state contractors
- Jobs created at the local agency level
- Jobs created using local agency contractors
- Jobs retained at the local agency level
- Jobs retained with local agency contractors
- State desk monitoring/oversight visits
- State on-site monitoring oversight visits
- Hours trained at the state agency
- Hours trained at the local agency
- Equipment units purchased that are more than \$5,000
- DOE may provide additional guidance regarding the calculation of jobs created
- DOE may provide additional guidance regarding the methodology for calculating energy savings

Funding Guideline

- DE-FOA-0000051-Received 3-12-09
 - Will utilize 200% poverty income guidelines
 - Can spend \$6,500 average cost per unit
 - Will allocate funds by formula to 19 CAAs operating in all 77 OK counties
 - Initial application due March 23 - Done
 - Comprehensive application due May 12
 - Public hearing required – tentatively scheduled April 1

\$10 million is DOE designated for Training and Technical Assistance for weatherization personnel

To better target appropriate use of the funds, we are recommending a formula of distribution for the Community Action Areas based on the following four factors:

By County: Number of housing units
 Number of substandard units
 Number of people in poverty
 Total square miles in service area

Energy savings are different for each unit based upon the individual characteristics of the home. The energy audit determines the measures that are eligible for installation with a savings to investment ratio of greater than one

The estimated energy savings for 7,060 units are 310,640 MMBTU

Community Development Block Grant (CDBG)

\$4,333,265

Funding Type: Direct Appropriations – Does not provide much state flexibility in determining how funds can be spent.

- **Working Group Members**
 - David Braddock, Altus ED Director
 - Arden Chaffee, Mayor of Alva
 - David Davis, Port of Muskogee
 - Steve Gilbert, City Manager of Stroud
 - Tommy Kramer, Durant Industrial Authority
 - Trish Weedn, Council of Governments
 - Natalie Shirley, Secretary of Commerce and Tourism
 - Karen Adair, ODOC
 - Steven Hoover, ODOC
 - Scott Myers, ODOC
 - Stacie Willis, ODOC

Goal: Create and retain jobs.

- Design will be similar to the current Economic Development Infrastructure Financing program

Metrics:

- Total Number of Jobs Created or Retained
- Number of Jobs offered to low to moderate-income individuals
- Number of jobs/percentage above the Average County Wage
- Number of jobs offered with Healthcare benefits
- Leverage or Match dollars with CDBG

Funding Guidelines

- Expecting guidelines within one month.
- Basic CDBG rules shall apply when implementing projects. These include but not limited to: 51% low to moderate-income criteria, Environmental Review, Procurement/Bidding and Davis Bacon wage laws
- Flexible “Method of Distribution” designed by ODOC
- CDBG Federal rule of \$35,000 per job and a minimum of 120 jobs created or retained

Homeless Prevention

\$8,101,391

Funding Type: Safety Net – Provide relief for lower income families and others hit by the recession. Assist fiscally constrained state and local governments due to rise in demand of programs and services.

- **Working Group Members**

- Jean Cooper, CoC and GICH member
- Jason Cornelius, Continuum of Care (CoC) and GICH member
- Jacki Millspaugh, GICH member
- Dennis Shockley, Oklahoma Housing Finance Agency
- Noel Tyler, Governors Interagency Council on Homelessness (GICH) member
- Terri White, Secretary of Health
- Natalie Shirley, Secretary of Commerce and Tourism
- Vaughn Clark, ODOC and GICH member
- Rebekah Zahn, ODOC

Goals: Target individuals and families who would be homeless but for this program.

- Provides:
 - Short-term or medium-term rental assistance
 - Housing relocation and stabilization including such activities as:
 - Mediation
 - Credit Counseling
 - Security or Utility deposits
 - Utility Payments
 - Moving Cost Assistance
 - Case management

Metrics: To be determined.

Funding Guidelines

- FR-5307–N-01 Received 3-19-09
- At least 60% of the funds must be spent within two years; all funds must be spent within three years
- This is a new program established by the ARRA

Community Services Block Grant (CSBG)

\$11,938,286

Funding Type: Safety Net – Provide relief for lower income families and others hit by the recession. Assist fiscally constrained state and local governments due to rise in demand of programs and services.

Funding Type: Safety Net

- **Working Group Members**
 - Jean Cooper, President, OKACAA, and Executive Director, Northeast Oklahoma Community Action Agency
 - Steven Dow, Executive Director, Community Action Project of Tulsa County, Inc
 - Michael Jones, Executive Director, Oklahoma Association of Community Action Agencies (OKACAA)
 - Jim Sconzo, Executive Director, Community Action Agency of Oklahoma/Canadian Counties, Inc
 - Natalie Shirley, Secretary of Commerce and Tourism
 - Tina Lindsay, ODOC
 - Kathy McLaughlin, ODOC

Goal: The Community Services Block Grant Program goal is to make an impact on individuals and families that addresses multiple issues in a challenging economy

To include:

- Education
- Employment
- Health
- Nutrition
- Self sufficiency
- Income management

Priority will be given to training and/or re-training persons that will place individuals in stable jobs

Metrics: To be determined.

Funding Guidelines

- Not released
- HHS is preparing guidelines, but the expectation is that this will be a continuation of current CSBG goals which are basically to reduce the causes of poverty
- Statutorily, must pass-through 99% of the funds to 20 Community Action Agencies serving 77 Oklahoma counties.
- One percent of the funds will be maintained for coordination of benefits, which will be further defined in the guidelines