

**Region 4 Workforce Board
Finance - Executive Committees
Meeting Minutes
Thursday, October 24, 2019**

Meeting Time: 8:00 a.m.
Method: Go To Meeting Conference Call.

Committee Member Participants: Arden Cramer, Treasurer; Michael Smith, Vice Chair; and Larry West
Excused: Alicia Hanawalt, Chair; Steve Snyder, Secretary; and Deb Close
WDB Staff: Roger Feldhaus, Executive Director; Deb Waymire, Chief Operations Officer; Tara Bradley, Chief Financial Officer; Blake Sempstrott, Financial Coordinator; and Tina Overlay-Hilt, Executive Assistant.

Finance Committee

Arden Cramer called the Finance Committee meeting to order at 8:00 a.m.

PY 19 Revenue and Expense Report – 9/30/19

Tara Bradley presented the first PY19 Revenue and Expense Report for period 7/1 – 9/30/19. The report includes income by funding source and expenditures by line item. The top portion show the funds available for expenditure in PY19. Projected carry-in funds and grant funds that extend beyond 6/30/20 are not included in the top portion of the budget report. Based on the budgeted goal, we should be at 25% expended for most of the funding sources for the year. Noteworthy observations include the following:

WIOA Formula-Allocated Funding (IDWD)

- *WIOA* expenditures for PY19 are 25% of the amount budgeted. Dislocated Worker and Youth are under expended. Administrative is over at 42% and will be evaluated as we go forward.

Non Formula-Allocated Funding (IDWD)

- *Skill UP 3* - carry-in funds from PY18 which were extended beyond their original end date.
- *WIOA Performance Support Grant* – a second grant of \$175,000 has recently been awarded that is not reflected in this report.
- *TANF/JAG (Jobs for American’s Graduates)* – funds specific to youth benefiting from the Temporary Assistance for Needy Families program were granted for the period ending 9/30/19. A small amount of administrative funds was not expended.
- *JAG State* - funds appropriated by the General Assembly. DWD allocates these funds to the regions at various times during the year.
- *TAA (Trade Adjustment Act)* and *WIOA Case Management Staffing* – these revenue sources will no longer be available.

Direct Federal Grant Revenue (USDOL)

- *Ready to Work (RTW)* ends on 10/31/19. \$413,000 was budgeted for the period 7/1 – 10/31/19. Approximately \$1 million will remain unspent at grant-end. Our RTW grant period was extended by one year; a request to extend for one additional year was not allowed.
- *America’s Promise Grant (APG)* ends 12/31/20.

TAP Revenue

- *TAP Unrestricted Funding* - revenue received for the professional services Tara Bradley is providing for Region 1 and our fee-for-service contract with DWD for WorkKeys Profiling.
- *WHIN Funding* is a new grant for PY19 that provides K-12 STEM educational programming in partnership with GLC, Purdue Polytechnic, Ivy Tech, IN-MaC, and WHIN County LEDOs
- *Caterpillar Foundation Grant* - provides additional funds that support the JAG program.

Timing is the main reason for the lower actual expenditure percentage compared to the goal percentage.

The bottom half of the report shows line item expenditures. Expenditures as of 9/30/19 were on target. Tara reported specifically on the following expenditures:

- *Occupancy, including Liability Insurance*, is over at 29% due to the timing of quarterly insurance payments.

Some line item expenditures are heavy during Q1 but will even out during PY19.

PY 18 Audit Report

Jake Dunton, Dunton & Co, presented the Governance Letter, Draft Audit Report for the year ended 6/30/19 and the tax return for the year ended 6/30/19. There were several changes and disclosures this year. The Financial Accounting Standards Board updated accounting standard that took effect for TAP this year. There was a change in terminology of classification with restrictions and without restrictions, additional disclosures and additional statements, e.g., the statement of functional expenses. There were no difficulties performing the audit, no adjustments as a result of audit procedures, and no other audit findings or issues. A management representation letter will be requested from Roger and Tara regarding the financial statements in the audit.

Jake went on to present the draft Audit Report and reviewed the Schedule of Findings and Questioned Costs and all supporting statements and reports. This year the major program for the audit was the WIOA cluster. New this year is the transition in professional standards and comparative information. Summary totals are included on the Statement of Functional Expenses. TAP adopted the new accounting standards for all not-for-profit entities. The provision changed the presentation of net assets, the addition of disclosing expenses by functional classification and natural classification, and additional disclosures to the financial statements. There were no findings, deficiencies or weaknesses to disclose. The audit will be submitted to the Audit Clearinghouse in a timely manner.

Form 990 Tax Return for Taxable Year ended 6/30/19 was shared with the Finance Committee to review. The tax return presents more detail on the expenses than shown in the audit. The revenue and expense total matches the audit.

The Finance Committee and Executive Committee reviewed the Governance Letter, draft Audit Report and Form 990 as presented by Jake Dunton, Dunton & Co. A motion was made to accept the report and submit it electronically to the full Board prior to November 20th board meeting.

Motion: Larry West

Second: Arden Cramer

Action: Unanimous approval

Finance Committee adjourned at 8:50 a.m.

Executive Committee

Mike Smith called the Executive Committee meeting to order at 8:50 a.m.

Operations

Ready to Work (RTW) Grant Close Out

The Ready to Work (RTW) grant ends October 31, 2019, after five years of implementation. All performance metrics established in the grant agreement's statement of work were exceeded, but not all of the funds were expended. All of the RTW staff have moved on to new positions, some within workforce development and others in new fields. There are two staff remaining until Oct 31st. One plans to stay home with her child and the other plans to take classes for a new career. A celebratory luncheon for the team, past and present members, was held on October 22nd. It was great to see that team members are still a very tight-knit group. The grant program will live on because the model it established is being replicated in many areas.

State Performance Metrics Negotiation

Region 4 negotiated with DWD to arrive at three additional state-level performance metrics for adults, dislocated workers, and youth. This is a first look at how well Region 4 did at meeting the targets set. The metrics involved:

- *Engagement Rate* - the percentage of individuals in the region that are engaged by the workforce system compared to the total number of unemployed and underemployed persons in the region. Our actual measure of Engagement was 12.57%. Our negotiated target was 12.5%.
- *Job Connectedness* - the percentage of those participants receiving services who are employed one quarter after exit. Our actual vs target for *adult: 80% vs 82%; dislocated worker: 72% vs 69%;* and youth: *77% vs 72%.*
- *Wage Change* - the average median wage change between the clients' wages prior to using WorkOne system services and their wages two quarters after exit. We met the target for wage change for *adult: \$3,200 vs \$2,000;* but did not meet the target for *dislocated worker: (\$5,115) vs \$1;* or *youth: \$5,200 vs \$5,500.*

We have submitted a request to DWD to continue with the current negotiated targets for the regional state performance metrics for engagement rate, job connectedness and wage change in each program area with the exception of wage change for dislocated worker and youth. We propose that the dislocated worker wage change target be reduced from \$1 to (\$4,500), which is higher than our recent actual performance of (\$5,115). We propose that the youth wage change target be reduced from \$5,500 to \$5,200, as we seem to be trending lower in the youth wage change metric.

Strategic Plan Review

Strategic Plan discussions began during the September 25th Board meeting. The Strategic Goals and Objectives are being reviewed. A draft proposal for revised goals and objectives will be presented to the Board at its November meeting. We will work on simplifying the goals/objectives matrix to better depict how we are advancing toward goal attainment.

Administration

Regional Workforce Development Board Retreat Critique

An after action survey was sent to those Board members who attended the Regional Workforce Development Board Retreat on October 3, 2019. Six Region 4 WDB members and Roger Feldhaus attended the event. The feedback has been good for the first-time event. Over 100 representatives from the 12 WDB regions attended the retreat.

WDB Member Recruitment

Michelle Simmons, VP of Operations, Ivy Tech, is stepping down from the Board. She recommended her replacement be Chancellor Dean McCurdy, Ivy Tech-Kokomo. Chancellor McCurdy has agreed and the formal appointment process is moving forward. We are still looking for a labor representative from an industrial union. An option would to bring on another building trades representative. We are also in need of another business representative from manufacturing, health care, or construction.

Numerous Meetings with DWD, GWC, INWBA, Conexus

Meetings with the Office of Work-Based Learning and Apprenticeships, the Workforce Board Executives, the Governor's Workforce Cabinet listening session in West Lafayette, and the Governor's Skillful Coaching Corps Action Team presentations are scheduled later this month and next. Region 4 continues its relationship with Conexus, Greater Lafayette Commerce, and IN-MaC on collaborative efforts in our area. The mantra is becoming: "Engage or Expire"!

Annual Dinner

The annual dinner is set for November 20, 2019, at Double Tree by Hilton. The theme this year is “Engagement with Government, other Workforce Development Boards, and Private Foundations.” About 300 electronic invitations were sent and 45 RSVPs have been received. We hope to have 75-100 guests attend. DWD Commission Fred Payne and Lafayette Mayor Tony Roswarski have RSVP’d. PJ McGrew, Executive Director, Governor Workforce Cabinet, has been invited to speak. The Board will meet at 4:00 PM prior to the dinner.

Adjournment

The Executive Committee meeting adjourned at 9:10 a.m.

Motion: Arden Cramer

Second: Mike Smith

Action: Unanimous approval