

**Region 4 Workforce Board  
Finance - Executive Committees  
Meeting Minutes  
Wednesday, February 13, 2019**

**Meeting Time:** 9:00 a.m.  
**Method:** Go To Meeting Conference Call.

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

## **Finance Committee**

Arden Cramer called the Finance Committee meeting to order at 9:00 AM.

### ***Revenue and Expense Report – 12/31/18***

Tara Bradley presented the PY 18 Revenue and Expense Report for the period ending December 31, 2018. The report includes income by funding source and expenditures by line item. Based on budgeting, we should be 50% expended for most of the funding sources for the year. Noteworthy observations include the following:

#### *WIOA Funding (IDWD)*

- *WIOA* expenditures for PY 18 are 38% of the amount budgeted. The expenditure levels and the adjustments that can be made were discussed with JobWorks during the recent service provider meeting.
  - Adult and dislocated worker funds can be transferred between the funding sources. Adult expenditures are higher at 56% and dislocated worker are lower at 32%.
  - Youth funds are required to be budgeted at  $\leq 25\%$  for in-school and  $\geq 75\%$  for out-of-school youth. ISY funds are not being expended and some funds will be moved to OOSY. Youth expenditures will increase for internships and summer youth activities near the end of the fiscal year.
  - If the underexpenditure continues, it will provide more carry-in for PY19. We are looking at the expenditure differences in services provided compared to what was budgeted.
  - Administrative funds are also underexpended. The direct federal grants are helping in this regard. Tara will look for activities that can be charged to WIOA administration, thereby freeing-up admin funds to support direct participant training and training-related activities.

#### *Non-WIOA Funding (IDWD)*

- *Skill Up 3* is a two-year grant. As anticipated, the expenditure rate is greater at the beginning of the grant, but will lessen as the grant period progresses.
- *RESEA (Re-employment Services)* is trending to be overexpended. An additional \$35,000 was just received; we anticipate the need for an additional \$75,000-\$90,000 before the end of PY18.
- *WIOA Performance Support Grant* is ramping up. The January report will show a significant increase in expenditures.

#### *Direct Federal Grant Revenue (USDOL)*

- *Ready to Work (RTW)* ends on October 31, 2019. RTW staff is looking for additional services that can be provided to more effectively utilize the remaining funds. We anticipate not spending all the funds.
- *America's Promise Grant (APG)* expenditures have slowed to a more sustainable rate due to the increased focus on RTW activity.

*TAP Revenue* – We are utilizing \$40,000 of the unrestricted funds from WorkKeys Profiling revenue over expenses to fund WorkKeys activities during PY18.

*WorkKeys Profiling* – This is the third year TAP has overseen WorkKeys Profiling. The activity level has increased each year. Our contract with IDWD ends July 31, 2019; we hope IDWD is pleased with our

performance and will renew our profiling contract for a fourth year.

The bottom half of the report shows line item expenditures. Expenditures as of 12/31/18 were at 43%. We are on target, with no concerns. Tara reported specifically on the following expenditures:

- *Direct Participant Costs – WIOA Incumbent Worker Set Aside* is at 0%. There has been a recent increase in these services; we will see the \$10,000 set-aside expended over the next few months.
- *Direct Participant Costs – JAG* expenditures will pick up closer to the end of school.

### ***Budgeting for PY 19***

RTW and APG fund about 25-30% of the infrastructure costs for Lafayette WorkOne, Lafayette REACH and Kokomo WorkOne offices. Tara Bradley and Deb Waymire met to focus on planning for all contingencies associated with the end of special grant funding. The end of the grant funds will effect operations and staffing. We anticipate WIOA funding will decrease due to the low unemployment. The Board staff will continue to look for options while planning for PY19.

### ***Audit Procurement***

Region 4 Workforce Board is responsible for audit service procurement. Regulations do not indicate how frequently audit services need to be procured. Jake Dunton, Dunton & Co., has provided audit service for the past several years. The Finance Committee discussed and reviewed other options for audit services and agreed to retain Jake Dunton and Dunton & Co for audit services.

### ***Subcontracting with Region 1 for Tara Bradley's services***

Region 1 sent out a request for proposal for financial services for a period from March 1, 2019-June 30, 2020 due to the resignation of their current CFO. Tara would like to recommend she submit a proposal for Region 4 to provide assistance and train the new Region 1 CFO. Tara feels she will have the time to assist Region 1 since Region 4 has two full time financial positions. The proposal would establish an agreement with TAP and any expenses incurred would be covered by Region 1. Region 4 Workforce Board would be the Tara's priority. Committee members agreed with submitting a proposal to Region 1.

### ***Line of credit***

The line of credit established two years ago for the Skill Up grant is up for renewal. Tara recommends not renewing the line of credit. If the credit is needed in the future, staff could request it of the Board at that time. Arden supports not renewing the line of credit. It is not necessary to pay the required fees for a service we are not now using.

## **Executive Committee**

Alicia Hanawalt called the Executive Committee meeting to order at 9:38 AM. Roger requested the committee review the Region 4 Workforce meeting draft minutes from January 11, 2019 included in the meeting packet.

### **Operations**

Deb Waymire presented the Operations report.

#### ***Special Grant Activity Update***

**Ready to Work (RTW)** will probably not expend all the grants funds, but the grant is on track to meet all the new goals set up for the one-year extension. It is difficult to find long term unemployed or under-employed individuals to serve in this time of low unemployment. The **Skill Up 1** grant ended in March 2018 and was extremely successful in exceeding all goals. **America's Promise Grant (APG)** continues to progress well with about 22 months remaining. The grant has served 964 of the goal of 1,124 participants. We have slowed down on the expending the APG funds, moving the focus to Skill Up 3 and WIOA Performance Grant (WPG). Skill Up 3 and WPG have fewer eligibility restrictions and there is a shorter time period to expend the funds. We hope to expend all the APG funds and meet all goals. **Skill Up 3** grant continues until February 2020. We have already

served 346 individuals in training; the goal was 340. The Skill UP 3 grant is being used to fund the Work Ethic Certification program in nine area schools; the goal is seven schools. The grant also supports the Coder DoJo initiative. **WIOA Performance Support Grant (WPG)** is a \$200,000 grant that ends June 2019. Fifty-nine (59) participants of the 100-participant goal have been served, successfully completed training, and become employed.

SIA is stepping back from the RAMP training regime for a few weeks in order to meet a critical hiring need. This will provide the opportunity for SIA to compare the performance of “fast track” hires (without RAMP) with those who have completed the four-week RAMP training.

The economic impact of the special grants investment of \$11 million is \$66 million in wages paid. Special grant funds also have a significant impact on the Board’s overall operations. In addition to the training services these grants support, they also support staff, administrative functions, and infrastructure costs.

### **WIOA Performance**

Deb Waymire presented the PY 18 WIOA performance data for the period ending September 30, 2018, comparing how Region 4 is doing with all regions. These are the goals that were negotiated with IDWD. This report shows how effective and efficient Region 4 is with the funds received.

- For Adults, we are successfully meeting all the performance measures. Region 4 served 1,995 Adult participants, which is 18% of all served in the state. We receive only 6% of the Adult allocation.
- Region 4 served a total of 4,523 Adult, Dislocated Worker and Youth participants, which is 20% of all participants served in the state. We receive only 6% of the total WIOA allocation. This is the result of co-enrolling many of the special grant-funded participants.
- The only Dislocated Worker performance measure we are not meeting is *Employment during the 2<sup>nd</sup> Quarter after Exit*. The goal is 76.0%; we are at 75.7%. Region 4 served 2,197 participants which is more than any other region. This is because we co-enroll the individuals that come to our WorkOne offices after four weeks of unemployment for the re-employment services (RESEA ). We serve 36% of the total number of Dislocated Workers served in the state with 7% of the total allocated WIOA DW funds.
- Region 4 is meeting all performance metrics for youth, serving 7% of all youth participants statewide and receiving 7% of the total allocation.

### **WHIN Collaborative Proposal**

Wabash Heartland Innovation Network (WHIN) Lilly grant is available for nine of the Region 4 counties. Region 4 Workforce Board, Greater Lafayette Commerce, Purdue University, Ivy Tech Community College, IN-MaC, Indiana Technology Corridor, industry and schools are collaborating on a project proposal for a portion of the \$9.5 million Cultivation fund opportunity to create a regional talent pipeline for next generation manufacturing. The proposed project will immerse youth (K-12) in hands-on industry-education environments by providing summer camps focused on *Robotics in Manufacturing*, career exploration and awareness activities during *Manufacturing Week*, introduction to robotics and coding through afterschool *Coder Dojos*, and active learning within IoT-enhanced *Design & Make School Laboratories*. Additional information will be sent to members on the impact on students in WHIN’s 10-county area (including Pulaski). The group will present a verbal proposal to WHIN on Monday, February 18, 2019, then submit a full written proposal.

- Manufacturing Week – impact 1,800 students
- Coder DoJos – impact 4,000 students over two years
- Design & Make School Laboratories – impact 5,000 K-6<sup>th</sup> grade students and 350 educators
- Robotics in Manufacturing camps – partner with YMCA and Boys & Girls Clubs and to impact 200 students

Purdue University will capture and analyze data on the informal impact of STEM education on youth. Region 4 Workforce Board’s major role is helping with the design and acting as the fiscal agent.

### ***DOL Monitoring***

U.S. Department of Labor (DOL) will be here March 25-29, 2019 to monitor the WIOA Adult program. Since we co-enroll many of our participants, there are more records for monitoring. Staff is getting prepared as best they can. We have informed staff of the proper procedures to be followed in all cases. Our IDWD Monitoring results have been good. Ricki Kozumplik has done intensive monitoring for us. The monitoring team will be at TAP, visit WorkOne offices, and talk with employers and participants. Board members are welcome to attend the entrance conference on Monday, March 25<sup>th</sup>. More details will be sent to Board member when available. DOL will be monitoring the State as a whole. Region 4 was selected for WIOA Adult monitoring only.

### ***Crawfordsville WorkOne Office***

We are looking to collocate the Crawfordsville office with Ivy Tech Community College-Crawfordsville. Staff have visited the site. A draft lease is expected soon. If we determine collocation is a good idea, a 90-day notice will be given to our current lessor. A target move-in date would be July 1, 2019, coinciding with the start of the new program year.

### **Administration**

#### ***Update on Data Security Incident***

On February 2<sup>nd</sup>, Board members were sent a copy (via email attachment) of the letter TAP had sent to the Indiana Attorney General that summarized the data security incident and actions that have been taken to date. There has been several phone conversations and correspondences with the law firm, Lewis, Brisbois, Bisgaard & Smith LLP. We have not yet received a report from the cybersecurity firm hired on our behalf regarding the number or types of contact/feedback from the 2,000 individuals that received notices of their personally identifiable information exposure. The TAP office has received a couple extraneous phone calls which we referred to the cybersecurity firm.

#### ***Service Levels by County and East/West***

Roger shared data on service levels by county and by east and west sub-regions. In PY17 we invested \$9.1 million, 61% of which was in direct training services. In first half of PY18 we invested \$3.1 million, with 49% in direct training. In calendar year 2018, Region 4 served 6,729 individuals out of labor force of 258,098. 58.2% of those served were from the west sub-region, which has 67.4% of the region's labor force. 41.8% of those served were from the east sub-region, which has 32.6% of the region's labor force.

Roger further shared information on the percent of the labor force served by county, including the # of customers served, % of the customers served, the # in the labor force of each county, the % of the regional labor force by county, and the % of the labor force served. In the western counties we served 2.2% of labor force; in the eastern counties we served 3.4% of the labor force. As a region, 2.6% of the labor force was served. These data are available to share with State Representative Manning and others who have expressed concern about the equity of services received by their constituents. The Committee asked to expand the chart to include WIOA funds expended per county.

#### ***Roger Feldhaus Vacation Schedule***

Roger will be on vacation the week of March 18, 2019. WDB meeting is scheduled for Wednesday, March 20<sup>th</sup>. Roger recommended to keep the current scheduled date and the committee agreed. Location will be forthcoming.

### ***Adjournment***

The motion to adjourn the Executive Committee adjourned at 10:20 a.m.

**Motion:** Larry West

**Second:** Steve Snyder

**Action:** Unanimous approval