

**Region 4 Workforce Board
Finance - Executive Committee
Meeting Minutes
Wednesday, August 24, 2022**

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

Committee Member Participants: Randy Vernon, Chair; Karen Mellen, Vice Chair; Steve Snyder, Secretary; and Deb Close, Treasurer
WDB Staff: Roger Feldhaus, Executive Director; Deb Waymire, Chief Operations Officer; Blake Sempsrott, Financial Coordinator; and Tina Overley-Hilt, Executive Assistant.

Finance-Executive Committee

Randy Vernon, Executive Committee Chair, called the Finance-Executive Committee meeting to order at 8:00 AM.

Finance

PY21 Revenue and Expense Report – 6/30/2022

Blake Sempsrott presented the final PY 21 Revenue and Expense Report for the period ending 6/30/2022. Noteworthy observations include the following:

WIOA Formula-Allocated Funding (IDWD)

- *WIOA* expenditures for PY 21 ended at 72% for the year. The lower *WIOA* Admin and *WIOA* Youth expenditures will allow for a larger carry-in for PY 22 in those funding streams.
 - Administration – Expenditures are low. Admin costs are tied to the program costs accrued by multiple funding sources. An increase in Next Level Jobs (NLJ) program costs shifted admin costs away from *WIOA* and toward NLJ.
 - *WIOA* Youth – There is both a large amount of carry-in and new funding for PY 22. Discussions have been held internally and with our Service Provider about utilizing Youth funding resources.
 - *WIOA* Adult – Expenditures appear to be over-expended but are not over the available funding.

Other Non-WIOA Funding (IDWD)

- *Special Covid Grants - Special COVID Grant (RR) #2, Disaster Recovery COVID, and Employment Recovery Grant* ended and unused funds were returned to DWD. These funding sources will not be reported for PY 22.
- *Pre-ETS (Vocational Rehabilitation)/JAG (Jobs for America’s Graduates)* – Funds look over-expended at 156%. It is a challenging process to determine the eligibility of JAG participants who qualify for the use of this fund. DWD provides updates throughout the program year of the eligible JAG participants to charge to the funding. Using more of the Pre-ETS funding lessens the burden on the JAG funding.
- *Next Level Jobs Employer Training Grant* – Employers have a six-month waiting period after the completion of training to ensure that trainees retain their jobs before the costs of training can be reimbursed. More activity is expected as the grant progresses closer to the end date of December 31, 2022.

Direct Federal Grant Revenue (USDOL)

- *America’s Promise Grant (APG)* ended on 12/31/2021 and will not appear on PY 22 reports.
- *Rural Healthcare Grant*- Region 4 along with eight other regions is serving participants to train for and fill entry level positions in healthcare occupations in rural areas. Expenditures for PY 21 ended at 85% of the budgeted amount. The grant period is February 2021 to January 2025.

The bottom half of the report shows line-item expenditures compared to the straight-line budget for the period.

There is an excess revenue of \$2 million. As new revenue was received, it was added to the total revenue amount available, but not to the total expenses amount.

- *Fringe Benefits* were over 100% due to the increase in Cafeteria Earnings to \$650 per pay period during PY 21.
- *Communications/Technology* appears to be over-expended at 179% but is due to a reclassification of expenditures. This has been adjusted for the PY 22 budget.
- *Direct Participant Costs (JAG, CARES Grant, WRG, ETG, ASE)* show over-expended at 209%. The expenditures were not updated to show the NLJ funding that was received. It was budgeted for \$677,000 and expended in the amount of \$1.4 million.
- *Direct Participant Costs (RHG, APG, WPG, WHIN)* is under-expended at 59% because of the inability to use the funds during COVID.
- *Board Discretionary Funds* – We will try to use more of these funds in the future and consider attending the NAWB Forum.

PY 22 Revenue & Expense Preliminary Budget (July 1, 2022-June 30, 2023)

Blake Sempsrott presented the proposed Program Year 2022 Budget (July 1, 2022-June 30, 2023)

Allocated WIOA Funding (IDWD).

Region 4 received its new WIOA allocation that will have a two-year life beginning July 1, 2022. 20% of the allocation will be set aside for carry-over into PY23. 80% of the new allocation, plus the carry-in from PY21, will be budgeted for PY22. There was a 10% decrease in the new WIOA allocations for PY22 and a large amount of funds carried in from PY21.

Total Projected WIOA Funding Available to Budget: \$2,768,867—a decrease of \$208,548 for PY22.

Non-Allocated WIOA/State Funding (IDWD)

- *RESEA (Reemployment Services and Eligibility Assessment)* – The projected revenue is low, but we have not received the funding award yet for PY 22. Once the funding is received, it will be added to the revenue.
- *Apprenticeship Building America (ABA) Grant* amount of \$200,000 will be added to the revenue.
- *JAG State* – There was a \$150,000 budget decrease from the original request.
- *Next Level Jobs Employer Training Grant* projected revenue is \$1.3 million.

Total Projected Non-Allocated WIOA/State Funding (IDWD) Available to Budget: \$2,802,763—a decrease of \$1,219,213 for PY22.

Total IDWD Funding - \$5,571,630, a decrease of \$1,427,761 for PY 22.

US Department of Labor

- *Rural Healthcare Grant* - \$624,996 is the amount of the four-year grant set aside for PY22.

TAP Revenue

- *WorkKeys* available funding is \$181,000. We hope to see a ramp up of activity post-COVID.

Total Funding Available to Budget - \$6,377,626 for PY22. This is a decrease of \$2,159,593 from PY21.

PY22 Proposed Budgeted Line-Item Expenditures

- *Salaries and Fringe Benefits* for current six TAP staff members. The new CFO position is budgeted at the mid-point of the salary range. There is a larger budgeted amount in *Fringe* because of the Cafeteria Earnings increase in PY 21. The Executive staff proposes a 2.5% merit increase and a 5.0% cost of living

increase for PY 22. There is a small overall increase in staff salaries due to the timing of the elimination of Tara's salary and the addition of the salary of the new CFO.

- *Supplies and WorkOne Center Overhead Costs* have increases for PY 22 for the upgrade of computer equipment for TAP and WorkOne staff for the next four years.
- *Direct Participant Costs-WIOA Adult and Dislocated Worker* is decreased because of the decrease in WIOA allocations.
- *Direct Participant Costs-JAG, Next Level Jobs (NLJ), Performance Support Grant (PSG), and Workforce Ready Grant (WRG)* shows a large increase because of the NLJ funding.
- *Direct Participant Costs-RHG* shows a decrease because America's Promise Grant (APG) has ended and only Rural Health Grant (RHG) funding is included for PY 22.
- *WorkOne WIOA Staffing & Management Costs* decreased \$140,000 because of the WIOA allocation decrease and the challenge with staffing.
- *WorkOne JAG, RESEA, PSG, BC Staffing & Management Costs* decreased \$200,000 because of COVID grants ending and JAG funding decreasing.
- *WorkOne Rural Health Grant Staffing & Management Costs* is less due to APG grant ending in PY 21.

There is a proposed budget of **\$6,177,625** with \$200,000 unbudgeted for admin costs. (Not budgeting at 100% provides leeway when considering cost allocations.) This is the budget the Executive Staff recommends for the Finance and Executive Committees to approve for the full Board's consideration.

A motion was made to recommend the proposed PY 22 Revenue and Expense Preliminary Budget for approval of the Board on September 28, 2022.

Motion: Steve Snyder

Second: Deb Close

Action: Unanimous approval

Operations

Deb Waymire, Chief Operations Officer, presented the Operations update.

Apprenticeship Building America Grant (ABA)

Apprenticeship Building America Grant (ABA) is a USDOL grant for which DWD submitted a proposal for funding that will increase apprenticeship and pre-apprenticeship programs throughout the state. DWD received a portion of the request. Region 4 as a subgrantee will receive \$200,000 to support apprenticeship expansion efforts in our region.

Performance Support Grant

The Region 4 proposal was approved for another Performance Support Grant for funding to support an Apprenticeship Coordinator position. There are more rules and regulations embedded in apprenticeship funding. The Coordinator will become the apprenticeship expert for Region 4, helping employers establish apprenticeships, and leveraging funding for apprenticeships across the region. Funds will also support new apprenticeship programs. The grant period is 18 months. If there is a value found in the coordinator position, we will look for other funds to continue to support the position.

Rural Healthcare Grant

Region 4 is the lead applicant working with nine sub-recipients in eight regions. The grant moved slowly during the last quarter because some healthcare related education classes didn't occur during the summer. Regions anticipate an increase in activity as fall semester classes begin. It has been more of a struggle than anticipated to get participants interested in healthcare occupations due to the COVID pandemic. A USDOL monitoring of the grant will occur in October or November. It will be a monitoring of Region 4 as the administrator and fiscal agent and the other regions' progress and performance. We have conducted our own program and fiscal monitoring of

the sub-recipients.

Administration

Update on Interviews for Chief Financial Officer

A new Chief Financial Officer has been hired to fill the vacancy left by Tara Bradley. Melinda (Mindee) Pollard will join the Board Executive staff on Monday, September 19, 2022. Mindee lives in Rossville. Most recently, she was the controller for the National Swine Registry. Mindee was highly recommended by Kim Morisette at Huth Thompson, the Region 4 Workforce Board audit firm.

Local Plan Modification PY 2022 and 2023

The Workforce Innovations and Opportunity Act (WIOA) Local Plan is the primary vehicle for communicating the Local Board's vision for the local workforce system four-year plan to develop, align, and integrate service delivery strategies consistent with the strategies in the State Strategic Workforce Plan. WIOA requires the local Workforce Development Board (WDB) to review its local plan and submit plan modifications at the end of the second year of the four-year term. The draft of the Region 4 Local Plan Modification was emailed to Board members, Local Elected Officials, and local economic development officials. The Plan was also posted on the Region 4 Workforce Board website for public review and comment until September 15, 2022. Any comments will be addressed and incorporated into the final plan modification. We will request approval of the modifications by the Board during the September 28th Board meeting prior to submitting to DWD by September 30, 2022.

Region 4 co-hosted the Governor's Workforce Cabinet Meeting on August 23, 2022

Region 4 co-hosted the Governor's Workforce Cabinet (GWC) on Tuesday, August 23, 2022. Thank-you to everyone who attended in-person or virtually. There was a good representation of the region by post-secondary education, economic development, and business. Roger's presentation, the GWC recap and recording of the meeting will be sent to Board members.

Annual Event

The Region 4 Workforce Board Annual Event will be held on November 16, 2022. The Executive Committee provided feedback and recommended replicating last year's event. Tina Overley-Hilt will contact Delphi Opera House and Fika for availability.

Region 4 Workforce Board will meet on September 28, 2022, in Lafayette at Ivy Tech Community College in Ivy Hall Lilly Room.

Adjournment

The Finance/Executive Committee meeting adjourned at 9:05 a.m.