

Southwest Wisconsin Workforce Development Board, Inc. Board Meeting

March 10, 2021
Meeting Minutes

The Southwest Wisconsin Workforce Development Board met on Wednesday, March 10, 2021 via GoTo Meeting. Attendance was as follows:

Members Present:	Mr. Jason Aarud	Ms. Heather McLean
	Mr. Ivan Collins	Ms. Lisa Omen
	Mr. Christopher Comella	Mr. James Otterstein
	Ms. Gina Erickson	Dr. Tracy Pierner
	Ms. Heather Fifrick	Mr. Dale Poweleit
	Mr. Kendal Garrison	Mr. Dave Shaw
	Ms. Linda Hendrickson	Ms. Andrea Simon
	Ms. Ela Kakde	Mr. Dave Smith
	Ms. Jill Liegel	Mr. Michael Williams
	Mr. Troy Marx	
Members Excused:	Ms. Maria Lauck, Chairperson	Mr. Jeff Ellingson
	Ms. Brittini Ackley	Mr. Dave Gaspar
	Mr. Art Carter	Mr. Tom Schmit
Staff Present:	Ms. Katie Gerhards	Ms. Rhonda Suda
	Ms. Gail Graham	Ms. Danielle Thousand
	Mr. Matt Riley	Mr. Jimmy Watson
Other Guests:	Ms. Casey Dobson, Manpower	Ms. Heather Leach, Manpower

1. Welcome; Call to Order; Roll Call

Mr. Comella called the meeting to order at 2:30 p.m. Ms. Gerhards, SWWDB's Program Specialist, conducted a roll call of members, staff, and guests.

Ms. Suda explained to new Board members that Board meetings occur four (4) times per year. Because meetings are being held virtually, the agenda is reduced to accommodate Board member's schedules. It is mainly made-up of action items, but there is information-only items as well. Board members were urged to ask questions and SWWDB will do their best to answer them.

2. Approval of Minutes of SWWDB Meetings

The minutes of the December 9, 2020 SWWDB meeting was presented to Board members for review and discussion. There was no discussion.

Motion made by Mr. Otterstein, seconded by Ms. Simon, to approve the December 9, 2020 meeting minutes. **Motion carried unanimously.**

3. Financial Reports

Board members were presented with the financial reports through December 31, 2020. The financial reports include the Balance Sheet, Statement of Operations, and 2020-21 Budget Modifications.

ENCLOSURE 1

The Balance Sheet is current through the first half of SWWDB's first fiscal year (July through December). SWWDB's fiscal year begins July 1 and runs through June 30. It is straight forward and shows many prepaid accounts in the assets section. Prepaid means that SWWDB paid for something ahead of time and is going to get the benefit of it usually the following month. For example, Prepaid Health Insurance means January's coverage of health insurance was paid for in December. Therefore, SWWDB paid for a benefit that as of December 31, SWWDB was not yet using. The Balance Sheet shows that currently, revenues are exceeding expenditures by \$99,108.21. Ms. Thousand asked if there were any questions on the Balance Sheet. There were none.

The Statement of Operations is SWWDB's profit/loss statement. It is also showing current through the first half of SWWDB's fiscal year. This means that the column labeled "Pct" should show being around 50% spent. The revenues include the budget modifications from the December board meeting and show as being 45.65% spent. Expenses are showing around 46.79% spent. SWWDB is in a good financial position.

Ms. Thousand explained that SWWDB operates grants on a cost reimbursement-basis. This means the cash has to be spent in order for the cash to be paid back by the grant. However, SWWDB has a few fee-for-service programs. Two (2) of these programs are Benefit Analysis and Ticket to Work done by Ryan Schomber, SWWDB's Work Incentive Benefits Counselor / Ticket to Work / Local EO/EEO Officer. These programs allow SWWDB to generate some revenue/profit. This is a possibility with some of SWWDB's operations, but the majority is grant-based and on a cost reimbursement-basis.

The COVID-19 pandemic has changed many things, such as how the board meetings are held. It is also the reason for some of the large differences between the budget to actual numbers in the financial statements. Ms. Thousand identified some of the numbers not around 50% in the column labeled "Pct".

Accounts 6140-Travel in WDA, 6155-Meals, and 6156-Lodging are well under 50% because staff are not traveling due to COVID-19. Meetings are being held virtually. Account 6255-Audio/WISLine is around 70% because meetings are not being held in-person but rather via conference call. Account 6250-Office Supplies is around 90% because more equipment was purchased to allow staff to be more efficient working at home.

Some of the accounts on the Statement of Operations do not come through until later in the year. This includes accounts 6273-IT Equipment-Other and 6274-Licenses that are expected to come through in Quarter 4.

With offices being closed and staff working from home, cleaning is not needed as often. Account 6312-Cleaning/Janitorial is showing as being around 4% spent. Lastly, account 6420-Audit is showing around 92% because it is done early in the year. This is a timing difference that affects the budget to actual.

Mr. Comella asked if when thinking of the complexities of what the COVID-19 pandemic has brought the organization and the need for additional equipment, what will the extra equipment be used for after staff go back to the office? Ms. Suda responded that at the staff meeting this week, she discussed this topic. Over the last year, staff have managed to work from home successfully by meeting appropriate guidelines and performing highly to meet expected outcomes. However, SWWDB is a forward-facing organization that needs to serve customers. It is appropriate to say that staff can be effective working from home to perform certain tasks. Some have indicated their desire to work in their office and some want to work at home as the distance between work and home is far. As SWWDB looks to move back to normalcy, this is a good opportunity to consider some type of hybrid option. With a hybrid option, staff would be equipped to work from home and at the office using the supplies purchased due to the pandemic.

SWWDB is also facing the move of the Rock County Job Center. There will be a significant amount of furniture that will need to be stored, disposed of through SWWDB's inventory disposal process, or be moved to staff's home offices if staff will continue working from home. Ms. Suda and the SWWDB Management Team are looking at different options. Ms. Suda is proud of SWWDB staff and what the organization has been able to do over the past year. The future holds flexibility and Ms. Suda believes SWWDB can continue to operate as it is now.

The Budget Modifications shows changes related to incoming revenue. Since the last meeting, the newest item is the transfer of funds between the Workforce Innovation and Opportunity Act (WIOA) Adult and Dislocated Worker programs. With approval from the Department of Workforce Development (DWD), SWWDB is able to transfer funds between the two (2) programs if there is a greater need in one of the programs. Ms. Thousand asked if there were any questions. There were none.

Motion made by Mr. Poweleit, seconded by Dr. Pierner, to approve the Program Year (PY) 2020-21 financial statements for Quarter 2, including the Budget Modifications, as presented. **Motion carried unanimously.**

4. New Business

A. **Request for Proposal (RFP) – (2021 WIOA Services and One-Stop Operator**

On February 17, SWWDB issued the Request for Proposal (RFP) for a single provider to deliver Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, and Youth and One-Stop Operator (OSO) services. The RFP also recognizes Employment Recovery and Opioid-Support to Communities funds. Overall, without knowing what the budget will be for Program Year (PY) 2021-2022, the expected amount of the contract is no more than \$450,000. There will be a negotiation process, but these are the numbers as required by Department of Workforce Development (DWD). RFPs are required to provide an estimated price.

Proposals are due to SWWDB on March 31 by 12 p.m. The proposals will be opened publicly and the overall price of each proposal will be recorded. SWWDB administration is requesting two (2) board members to volunteer to serve on an Ad Hoc Review Committee with two (2) SWWDB staff members to evaluate the proposals and make a recommendation to award. Because the full Board will not meet until June 9, the Executive Committee will convene after the evaluations are complete to extend an Intent to Award with the final approval coming from the full Board at their June meeting.

In order to submit a proposal, a Letter of Intent was required. Two (2) letters were received so there will be no more than two (2) proposals to review. Ms. Suda asked if there were any volunteers to serve on the Ad Hoc Review Committee and requested approval of the evaluation process as explained. Dr. Pierner and Ms. Kakde volunteered. Once the proposals are opened, the proposals and evaluation documents will be shared and then a meeting will be set-up to go over the scoring and answer any questions.

Motion made by Ms. Omen, seconded by Ms. Simon, to approve the evaluation process of the Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, and Youth and One-Stop Operator (OSO) services Request for Proposal (RFP) and approve Dr. Pierner and Ms. Kakde to serve on the Ad Hoc Review Committee. **Motion carried unanimously.**

B. **Manpower Contract Modification**

Ms. Suda explained that Manpower has very limited enrollment numbers for the current Program Year (PY). This is primarily due to the effects of COVID-19 and the extra unemployment individuals are eligible to receive.

However, Manpower has exceeded Adult enrollments by around 70% and Dislocated Worker by around 32%. This has required additional resources in their contract. SWWDB administration is proposing modifying Manpower's contract by \$53,000 for the Adult program and \$25,000 in the Dislocated Worker, which extends to the Employment Recovery Dislocated Worker Grant, program. This will allow Manpower to continue to serve individuals already enrolled and to enroll more. SWWDB has the resources from PY 2019 and PY 2020 funds without any impact to other support and training services that are provided.

Motion made by Mr. Poweleit, seconded by Mr. Williams, to modify Manpower's contract by \$53,000 for the Workforce Innovation and Opportunity Act (WIOA) Adult program and \$25,000 to assist dislocated workers. **Motion carried unanimously.**

5. **Committee Updates**

None.

6. **Old Business**

A. **WIOA Allocation Issues**

The Workforce Innovation and Opportunity Act (WIOA) allocation issue has been ongoing since the Spring of 2019. The Department of Workforce Development (DWD) was utilizing an allocation process with errors in it. There were also instances where formulas/calculations were being used that were not compliant with their policies. SWWDB submitted several grievance letters with DWD and also presented information to an Administrative Law Judge at DWD. Through this process, the judge indicated that there were a few areas that she could not make a decision on. This lead SWWDB to the final step in the grievance process of submitting an appeal to the Department of Labor (DOL).

Through Ms. Suda's review of DWD's allocation process going back to 2015, the errors that were in the process lead to an estimated loss of around \$2 million for the Southwest Wisconsin Workforce Development Area. Secondly, because local areas receive a share of the state's allocation, the share can never be less than 90% of the average of the prior two year's shares. The calculation error in 2018 led to one local area's share to increase by over 100%. Significant increases are not always unusual. It can happen when there is a significant change in the labor market. However, during this time, the economy was in a time of growth. In 2019, DWD realized there was an issue and corrected only the 2019 share.

DOL's response was shared with Board members. DOL's determination was not in the Board's favor, but Ms. Suda pointed out a few items in their response. DOL indicated that DWD did not use the excess unemployment calculation correctly, adjustments needed to be made to some allocation numbers, and DWD must inform the local areas any time a change is made. DOL recognized SWWDB's concerns and directed DWD to correct the errors. Ms. Suda will continue to monitor DWD's allocation process. The floor was open for questions, comments, and/or concerns. There were none.

B. **WIOA Local Plan 2020-2023**

The Southwest Wisconsin Workforce Development Local Plan was approved on January 11, 2021. The plan is effective from July 1, 2020 through June 30, 2024. It is a four (4) year plan, but it is required to be reviewed in two (2) years. In 2022, the plan will be reviewed and any adjustments will be submitted to the Department of Workforce Development (DWD). The full plan is available on SWWDB's website for viewing.

7. Consent Agenda

The items on the consent agenda were presented to board members for review and discussion.

Ms. Suda briefly explained the updates to the policies. Policy B-540 Social Media Policy is simply being renamed to G-540 so that it is included in the Technology section of SWWDB's policies and procedures, not the Financial section. Policy C-710 Internet Service Provider Reimbursement Policy is being updated as a result of COVID-19. SWWDB administration has not received many reimbursement requests from staff for partial internet costs. In looking at the policy, it did not necessarily allow it. This update will allow SWWDB administration to move forward in considering reimbursement requests. Policy B-332 Life Accidental Death Dismemberment Insurance Policy is being updated to reflect the terms of SWWDB's healthcare provider plan. The policy clarifies that new employees are eligible for health coverage the first of the month following 30 days of employment versus one (1) month. Policy B-411 Bereavement Leave Policy is being updated in the areas of first and second degree of Consanguinity and Affinity.

Board members were given an overview of the performance reports for the Workforce Innovation and Opportunity Act (WIOA) and Foodshare Employment and Training (FSET) programs. Manpower is exceeding planned participation numbers in the WIOA Adult and Dislocated Worker programs. Manpower staff are working diligently at enrolling individuals and getting them the services they need. The WIOA Youth program is the opposite. It is difficult for Manpower to access youth because of the limits in the schools, employers are not as anxious to provide youth with work experience opportunities like in the past, and parents and some youth are not as willing to connect with someone virtually. However, Manpower is aggressively working to bring participation numbers up in the Youth program. It is difficult at this time and COVID-19 has created just another barrier for Youth.

In regards to WIOA performance measures, SWWDB is doing well. Currently, SWWDB is "exceeding" nine (9) measures, "meeting" four (4), and "failing" two (2). The failures have to do with the Youth program: Credential Attainment Rate and Measureable Skill Gains. Ms. Suda explained that the Credential Attainment Rate measures how many youth enrolled in education received a post-secondary degree. SWWDB discovered that through the pandemic, many students in the 18 to 24 age group were dropping out. In a small cohort such as this, just two (2) students dropping out can really affect numbers. Ms. Suda pointed out that this is the first quarter where COVID-19 actually hit and affected the numbers. These numbers are for those individuals from the exit cohort timeframe from July 1, 2018 through December 31, 2020. Even though SWWDB is "meeting" or "exceeding" most of the measures, all of the measures decreased from the previous quarter. Ms. Suda expects the numbers to come up next quarter.

The Measureable Skill Gains is a measure that looks at what type of progress those enrolled in education are making. An example of this would be a Case Manager recording a grade report, receiving a credential, passing a test, etc. As participation in training decreases, this measure will also decrease. These numbers represent the first six months of performance and will have a direct impact on the next two quarters of performance.

SWWDB began operating the FSET program in 2015. The FSET fiscal year is October 1 through September 30. It has been an excellent program for SWWDB because of how the Board is able to leverage all of the other workforce development programs. The Department of Health Services (DHS) has

some goals SWWDB needs to meet or exceed. What SWWDB has experienced during COVID-19 is the downfall in referrals, which leads to a decrease in enrollments. Able-bodied adults without dependents are no longer required to participate in work requirements because of COVID-19. This will eventually be lifted. This is why mandatory referrals have slowed. The SWWDB FSET Team has been aggressively trying to get voluntary referrals with some success. The Average Monthly Enrollment to Referral Ratio metric means that for every mandatory referral received in one (1) month, 25% needs to be enrolled. Ms. Suda noted that this is the first time SWWDB has not met this measure. It is believed that as COVID-19 restrictions are lifted over the next six (6) months, SWWDB will be in greater compliance to this measure. SWWDB staff have been actively trying to recruit volunteers, but because individuals do not have to participate in work requirements (FSET is a work requirement) and even though individuals are referred and go through orientation, by no means do they have to enroll. SWWDB has “met” or “exceeded” all other metrics.

Motion made by Mr. Aarud, seconded by Dr. Pierner, to approve the items in the consent agenda as presented including updates to SWWDB policies B-540 Social Media Policy, C-710 Internet Service Provider Reimbursement Policy, B-332 Life Accidental Death Dismemberment Insurance Policy, and B-411 Bereavement Leave Policy and the Workforce Innovation and Opportunity Act (WIOA) and Foodshare Employment & Training (FSET) performance and participation reports. **Motion carried unanimously.**

8. Organizational Information & Recurring Business

A. **Rapid Response Activity/Updates**

Board members were provided with an overview of layoff/closure activity since July 1, 2020 (Table 1). This information is provided at every Board meeting per the Board’s request.

Table 1

Program Year 2020-21					
Company Name	Layoff Date	Affected Employees	RR Sessions or Meetings Held	Attendance	Receiving Services in DW Program
Maple Leaf Cheese	12/31/2020	31	0	0	0
Novares	8/17/2020 - 11/30/2020	74	1	57	1
Data Dimensions	8/21/2020	17	1	6	0
United Alloy	7/17/2020- 9/14/2020	108 (furloughed)	0	0	1
Christopher Banks	02/27/2021	4	1	2	In-progress
Kealy Cafe	02/27/2021	7	0	0	In-progress

Since the last meeting, there have been a few dislocations. Christopher Banks in the Janesville mall is closing. SWWDB has provided outreach to them and is working with a few employees to provide services under the Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker program. The Kealy Café has been around for a long time, but is closing as a result of the COVID-19 pandemic. It is the board’s understanding that the café’s staff are being provided opportunities at the owner’s other restaurant in Janesville. However, SWWDB’s Business Services Team has reached out to the employer to share what is available to the affected employees in the Dislocated Worker program, unemployment, etc. Even though this is a small dislocation and does not meet the requirements of having a full Rapid Response session, based on guidance from the Department of Workforce Development (DWD), SWWDB still met with the employer and employees and distributed folders with information in them.

Larger dislocations must go through a WARN process which is tracked through the state. Ms. Suda will visit this site frequently to make sure the nothing was missed. In looking at the list for 2020, there are many areas that got hit hard. SWWDB is trying to give attention to smaller employers because they have been impacted especially hard. Gail Graham, SWWDB's Business Services Manager, and the Business Services Team make sure to reach out to all employers.

Mr. Comella asked if United Alloy has asked employees to return from furlough. Ms. Graham responded yes, but is unknown if all of them are back. Data Dimensions did not get their contract and as a result, many employees were laid off. Ms. Graham went on to say that the Business Services Team has had a rough time with Rapid Responses. There have not been many WARN notices, it has been "hit or miss" with layoffs, and there have been many furloughs in the Southwest Wisconsin Workforce Development Area. Other areas have seen layoffs, but in Southwest Wisconsin there have been more furloughs which causes things to work a little differently as affected employees are not eligible for some of the programs SWWDB offers. Ms. Graham indicated that she has visited Christopher Banks numerous times to try to better explain to the employees what is available in SWWDB's programs and how the programs would benefit them. Mr. Comella thanked Ms. Graham for her efforts.

9. CEO's Report

Ms. Suda informed Board members that with input from Mr. Otterstein and work from Blackhawk Technical College (BTC), the planning phase of the Manufacturing Alliance is going on. A meeting was held with local manufacturers in February and future meetings are planned. The idea is how do stakeholders in the industry come together to solve problems in a collaborative manner? Mr. Otterstein added that it is very fluid and evolving and is not sure where it will go. There is a proposed roadmap, but the key is that it has to be driven by industries. The first discussion was productive and the group was provided with a lot information and will continue to be provided with information such as forecasts, demographics, other programming, training initiatives, etc. The end result is yet to be determined, but the Board and other partners will be provided with as much service as possible. Mr. Otterstein said to stay tuned for updates.

Ms. Suda stated that SWWDB is collaborating with the workforce boards of Fox Valley, North Central, and Northwest on a Pathways to Home grant. The state applied for this before, but is now applying for it again from a rural perspective. It is a re-entry grant concentrating on individuals leaving the county jails. The application deadline is Tuesday, March 16. Ms. Suda and Marcia Galvan, SWWDB's Project Coordinator – Support to Communities Grant, are working on pursuing the grant to bring in additional resources for the re-entry population.

The latest bill that was passed by the House of Representatives has signification opportunities in it for workforce development. In the most recent version, up to 40% of Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, and Youth funds can be used for incumbent worker training (the current limit is 10%), it would also allow for up to 40% be used for transitional jobs (the current limit is between 10% and 20%), and it would also set the maximum primary threshold for On-the-Job Training (OJT) contract reimbursements to be 75% of a trainee's wages (the current limit is 50%). It is unclear whether or not there will be additional funds, but this will provide more flexibility.

10. Chairperson's Report

Mr. Comella stated that Ms. Galvan gave a presentation on the Support to Communities grant at Inclusa and did a great job. As a result, the Inclusa CEO provided a letter of support for the re-entry grant.

11. Adjournment

ENCLOSURE 1

Motion made by Mr. Poweleit, seconded by Mr. Williams, to adjourn the meeting at 3:51 p.m. The next regularly-scheduled board meeting will be Wednesday, June 9, 2021. **Motion carried unanimously.**