

Southwest Wisconsin Workforce Development Board, Inc. Board Meeting

December 8, 2021

Meeting Minutes

The Southwest Wisconsin Workforce Development Board met on Wednesday, December 8, 2021, at the Edelweiss Chalet Country Club and via teleconference. Attendance was as follows:

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

*Joined via teleconference.

1. **Welcome; Call to Order; Roll Call**

Ms. Lauck called the meeting to order at 3:05 p.m. and welcomed members, staff, and guests. Motion made by Mr. Otterstein, seconded by Mr. Williams, to open the meeting. **Motion carried unanimously.**

Ms. Lauck welcomed new Board member Andrew Marcotte from Blain Supply.

2. **Approval of Minutes of SWWDB Meetings**

The minutes of the September 8, 2021, SWWDB meeting were presented to Board members for review and discussion. There was no discussion.

Motion made by Mr. Poweleit, seconded by Dr. Pierner, to approve the September 8, 2021, meeting minutes. **Motion carried unanimously.**

3. **Financial Reports**

Board members were presented with the financial reports through September 30, 2021. The financial reports include the Balance Sheet, Statement of Operations, and 2021-22 Budget Modifications.

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The Balance Sheet represents a draft of the financial statements through Quarter 1 (July 1 – September 30). Ms. Thousand went over a few accounts that may seem out of balance. Accounts 1201-Prepaid Vision Insurance and 1245-Dental Insurance Prepaid are showing a negative balance because SWWDB had an employee who was going out on extended leave. The SWWDB Finance Dept. had the employee prepay their share of benefits because the employee was unsure how long they would be out and SWWDB owes that employee coverage.

Account 1540-PAS Rewrite Project is a new account. PAS stands for Payment Authorization System. It is SWWDB's vouchering system. A down payment of half has been made to the software developers. Once the project is complete, it will be amortized over a 10-year period.

Account 3003-Accrued Vacation is vacation that has been earned but not used in Quarter 1. SWWDB's operating year is July 1 through June 30. Vacation that is carried over from one year to the next must be used by June 30 or it will be lost. Ms. Thousand added that unused vacation can be carried over, but cannot be paid out. The Balance Sheet shows that revenue is exceeding expenses by \$45,856.70.

The Statement of Operations was presented to Board members. Because SWWDB is through Quarter 1 of the fiscal year, the goal in the column labeled "Pct" is to be around 25% spent. Revenues are showing 24.07% spent and expenses at 24.86%. These numbers compare budget to actual. Overall, SWWDB is right in line.

Conference season tends to occur in Quarter 2. This is why account 6156-Lodging is showing 4.57% spent and account 6155-Meals is showing 9.67% spent. These are expected to increase.

Account 6170-Staff Train/Development is showing 382.03% spent. When the budget was approved by Board members in June, SWWDB had not received the Pathways Home 2 grant. This grant came with training staff needed to complete. The Pathways Home 2 grant funding is accounted for in the budget modifications that will be presented later in the meeting.

Account 6709-Incentives is showing 32% spent. This is due to the Foster Care/Independent Living grant. Eligible youth participants can receive direct stimulus payments of \$1,000 per month for six (6) months.

SWWDB is in a good financial position. Ms. Lauck asked Board members if there were any questions on the financial statements thus far. There were none.

The Budget Modifications show changes to the budget since the last meeting. The biggest changes are receiving the Pathways Home 2 grant worth \$3.8 million and the Worker Advancement Initiative (WAI) grant worth \$1.6 million. Between these two (2) grants, SWWDB's budget has almost doubled and also provides SWWDB with great opportunities.

Ms. Suda explained that both grants are multi-year grants. Of the \$3.8 million Pathways Home 2 grant, a portion will roll over into next year and the next year and so on. The grant will assist individuals coming out of the correctional system at the county jail level or the Department of Corrections (DOC) level. SWWDB will be working with the county jails in the 6-county area, as well as the prison in Prairie du Chien and Oregon. Both institutions are not in SWWDB's workforce development area (WDA), but SWWDB administration has found that many individuals are being released from the Oregon facility into the SWWDB WDA. Basic criteria for the grant include being able to work in the United States, must be incarcerated upon enrollment, must be within 20 to 180 days of release, and will have the same Case Manager throughout enrollment. Some changes are allowed, but the Re-Entry Unit at the Department of

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Labor (DOL) has indicated the importance for individuals coming out of corrections to have sustainability with the individuals that are helping them and not constantly changing.

SWWDB is partnering with three (3) workforce development boards (WDBs) to serve 800 individuals in three (3) years across all WDB areas.

The Worker Advancement Initiative (WAI) is a series of several projects that SWWDB administration decided were important to the infrastructure of the workforce in Southwest Wisconsin. These projects include Essential Child Care, Construction Up, Power Skills: Transferable-Employability Program, Truck Driver Short-Term Training, and Accelerated Industrial Maintenance.

Students in a Child Care/Early Childhood Education training program earning their certificate or associates degree will receive assistance. While in training, the students can also receive a stipend of up to \$100 per week. Examples of assistance include, but are not limited to, tuition, fees, books, gas, and work uniforms.

Apprentices in Construction/Trades will receive assistance to help offset the cost of day school training up to \$5,000 and/or assistance with supportive costs such as boots, tools, etc. Once 1,000 hours of training is completed, apprentices will receive a stipend of \$1,000.

Mr. Williams asked if apprentices currently in training qualify. Ms. Suda said yes. The Construction and Child Care projects will accept new apprentices/students and current apprentices/students. Mr. Williams asked when the 1,000 hours starts. Ms. Suda responded that those details were not indicated, but will check on it.

Power Skills: Transferable-Employability program is a 40-hour class. It can be taken over the course of one (1) week or a series of weeks and provides soft skills training in communication, teamwork, adaptability, and leadership. These are skills employers are looking for as a result of employer surveys. The grant will cover the cost of the training. Once the training is completed, participants will receive a stipend of \$200. If the participants are not working, SWWDB staff will help with job searching, resume development, etc.

The Truck Driver Short-Term Training is on hold because SWWDB wrote the grant to serve a certain number of individuals. There is a great need for truck drivers and the cost of training is expensive. SWWDB administration wants to get the other projects off the ground first.

SWWDB will receive assistance from Community Action, Inc. (CAI) partners on this grant. CAI works with very low income individuals. CAI has found that after individuals go through training and obtain a high paying job, their public assistance stops. CAI has indicated that these individuals struggle to keep their job and pay bills on their own after losing public assistance. Ms. Suda stated that this grant will help bridge the gap by providing supportive assistance and provide financial planning.

The Accelerated Industrial Maintenance project will provide assistance with the cost of tuition, books, and fees for entry-level Industrial Maintenance Technician training. Participants can also receive a stipend of \$13.00 per hour for the hours they are in training.

Ms. Thousand pointed out the other budget modifications. Under the Employment Recovery Dislocated Worker grant (ERDWG), SWWDB received the second year of funding. Additional funding was received for the Hufcor, Inc. and Durr Universal dislocation grants via a grant modification as well as Youth Apprenticeship. With approval from the Department of Workforce Development (DWD), \$40,000 was transferred from the Workforce Innovation and Opportunity Act (WIOA) Dislocated Worker program to the WIOA Adult program as this is where the need is. Lastly, the Independent Living/Foster Care grant

modification includes the direct stimulus payments for eligible participants and the match that will allow SWWDB to help with the purchase of a used car.

Motion made by Mr. Otterstein, seconded by Ms. Simon, to approve the Program Year (PY) 2021-22 financial statements for Quarter 1, including the Budget Modifications, as presented. **Motion carried unanimously.**

4. New Business

A. **Fiscal Year 2020-21 Audit**

The audit for the fiscal year ending June 30, 2021, was conducted virtually October 4 through October 8, 2021 by Wegner CPAs of Madison. Ms. Suda introduced Derek Hilst, Senior Manager, with Wegner CPAs who reviewed the results with Board members. SWWDB administration is seeking approval of the draft audit report and the draft Form 990.

Mr. Hilst thanked SWWDB staff for their help during the audit. Like last year, the audit was conducted virtually. Overall, the audit was clean with no findings or questioned costs. No audit entries were proposed or adjustments to be made. There were also no material weaknesses or deficiencies. The only recommendation is preparing for the upcoming lease standard taking effect in fiscal year (FY) 2023.

The Workforce Innovation and Opportunity Act (WIOA) was the major program audited. Wegner CPAs rotates between SWWDB's two (2) major programs from year to year because in order to be considered a low-risk auditee, any federal program over the threshold of \$750,000 has to be tested once every two (2) years. The Foodshare Employment and Training (FSET) program will be the major program audited next year.

Ms. Lauck thanked Wegner CPAs and SWWDB staff for all their hard work. Mr. Williams asked if the draft audit report and draft Form 990 have already been approved at the Ad Hoc Audit Committee meeting. Ms. Suda said no and clarified that when the SWWDB Ad Hoc Audit Committee met at the close of the audit, committee members and Wegner staff went over any issues Wegner CPAs may have discovered or concerns.

Motion made by Mr. Williams, seconded by Dr. Pierner, to approve the audit report and Form 990 as presented. **Motion carried unanimously.**

B. **WIOA Provider Contract Modifications**

SWWDB administration is seeking full Board approval to modify Manpower's contract by \$115,500. Ms. Suda explained that SWWDB administration is very conservative when it comes to contract awards based upon participation levels within the different programs. As indicated earlier in the meeting, SWWDB has additional resources available. Therefore, there are additional resources that can be passed along to Manpower. This is important because in Quarter 1, Manpower lost three (3) employees. In order to rehire, Manpower has to increase their wages. SWWDB has the additional resources and is expecting more enrollments from Manpower. Ms. Suda stated that the modification will be used for the increase in enrollments and with staffing costs. These funds will not affect the resources already set aside for training and supportive services.

Manpower Government Solutions' contract would be modified by the amounts listed in Table 1.

Table 1

Type	Awarded	Proposed Modification	Modified Award
WIOA Adult	\$100,000	-	\$100,000
WIOA Dislocated Worker	\$50,000	\$15,000	\$65,000
WIOA Youth	\$200,000	\$50,000 in WEX funds	\$250,000
WIOA DWG: Employment Recovery	\$52,500	\$37,500	\$90,000
WIOA DWG: Support to Communities	\$22,500	\$13,000	\$35,500
One-Stop Operator	\$25,000	-	\$25,000
	\$450,000	\$115,500	\$565,500

Ms. Suda noted that in all program areas, except the Youth program, Manpower is exceeding enrollment numbers. There are still enrollment problems in the Youth program. At this time, staff are unable to go into the schools to work with and inform the youth about the programs available to them. However, SWWDB has seen a slight turnaround in work experience.

Dr. Pierner asked if Manpower bid on this contract. Ms. Suda said yes, Manpower was awarded the contract. The Workforce Innovation and Opportunity Act (WIOA) requires local boards to procure a service provider/organization to deliver career services. The career services are defined by WIOA. The enrollment materials, processes, and procedures are defined by SWWDB. At the time of procurement, Manpower submitted a proposal for \$450,000 because that was what SWWDB had indicated was available at the time. Their application had indicated an understanding of what was needed regarding WIOA.

The modification in some program areas is understandable as more individuals are being served in those areas. However, the numbers in the Youth program are down as previously presented in the meeting. Some Board members are concerned about the modification increase in the Youth program when Manpower is not serving the number of individuals indicated in their proposal. Ms. Suda explained that the Youth program is slightly different. SWWDB has to segregate 20% of the funds for work experience (WEX). This is direct wages to youth in a subsidized work program and/or staff time to work with the work experience. SWWDB has found that more funds are spent per person on Youth participants than Adults and Dislocated Workers. This is primarily because they have to have a significant barrier and meet certain income requirements in order to be eligible for the program.

SWWDB has the additional resources now and two (2) years to utilize them. By giving Manpower the resources they need and a three-year contract, they are able to budget so that when/if they have to bring on additional staff or if they have to offer increased wages in order to be more competitive in order to get the staff needed, they know what those resources will be. Since this is the first year of Manpower's contract, the funds Manpower is awarded now will be permitted to be carried over. When SWWDB looks to modify their contract for next program year, Board members will be presented with their spending levels. The contract will be adjusted according to those levels.

Ms. Suda reminded Board members that SWWDB operates on a cost-reimbursement basis and SWWDB administration monitors Manpower's activities on a quarterly basis.

Ms. Suda continued to say that Manpower has been the WIOA service provider for many years and they have adjusted their staffing to the funding that is available. Like many businesses in this labor market, Manpower is currently struggling to maintain staff. And with WIOA, the learning curve is difficult and there is increased data entry and compliance when DWD conducts monitoring.

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Dr. Pierner asked if with the additional funds SWWDB is going to require Manpower to serve more people. Some Board members agree that there is not a strong enough plan from SWWDB administration for the additional funds. Ms. Suda reassured Board members that Manpower will be enrolling additional participants. With that, Manpower has indicated their plan to hire an administrative individual to handle compliance/eligibility issues in addition to filling the third vacant position. Furthermore, Ms. Suda offered to obtain additional information for Board members and present it at the next meeting.

Dr. Pierner recommended goals and objectives that SWWDB would hold Manpower accountable for with the additional funds. Ms. Suda will do this and bring it back for review at the next meeting. Board members can vote to deny or table the modification until more information is gathered and presented.

Mr. Otterstein asked if there is a timing issue with this modification since the full Board meets quarterly. Ms. Suda responded yes and no. The modification includes the Employment Recovery Dislocated Worker grant (ERDWG) which ends September 2022. This gives SWWDB nine (9) months to spend the grant.

Ms. Lauck asked if there is already a mechanism in place by which SWWDB calculates the compensation Manpower is earning. Ms. Suda stated that it is a cost-reimbursement contract. At this time, Ms. Lauck asked Board members to consider approving the modification without the Youth portion because it is the largest and due to the questions posed. The modification would be for \$65,500 which excludes the \$50,000 for the Youth program.

Ms. Thousand said again that SWWDB has to spend 20% of the Youth funds directly on work experience participants. When SWWDB administration prepared the Request for Proposals (RFP) to procure a service provider, the numbers were based on funding that was continuously decreasing over the years. As SWWDB's funding declined, the amount passed through to service providers declined. This year, however, is the first time in a long time that funding increased, which opens a new set of challenges. One of those challenges relates work experience funds. The portion of the modification for Youth is very specific funding that has to be spent on work experience.

Ms. Lauck asked if there was mechanism in place to make sure the funds are judiciously used. Ms. Thousand said yes. Ms. Thousand goes through the invoices every month and conducts a desk review of them. This means Ms. Thousand spot checks one different thing every month before processing. Likewise, Manpower program and fiscal activities are monitored annually by SWWDB staff.

Motion made by Mr. Ellingson, seconded by Ms. McLean, to approve to modify Manpower Government Solutions' contract as presented. The floor was open for discussion. Dr. Pierner said there are no parameters and not enough information available to justify the modification. Ms. Thousand shared that she is not sure if Manpower will make it until March with current spending trends.

Ms. Lauck conducted a verbal roll call vote from Board members. The vote was as follows:

Number of votes	14
Necessary for approval/denial	9
Approved	9
Denied	5

Motion carried.

Ms. Lauck recommended that SWWDB administration provide additional information to the full Board at the next meeting to address the concerns discussed.

5. Committee Updates**A. Executive Committee**

The SWWDB Executive Committee met on September 22, 2021. The purpose of the meeting was for SWWDB administration to inform committee members that the organization received the Workforce Advancement Initiative (WAI) grant and to discuss a staff wage increase. The meeting minutes were presented for review and discussion.

Committee members met again on November 5, 2021, to discuss and approve subcontracting WAI services with Community Action, Inc. of Rock and Walworth Counties and Southwest Wisconsin Community Action, Inc. as well as 2022 employee benefit premiums. The meeting minutes were presented for review and discussion.

Dr. Pierner indicated that because he does not serve on the Executive Committee, he is unable to vote on approving the meeting minutes. Furthermore, Dr. Pierner asked if the full Board is being asked to approve the Executive Committee's recommendations in the meeting minutes or the meeting minutes alone. Ms. Suda responded that SWWDB's by-laws state that any action taken by the Executive Committee shall be reported to the full board at their next meeting. Committee meeting minutes have always been presented to the full Board, but does not require full Board approval.

Dr. Pierner asked if the Executive Committee is the authority for approving such actions as contract modifications, employee benefits, wage increases, etc. or are these the responsibility of the full Board. Ms. Suda said the SWWDB Executive Committee has the authority to approve personnel issues such as employee benefits and wage increases. In regards to contracts, transactions over \$25,000 require the approval of the full Board as the SWWDB Chief Executive Officer (CEO) does not have the authority to do so. The Executive Committee also has the authority to act on behalf of the full Board between meetings on such issues of urgency that cannot be held over and acted on by the full Board at the next regularly scheduled meeting.

The September 22, 2021, and November 5, 2021, Executive Committee meeting minutes were not approved because there was not a quorum of Executive Committee members present. The meeting minutes will be presented for review and approval at the next Executive Committee meeting.

B. Ad-Hoc Audit Committee

The Ad Hoc Audit Committee met on October 4, 2021, at the opening of the audit and on October 7, 2021, at the conclusion of the audit. The meeting minutes were shared with Board members. The meeting minutes will be reviewed and approved at the next Ad Hoc Audit Committee meeting.

6. Old Business**A. DWD Monitoring Update**

The Department of Workforce Development (DWD) responded to SWWDB administration's response to the monitoring. Many of the updates and replies were accepted by DWD, but there are several

concerns still outstanding. Some of the issues include disallowed costs between \$3,000 and \$4,000 that Manpower would be responsible for.

SWWDB administration must reply by Friday, December 10, 2021. Ms. Suda hopes to share the final report with Board members at the next meeting in March.

7. Consent Agenda

The items on the consent agenda were presented to board members for review and discussion. Ms. Suda briefly went over the performance reports.

Motion made by Dr. Pierner, seconded by Ms. Simon, to approve the items in the consent agenda as presented including 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 lay-off/closure activity since July 1, 2021 (Table 2). This information is provided at every Board meeting per the Board’s request.

Table 2

Program Year 2021-22					
Company Name	Layoff Date	Affected Employees	RR Sessions or Meetings Held	Attendance	Receiving Services in DW Program
Durr Universal	8/31/2021	87	3 sessions -7/13/2021 Job Fair - 7/22/2021	84	12
HUFCOR	8/3/2021	166	2 sessions at Union Hall 6/27/2021 & 7/14/2021 Job fair 7/15/2021	150	29
Chrysler	7/23/2021	1,641	Outside WDA	NA	12
TMD	1/23/2022	27			

Durr Universal and HUFCOR have closed. Chrysler is experiencing mass lay-offs once again and TMD in Beloit plans to lay-off 27 employees. SWWDB has reached out to TMD to set-up Rapid Response sessions but has not gotten a response.

9. CEO’s Report

Ms. Suda indicated that the unemployment numbers in Southwest Wisconsin are back to where they were before the COVID-19 pandemic began. For employers, this means that the recruiting pool is small.

The Department of Corrections (DOC) reached out to SWWDB administration to discuss a contract modification that would include a SWWDB staff member working at the job center within their facilities. More information and discussion on this is to come.

Lastly, SWWDB is searching to fill the Limited Term full-time Project Coordinator position for the Worker Advancement Initiative (WAI) grant. It was published last week at \$20.00 per hour. If one of SWWDB’s staff were to be hired, it is with the understanding that if their position or similar position is available at the end of the grant, they could fill it.

10. Chairperson’s Report

Ms. Lauck thanked Board members and staff for attending. It would be appreciated if members could pass along the good word of the opportunities in the Southwest Wisconsin Workforce Development area.

11. Adjournment

Motion made by Dr. Pierner, seconded by Mr. Williams, to adjourn the meeting at 4:47 p.m. The next regularly scheduled board meeting will be Wednesday, March 9, 2022. **Motion carried unanimously.**