

GLOW WDB FINANCE COMMITTEE

AMENDED Meeting Minutes

GC Career Center, Batavia

3/6/18, 3:30 – 4:30 p.m.

PRESENT: Dennis Burke, Norb Fuest, Tim Anderson, Darren Burdick; Ryan Snyder, Beth Caton, Sandy Smith, Kristine Langless, Joe Hamm

NYS DOL Program and FOTA Staff: Sydney Kallisto and Barb Deike, NYS DOL Technical Assistance

WDB STAFF: Jay Lazarony, Michele Nichols (minutes)

Revised P.Y.2017 GLOW Budgets with the following modifications:

- 1) Budget Amendment for Livingston County Youth Contract – moving \$4,500 from Out-of-School Youth Funds to In-School Youth Funds as in-school youth seeking HSE services were higher than expected.
- 2) Congress enacted a .06791% rescission of WIOA funds (part of sequestration).
- 3) At preliminary budget adoption, the carryover figures were preliminary and have now been finalized.
- 4) Orleans County is moving \$20K in Adult staff wages to Training and making funds available to all of GLOW
- 5) Genesee County received \$7K in Adult staff wages from the WDB.
- 6) Wyoming County Community Action Carryover figures are slightly higher than the contracted amount as a result of year-end accruals.
- 7) The transfer request has not been approved so it is not included.

All of the modifications are reflected in the budgets presented. VOTE> Darren made the motion to approve the budgets as presented; Tim seconded the motion; all members present were in favor, and the motion is a carried. This will go to the GLOW WDB for approval on 3/20/18.

Finance Committee Non-WDB Member Recommendation

- Jocelyn Sikorski is Director of Genesee and Orleans Youth Bureau and is a member of the GLOW WDB Emerging Worker Committee and is willing to serve on the GLOW WDB Finance Committee.
- She will replace Geoff Buell who has resigned from the WDB.
- **VOTE>**Tim made the motion to approve Jocelyn Sikorski as GLOW WDB Finance Committee Member; Norb seconded the motion; all members present were in favor, and the motion is carried. This will go to the GLOW WDB for approval on 3/20/18.

P.Y.2017 Genesee and Orleans Youth Proposal/Contract

- Jay reported that during a Quarterly Review, Genesee County's Youth Proposal was for 31 youth - 17 New Youth Enrollment 14 Carryover active youth but included follow up youth, which cannot be counted as carryover active youth. The cost per youth was \$3,505.96. No modification of funds is being requested. Only correcting the number of participants to be served to 23 youth with 17 New Enrollments and 6 Carryover enrollments for a revised cost of \$4,725.43 per youth (within \$5,000 per youth requirement). He will have 12 OS youth in follow up and 7 IS youth in follow up.
- Orleans needs CEO approval to change the youth proposal to match the contract.
- **VOTE>** Norb made the motion to approve Genesee County's Youth Proposal as revised and presented; Darren seconded the motion; all members present were in favor, and the motion was carried. This will go the GLOW WDB for approval on 3/20/18.

Amended GLOW WDB Budget Amendment Request Policy

- The amended policy was sent to members in advance of the meeting.
- Per FOTA's review, any budget modification of funds from one category to another must be approved by GLOW WDB. The language in the previous policy "if amount is over \$200 or 20% from one budget line to another"
- Darren noted that the language that was in there was suggested to be added so that the WDB didn't have to approve every request when it could be as little as \$1.50. What is the reason for changing it back?
- Sydney stated that the language in there now allows for a lot more shifting of funds without WDB knowledge. Per the regulations, the WDB needs to be aware of how funds are spent. The Finance Committee would be responsible for review of Budget amendments and make recommendation to the WDB for approval.
- Sydney stated if we could find previous documentation on technical assistance received, he would reconsider more flexibility in the language but if it was before WIOA Final regulations, the wording of existing policy require WDB approval. There isn't a minimum or maximum in the regulations but Sydney would like it to be on the more conservative side.
- Would the WDB have to vote on each individual modification? Sydney stated he didn't see an issue of having one vote for all modifications that are presented. A bulleted narrative would be fine. The Finance Committee would review each individual one.
- **VOTE**➤ Darren made them motion to approve the policy as presented; Norb seconded the motion, all members present were in favor, and the motion was carried. This will be brought to the WDB for approval on 3/20/18.

Amended GLOW WDB Recapture Policy and Procedure for Meeting Required WIOA Expenditures Goals for Adult and Dislocated Worker Funds

- Jay noted concern about adopting this policy on 3/20/18, which would result in recapture of funds from counties without a transfer in place. The policy will require "that if recapture occurs, the funds will be held by GLOW WDB and can be requested by individual service providers that demonstrate and need and ability to spend the funding in an appropriate and timely manner who is meeting their spending requirements." Jay noted that if all four service providers are not meeting, the GLOW WDB will hold it until 6/30, and NYS DOL will capture.
- Jay read a statement from Scott Gage who could not be here today:

I will not be attending the March Finance Committee Meeting due to needed vacation time. Since I will not be present for the discussion on the GLOW WDB Recapture Policy, I would like to provide my feedback at this time. As you know, I have been requesting that NYS DOL approve a transfer of Dislocated Worker funds to Adult Funds since November of 2017, however NYS DOL has not approved the transfer to date, after three requests. The inability to transfer the Dislocated Worker funds has limited my ability to spend additional Adult funding for Adult Training participants and left the Dislocated Worker funds sitting unused, as I have no training candidates interested in Dislocated Worker funds that have not been served. This week there are 1125 job openings being list on the NYS Job Bank for Genesee County! We are not seeing Dislocated Workers interested in training due to their ability to find good-paying jobs without the need or time commitment for training.

Due to the decision by NYS DOL to not approve my transfer, my hands have been tied and my ability to re-program Dislocated Worker funds to Adult participants has been prevented for over three months. I do not understand the logic or reason why NYS DOL is limiting my ability to manage my program and program funding, but it has prevented me from hitting the required expenditure levels for the first time in Genesee County JDB's history, which spans 44 years! Due to this inability to manage my own program due to NYS DOL oversight/control/micro-management, I will not be able to hit the 60% obligation rate by the end of March for the Dislocated Worker funds, but I will be over 80% cash and accrued expenditures for Adult. Therefore, I am notifying you that I will be suspending Adult funded Staff Assisted Basic Career Services as 3/31/18 due to staffing cuts and lack of training funds.

Approving the GLOW WDB Recapture Policy will have an immediate negative impact on Genesee County's WIOA programs. At the end of February 2018, my cash and accrued expenditures for PY 2017 Adult funds is now at

75.5% and 38.2% for Dislocated Worker funds. At the end of February, 66.7% of the Program Year has passed and the 80% spending goal is 53.3%. Subtracting the difference between the 38.2% actual and the 53.3% goal means I lose \$22,742.64 in Dislocated Worker funds back to the GLOW WDB. I have requested transferring \$30,000 in Dislocated Worker funds to Adult, which would more than compensate for my underspending in Dislocated Worker IE NYS DOL would only approve my transfer!!! Due to NYS DOL's interference in my program planning and implementation regarding the Dislocated Worker Transfer, I am requesting that you either table the GLOW WDB Recapture Policy until NYS DOL approves the Dislocated Worker to Adult Transfer, or if you vote on the Recapture Policy make it effective 7/1/2018. Thank you for your consideration of my unfortunate position, given NYS DOL's direct interference in my program operations.

- GLOW submitted Transfer Request of \$80,000 on 2/15/18 and GLOW was requested to provide further information to FOTA. Orleans County was asked to provide even more additional information, which was provided today – it was noted that Orleans County Director and Accountant are part time. There were some errors in accruals but GLOW would still be at 52% Expenditure Rate.
- Jay noted that at the 1/31/18 meeting, Julie stated if we were at the 47% Expenditure rate, we would be in line for a transfer.
- Jay noted a training provider who is starting a precision machining program this month asked if GLOW would be able to provide funds for students.
- Jay thinks starting the recapture policy on 7/1 would be a good compromise and allow us time to work on the transfer request. He also noted that we are in discussion of developing new process for managing the funds in the future.
- Dennis asked what the timeframe is on a response to the transfer request. Most of the documentation was provided quickly with the exception of Orleans County final documentation submitted today. Sydney responded that it would be his priority to review Orleans County's expenditure documentation tomorrow morning. They will take Orleans erroneous reports into account and figure with those deductions if GLOW has met the 47%. He should have an answer by end of this week.
- Norb expressed concern that per the conference call, we were told that once we met the criteria we could send in transfer and now there is a whole other step – why is GLOW targeted to this?
- Sydney said when he reviewed the January expenditures, there is usually a trend on a month to month basis – when he compared January to December EMRs, there were some significant increases. Orleans County had a significant increase in staff salaries and training and he needed to make sure what was reported was accurate and complete.
- Jay noted we were also asked for the other counties. Sydney stated Orleans County had the highest increase in reported expenditures. Genesee and Livingston had modest increases that also needed to be validated what was reported. It was noted that Tony Joseph did state they were seeing increases as well as GLOW stating they had increases and waiting on the January EMRs. If the concern was really Orleans County, why the review for the other counties.
- Sydney explained that the increases warranted the review to validate expenses. When he sees a pattern of increase, he usually will ask Kristine what was the effect of increase – these increases seem to be above the norm and that is what triggered request for additional information.
- Ryan noted he had a training started yesterday and was unable to fund 6 adults with WIOA funds – he understands the analysis but it has been going on for so long.
- Sydney reported that Orleans did have \$7,000 in error so once he finishes the review, he will be able to indicate if 47% was reached with true numbers or if additional adjustments need to be made. He should have a decision by end of the week regarding transfer.
- Jay noted last year a transfer request was approved so what has changed this year that wasn't in place prior years.
- Sydney stated it goes back to PY2015 when GLOW received additional \$50,000 DLW funds and then was determined that \$47,000 slated for recapture because GLOW was not able to spend the excess received on DLW activities. He then reviewed the GLOW Recapture policy and why it wasn't followed at that time. If it was followed, those funds could have been utilized on other projects by the WDB. This is the idea of the recapture policy that any unused funds would be processed by the WDB. Jay asked who would provide the services (paperwork, case management, etc.). Sydney said the GR with

WDB to track expenses and would be done at Local level. Sydney noted that at the end of PY2016, they had to do a series of adjustments in order for DLW not to be recaptured – a lot of the funds were transferred out of DLW into Adult as there were 3 or 4 transfer requests. At the end of the year FOTA worked out what numbers should be shifted in expenses out of adult into DLW to avoid recapture. This is why this transfer was looked at more closely – they don't want to allow a transfer to go through if funds would have to be shifted back. In the November \$120,000 transfer request, there were still PY2016 funds left and PY2017 was just received – with all of that taken into account, there was no justification to approve the transfer.

- Norb expressed how companies can't find skilled workers and we are not helping them if we can't train workers and get them good paying jobs.
- Darren asked if a corrective action plan was done as stated in the recapture policy. No corrective action plan was put in place.
- Kristine noted that as of January 31st, the WDB would recapture \$83,941.79 DLW from all four counties.
- Can we delay the Policy to be effective 7/1?
- Joe noted that he doesn't understand because the January report shows \$276,000 in Adult Funding. It was noted that some of that is for staff wage and fringe through to the end of the year. Service providers don't want to expend staff salaries in hopes of getting a transfer to pay staff in the future months.
- Dennis expressed that GLOW needs to be more proactive in working with DOL for us to be asking questions and purpose of requests to have full understanding. Norb noted that sometimes we don't receive information on what needs to be done ahead of time – the moving of the goal.
- Joe noted the message he took away from Tony Joseph was that this could be handled as an internal solution where GLOW could swap out adult funds from a county that had excess adult funds and move it to a county in need and replace with DLW funds; then, as the adult funds are spent, a transfer would be warranted. Jay noted that \$20,000 was moved in Orleans County to training for other counties to access and \$7,000 was moved from GLOW WDB to Genesee County. It seems like we get new information each time. From our original transfer in November, we were told it was not justified and didn't hear analysis for it for two weeks.
- It was noted there are no specific spending level requirements provided in the Transfer Request Technical Advisory, which Tony and Julie said they can add in.
- Jay noted that we are in discussion to have service providers submit their staff and operational budget and WDB hold on training funds for P.Y.2018. But right now we are in the middle of the year and trying to avoid having funds recaptured.
- Darren noted that if the WDB hold the funds as of 7/1, do we need a recapture policy?
- Sydney said if the WDB adopts FOTA's suggestion on how to manage funds that was in the financial management review, the policy would possibly be mute.
- Jay noted that we are in discussion re-evaluating the current allocation process and developing a plan to move forward with to have in place for 7/1/18. There wasn't time to do it last year.
- If WDB did recapture per policy, what would WDB spend it on? WDB could do RFP but time is limited. Is WCCA eligible to receive any of those funds? WCCA has contract. Sydney stated there would have to be justification to amend (increase) their contract and follow process if they show/expect more activity by re-RFP. Can funds be recaptured from WCCA? If they don't spend by end of year (final report by end of 8/18 for funds spent by 6/30), it would go back to WDB.
- The only reason the Recapture Policy exists is because the funds are held by the Service Providers.
- The process of transfer request is submitted directly to Albany and they send to local FOTA for review along to the Regional Supervisor, Dawn, and they send back to Albany.
- There are several reasons why customers were funded with Adult Funds but found to be DLW:
 - Individuals may become 599 eligible several weeks after enrolled and are initially enrolled in adult funding as it is auto loaded into the services section.

- RSEA customers are automatically DLW status, which was just brought to our attention (previous technical assistance stated they had to be unlikely to return to return to occupation).
- Utilized \$47,000 Recapture Funds that had to be used specifically for training and was Adult Funding and spent by 6/30/18.
- Jay noted we are trying to identify all DLW as much as possible.
- It was decided to not to amend the policy at this time.
- Sydney distributed minutes from 1/31/18 meeting with FOTA/Albany.

The meeting adjourned at 5:00 pm

NEXT MEETING: WEDNESDAY, 5/2/18, 3:30 – 4:30 PM AT GC CAREER CENTER, BATAVIA