

Northeastern Workforce Development Board Finance Committee Minutes (ZOOM)

Tuesday, June 8, 2021 11:00 a.m.

Call to Order: Chair JD Williamson called the meeting to order at 11:00 a.m. Present were JD Williamson, David Whitmer, Janet Russ, Jeri Hansen, Cindy Gossage, Sandi Brickhouse Smith, and Emily Nicholson.

Approval of March 9, 2021 Minutes: Moved by JD, seconded by Sandi, to approve the minutes as written. Motion carried.

Fund Report: Jeri reported that all PY19 funds will be spent before the end of the fiscal year so no funds will be going back to the state. Business Service funds and Enhancement grant funds were both extended to the end of the calendar year. David said this is good news for the Enhancement Grant since we were going to have to return unspent funds because of limitations from the pandemic. This also means that the decision by the Board earlier this year to bring the Outreach Coordinator position currently paid for by grant in-house on July 1 will not need to be implemented until January 2022, a \$40,000 cost savings. He added that he hopes to see a significant increase in IFA funds which should come at any time.

PY21 Budget Update. David reported that the Albemarle Commission approved the budget at their meeting in May with no changes in the NWDB Budget. Jeri said the AC Board will adopt the budget ordinance at their June meeting.

PY21 NWDB Allocation Reduction. David reported that NWDB has been informed that there will be a 16.88% reduction in its allocations for the next two year cycle. This translates into a reduction of \$284,244 in funding overall, which will definitely impact spending for the next year. He said that when he was notified of the reduced allocations, he and AC Executive Director Mike Ervin immediately reached out to our state legislators to inform them and to ask for assistance. He is encouraged by the concern of the legislators and they have assured us they will assist in any way that they can to restore the funding.

David shared two spreadsheets with the committee (included in these minutes). The first shows program allocations to NWDB for the last 10 years, noting that the PY21 allocation is the lowest in all 10 years. Reminding the committee that these allocations are for a 2-year timeframe, he provided a spreadsheet beginning with January 2022, showing an estimate of when PY20 funds will be expended and when we will begin spending PY21 funds. The red marked boxes show when PY22 funds is estimated to begin being spent. He noted that in the case of the Adult and Dislocated Worker Programs, spending of the PY22 funds are indicated to start a month or two earlier than in the past. He said his greatest concern is with Youth funds where it is more negatively impacting expenditures. David said that staff is already working on identifying areas where costs could be reduced in all programs. He noted that NWDB has been successful in receiving an additional \$125,000 in youth funds from other workforce development boards that were unable to spend all their funds and were faced with returning them to the state. He said that DWS policy allows for transfer of funds from one workforce board to another if the WDB is unable to spend all their funds before the end of the year. The Youth funds received are PY19 funds and are included in the current budget, with an expiration date of June 30, 2021. David reported staff is working on a potential grant opportunity for \$100,000 for the Youth Program.

David noted that he is looking at various funds that could potentially be available if authorization is given from DWS and the Governor's office. This will take assistance by the Legislator to access. Two of the potential funding opportunities are:

1. The Governor has a 15% set aside of Title 1 WIOA funding that he has discretion over how it is spent. If authorized, it could be tapped to offset some of the losses.
2. \$25,000,000 included in the Governor's American Rescue Plan draft Budget to support workforce development, of which some could be budgeted to backfill some of the losses.

David shared that a letter will be sent by Mike Ervin, AC Director, and/or the legislature to address the funding question as well as a letter sent to the State Auditor to get an accounting of what the Governor plans to use the 15% set aside for and what he has used it for in past years. David said that staff is also looking at where we can tighten up or cut back on some spending, with the caveat that spending cuts should have minimum impact on our participants.

Strategic Plan: Chair Williamson reviewed the goals with the committee, noting that Goal 2 in regard to the budget is complete and a good portion of Goal 1 has been accomplished. He reported that Cindy had completed the first draft of the Finance Operating Procedures book and was very complimentary about the work that went into creating it. Cindy explained that the book was created per Goal 1 to educate the committee on NWDB's financial activities and secondly, to provide a standard operating procedure for staff who may be tasked with taking on the work. JD asked that the draft document be distributed to all the committee members for their review, asking that they let Cindy know of questions, changes, or concerns within the next two weeks.

There was discussion on Goal 3, which is to look for ways of "expanding opportunities for additional grant funding", needs some focus. It was agreed that a meeting should be set up with the AC grant writer, Sharon to discuss our needs and to establish a process for her to let us know when something potentially becomes available.

Topics for Next Meeting:

- Approval of June minutes
- May Fund Report and Expenditure Graph
- Update on state of funding and allocations
- Strategic Plan

Committee Name: JD brought up that in order to compete with the other NWDB committees, the Finance Committee needs to come up a good name. After much discussion (and much laughter), the committee agreed on "Mo' Money Kickin' Assets Committee". David suggested the committee theme music of Pink Floyd's "Money", which was meant with enthusiastic support from the committee.

Adjourn: The next meeting will be on July 13, 2021 at 11:00 a.m. With no further discussion, Chair Williamson adjourned the meeting at 12:00 p.m.

*JD Williamson*

06 / 28 / 2021

Chair JD Williamson

Date