



MINUTES

ROGUE WORKFORCE PARTNERSHIP ~ CORPORATE DIRECTORS MEETING NOTES

March 30, 2022 ♦ Zoom Video Conference

MEMBERS PRESENT

Chair Jessica Gomez
Vice-Chair Mike Donnelly
Commissioner Dave Dotterer – *RVWC Member*
Shawn Hogan
Nikki Jones
Robert Begg

MEMBERS ABSENT

Commissioner Darin Fowler – *RVWC Member*

OTHERS PRESENT

Ben Cohn, KDP Certified Public Accountants
Jim Fong, Executive Director, Rogue Workforce Partnership
Heather Stafford, Chief Operating Officer, Rogue Workforce Partnership
Sherri Emitte, Chief Finance and Administrative Officer, Rogue Workforce Partnership
Ida Saito, Program Engagement Manager, Rogue Workforce Partnership
Greg Thweatt, Data and Program Analyst, Rogue Workforce Partnership
Tami Allison, Senior Project Manager, Rogue Workforce Partnership

Quorum Present: Yes

Call to Order

Jessica Gomez called the Rogue Workforce Partnership meeting to order at 2:01 PM.

Consent Agenda

Robert Begg moved to approve the consent agenda consisting of only the minutes of the Rogue Workforce Partnership Corporate Directors meetings dated August 17, 2021, September 20, 2021, and October 14, 2021. The motion was seconded by Commissioner Dotterer. The motion passed unanimously.

Commissioner Dotterer moved to approve the consent agenda (RVWC minutes are within the Joint Meeting Minutes of December 17, 2020). The motion was seconded by Commissioner Fowler. There was no discussion. The motion passed unanimously.

RWP Budget

Audit Year Ending June 30, 2021

Ben Cohn of KDP Certified Public Accounts attended the meeting to share results of the audit with the Corporate Directors.

- Page 22 of the report gives a summary of the audit results indicating

- ▶ an unmodified opinion which is the highest form of assurance.
- ▶ No significant deficiencies or material weaknesses in internal controls were disclosed by the audit of the financial statements.
- ▶ No instances of non-compliance material to the financial statements were disclosed.
- ▶ No findings were disclosed by the audit.
- ▶ WIOA cluster was the major program tested
- ▶ RWP qualified as a low-risk auditee under the criteria specified in the Uniform Guidance
- Notes to the basic financial statements showed future accounting pronouncements around leasing guidance where the major change as of July 1, 2022 will be that any lease that is 12 months or longer will need to be recorded on the balance sheet.

Next Steps: RWP and KDP will meet to discuss this with KDP's implementation team.

The term of RWP's current building lease at 37 N. Central Avenue expires in 2023. It was suggested that some accounting could be avoided if we were to enter into a 12-month lease.

- Ben will send the required communication out to everyone after today's meeting

No questions were posed by the RWP Corporate Directors.

Mike Donnelly moved to approve the Audit for year ending June 30, 2021. The motion was seconded by Shawn Hogan. There was no discussion. The motion passed unanimously.

Finance and Administrative Updates

RWP Budget / Actuals at December 31, 2021

Basic information for current year revenues and expenditures were laid out for the Corporate Directors explaining that it has been a very interesting and unique time for RWP as we have been receiving a lot of funding but have been experiencing a challenging time spending it. Currently we've spent only 33.8% of our available funding. A couple reasons for this include:

- Priority spending of the three National Dislocated Worker Grants received took priority over the spending of our usual WIOA Title IB and other grants
- Although we were poised to spend these funds on the expected large numbers of people needing assistance, due to the decline in labor market participation, they have not be "coming through the door."

DWG Wildfire Grant - Received \$7.5M in October 2020 to be spent over a 2-year period. The first allocation of \$2,501,408 was received and again, we had challenges in connecting with people who wanted to work, so spending was slow in rolling out. In addition, most of our spending is for weekly payroll over a 12-or 6-month period; so even though we began getting commitments, the spending is still slow as payroll is paid weekly.

RWP loaned part of our allocation (\$1,150,000) to three of the workforce boards in the state who had quickly reached their limits due to their grants being significantly smaller. The loan is intended to be repaid once the second allocation is given. The state has finally reached the 70% level on spending and performance and we are currently in the process of requesting a portion of the second allocation of funds.

Discussion took place regarding the loan to the other workforce boards. Sherri Emitte clarified that it was not an actual loan, but an agreement between five board finance directors for the state to amend contracts to decrease our contract and increase their contracts.

When asked if these funds are more geared to an economy where we have more workers than job availability, Jim indicated that other regions who have spent out their dollars do not leverage funds like we do with OED as our service provider. Because OED is our service provider, there was a bigger impact because of the influx of UI claims during the pandemic.

Many conversations have taken place about other ways to spend the funds, including having conversations with our congressional delegation to advocate to the federal government to change the way DOL and FEMA work together.

Commissioner Dotterer noted the difference between emergency response and emergency recovery. The emergency changes the community, and we should look at how we could use the money towards recovery as well as looking at the coordination between federal and state government. Important that we look at what was done well and not so well to do better in the future.

RWP is making some nimble moves to ensure that we can spend out the money in an effective way.

Graphic summaries of all the funds were reviewed with the Corporate Directors.

- Expenditures through 12/31/21
- Next quarterly entries will be done 3/31/22
- Rollover funds represent the total amount of unspent funding remaining from the previous year
- Rollout funds represent funds that we expect to roll into the following fiscal year
- Revenues will agree with expenditures in all but the Endowment Fund
 - Endowment Fund shows actual revenues recognized and actual expenditures made

There were no questions asked or comments made regarding this section.

RWP PY 21 Budget Modification

Due to the current situation of being unable to spend all available funds in this current year, a budget modification is needed. The Corporate Directors were asked to keep the following things in mind as they review the pages of the budget modification:

- Revenues must be reduced with expenditures due to our revenue recognition process
- Increases to revenues show as a positive number
- Increases to expenditures show as a negative number

Significant changes to the budget are:

- Rollover funds decreased by \$387k to the actual amount rolled over
- Contract of our two service providers is being decreased by over \$1.9M to reflect what we project their actual expenses will be for the year.
- Increasing the funds used to pay the temporary service for the client work experiences by over \$935k which offsets the decrease in Contracted Service providers for a net decrease of \$984k.
- Salary adjustments were made after the budget was compiled, so these modifications are to align with revised salary levels.
- Expenditures for our move innovative ventures have been made to the Workforce Strategies fund. In addition, there have been increases in other funds for communications and other beneficial expenditures.

- Because we are spending less money, the funds we are projecting to roll into the next year are increased by over \$420k.
- The Endowment Fund has been experiencing negative investment results over the last few months. As a result, budgeted investment returns have been decreased from a positive \$20k to a negative \$70k, a decrease of \$90k.
- The Board moved to allow the use of up to \$25,000 on advertising. A total of \$22,300 has been used. Given the drastic decrease in our expected investment returns, the remaining \$2,700 has been eliminated from the budget to refrain from spending any more from that fund.

Strategy Changes

- Meeting with business leaders and service providers to determine how we can increase the investment level in various sectors
- Rolling out the following strategies to maximize the expenditure of available funds to support jobseekers and target industry sector businesses in our efforts to fill the region's talent pipeline:
 - Blending, braiding, and stacking the many funding streams available to create tiered levels of training
 - Raising maximum levels for training scholarship investments
 - Increased marketing expenditures for ads on Facebook, Google, television, signage, etc.
 - Streamlining the onboarding processes undertaken by students, jobseekers, and businesses

Commissioner Dotterrer moved to recommend the PY 21 budget modification to the Rogue Workforce Partnership Workforce Board for approval. The motion was seconded by Robert Begg. There was no further discussion. The motion passed unanimously.

Endowment Fund Report at February 28, 2022

The report linked above shows our investment activity. For the two months ending 2/28/22, we've experienced a loss of almost \$50,000. For the eight months ending 2/28/22, we've seen a 7.1% loss in our Equities and a 5/9% loss in our ETF's.

An email from Jennifer Davis of SkyOak Investments is available which shows an update of what is happening and how their firm is handling it.

No discussion took place.

RWP-Workforce Board Membership

- Appointments to RWP Workforce Board – RWP Membership & Positions

Jim reported that although Lance Corley was torn about resigning his membership to the workforce board, his position is changing and he will no longer serve as member of the workforce board; however, he wants to stay engaged with the work that is being done.

A suggestion was made to add representation from viticulture. Jim indicated that although we have had conversations in the past regarding representatives from the food industry, our investment strategies are those that are traded sectors and/or they have better than average career pathway jobs.

Jim proposed the addition of a seventh sector – Children, Youth and Family. Nominations for representatives from that sector will be added in the future.

Of the current 27 positions on the workforce board, the law requires that 51% be from business. Jim and Heather will continue to recruit as well as to talk to current members who have not been active to gauge their interest in continuing with the board.

Jim, Heather, and Commissioner Dotterer will continue conversations about filling the vacant Economic Development position.

NOTE: A correction was made to the Membership & Positions list to remove Healthcare/Senior Care on line 12.

The following appointments were presented to the Corporate Directors to recommend membership appointments to the Rogue Valley Workforce Consortium:

Dr. Rick Bailey	<i>Southern Oregon University</i>
Dr. Randy Weber	<i>Rogue Community College (starts July 1)</i>
Steve Scarlata	<i>Crater Lake JATC</i>
Nick Carpenter	<i>IBEW</i>
Terry Fairbanks	<i>Southern Oregon Forest Restoration Collaborative</i>

The motion was made by Nikki Jones to recommend the RWP membership appointments as presented to the Rogue Valley Workforce Consortium. The motion was seconded by Mike Donnelly. There was no discussion. The motion passed unanimously.

Due to not having a quorum of the Rogue Valley Workforce Consortium today, a separate meeting will be convened to approve the above member appointments.

- Filling Remaining Vacancies / Recruiting New Members

Heather and Jim will continue to work on filling vacancies on the workforce board.

Agenda Prep for April 22, 2022, Workforce Board Meeting

The April 22 meeting will be shortened and will focus on the Future Ready funding package that will be signed by the Governor next week.

Other items that we will discuss include:

- Regional economics as well as RWP's internal work, and staffing
- Review of the "Big Rock" infographic
- Big Data and Predictive Analytics
- Sector Reports and Strategies
- Report out from SOELC
- Goodbye to Cathy Kemper-Pelle and welcome Rick Bailey

Mike noted that RWP has done a great job of bringing the educational leaders into the conversations with business and they have been very willing to listen to the needs of the businesses.

Nikki Jones will be retiring at the end of the year and her position will need to be filled. Heather and Jim will be talking to Andy Linerud of Express Pros about replacing Nikki.

Brent Kell, Valley Immediate Care has been identified as a possible candidate for the RWP Corporate Directors.

Adjourn

With no further business, the RWP Corporate Directors and Rogue Valley Workforce Consortium meetings were adjourned at 3:44 p.m.

Respectfully Submitted,

Tami Allison
Senior Project Manager



Approved
Jessica Gomez, RWP Chair

Date

Approved

Commissioner Darin Fowler, RVWC Chair

Date