

Yavapai County Workforce Development Board Executive Committee July 14, 2020 Meeting Minutes

Attendees:	Present/Absent	Number of Absences in 2020
Anita Payne, Chairman	Present	0
Philip Tovrea, Vice-Chairman	Present	1
Steve Silvernale	Present	0
Mark Timm	Present	1
Gary Hassen	Present	0
Rick Duff	Absent	1

Staff: **Teri Drew, Executive Director**
 Julia Sawyer, Executive Assistant

I. Call to Order/Welcome/Introductions

Vice Chairman Philip Tovrea called the meeting to order at 2:10 PM. The meeting was held virtually via Zoom Meetings. Executive Assistant Julia Sawyer called roll – a quorum was present. WDB Executive Director Teri Drew reviewed meeting protocol, noting that all meeting materials have been made available to the public on the NACOG website as well as the ARIZONA@WORK Yavapai County website.

II. Approval of the May 14, 2020 Minutes

Chairman Payne joined the meeting and called for a motion and second to approve the minutes from the May 14, 2020 meeting of the Executive Committee. **Gary Hassen moved to approve the May 14, 2020 meeting minutes, seconded by Phil Tovrea.** With no further discussion, **the motion carried unanimously.**

III. Chair’s Report

Chairman Payne began her report by thanking the Executive Committee for their support of the recommendations for the WDB Executive Director, Teri Drew, following their evaluation of her performance. Chairman Payne reported that she will be sending a letter to NACOG Executive Director, Chris Fetzer, with the Executive Committee’s recommendations.

Chairman Payne then congratulated Ms. Drew for her completion of the Arizona Economic Development Professional (AZED Pro) certification through the Arizona Association of Economic Development. Chairman Payne noted that this is a state certification for economic development. With that, she turned the meeting over to Ms. Drew for the Director’s Report.

IV. Director’s Report

Ms. Drew thanked everyone for agreeing to meet today, apologizing for the inconvenience due to administrative issues that caused the reschedule of the July 9, 2020 meeting. Ms. Drew noted that she would move quickly through the action items on today’s agenda.

➤ **WDB Budgets**

Ms. Drew began by reviewing the Workforce Development Board Budget for Program Year (PY) 2020-2021, noting that all members received copies of the WDB and Title I budgets prior to the meeting for review and consideration. Ms. Drew noted that the WDB Budget is allowable by federal law.

The WDB budget for this Program Year is proposed at \$460,467, an increase over last year of \$60,834. The budget includes staffing for the board with additional hours focused on the WDB. Ms. Drew noted that salaries and related fringe were increased this year by 2%, following the NACOG Cost of Living Adjustment (COLA). She also noted that her hours were increased to 24 hours per week, based on WDB demand.

Other adjustments noted on this year's budget included a decrease in the Indirect Cost Rate from 7.4% to 7.3%, and increases in administrative costs for Career Services (Core Services) for Adult, Youth and Dislocated Worker (DW). Ms. Drew noted a correction on the budget to remove Rapid Response from Core Services, which is not included in the budget this year; funds are being retained by the State. Per Workforce Innovation and Opportunity Act (WIOA) regulations, all partners have a responsibility to pay a fair share of the Board's budget, however, NACOG Title I was the only contribution to the PY2019-2020 budget. Invoices were sent to partners using the WDB methodology for payments that include only costs associated with Professional and Outside Services, Travel and Other costs, as well as Career Services. No response was received from the Department of Economic Security (DES), and \$15,000 was contributed to programs from Title II. Ms. Drew noted that we did receive cost sheets from DES for PY 2020 that should be included in the Infrastructure Funding Agreement (IFA) presentation in August for One Stop fair share, not for the WDB Budget.

Ms. Drew recommended the continuation of the equal shares to partners methodology, with Title I absorbing salaries, fringe and related costs since NACOG is the employer of record, and share the other expenses equally between Title I NACOG, Title II Department of Education, and Titles III and IV DES. Ms. Drew noted that last year the WDB met WIOA requirements by establishing a fair share contribution methodology and by approving the WDB Budget – the Partners are out of compliance without payments. All will be invoiced again this year. Ms. Drew noted that Title II will be allotting \$17,061 to the Yavapai County Workforce Development Area IFA, but clarification on how it will be distributed has not yet been received. She expressed appreciation to Title II for these funds.

Chairman Payne called for further discussion on the WDB budget, and a motion and second to approve the recommendations. **Gary Hassen made the motion to approve the WDB Budget recommendations, seconded by Steve Silvernale. The motion carried unanimously.**

➤ **Title I Budgets**

Ms. Drew continued, presenting the Title I Budgets for Adult, Youth and Dislocated Worker programs, which she noted the WDB has the authority to approve. She began by noting the WIOA allotment comparisons from PY 2019 to PY 2020 which demonstrated an overall 14% increase over last year's funding per COVID-19 allocations. She reviewed the comparisons:

- Adult - \$139,804 increase over PY 2019 (+30%), total Adult budget – \$611,602
- Youth - \$104,836 increase over PY 2019 (+23%), total Youth budget - \$558,000
- DW - \$48,145 increase over PY 2019 (+8%), total DW budget - \$657,162
- Rapid Response \$25 million local allocation was retained at the state level, impacting our local area by a negative \$73,082.
- Total increase to Yavapai County Title I: \$219,703.

Ms. Drew remarked that the State has notified local areas that they are developing a plan for making the Rapid Response funding available to the local areas, however a plan has not yet been provided. Ms. Drew reminded everyone that Rapid Response is activated when there is a local business closure or layoff, or an opportunity for layoff aversion. She had made a request to the Workforce Arizona Council to reconsider their decision regarding withholding Rapid Response funding to the local areas, noting that Chairman Payne and Supervisor Randy Garrison were present at the meeting. She noted that the local areas can respond much quicker to businesses considering layoffs/closure than could happen at the state level. While the Workforce Arizona Council listened to her plea, the decision had come from the Governor's office and was not changed.

Ms. Drew prefaced the budget summary by reporting an additional 10% increase to the Administration allocation, made by the Department of Labor (DOL). This was due to impacts of COVID-19 related closures and a deficit in the number of individuals utilizing One Stop Centers as a result. The 20% allocation allows for more flexibility in the use of the training funds, as Administration budgets may be spent for training support across all programs, limiting the possibility for carry-over and assuring a 100% expenditure rate.

Ms. Drew spoke about the many hours that were spent in recent months by One Stop staff assisting individuals over the phone with unemployment claims filing as a result of the closure of the economy and loss of jobs and income. Ms. Drew noted her efforts on recent phone calls with federal administration to encourage educating Unemployment Insurance (UI) recipients of the temporary nature of their federal benefits, and to consider incentive bonuses for UI recipients to return to work.

Ms. Drew began reviewing the Title I budgets, noting an increase from \$1.6 million to \$1.8 million, with a two-year expenditure opportunity beginning July 1, 2020.

Ms. Drew highlighted the Title I Adult budget categories and strategies for providing the most benefit to programs, to include a Needs Based Payments (NBP) for all programs, which is a payment to students that we support for Occupational Vocational Training. NBP is set at \$9.00 per hour for hours in classroom training only, up to 20 hours per week.

Some discussion followed regarding the increase in Administration to clarify that the increase is sanctioned by the federal government, which Ms. Drew confirmed. With no further discussion, Chairman Payne called for a **motion to approve the Title I Adult Budget as presented; so moved by Steve Silvernale and seconded by Gary Hassen. The motion carried unanimously.**

The next review highlighted the Youth budget, which is 23% overall of the total Title I allotment. Ms. Drew reviewed the increases, noting again that there is 20% for Administration; she also noted a correction to the report regarding the 78% for Training, which should be 79%; and 1% for NBP and Support Services. A question was asked regarding the obligation of Summer Youth Program funding, to which Ms. Drew responded that the Summer Youth Program is already underway this year. She noted 25 positions available this year and only three of those positions went unfilled – positive comments followed. Chairman Payne called for a **motion to approve the Title I Youth Budget. Steve Silvernale moved to approve the Title I Youth Budget with the change from 78% to 79% for the Training portion as a correction; seconded by Gary Hassen. The motion carried unanimously.**

Ms. Drew then reviewed the DW budget, noting 20% of the total going to Administration, 77% to Training and 3% going to Participant Support. She commented that these budget allocations were determined prior to COVID-19, and most clients that we are working with are dislocated from their

jobs. One of the highlights that Ms. Drew noted was that Customized Training is becoming more important now, with employers finding the need to develop training for workers to operate within the guidelines established by the Centers for Disease Control (CDC). She also noted that it should be remembered that budgets are a plan, and should be flexible to meet the demands at hand. **Steve Silvernale made the motion to approve the DW Budget as presented. Mark Timm seconded the motion. The motion carried unanimously.** Ms. Drew thanked everyone for their support, noting that these funds are now available and the Budget will go before the Yavapai County Board of Supervisors for approval tomorrow.

Ms. Drew then reviewed an “information only” budget transfer that was made earlier in the year to move \$150,000 from the DW budget to the Adult budget. The breakdown was provided to demonstrate how the monies were distributed into the Training category of the Adult budget from the Training category of the DW budget, based on the demand at the time. She noted that the transfer process only requires Chairman Payne’s signature as well as her own signature. Ms. Drew asked for comments, there were none.

➤ **SGA Addendum Review/Approval**

Ms. Drew continued to the next agenda item; the approval of the Scope of Work Memorandum (SOW) as revised per the guidelines approved by the State, as an addendum to the previously approved Shared Governance Agreement (SGA). The SGA is the agreement of the Board of Supervisors and WDB outlining the roles and responsibilities of each party. The SOW is an agreement with the WDB, the Board of Supervisor and NACOG, to provide services for Title I Adult and DW, as well as Youth Services, as NACOG was selected to do so following a Request for Proposals for Youth Provider and One Stop Operator.

Ms. Drew noted that the SOW is not new, but has been updated with minimal changes as requested by the State. Those changes included the removal of the term “Administrative Entity” in reference to NACOG and replaced with “Program Operator” throughout. Also, language was updated to make clear that Title I Provider Services are “under the authority of the NACOG Executive Director.

Attachments to the SOW includes the State-approved Yavapai County Service Delivery Organizational Chart, which demonstrates in chart form the flow of services in the ARIZONA@WORK Yavapai County workforce system, and the firewalls between providers of services and staff to the Board. Also included is the list of roles and responsibilities of the Board of Supervisors, the WDB Executive Committee, the WDB General Board and NACOG. The roles listed mirror those approved in the SGA, with the addition of the General Board responsibilities. Ms. Drew shared a story highlighting the importance of having such a document as this and the consequences that resulted with one local area that did not have a document like this. Ms. Drew noted that the agreement is self-perpetuating and has no term date. It will require Chairman Payne’s signature, as well as the Board of Supervisors and the NACOG Executive Director. She opened the floor for comment. Chairman Payne called for questions and comments, and hearing none, called for a **motion and second to approve the updated Scope of Work Memorandum as an addendum to the Shared Governance Agreement. Steve Silvernale made the motion to approve the Scope of Work Memorandum as an agreement between the Board of Supervisors, the WDB and NACOG; seconded by Gary Hassen. The motion carried unanimously.**

➤ **PY2019-2020 Award Nominees Selections**

Ms. Drew reported that the Club at Prescott Lakes has been confirmed as the meeting site for the August 6, 2020 Annual Meeting. The meeting will also be made available via Zoom for those who wish to attend virtually. She noted that, due to CDC guidelines, a buffet lunch will not be available,

but a plated lunch will be served to Board members and the Annual Award winners in attendance. She then referred to the list of award nominees from all Title I program categories: Adult, Dislocated Worker, Veteran, Youth, and Employers. She noted that, because this is a public meeting she would give her recommendations for award winners by announcing the first and last initials of the nominees. The recommendations are as follows:

- Veteran – T.H.
- Adult – A.D.
- DW – C.H.
- Youth – A.W.
- West County Employer – P.V.
- East County Employer – W.T.

Ms. Drew noted that the members of the Executive Committee received the list of nominees to review, but to protect the privacy of the nominees and to keep the element of surprise, the names are not given. Chairman Payne called for a **motion to approve the recommendations for the PY2019-2020 Award Nominees; so moved by Mark Timm and seconded by Gary Hassen. The motion carried unanimously.**

V. 2020-2023 Workforce Development Plan Review/Approval

Ms. Drew reported that the U.S. Department of Labor requires a 4-year Plan from WIOA recipients in local areas. She noted that the Executive Committee reviewed the Plan outline and approved it for release for Public Comment on May 14, 2020. Ms. Drew reviewed the timeline and the Yavapai County Plan, noting the following events: The Public Comment Period was from May 28, 2020 through June 19, 2020, a three-week period. Maximum time allowed for public comment was 30 days. Ms. Drew noted the short turn-around time for plan preparation from the time guidance was released by the State to the point of publication for comment – from early April to the end of May. The Plan was published through the Daily Courier, the Verde Independent, the NACOG website and the ARIZONA@WORK website. It was also sent out to Board Members and the Board of Supervisors for comment. Ms. Drew noted that the link was also sent to our partners at DES to provide comment during the public comment period. DES responded that they would hold their comments until the specified period to submit the Plan to the State for review, July 1 – 15, 2020. No public comments were received during public comment period.

Ms. Drew noted that one element was missing prior to June 19 – Performance Measures. The State had not released any Performance Measures for the Plan. We have since received the proposed performance measures for Yavapai County, and it is now included on Pages 80-83. Negotiations for final performance measures are pending between the State, WDB and Board of Supervisors. Ms. Drew also reported that, upon receiving a Plan checklist from the State, it was discovered that a section related to the economic development planning region was overlooked. This section was updated to demonstrate the coordination of economic and workforce development planning for the four county region of Apache, Coconino, Navajo and Yavapai counties.

With these updates, the document has been re-posted for public comment, and did not receive any comments. The Plan will go before the Board of Supervisors tomorrow, and is due to the State tomorrow as well. Ms. Drew thanked the Executive Committee for meeting today to assist in meeting those tight timeline requirements. With that, she turned the floor over to Chairman Payne, who called for comments. Positive remarks regarding the quality of the Plan were noted. Chairman Payne called for a **motion to approve the 2020-2023 Yavapai County Workforce Development Plan draft; so moved by Phil Tovrea and seconded by Gary Hassen. The motion carried unanimously.**

Ms. Drew thanked everyone, noting that they now have a bird's eye view of what has been going on over the last few months at the EWD office. She noted that not having public access to the building during the COVID-19 shut down allowed her more time to concentrate efforts to get these items completed. With that she concluded her report.

VI. Member Comments

Chairman Payne called for member comments. There were none.

VII. Public Comments

Chairman Payne called for comments from the public, there were none.

VIII. Adjournment

Chairman Payne called for a **motion to adjourn; so moved by Gary Hassen and seconded by Steve Silvernale. The motion carried unanimously. The meeting adjourned at 3:00 PM.**

Minutes of the Workforce Development Board Executive Committee – July 14, 2020

Approved:

DRAFT