



BOARD MEETING MINUTES

February 16, 2017

Umpqua Business Center

522 SE Washington

Roseburg, OR 97470

SOWIB Members Present:

Kelly Morgan, Chair

Jon McAmis

Wayne Patterson

Patty Scott

Robert Westerman

Bryan Grummon

Debbie Sargent

Andy Owens

Tami Trowbridge

SOWIB Staff Present:

Jake McClelland

Kyle Stevens

Angie Billings

Lisa Crockett

Others Present:

Rachel Soto, HECC

Annette Shelton-Tideman, OED

Curry Commissioner Court Boice

Sara Hummel, Jones & Roth

(phone)

Mark Warne, AFL-CIO

Kale Donnelly, OED

Shawn Clark, UEDP

Jamie Kendellen, ECWIB

(phone)

Rena Langston, UT&E

Susan Buell, UT&E

Don Cook, Express Pros

Gary Mueller, Project

Masters (phone)

Call to Order and Confirmation of Quorum

The meeting was called to order at 12:01PM by Kelly Morgan, Chair and a quorum was present.

PUBLIC COMMENT SESSION: No public comments were made

BOARD ACTION ITEMS

DISCUSSION AND POSSIBLE ACTION: Review and approve board meeting minutes from October 20, 2016, *Lisa Crockett*

A motion was made by Jon McAmis and seconded by Bryan Grummon to approve the minutes as presented. Motion carried by unanimous vote.

DISCUSSION AND POSSIBLE ACTION: Review, discuss and approve audited financial statements for the Fiscal Year ending June 30, 2016, *Sara Hummel - Jones and Roth CPAs and Business Advisors*

Sara presented the draft audited financial statements. There were no findings on the financial statements, however there was a material weakness on the internal controls with control over compliance for the WIOA cluster. She stated that everybody recognizes this was a challenging transition year, but the internal controls did not provide assurance that accounting information was properly maintained. However, as we look forward, with some

of the steps the organization has taken, she feels confident that the will be strengthened and SOWIB will be in compliance.

Bryan asked what impact this finding might have. She stated that it is a serious finding and the organization will be required to complete a Corrective Action Plan, but there is also an understanding that this is an initial audit and that SOWIB is taking steps to remedy the situation. The state will most likely follow up on the Corrective Action Plan that SOWIB implements but she was unable to say if there would be serious repercussions due to these findings. Kelly asked when the Corrective Action Plan needed to be completed and Sara answered that it should be done very soon as the audit needs to be submitted to the clearinghouse by March 31, 2017. There were no material changes to the draft financials so the audit will become the official report. A motion was made by Robert Westerman and seconded by Andy Owens to approve the audit as presented. Motion carried by unanimous vote.

INFORMATION:

Jake introduced Angie Billings as SOWIB's new Fiscal Manager. She was previously the CFO of the State of Idaho and was recently with ORCCA as their Finance Director. Her experience involves governmental and non-profit accounting. She can be reached at 541-751-8528 or abillings@sowib.org.

Bryan asked Angie that with the conditional nature of the audit, did she feel this was a problem and would ever happen again. Angie said she can't say it won't ever happen again but she has come into other situations where there have been audit findings and she has a great deal of experience setting up internal controls and monitoring of sub-recipients. She has already started the process of making sure that SOWIB and the sub-recipients are in compliance. She is confident that the correction will be made this year.

DISCUSSION AND POSSIBLE ACTION: Review, discuss and approve release of One-Stop Operator and Title IB Service Provider RFPs for Program Year 2017, *Jake McClelland*

Jake stated that SOWIB has to procure a One-Stop Operator (OSO) by July 1, 2017 and will need to RFP. The OSO will come in and manage the day to day operations of all WorkSource centers, and will help implement the MOU and Cost-Sharing Agreement with all the required partners. After discussion on the 3 options presented in the meeting packet, Kelly asked if staff had a recommendation. Jake stated that staff recommended Option 3 ~ SOWIB seeks to procure one entity to serve as both OSO and Title IB service providers. Kelly asked if the Board had a preference and after discussion, they agreed with Option 3. A motion was made by Patty Scott and seconded by Tami Trowbridge. The motion passed unanimously.

The second part of the agenda item required discussion on service provider options for SW Oregon. The discussion was to determine whether the RFP would require applicants to provide services for all programs in all 3 counties or if the board should select different providers for each county.

After a robust discussion, Robert Westerman asked what the staff recommendation was. Jake stated that staff is recommending Option 3 ~ SOWIB releases an RFP that again allows for bidders to select individual programs and counties for which they would like to serve. The board discussed that they were supportive of Option 3 but they would like to structure the RFP to say that the board has a preference of receiving RFPs that are all-inclusive but if applicants are only able to manage certain programs and counties, they should submit their RFP with what they are capable of providing.

Robert Westerman made a motion to go with Option 3 establishing a preference for the entire region, but accepting RFPs for individual programs and counties. Andy Owens seconded. Motion passed unanimously.

DISCUSSION AND POSSIBLE ACTION: Review, discuss and appoint board members to serve on the RFP Evaluation Committee, *Jake McClelland*

Last year there were 5 members on the RFP evaluation committee. They reviewed and scored the RFP's and provided a recommendation to the full board and the board voted to adopt the recommendations. Jake suggested we take the same route. The previous evaluation committee was Dena Miles, Bryan Grummon, Jesse Morrow, Debbie Sargent, and Connie Stopher, who has resigned from the board due to her family relocating out of the area. The option is to drop down to a smaller committee of 3 members or add a volunteer to the existing committee to replace the open seat. Kelly asked if Bryan and Debbie wanted to participate again and they both agreed. Dena and Jesse were not in attendance but staff will check with them to see if they are still interested in participating. Robert Westerman volunteered to be on the committee as the 5th member. No action was necessary.

DISCUSSION AND POSSIBLE ACTION: Review, discuss and approve contract augmentation for existing service providers Umpqua Training & Employment (UT&E) and South Coast Business Employment Corporation (SCBEC), *Jake McClelland*

We currently have \$165,000 available to augment service providers contracts. The funds are distributed the same way as they are allocated for all funds, a formula that provides for each county based on their percentage of population. SOWIB is offering \$100,000 to UT&E for Douglas County and \$65,000 to SCBEC for Coos/Curry Counties. Documentation has been provided from SCBEC as to where they would like to allocate the funds (detailed information provided to board members), but UT&E is still pending because they came back with a counteroffer different than what SOWIB initially asked for. SOWIB asked that 100% of the funding be spent on participant services but UT&E is asking to allocate the funds by ramping up salaries for their current staff. Since the details weren't available prior to this board meeting, staff will get back to them to get a final proposal which will be sent out to the board for approval.

Kelly asked if there was a timeframe that the board needed to sign off on that. Jake said the sooner the better. The money has to be spent by the end of the contract date of June 30 and if not spent then SOWIB will recapture the money and put it into next year's contract.

Angie stated that the board should receive the information by early March and will be notified if there is a further delay.

Robert asked why UT&E had a problem with allocating the money to participant services. Kelly asked Susan Buell, President of UT&E if she would like to respond. Susan stated that they didn't have enough time to look at the line items for the budget and she didn't want to make a commitment until they had time to review the details.

Angie stated that the Back to Work Oregon portion of UT&E details were ready for action so she asked if the board would approve that portion with the rest of the budget pending until we receive further detail.

Since the UT&E budget modification is tabled pending further detail, Patty Scott moved to approve the budget modification for SCBEC and the line items submitted by UT&E. Debbie Sargent seconded and the motion passed unanimously.

INFORMATION:

SOHIP: Jake and Kyle presented an update on the Southwestern Oregon Healthcare Industry Partnership (SOHIP). Healthcare is our first sector partnership identified. There was a good turnout at the first industry meeting on August 31 and the group identified 7 areas of critical need. Several committees were created and they have participated in several conference calls to discuss solutions to the problems identified. A second well attended meeting was held February 2 and SOHIP focused on the 3 major issues the committees are working on: Critical Occupations, Earn and Learn Models, and Recruitment Strategies. Committees will continue to meet throughout the summer with the next full meeting with industry leaders being targeted for August 2017.

Girls Who Code: Kyle informed the board about the 3 Girls Who Code programs SOWIB has recently launched. There are currently 3 clubs; 2 in Coos Bay and 1 in Gold Beach with the goal being to close the gender gap in technology related careers.

Train Oregon Demonstration: Kyle updated the Board on the launch of a new online learning portal for job seekers called Train Oregon. There is an extensive catalog of online classes to augment the job seekers skill set available at no charge for the recipient as long as they are registered through the WorkSource offices or through our service providers. There is a high number of healthcare and manufacturing classes available so it ties in very well with our sector focuses. The cost is currently being covered by a statewide grant through June 30, 2017 and at that time SOWIB will work with the program coordinators to determine how to continue the program.

STANDING REPORTS

Performance/Monitoring Update: Kyle provided an update on Coos, Curry and Douglas performance. Updated paperwork was not available prior to the board packet being sent out, however it is now available on SOWIB's webpage <https://www.sowib.org>.

Robert asked for an explanation of the last page identifying the per participant costs incurred to date. He specifically questioned the very last entry of \$12,752 spent on training for one person. Kyle clarified that this is what happens when the data is inputted into I-Trac incorrectly...Kyle is confident the participant was entered into 2 different fund categories.

Fiscal Update: Angie provided a summary and detailed financial report of SOWIB and current budget spending for both providers through December 31, 2016. Also included was a SOWIB budget modification request to get the spending authority from the board in order to continue with contract modifications with SCBEC and UT&E. Robert Westerman moved to approve the budget modification, Debbie Sargent seconded. Motion passed unanimously. However, a few members had to leave the meeting early so the quorum was no longer in effect. SOWIB will need to follow up with an email vote to approve these documents.

Tami thanked Angie for the documents she has provided. Bryan mentioned that he appreciated that it was presented in a way that was easily understood.

Local Leadership Team Update: Debbie Sargent provided an update on the LLT. They start with a roundtable with the 5 mandated WIOA partners: DHS, Voc Rehab, Title 2 Community College, Employment Department, and Title I Providers. Each partner shares what is going on in their world; grants, projects, trainings, partnership support and collaboration. The group discusses issues that they are facing. They also provide support roles for Board projects such as sector partnerships.

Regional Economist/Analyst Update: *Annette Shelton-Tideman/Kale Donnelly*

Jake introduced Kale Donnelly as the new Workforce Analyst for the Research Division. He explained the resource he will be for the board members. Bryan asked what confidence Kale has in the data. It is done with the employment department's occupational projections, they do take a while to happen which explains why there is a 2-year lag.

Executive Director Report: Jake reminded the board that in the November elections, we had lost Consortium members Susan Brown from Curry County and Susan Morgan from Douglas County. He then introduced one of our new Consortium members and Curry County Commissioner, Court Boice. The Douglas County Consortium member has yet to be appointed. He then stated that the SOWIB board is losing Vice Chair Connie Stopher and Board member Meghan Lake, so the Commissioners will be appointing 2 new members soon.

Jake then informed the Board that the initial numbers from the Feds came out and the State of Oregon overall is going to be looking at a 10% reduction in WIOA Formula Funds. He does not have information yet on how it will affect the local boards.

There were no additional questions. Meeting adjourned at 1:59 pm.