



Western Virginia Workforce Development Board
Finance Committee Minutes
September 27, 2018 – 10:00 AM
Western Virginia Workforce Development Board Offices
313 Luck Avenue SW, Roanoke, VA 24016

Committee Members:	Present:
Casey Nicely, Chair	X
Shawn Hildebrand	Phone
Katherine Holcomb	X
Bill Jones	
Staff:	Present:
Morgan Romeo	X
Leah Gibson	X
Candace Martin	X
Sherry Dean	X
Guests:	Present:
Corbin Stone	X

CALL TO ORDER

Casey Nicely, Chair of the Finance Committee, called the meeting to order at 10:30 AM. A quorum was not present and therefore the Chair noted that no actions would be able to be taken at the meeting. There was a request for a change to the agenda to allow for Corbin Stone, with Robinson Farmer and Cox Associates, to present the PY2017 A-133 Audit results prior to Committee business.

PUBLIC COMMENT

There were no comments from the public.

PY2017 AUDIT REPORT

Sherry Dean reported that Corbin Stone and Robinson, Farmer, and Cox Associates had completed the required A-133 Audit for the Western Virginia Workforce Development Board for PY2017 and invited Corbin to share the results with the Committee. Corbin reported that the Audit went very well, and there were no material findings on the Audit for PY2017. Corbin referenced the Audit that was presented in the packet. Sherry Dean reported that there were a few suggestions by the auditing firm for additional financial policies to conform with Uniform Grant Guidance that the Board should adopt, and Sherry noted that she and Morgan would work on drafts of the

policies prior to the end of the Program Year for review by the Committee. The policies would then need to be recommended to the Board and Chief Local Elected Officials (CLEO) for approval.

As there was not a quorum present, the Committee could not recommend the audit to the full Board, but the full Audit results would be presented at the Board and CLEO meeting for approval.

APPROVAL OF MAY 24, 2018 FINANCE COMMITTEE MEETING MINUTES

Casey Nicely directed the Committee to review the minutes from the May 24, 2018 Finance Committee meeting. Casey noted that while no action could be taken to approve the minutes as presented, the Committee could make recommendations on revisions that were needed. There were no revisions requested.

WVWDB FINANCIAL PROCESS DISCUSSION

Financial Allocation Process

Morgan Romeo directed the Committee to page 6 of the packets to review the financial allocations for PY2018 from the US Department of Labor. Morgan went through the financial allocation process, and the formula that is used by the Virginia Community College System to determine the allocation for each of the 15 Local Workforce Development Areas in the Commonwealth. Morgan noted that the Roanoke Valley and Alleghany Highlands region had taken a significant federal cut over the last three (3) years, and that with reduced carryforward allocations over time, the reduction will finally start to be felt by the Board in PY2018. Morgan noted that the budgets that were being presented had been reduced for the Board staff as well as the WIOA Title I Service Provider, which will reduce the number of participants and the amount of training funding that can be provided.

The Committee discussed the formula for the allocations to the Local Areas in the Commonwealth, and Morgan noted that the Virginia Employment Commission supplies the data for the allocations and that it was likely the data was delayed. Morgan noted that the area may see a slight increase in PY2019 due to the number of layoffs in early 2017, but that it was unclear if they would offset other data that is used to determine the allocation.

Expenditure Requirements/Regulations

Morgan also noted the funding expenditure requirements for the WIOA Title I funding that was received by the US Department of Labor. These requirements include that 40% of Adult and Dislocated Worker expenditures be spent on training activities, that 20% of Youth expenditures be spent on work experience activities, and that at least 75% of Youth expenditures be spent on Out-of-School Youth. Morgan noted that these expenditure requirements, most notably the 40% training expenditure requirement, has

also caused strain on the WIOA Title I Service Provider, as they are unable to count any Case Management time toward this requirement. Thus, the number of Case Managers have had to be reduced to accommodate the requirement, which has resulted in less individuals enrolled in the programs.

BUDGET REVIEW

PY2018 Budget vs. Actual Approval

Morgan Romeo presented the PY2018 Budget vs. Actual Report for the Committee to review. Morgan noted that since an original budget was approved in June 2018, the Budget vs. Actual report reflected the original budget until a new budget was approved. The Committee reviewed the report and had no additional comments.

Morgan noted that the committee would review a more detailed Budget vs. Actual report in the future, along with a detailed record of Ross IES expenditures on the programs. This would help the Committee accurately track the Board's expenditures and ensure that we are in compliance.

PY2018 Budget Revision Approval

Morgan Romeo directed the Committee to page 9 in the packets to review the Budget Revision Request to be approved by the Board and CLEO. Morgan noted that the federal allocations were not received until after the original budget had been approved in June 2018. Since there was a reduction in funding, the budget needed to be revised. The most significant item to note was that \$100,000 was taken from the WIOA Title I Service Provider in the Adult program due to the reduction.

Morgan noted that the Committee and Board had never seen the budget in a detailed way, and that this would be presented to the Committee on at least an annual basis to evaluate the Board and sub-recipients spending. Morgan noted that the discretionary grants that were awarded to the Board (America's Promise, United Way, Virginia Financial Success Network, etc.) had allowed for less WIOA Title I funding to be used at the Board level.

The Committee reviewed the Budget Revision request and no additional comments were made.

PY2017 Carryforward Allocation

Morgan Romeo explained the carryforward process to the Committee, noting that the funds provided to the local areas had a two-year lifespan on them. Morgan stated that due to the discrepancy in the Program Year versus the federal fiscal year, there was only a limited amount of federal funds available in the Adult (7%) and Dislocated Worker (12%) programs. Due to this limited availability, it was critical for the Board to carryforward funds from the previous Program Year to get through the first quarter

without layoffs and closures of programs. While the carryforward money is important, there should also not be too much in carryforward funding to eliminate the risk of not spending the previous year funds by the end of the second year. Ideally, previous year funds should be expended by December of the second year.

Morgan referred to the budget again on page 9 and noted the significant carryforward that was being projected, particularly in the Youth program. Board staff committed to coming to the Committee with a plan at the next meeting (November) to allocate funding to reduce the amount of carryforward that would be left, while also considering the amount of funding that was needed to sustain programs. Morgan noted that some local areas conduct “special programs” with large amounts of carryforward and that would also be an option for the Board.

ROANOKE CENTER COST ALLOCATION PLAN & RENT ALLOCATION

Morgan Romeo directed the committee to the cost allocation plan for the Virginia Career Works – Roanoke Center in the packet. Morgan stated that because the Roanoke Center was a comprehensive Center, a cost allocation plan that noted infrastructure and shared costs was required by federal law. The plan in the packet was the final version of the cost allocation plan for PY2018 for the Center, and that with the One Stop Coordinator coming onboard on October 1, 2018 with Ross IES, they would be responsible for the execution of this plan (paying and billing partners) in the future. Cost allocation was required because it's a comprehensive center.

RESCARE CLOSE OUT PROCESS

PY2017 Profit Payout

Morgan Romeo stated that Board staff were continuing the closeout process with Rescare Workforce Services, but that one outstanding item was the profit invoice. Due to the contract outlining performance outcomes for Rescare in order to receive profit, the Board was unable to payout the profit invoice due to not having final data from the state on those performance measures. Morgan stated that she would be working with the state and Leah Gibson to get the performance outcomes finalized and report back at the next Committee meeting on the progress.

PY2016 Youth Expenditures

Morgan Romeo directed the Committee to their packet to review an expenditure breakdown statement regarding Youth expenditures that were charged to PY2016 funds. At the end of PY2017, Rescare accrued expenditures that had not yet been paid. When the final invoice was received with those accrued expenditures, Rescare had over-accrued, which coupled with profit being reduced and disallowed costs found on the monitoring, left a balance in PY2016 funds. As it was the second year to spend those funds, the Board is facing the return of \$5,337.68. Morgan stated that giving money back to the state in any circumstance should be avoided at all costs, and let the Committee know that the other option would be to ask the state if the monthly

expenditure reports could be correct to reallocate PY2017 funds to PY2016. The Committee recommended that staff investigate that option and Morgan noted that she would report back to the Committee regarding this issue if a correction was not allowed to be made.

OTHER BUSINESS

There was no additional business brought up to the Committee.

UPCOMING MEETINGS

Casey Nicely noted that there was a Workforce Center and Services Committee meeting next week, followed by the quarterly Board meeting on October 5th at the Botetourt Technical Education Center.

Seeing no additional business, the meeting adjourned at 11:38 AM.

Casey Nicely, Chair

Date