



**Workforce Alliance Local Workforce Development Board (LWDB) Finance Committee
Meeting Minutes
May 31, 2023 – 1:00 PM**

1. Welcome and Introductions

Committee Chair Jeff Longwell welcomed attendees, asked for self-introductions and called the meeting to order.

2. Program Year 2022 (PY22) Budget Review

Chad Pettera provided a review of the current budget for the program year ending 2022 (PY22). Pettera noted that the numbers are through the end of March, which is three quarters through the budget year. Currently, the carryover is 38% of WIOA funds and 50% in non-WIOA funds. Pettera highlighted the Outreach and Capacity Building line item in the non-WIOA funding budget, which is overspent mainly due to some REAP and Youth Employment Program activities; staff are not concerned as there is ample funding remaining overall. All items are in line with what staff would expect for this time period year to date and on track to carryover sufficient funds to help absorb funding cuts for next year. It is a requirement to spend 70% of WIOA allocations in the year they are received and the remainder can be carried over and must be spent in the second year.

Report was received and filed.

3. Program Year 2023 (PY23) Budget Presentation

Pettera presented the proposed Program Year (PY23) budget, which includes all current funding streams WIOA and non-WIOA funds. WA received its planning allocation for WIOA for our program/fiscal year that starts July 1, 2023. Funding for the WIOA Title I programs at the federal level will increase by approximately 1.6% and decrease by almost 9%. The WA will see a cut in WIOA funding of about 9% in funding after two years of increases, with this Local Area absorbing the biggest decrease overall. Funding allocations are based on three criteria - overall unemployment rate, areas of substantial unemployment and disadvantaged youth or adults. A review was provided on other revenue sources that the WA has obtained by working with the State of Kansas or through grants and other funding opportunities. Kennedy inquired as to whether the One Workforce funding, which makes up about 50% of that funding is consistent. It is a \$9,000,000, five year US DOL grant, which has two and half years remaining that provides funding for training. WA staff continue to look for opportunities to obtain funding above the federal WIOA funding allocations.

The PY23 budget for the organization is increasing next year. There is an increase in wages and fringe, due to inflation and wage increases required to keep up with labor market demands as well as a few expansions of positions for new grants that are being implemented. Reductions to client services are largely tied to the decrease in carry over for the WIOA Youth Program. WA is implementing three new line items to better track information technology expenses; this will result in a decrease to the Supplies and Contracts line item. The planned budget allocates 37% of funds to direct client services which include work experience, training and supportive services.

The LWDB Executive Committee and the Chief Elected Officials Board (CEOB) will review the budget for approval at their next meetings.

Russell Kennedy (Commissioner Greg Thompson) moved to recommend the proposed Program Year 2023 (PY23) Budget to the LWDB Executive Committee and Chief Elected Officials Board (CEOB), with authorization to make adjustments once final carry over funding is known. Motion Adopted.

4. Program Year 2021 (PY21) Tax Return

The PY21, July 2021 through June 2022, 990 Tax Return was prepared by AGH after the completion of the A-133 Audit. The tax return was attached for Board review. The return was filed with the IRS on May 12, 2023, if changes need to be made an amendment can be filed; however, staff have no concerns.

Report was received and filed.

5. Program Year 2021 (PY21) A-133 Audit Review

A-133 Audit for the period of July 2021 through June 2022 was completed in March of 2023 by WIPFLI. The A-133 Audit was a clean report with no findings or recommendations. Staff have no concerns regarding the audit and as no corrective actions were required, it has been filed with U.S. Department of Labor and the State of Kansas.

Report was received and filed.

6. Cost Allocation Plan Policy Update

A new cost allocation plan to separate direct and indirect costs was presented for review and for recommendation to the LWDB Executive Committee. The U.S. Department of Labor is implementing changes to how costs are tracked for federal programs for direct and indirect costs; therefore, the WA must implement a new cost allocation plan. WA staff has worked with AGH and other entities to study the changes, draft a new policy and establish new processes. Indirect costs will be pooled at the end of every month and allocated out to programs in an indirect cost line item based on payroll hours to each funding code for that month. Future year's budgets will have a new line item and take funds from the existing line items and move to the new line. This change will take some strain off of the WIOA funding as it will spread costs across all funding streams; however, the process is more complicated and will require more labor hours and may not be as clean cut. The plan is more detailed than the previous plan and includes the information that DOL is requesting. Based on outcomes from the initial implementation of the plan, the plan may be brought back for changes to this Committee in the future.

Commissioner Greg Thompson (Dr. Kim Krull) moved to recommend the proposed cost allocation policy changes to the LWDB Executive Committee.

7. The meeting was adjourned at 1:46

Attendance

Jeff Longwell, Committee Chair, Eck Auto Group

Russell Kennedy, IBEW

Dr. Kimberly Krull, Butler Community College

Council Member Greg Thompson, City of Winfield / CEOB

Alana McNary, Professional Engineering Consultants

Staff/Guests

Keith Lawing

Chad Pettera

Shirley Lindhorst