



# Northwest Wisconsin Chief Local Elected Official Consortium Workforce Development Area #7

A proud partner of the American Job Center network

*The mission of the Consortium is to maintain the integrity of the WIOA funds.*

**Date & Time: Wednesday – July 17, 2024 - 10:00 a.m. - Via Zoom**

## MEETING MINUTES

**CLEOs/LEOs Present Via Zoom:**

- Charlie Glazman, Douglas County
- Terry Wedwick, Rusk County
- Bob Olsgard, Washburn County
- Emmett Byrne, Burnett County
- Steve Kariainen, Sawyer County

**Excused:**

- Rollie Thums, Taylor County
- Larry Youngs, Iron County
- Patricia Stephan, Price County
- Elizabeth Franek, Ashland County
- Larry Fickbohm, Bayfield County

**Staff/Guests:**

- Jeff Muse, CEP
- Jennifer Decker, CEP
- Mary Zinnecker, CEP
- Bob Kopisch, CEP Board
- Skyler Dural-Eder, CEP
- Bill Kacvinsky, CEP Board
- Michelle Smith, CEP
- Mari Kay-Nabozny, WIB
- Melissa Rabska, WIB
- Dawn Knapp, WIB

**Call Meeting to Order**

Charlie Glazman, Consortium Chairman called the meeting to order.

**Roll Call & Report of Public Meeting Notice**

Roll call was taken, a quorum was not present. The public meeting notice was published on the CEP website, social meeting, area library websites and County Government websites.

**Budget Discussion**

Charlie started the discussion by saying we need to develop a budget for the WDB area in order to get things ready in new fiscal year. Charlie asked Mari to make her case. Mari reported that the WIB had a proposed budget at the last Consortium meeting for \$171,831, and that didn't include the fiscal agent fee increase of \$5,000 but did include the \$22,500, the Consortium meeting and D & O insurance budget and the OSO budget. She noted they've reduced their budget ask by 27% since 2021. She said they utilized the activities in the fiscal MOU. Mari sent Charlie and Jeff a spreadsheet that quantifies this as best could be done and there are approximately 1,859 hours of known activities and then other items that pop up daily for them. She noted the NWWIB does do monitoring and oversight regularly as well as all the activities listed as required by WIOA which are more than some may realize. She said typically the 10% admin allocation would go to the Board but since we're separate, that money stays with CEP and instead the allocation comes from programming per a 2021 discussion with DWD. Steve Kariainen noted that he needs some historical perspective from the last couple years. Mari provided the previous year's budget that worked for everyone. He noted her staffing and admin look fixed at \$160k. Mari explained how their costs are developed and that there are some static costs such as the fiscal agent fee, OSO and CLEO budget. She noted that from a firewall standpoint, when you develop the budget backwards it would be illegal and disallowed, in violation of firewall agreements. Skyler asked if CEP develops the budget, how does this work? It was noted that it is confusing between the two entities, but the service provider cannot develop the budget for the board.

Michelle Smith said that CEP is paying mileage for Board members to attend meetings. Mari noted that they hold the line item and then CEP is assured that they have a WIOA set aside to pull from that line item. It doesn't need to be re-

budgeted. The WIB holds it and doesn't draw down, it's holding it for the CEP side, and she noted that CEP should have a surplus for PY23 and PY24 since the NWWIB was underspent by about \$80,000. Michelle noted CEP pays for the CEP D&O insurance. Skyler noted that we have to carry Board insurance and Mari said that's for the CEP Board and that this has come up in the past and she has reiterated to Jeff not to pay for a duplicate policy. Skyler noted, it's the same people on the CEP Board and Consortium. Mari noted that the DOL requires the WIB to pay for this insurance per the 2021 monitoring. Skyler noted that she can check on doing partial board insurance. Jeff noted that Consortium has looked at the WIB budget, and estimates anywhere from \$50k to their projection and understands the WIB's pain. He noted that CEP will have to make cuts too under WIOA as well.

Discussion took place on the duties of the WIB. Jeff noted that CEP is designated as a local area and that is a federal regulation and are looking at options as a CEP. Mari noted that when the comprehensive review took place in 2020-2021, that even though we're a CEP, we have to follow WIOA regulations. Michelle said the budgets for CEP do not look good. She discussed the overall budget, \$1,281,000.00. If we look at wages to staff, that's \$1,278,001.19 and there are no increases factored in, so wages would be frozen. She noted that fixed expenses are at \$438,000. She discussed the Youth funds around \$87,245. Michelle discussed Adult and DW funds and added up, minus the revenue, before we give WIB anything, CEP is in the deficit is \$325,000 and that's without providing any services. Michelle noted that we're looking at reducing costs. All options are on the table.

Discussion took place on the loans from the counties and the payback timeframe. Michelle noted we're looking at postage costs, going to bills.com and cutting printing costs, cutting rent in Ladysmith. Skyler noted that we're looking at the employee benefit package and healthcare costs which have gone up substantially in the past. Jeff noted that we're looking for more affordable auditors. Mari noted that CEP has to be aware, that as the WIOA fiscal agent, they should follow procurement standards or go with the statewide WWDA procured list of auditors. Mari noted the minimal number they could work with is \$123,000 which is approximately the 10% administrative cost of the total allocation. Michelle asked about the fiscal agent fee and Mari noted that's not a payment and doesn't include the reserve for the CLEO insurance. Jeff asked if the counties pay their members to attend the CEP Board meetings. Mari suggested doing more virtual meetings and consider adjusting the meeting allowance for virtual attendance. It was noted that this requires Board approval. Charlie asked what would WIB end up doing if CLEOs could only offer \$100k? Mari said the WIB would reduce where they could in programmatic services, but the administrative responsibilities must be carried out.

Steve asked about the WIOA performance measures and if they have any implications for doing business. Mari said there's no monetary incentive for meeting them and that the funds come via a formula, so the performance if it is meeting the goals is not relevant to funding amounts. Mari explained the 35% goal in training funds. She noted that if the new proposed legislation goes through, there could be a higher training requirement. Emmett asked how does this affect CEP's total budget? Jeff noted that we have to provide services. Jeff asked Mari what her 1,859 hours of work comes up with per hour? Mari noted around \$35 per hour plus fringe but depends on who is doing the work. However, that math includes the approximately \$36,000 in CEO consortium costs and fiscal agent fee so that is not completely correct. Mari noted the staffing will have to be considered if the budget is less. Terry W noted that everyone is looking at cuts and it seems like we're nickel and diming, with no other sources of revenue coming in. He asked how much it would save closing an office? Michelle noted that would save \$32,000 but we must store furniture and staff could work remote or potentially get laid off. Terry noted that's not making a dent in anything and some staff positions may need to be cut. It was noted that they are all hard choices, and none are good but if there's no additional revenues, difficult choices need to be made. Michelle noted that CEP has a line a credit at Northern State Bank and were holding off, but we had to use some of it to pay for summer payroll and receivables reimbursement. The interest rate is high on the line of credit. Michelle noted that we haven't replaced any staff that have resigned and the staff that are left are doing a lot more. Mari noted if staffing is reduced, service delivery will have to change. Mari discussed the idea that Jeff floated about streamlining the Superior Job Center. Mari noted that we are required to have one comprehensive center, but supports looking at how systemically we can change the service delivery model. Michelle noted that we're looking at spaces where CEP staff can provide services for free. Michelle emphasized the impact of losing CEP's services to our local communities.

Michelle noted that the wages that CEP staff are paid, are less than what some fast food places are providing. She was hoping the counties would grant us money. Michelle noted that ARPA funds are ending. Mari noted that next year preliminary allocations are reduced and it's a downward trend we've been seeing this since 2014. There's not much money to enroll participants anymore. Jeff discussed grant opportunities. It was noted that the WIOA Adult and DW monies are coming soon. Mari noted that WDAs that do not have an approved local plan will not receive their allocation until they have an approved plan. Thankfully she noted ours is approved. Mari noted that there are other areas in the state struggling and that a large WIOA service provider closed last year and most WDAs are closing additional Job Center locations. Charlie suggested Mari and Jeff go back to the drawing board and see if we can come close to budgets that work for both organizations. It was noted we could do an E vote and send out next week. Mari noted that the July 26<sup>th</sup> deadline is only for the performance measures negotiations, not the final budget. Jeff thanked Charlie. Mari noted that the Boards drive the decisions.

**Next Meeting Date & Location & Adjournment**

The meeting was adjourned at 11:30 a.m. The next meeting will take place on Wednesday, August 21, 2024, or at the call of the Chair.