

**Business Employment Skills Team, Inc.
Board of Directors' Meeting Minutes
April 27, 2015**

The Business Employment Skills Team, Inc. Board of Directors' Meeting was called to order at 6:30 p.m. by Co-Chair Kathy Enbom.

| Name | Present | Absent | Name | Present | Absent |
|------------------|----------------|---------------|------------------|----------------|---------------|
| Robert Albrecht | X | | Jay McCracken | | X |
| James Duffy | X | | Chuck Phillips | X | |
| Kathy Enbom | X | | Kevin Reibel | X | |
| Randy Freeman | X | | Wayne Reising | X | |
| Kim Gouker | X | | Jennifer Robbins | X | |
| Rick Ketchum | X | | Ron Smith | X | |
| Lisa Lynch | X | | Betty Steinert | X | |
| Steven Malavolti | X | | | | |

PROXY: Jay McCracken to Kathy Enbom

OTHERS PRESENT: Pam Furlan, Kathy Day, Jo Ann Johnson, Sally Hanrahan, Kate Hansen

Approval of Minutes

Robert Albrecht motioned to approve the February 23, 2015 Meeting Minutes as presented. Motion was seconded by Wayne Reising and carried.

Public Comments

Pam introduced Sally Hanrahan (Youth Specialist) and Kate Hansen (Career Advisor) to members.

Executive Director's Reports

BEST Successes

Pam informed members that there were 8 success stories included with their meeting materials and encouraged members to read them.

Legislative Update

WIOA Appropriations/Transition & Implementation

Pam told members that earlier today she received the policy letter on the Official Designation of Local Areas under WIOA. She said that the policy letter outlined conditions that would qualify a local area for automatic designation. Pam told members that one condition was the local area was designated under WIA as of July 22, 2012 or before. Since we merged 2 local workforce areas in 2013 we will not qualify for that option, Pam said. However, Pam told members, knowing that we had a meeting scheduled for today, she contacted DCEO to confirm what she thought would be the condition for LWIA #4. She told members that the only thing we need to do is attest that we have adequate resources

and training providers to function as a workforce area. Pam said that the CEOs will address this issue following the BEST Board meeting.

PY '14 Incumbent Worker Training (IWT)

Pam informed members that she is still waiting to hear if the Pipeline Grant was approved by DCEO that would train 286 employees for 2 companies.

Jim Duffy asked what IVCH and ICD 10 was as listed on Pam's typed report. Pam responded that IVCH is IL Valley Community Hospital (LaSalle) and ICD10 is the new coding system that all medical facilities have to comply with.

State 40% Training Expenditure Requirement

Pam noted that the direct expenditure rate through the end of March for the adult program was 66.52% and for the dislocated worker program was 57.32%.

Essential Skills Training Program

Pam told members that at the NAWB Conference she learned that most employers are getting away from the term "soft" skills and referring to things employers expect of employees as "essential" skills. Pam said that the name change was supported by NCI Works and staff have changed the name reflecting the different name.

Update on Current Projects and Grants

Pam informed members that she provided an update on the Accelerated Training in Manufacturing (ATIM) Grant, LaSalle County Adult Redeployment Grant and Illinois Talent Pipeline Grant in her typed report that was included with the meeting materials. The only correction is that the ATIM Grant has been extended to December 31, 2015 but the training has to be completed by August 31, 2015.

NCI Works Activities

Pam reported that information on the North Central IL Logistics Council (NCILC), "No Place Like Home", Chief Manufacturing Executives (CME) Group, and Career Preparation/Life Skills Program was included in her typed reported.

Youth Program Update

Pam informed members that updates for the Youth Projects (Bridge – Streator Township High School Education Outreach Program – Whiteside County Regional Office of Education Regional Work Study – LaSalle County Regional Office of Education, Step Ahead – Bureau County Regional Office of Education) were included in her typed report. She told members that projects operated by Whiteside County Regional Office of Education, LaSalle County Regional Office of Education and Bureau County Regional Office of Education have been approved for PY 2015. Pam told members that the Youth Council supported releasing another round of Request for Proposals that will be due on May 26. Pam said that staff are hoping to get some youth programs started in the Carroll and Jo Daviess Counties. Ron offered to help Kate make some contacts in the Jo Daviess area.

Jim noted that 125 enrollees were planned for Whiteside County Regional Office of Education and asked the difference between carry-forward and carry-in. Pam replied that Whiteside County Regional Office of Education planned to serve 125 but actually had 131 enrolled. She said that providers are allowed to over-enroll as long as they stay within the budget. Pam said that the definition is the same for carry-forward and carry-in.

Kathy E asked about Streator High School. Pam said that their proposal did not meet minimum specifications and was not considered. However, Pam said that they will be eligible to submit a proposal in the second round.

Randy asked if staff encountered any problems in dealing with the high schools. He mentioned that Ottawa High School had cut their building trade and welding programs which caused disappointment to many of the students. Randy commented that not all students are college bound and are in need of programs similar to the youth projects. Pam said that Ottawa High School did receive a Request for Proposal and they were not interested in submitting a project. Lisa commented that Ottawa High School will be relying on LaSalle-Peru High School for their building trade program. Jim said that the focus of the schools is on common core, No Child Left Behind, etc. He said that all testing that is done by the schools is geared toward college with no emphasis on trades. Pam said that not focusing on trades is a disservice to employers. Ron told members that John Deere used to do their own training of new hires. Now, he said, potential employers need to have the skills and training before being hired. Jim said that schools are sending fewer students to vocational schools due to funding cuts. Betty stated that emphasis should be on training youth, but the schools have to follow the federal and state rules in order to get the funding they need.

PY '14 Participant Reports

Pam said that Participant Report was included with the meeting materials.

PY '14 Business Relations Unit Report

Pam told members that the Business Relations Unit Report was a new report to show what activities the Business Relations staff are working on.

Personnel Issues

Program/Business Relations/Admin Staff Updates

General Update

Pam informed members that staff continue to participate in webinars on WIOA.

Pam said that an all-staff meeting is being held on Wednesday in the Oregon office. She told members the morning session will include updates from staff about programmatic topics, work-based learning opportunities, employer engagement activities, fiscal topics and some general topics. During the afternoon, Pam said that staff will break up into workgroups and begin the process of planning, implementing and transitioning from WIA to WIOA.

Pam mentioned that several staff will be attending WIOA training in Springfield on May 27.

Pam reminded members that the June meeting is typically when raises for staff are considered.

Update on Staff Work Groups

Pam told members that the updates for the Visibility, Grant Writing, and Youth Work Groups were included in her typed report.

Referring to the Grant Writing update, Randy asked about the grant available by the Department of Health and Human Services. He noted that Pam indicated that staff did not apply for it because the award floor was \$600,000 which was too big. Pam said that at this time we would not be able to spend the grant funds. Jim asked how other funds were received. Kathy D. replied that DCEO tells us what we will be receiving. Kathy E asked why staff could not spend the money for the HHS grant. Robert and Betty both commented that it was probably due to restrictions and not being able to spend it within the rules of the grant. Pam agreed. Chuck asked who that money would go to. Pam said more than likely it would go to the larger municipalities like Chicago and East St. Louis. She continued by saying that most of the competitive grants are geared toward the larger cities.

Community Service Program

Pam said that Carrie Folken participated in the Community Service Program since last meeting.

Staff Recognitions

Pam stated that four staff recognitions were listed on her typed report. She said that Dianna Schuler recognized Joy Jaraczewski for covering the Ottawa office earlier today on short notice.

Rapid Response Activities

Pam informed members that she included an update on the Rapid Response Activities in her typed report. As a reminder, Pam said that these activities are for individuals who lost their job through domestic or foreign events.

Summer Flex-Time Policy

Pam said that once again, she is requesting the Board to consider approving a Summer Flex-Time Policy for staff. She highlighted the following Policy for members:

SUMMER FLEX-TIME POLICY

- Only individuals who work 37.5 hours per week would be eligible to participate in the summer flex schedule.
- The Summer Flex-Time Policy is completely voluntary and would begin with the pay period of May 10 – May 22, 2015 and would end with the pay period August 9 – August 22, 2015.
- BEST, Inc. offices would continue to be open to the general public on their regularly scheduled days each week from 8:30 a.m. to 4:30 p.m. Therefore, some staff may need to cover an office other than their home office to assure adherence to this schedule.
- The hours and the day off for the flexible schedule **are not negotiable**. Staff who wish to participate in the flex schedule will choose from one of two options **only**:
 - **Option 1: Friday off**

- Work 7:00 a.m. - 5:00 p.m. on Monday – Wednesday, 7:00 a.m. – 4:30 p.m. on Thursday
 - **Option 2: Tuesday, Wednesday or Thursday off**
 - Work 7:00 a.m. - 5:00 p.m. on Monday and the other two scheduled days, 7:00 a.m. – 4:30 p.m. on Friday
- This flexible schedule will only be allowed for the summer months, and will be set by the Executive Directors with approval from the Board each year. (Dates will correspond to pay periods.)
- Because office coverage depends upon which staff participate in the flex-schedule as well as the number of staff who participate, staff will not be allowed to change their option once selected.
- Any holiday that falls on a day a staff person would be scheduled to work, s/he would be allowed 7.5 hours for the holiday and then must take PHOs equal to his/her regularly-scheduled number of hours for that day. For example, Memorial Day is on a Monday, so staff who select Option 1 (Friday off) would need to take 2 PHOs for Memorial Day 7.5 holiday plus 2 hours PHOs = 9.5 hours (7:00 a.m. – 5:00 p.m.). For individuals who choose option one and have Fridays off for the week of July 4th would just work a normal 7.5 per day week with the holiday on Friday. PHOs amounts for any given day would need to equal number of hours scheduled to work for that day when taking sick days, personal days and/or vacation days. These conditions apply to all staff except the Fiscal Unit who may need to alternate their day off depending upon work load during any given week.
- The Executive Directors maintain the right to cancel this option at any time, or to choose not to offer it during a summer, if problems arise.

After discussion, Jennifer motioned to approve the 2015 Summer Flex-Time Policy as presented. Motion was seconded by Robert Albrecht. Motion carried. (2 opposed)

Conference Summaries

Pam informed members that out-of-state conference summaries were included with the meeting materials. She said that Amber Rue and Laura Butterfield appreciated attending the Ready by 21 Conference.

Contact List

Pam said her contact list was included with the meeting materials.

Fiscal Reports for January, February & March 2015

Kathy D informed members that 3 months of reports were included with the meeting materials. She explained that the reports that are due to DCEO on the 20th of each month were completed so she included the March report for this meeting. Kathy continued by saying that a few months ago staff were concerned about the tight budget but she is happy to report that it is good. She went on to say that when the new allocation is received staff can start planning for fall enrollments. Kathy reminded members that during the first quarter of each program year, there are certain spending restrictions so carry in funds will be used for those new enrollments. Kathy also told members that the fiscal staff will be tracking the funding stream differently as the WIA funds will need to be spent on WIA clients whereas the WIOA funds will be used for new clients being enrolled under the new program. She said that timesheets will look more complicated.

Kathy D then reviewed the Fiscal Reports for members. She told members that normally the reports are for two months but three months are included due to the time frame involved for sending reports to the state and mailing to board. Kathy said the DCEO will be monitoring fiscal the week of September 14, 2015. She said that staff will be closing out some of the grants before the monitoring is conducted which is not our preference as they try to keep them open until after the monitoring visit.. The reason they are monitoring later, Kathy said, is due to the transition to WIOA. Robert asked how any findings would be rectified if the grant was closed. Kathy said that a lot of time if a charge is made against a PY 13 grant (for example), it could be covered under the PY 14 grant. Kathy told members that many times 2 grants are open simultaneously. She said that if such a finding would occur there would be a management recommendation. Most of the items, Kathy said, do not show up as a finding.

Referring to Pages 8 and 9 of the Fiscal Reports Kathy told members that staff are anticipating to carry forward \$176,964.60 in the adult program and \$221,184.60 in the dislocated worker program. She reminded members that only 20% can be carried forward. Any excess of the 20% can be met with obligations of current students enrolled into training. Kathy also stated that the dislocated worker carry forward increased from last year due to receipt of emergency grant funds (1E). Kathy then informed members that she was told the grant would start January 1, 2015 and would be due to expire on June 30, 2015. She said that any expenditures needed to be completed by June 30, 2015. However, Kathy said, when she received the grant the effective dates were March 1, 2015 through June 30, 2016. Since she had already transferred the January enrollments to the 1E grant, she needs to transfer them to another grant until the March 1, 2015 effective date. Kathy said she wanted members to know this as these costs will be reflected as expenditures in the next reports.

Kathy informed members that the Youth Provider contracts will be extended for 90 days. She said that some of the providers have unexpended amounts in their contracts that will be used before additional funds are provided.

In other good news, Kathy told members that the Case Management grant for Trade Clients has been extended to 2016 so we will not need to return any unexpended funds to DCEO.

Chuck Phillips motioned to approve the January, February and March 2015 Fiscal Reports as presented. Motion was seconded by Randy Freeman and carried.

Fiscal Unit Updates

Grant Updates

Kathy told members that an additional \$1,750 was given to the current Trade Grant (13-661004) for payment processing. She said that the total for payment processing for this grant is \$30,807.43.

Kathy said that BEST, Inc. received a Rapid Response Grant (14-651004) for \$157,000. She said that these funds will supplement the Dislocated Worker Grant. Kathy noted that the grant was retroactive to January 1, 2015 allowing staff to transfer costs for any dislocated worker enrollments since that date along with their supportive services. She said that this grant is scheduled to terminate on June 30, 2015 but she is hopeful that it can be modified for additional funding and extend the end date to June 30, 2016.

Jim asked how DCEO determines the amount of money that is given to local areas. Kathy explained that the WIA funds are given to the state from the federal level. The state, she said, divides it up by allocation for the adult, youth, dislocated worker and incentive using unemployment data, poverty levels and census information. That is the money that is received for the Program Year, she said. Additional funds for Trade, 1E (emergency) and Trade Case Management is determined by how much money that state has available. Jim commented that it seems like money is available that is not being spent. He continued that if we qualify for the funding based on statistics why is it not being spent. Kathy assured him that the money will be spent and all grants will be zeroed out by the end of their contract.

Randy asked about carry forward being mandated. Kathy informed him that all local areas are mandated to spend the money or obligate the money. Robert suggested to think of it as a line of credit for operating expenses.

Kathy told members that all programs operated by BEST, Inc. are 100% federal funds and the Governor cannot use it for his purposes. Pam stated that the allocations are good for 2 years and the local areas have 2 years to spend the funds that are allocated to them.

Kathy offered to meet with Randy to provide a detailed explanation of the reports.

Youth

Kathy told members that letters will go out this month to our Youth Service Providers so that staff can conduct fiscal monitoring on their current agreements. She said that Pre Award risk assessments will be conducted at the same time in preparation for new agreements next program year.

Providing an update on the Youth program, Kathy told members that under WIOA the goal next year would be to spend close to 75% on out of school youth. Current expenditures for this population (based on program expenditures only) we spent 89.47% of our funds on this population. Another benchmark, under WIOA, Kathy said, is to spend 20% on Work Based Learning. Based on current expenditures, Kathy told members that \$70,337 has been spent. She said that 20% would be \$111,250. However, she also noted that staff costs are not included in the \$70,000 but are allowed to be counted as part of the 20%; therefore she thinks we will meet this requirement under WIOA. Continuing, Kathy said that BEST, Inc. is planning a summer program where \$50,000 is targeted for Work Based Learning which would help us meet this benchmark. At this time, she said, we are unsure if these benchmarks will be based on expenditures or allocations.

Jim asked what the consequences would be if those benchmarks were not met. Kathy replied that not meeting the benchmarks is not an option. Pam commented that it would be a disallowed cost. Kathy agreed it would be a disallowed cost and would be the responsibilities of the CEOs. Kathy noted that currently costs for Work Based Learning (salaries, rent, etc.) are not being tracked that could be included in the 20%, therefore there is a chance that the benchmark could be met. Kathy told members that she is not sure what the sanctions would be for not meeting benchmarks but suspected it would include fiscal scrutiny. Chuck stated it would affect the reputation of the agency. Kathy told members that if the money is not being spent then program changes would occur. Kathy E asked about age requirements for the Out-of-School Youth Program. Kathy D said that under WIA Out-of-School Youth need to be 21 and under WIOA the age requirement is up to 24.

Insurance

Kathy informed members that the Workers Compensation insurance policy with Liberty Mutual was renewed for \$22,269. The Content/Office/Auto insurance policy was renewed through Cincinnati Insurance for \$8,639 and the D&O policy through Arthur Gallagher was renewed for \$2,759.

Miscellaneous

Kathy told members that the Fiscal staff are working at revising our current Fiscal Manual to meet all of the new requirements of not only the OMB Circular but also the proposed WIOA rules and their effects on fiscal. In order to assist staff, she said that DCEO and IWP will be holding weekly conference calls to focus on the changes in the near future. All fiscal staff will be in attendance on these calls.

Kathy stated that staff are eagerly awaiting our funding level for next fiscal year. She stated that the amounts should be ready to share at the next Board meeting.

Kathy told members that staff are currently completing the required quarterly reporting which is due by the end of the month for all grants.

Additional Agenda Reports/Updates

Community Service

No report

Staff Recognition

No report

Staffing Issues

No report

Out-of-State Travel

No report

Activities Report

Kathy told members that her Activity Report was included with the meeting materials.

Committee Report

HR Committee

Employee Handbook Policies

Kathy E informed members that the HR Committee met and reviewed some policies that were not part of the Employee Handbook that was adopted last June. She said that these policies were part of the initial review and were separated from the Handbook as they are to be acknowledged on an annual basis by the employees. Kathy E told members that the HR Committee did review the following policies and recommended approval: Code of Conduct, Drug Free Workplace, Fraud and Abuse Policy, Record Retention and Documentation Destruction Policy, Whistle-Blower Policy, Community Service Program, Conflicts of Interest Policy, Internet and Computer Usage, Access to Electronically Stored Accounting Data, Credit Card Usage and Reporting.

Robert Albrecht motioned to approve the aforementioned policies as recommended by the HR Committee. Motion was seconded by Steve Malavolti and carried.

Revised Travel Policy

Kathy E informed members that the HR Committee reviewed a Revised Travel Policy. She said that currently staff are reimbursed for actual costs of meals. The policy, Kathy E said, will continue to reimburse staff for meals but not to exceed the federal per diem. Kathy E told members that the HR Committee recommended approval of the following Revised Travel Policy:

G. Meals – When traveling outside of the LWIA for a full day, meals (breakfast, lunch, dinner) will be reimbursed the full amount of the meal (including tips/gratuities not to exceed 20%). Breakfast, and/or dinner may be paid for an “extended day”, which is defined as a single day trip during which the employee leaves home before 7:00 a.m. or returns home after 6:00 pm. Lunch may be paid if the employee is conducting business outside the LWIA during normal lunch hours. This policy is meant to provide fair and reasonable reimbursement for meals. Excessive and unreasonable expenditures above the recommended Federal Government Per Diem Rate will not be reimbursable.

Unallowable expenses

Expenses incurred in the normal commute to and from an employee’s assigned place of work and home are not reimbursable. Travel to and from a BEST, Inc. office and an employee’s home necessary to attend an agency function (e.g. NCI Works or Board meeting) after normal work hours or when such travel would not normally have been incurred is reimbursable. Other common expenses which are not allowable include, but not necessarily limited to the following:

- Personal entertainment or services
- Personal auto, travel or accident insurance
- Fines for violation of laws
- Family expenses on business trips
- Theft or loss of personal funds or property
- Any expense which is not bona fide, reasonable, and supportable for federal income tax purposes
- Alcohol

Rick Ketchum motioned to approve the Revised Travel Policy as recommended by the HR Committee. Motion was seconded by Jennifer Robbins and carried.

Employee Engagement Survey(s)

Kathy E presented the Employee Engagement Surveys to members noting that the heading Executive Director Performance Survey was changed to Executive Director Leadership Survey. Kathy told members that Kathy D will disseminate the Surveys along with a cover letter signed by the BEST Board

Co-Chairs explaining the purpose for the Surveys on Wednesday at the All Staff Meeting. Kathy E said that all staff will be encouraged to complete the Surveys. Jim recommended to use Strongly Agree, Agree, Neutral, Disagree, Strongly Disagree and N.A. rating on the Executive Director Leadership Survey instead of the number rating. Kathy E said that the Survey(s) did not require action.

Business Meeting

Review of Staff Training Opportunities

Pam disseminated copies of the Staff Training Opportunities for members as an informational item.

Other Business

BEST Website Update

Pam disseminated copies of the BEST Website Report as an informational item.

It was noted that the next BEST Board Meeting is June 22, 2015 in Dixon.

Pam presented members with a copy of the NCI Works PY '13 Annual Report.

Pam informed members that the IL Workforce Partnership (statewide association for Local Workforce Directors) prepares on an annual basis a brochure that includes all business and labor representatives on Local Workforce Boards in IL. She told members that the information that is shared with local and national legislators and provided members with a copy. Additionally, Pam disseminated a copy of the IL Workforce Partnership Annual Report that highlights various workforce programs throughout the state.

Adjournment

With there being no further business, Jennifer Robbins motioned to adjourn. Motion was seconded by Chuck Phillips and carried. Meeting adjourned at 7:55 p.m.

Jo Ann Johnson

Approved by:



Jennifer Robbins
Secretary