



Rogue Workforce Partnership - Corporate Directors

Thursday May 16, 2019 • 3:00 - 5:00 p.m.

Woolworth Building - First Floor • 37 N. Central Ave. • Medford

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Agenda

Call to Order (1-2m)

- Welcome & Introductions

Jessica Gomez

Consent Agenda (1-2m) - Action Item

- Approval of Minutes April 18, 2019

Jessica

Sector Strategies (1-2m) - Action Item

- Adding Transportation/ Logistics & Construction

Jim

RWP Budget, Programs & Strategic Investments (45-60m)

- Budget Actual as of March 31, 2019
- PY 2019 Budget Recommendation - Action Item
Program / Strategic Investments
RWP Dashboard

Jim, Sherri Emitte,

Jill teVelde

Policy Approval

- Maximum Benefit - Action Item 

Jim

RWP Strategic Roadmap & Objectives / Key Results (OKR's) (15-60m)

- Status & Next Steps Discussion

Jim

RWP Membership Recommendations - Action Item

Jim

RWP Spring Shindig Update - May 29th

- Endowment Fund allocation for beverages - Action Item

Jim

RWP Executive Director Evaluation

- Next Steps Discussion

Jessica



MINUTES

ROGUE WORKFORCE PARTNERSHIP · CORPORATE DIRECTORS
April 18, 2019 ♦ 37 N. Central Ave. - Board Room ♦ Medford, OR

MEMBERS PRESENT

Vice-Chair, Michael Donnelly
Commissioner Darin Fowler
Commissioner Bob Strosser
Shawn Hogan*

MEMBERS ABSENT

Nikki Jones
Jessica Gomez
John Underwood

OTHERS PRESENT

Jennifer Davis, SkyOak Wealth
Jim Fong, Executive Director, Rogue Workforce Partnership
Sherri Emitte, Chief Finance and Administrative Officer, Rogue Workforce Partnership*
Jill teVelde, Workforce Development Manager, Rogue Workforce Partnership
Ida Saito, Partnership Engagement Manager, Rogue Workforce Partnership
Tami Allison, Senior Project Manager, Rogue Workforce Partnership

**indicates that individual joined remotely.*

Quorum Present: Yes

1) Call to Order

The meeting was called to order by Vice-Chair, Mike Donnelly at 3:05 P.M.
A round of introductions were made.

Based on research done on consent agendas, it is not necessary for all items to be action items. Jim noted that some of the items on today's consent agenda are information only.

2) Consent Agenda

Shawn Hogan moved to approve the consent agenda consisting of the February 21, 2019 Rogue Workforce Partnership Corporate Director Meeting minutes, the Whistleblower Policy & Employee Handbook, Letter to Ways & Means Education Subcommittee on HB 5024, and the Final PY 17 Monitoring Report. The motion was seconded by Commissioner Bob Strosser and approved unanimously.

3) Endowment Fund

Investment Report

Sherri reviewed the history of the endowment fund, which originated from a grant of state funds of approximately \$250,000. Sherri indicated that the Corporate Directors, as guided by the Endowment Fund Policy, oversees how the funds are spent, as well as invested. Currently RWP has three funds (Cash,

Equities and ETF's) invested by SkyOak and, because we are a non-profit, we receive a 50% discount on their services.

Jennifer Davis, Founder & CEO of SkyOak Wealth, joined the meeting remotely and reviewed RWP's Portfolio Performance Report, indicating that we are currently right above where we started in September after the S&P 500 dipped down over 14.5% in the fourth quarter and was down almost 10% in December. Fortunately, SkyOak goes into protection mode in these situations and uses an equity portfolio to keep us from dropping as low as the market.

The Performance Portfolio Report was reviewed and handouts were provided to the Corporate Directors. Balances shown are as of 4/12/19 and there is an equity blend in all stocks. Discussion will take place at a later date regarding moving the cash account into a money market account to get a better return on our investment. Jennifer indicated that she will present reports to the Corporate Directors at least annually and more often if requested. The Corporate Directors had no questions and commented that the report was very thorough.

Sherri reviewed the Endowment Fund Expenditure History indicating that historically we have contributed approximately \$10,000 annually for Careers in Gear. There is currently a placeholder for 2018/2019 for Careers in Gear with the Corporate Director's approval; as well as \$5,000 to Southern Oregon Success for backbone funding. Jim noted that because we are not a philanthropy, we are not required to distribute a certain amount of funds annually; however, we try to distribute at least 5% per year. Sherri added that we have delayed the decision of how much to spend annually while we wait to see what the funds actually do. When information is available, it will be brought to the Corporate Directors.

Some questions arose around the large expenditure in 2012-2013 and 2013-2014, and Sherri explained that these costs were driven by the need for additional accounting consultation. Jim added that there was a problem that occurred when the organization transitioned to a new accounting systems. The previous staff accountant became overwhelmed, failed to allocate expenditures to the appropriate funding streams for an extended time period, did not discuss the situation with anyone, and then left abruptly. This necessitated contracting with a local financial management/accounting consulting firm to clean up the mess, and caused us to have to liquidate our investments to take care of the expenses and then reinvest when we felt comfortable to do so.

Guidance on Endowment Fund Strategic Uses / Intentions

Sherri reviewed a list of the historical distributions from the endowment fund. Many training, skill-building and capacity-building activities have been invested in over the many years of the funds. Most recently, distributions have been used to provide backstop and support the region-wide Careers in Gear event for high school students, as well as supporting the backbone capacity for the Southern Oregon Success cradle to career initiative.

Jim asked for the Corporate Directors to consider these historical distributions as they contemplate making future distributions from the proceeds of this endowment funds. There is also a historical guidance document that needs to be reviewed and updated as a next step later this year. In more recent years, annual distributions have totaled approximately \$25,000/year. The federal and state funds which constitute the bulk of the funds RWP has direct control over come with many restrictions. So, using Endowment Fund distributions to yield high return-on-investment results or leverage long-term capacity-building and co-investments has been our historic strategy.

Commissioner Fowler asked if he could nominate the Josephine County Youth Pathways project to receive money, as many entities have already contributed. Jim affirmed this would be possible and asked for more information, which Commissioner Fowler indicated he would provide.

Other current possibilities include the request from SOREDI to co-invest in their Regional Strategy project, helping to fund the industry/education partnership-building event in late May, and helping to augment and scale-up our newly emerging “Upskill & Backfill” strategy. The industry/education partnership-building event is planned for the industry sectors to gather and network, to present statewide OWP awards and local workforce champion awards, and to wish Brian & Dana Shumate farewell, thanking them for their workforce contributions over the past several years. Industry Engagement funds can be used to purchase food; however, the purchase of alcoholic beverages is not allowed under WIOA. RWP will be asking the Corporate Directors to authorize using some of these funds for this expense. Cost details will be brought back to the May meeting for the directors to act on.

SOREDI Regional Strategy Support Request

SOREDI is asking us for financial support for their regional strategy project. Jessica and Jim met with Colleen Padilla, Executive Director of SOREDI, to talk about this project as well as the investment. While many some local governments and organizations are supporting with amounts up to \$20,000, Jim and Jessica feel that we could possibly contribute \$2,500 through the endowment fund, which is the only flexible funding source we could use.

Shawn Hogan moved to approve the expenditure of \$2,500 to SOREDI for their regional strategy project. The motion was seconded by Commissioner Strosser. Commissioner Fowler and Commissioner Strosser disclosed that they are both on the SOREDI board. The final vote of the Corporate Directors was unanimously in favor.

4) Oversight, Compliance & Policies

One-Stop Operator

Discussion took place regarding the One-Stop Operator requirement and role under the Workforce Innovation and Opportunity Act (WIOA). RWP currently contracts with Oregon Manufacturing Extension Partnership (OMEP) to fill this role. OMEP primarily provides Lean/continuous improvement consultation expertise to streamline and improve customer service at the WorkSource Rogue Valley Centers. And while this work is valued, RWP staff have been working with core WIOA partners (Oregon Employment Department, ResCare, DHS, Vocational Rehabilitation, RCC – Adult Basic Skills) to identify a broader set of priorities for the One-Stop Centers and the broader regional workforce system.

Staff therefore recommend that the RWP conduct a new round of procurement for a One-Stop Operator, to expand all the possible options for contracting with a One-Stop Operator that could more fully support these expanded system alignment priorities. This could be a simple procurement process, patterned after a Request for Qualifications (RFQ) process that Seattle used to for their One-Stop Operator. The action item request is for the Corporate Director’s to authorize this new round of procurement for the One-Stop Operator. The awardee would start in this capacity on July 1, 2019.

Commissioner Strosser moved to authorize RWP to move forward with the RFQ for a One-Stop Operator. The motion was seconded by Commissioner Fowler and was approved unanimously.

Policy for Incumbent Worker Training for Non-WIOA Funds

This draft policy was reviewed at the RWP Workforce Board at the March 13, 2019 meeting. Feedback from industry leaders called for the elimination of the requirement regarding “not having laid off workers,” particularly since companies may need to lay off staff in a division with a declining product line, as they expand staff capacity in an emerging product line. Staff reviewed the policy and associated background regulations and determined that this verbiage was not necessary. The revised policy therefore removes the following language:

“Not have laid off workers within 120 days, including those relocating to Oregon from another state.”

The new policy mirrors the existing WIOA Incumbent Worker Training policy and lays the groundwork for establishing a private-public revolving tuition fund.

The policy differs from the existing WIOA policy as follows:

- Removes references to WIOA regulations
- Establishes a 50% employer match requirement
- Establishes an enhanced training scholarship for growing companies
- Establishes an application process to access funds
- Establishes a priority for trainings connected to pre-apprentice and apprenticeship programs
- Expands industry sectors to include Transportation and Logistics, Construction, other sectors determined to be in demand by the support of local labor market information.

Shawn Hogan moved to approve the revised policy for Incumbent Worker Training for Non-WIOA funds as presented. The motion was seconded by Commissioner Darin Fowler and approved unanimously.

Maximum Training Benefit Policy

We have asked our WIOA expert legal counsel, John Chamberlin, to draft a policy that creates parameters to guide staff in setting a maximum benefit limit that any one board member could receive in On-the-Job Training subsidies or training scholarships. Staff will bring a draft policy for action to the May Corporate Director’s meeting.

Jim added that a maximum amount previously suggested by John was at \$50,000. However, setting a limit really depends on the total amount of money in the funding allocations, and determining the right level percentage to land upon based on this sense of proportionality. We want to create flexibility (*bend but don’t break*) to allow for training to occur to meet demand, while also making sure we exercise due diligence in addressing any potential conflict of interest or the appearance of conflict of interest issues.

5) RWP Budget, Programs & Strategic Investments

RWP Budget Actuals as of December 31, 2018

RWP budget actuals were reviewed (*keeping in mind that this is for the time period ending December 2018*). Sherri gave an update of the layout of the budget, and noted that the 33.9% receipt level in WIOA revenues is a little deceptive as the budget includes carry-in of two year funds. The line items were reviewed as well as the expenditures. No question were asked.

Jim added that ResCare is currently underspending and is under-performing in the Youth Program. Staff and management turnover have contributed strongly to these circumstances. While the unspent WIOA funds can be rolled over, the top priority to work with ResCare to get the program up normal levels enrollment, operation and successful youth outcomes.

Program Services Investment History & Planning for FY 2019-2020

A revised dashboard was reviewed. The dashboard shows that the majority of services provided through the federal Title 1B funds are “Career Services” such as resume preparation, job interviewing, basic computer skills and foundation skills and services related primarily to job preparation and job search. A much smaller number of customers actually receive “Training” investments such as On-the-Job Training or training scholarships.

The vast majority of Career Services expenditures therefore pay for staff capacity to provide these services. Jim showed the Department of Labor skills pyramid which depicts the different layers of skills needed for any particular industry. Personal effectiveness skills are at the bottom foundation of the pyramid, followed by basic academic skills, and then basic workplace competencies common to all industries. Only after demonstrating these skills do you get to the unique industry specific skills.

This pattern of Title 1B expenditures has been the norm for decades. The bulk of these funds have historically been spent on providing these middle tier basic workplace / job search preparation skill-building services.

Now, after many years of effort, new stepping stones have finally been built to fill in the gaps that have prevented career-seekers from gaining easier access to the better career pathways that can lead to lifelong success. Entry-level Certified Production Technician training, as well as next tier Mechatronics and Plant Systems Technology (pre-apprenticeship) training are now in place for the Advanced Manufacturing pathway. A Caregivers School of Learning also now provides entry-level access to Healthcare career paths via Assisted Living Centers to fill this high-demand need.

In addition, we are working to build new capacity to finally address the base foundational layer of personal effectiveness skills. We have been working with training providers to develop easier to access workshop and seminar “trainings” that are renowned for catalyzing cognitive and experiential personal growth experiences for participants. One such set of seminars are conducted by Wings, which was purchased by LaClinca a few years ago. Their entry point 4-day Personal Effectiveness Seminar (*now called [Well-Being](#)*), has been a fixture on the Oregon landscape for many decades. And numerous participants from the Rogue Valley all speak effusively about the personal growth benefits. Triggered by our conversations with them, Wings is now launching a 2-day seminar called [Work/Life Success](#), to provide an easier to access on-ramp to their suite of life success seminars.

We are also working with other training providers to produce other similar, even easier to access, ½ day or 1-day seminars and workshops. Our plan is to continue in this capacity-building and to invest training scholarships for incumbent, transitioning and emerging workers to attend these seminars. We especially want to target individuals and family members who have experienced intergenerational poverty, adverse childhood experiences or traumas, or other life challenges which research tells us can frequently and dramatically impact their lifelong health, well-being and ability to foster greater success in life.

Staff are therefore proposing that the RWP start spending a less in career services and more in other layers of the skills pyramid. Jim asked for affirmation to move forward, with more detailed information being brought back to the Corporate Directors in May, as well as to the June Workforce Board meeting.

Directors indicated they feel this is an important conversation and that we need to spend time focusing on where we get the most ROI. They affirmed that staff are on the right track, and to proceed as proposed.

Another conversation we need to have is how to get even more ROI with the available dollars we have, and getting alignment with the schools to leverage their dollars as well.

RWP is currently in the midst of some staffing transitions which will also be reflected in the budget next fiscal year. Ida Saito joined our team on a part-time basis in February, Heather Stafford is working part-time on the Tech Collective, and Dana Shumate will be leaving the region in June and working remotely a reduced number of hours.

In addition, staff are also proposing that the RWP add 2 industries to our Sector Strategy initiatives: Transportation & Logistics, and Construction This item will be added to upcoming Corporate Directors and Workforce Board meetings for action.

We are also in the process of customizing a website developed by the Portland region for use in the Rogue Valley. The goal is to have the Careers Rogue website (<http://careersrogue.com/>) customized with our region's information in next few months. Jim asked that any feedback or ideas for improving this site be directed to him.

Learning Community

The focus of the Learning Community strategy is to pioneer the use of longitudinal data and predictive analytics to improve success outcomes for different typologies of customers over time. Currently we are use "point in time" data that does not tell an accurate or complete story, and doesn't allow for the use of data in ways to effectuate positive changes. For example, OYA was able to safely and effectively reduce the percentage of youth offenders referred to adult corrections by 80% by using predictive analytics and different offender typologies, risk assessments and differential services to meet individual needs.

We are working with the Department of Human Services, Office of Enterprise Data Analytics and the Chief Education Office to pilot the use of these powerful data tools in our region. We convened a Learning Community kickoff event in December 2018 with a wide array of workforce, education and Southern Oregon Success partners, and the a state data analytics team is now poised to work with us on an intensive basis in the coming months. Long term, we want to show that no matter where a person is, we can show progress toward better employment and other life outcomes. Jim added that part of the recalibration of this strategy is possibly expanding some of our staff capacity.

6) Strategic Roadmap, Objectives & Key Results

Corporate Directors were provided an update on our next steps to refine this tool and create greater focus, clarity, and alignment in our work. We have reached out to John Bowling of Sustainable Leadership to assist in this process. We will schedule a couple of work group meetings prior to the June workforce board meeting where a next iteration of this work will be shared and processed for adoption.

7) RWP Membership

Creating an Emeritus Status

With emerging retirements, we are asking whether RWP should consider creating an "Emeritus" status of membership for those leaders interested in staying engaged in our work. This item will be discussed further at the May Corporate Director's meeting as well as the June workforce board meeting.

8) Business-Education Partnership & Other K-12 Related Collaboration Updates

This item was not discussed and will be deferred to a future meeting.

9) Adjourn

With no further business, the RWP Corporate Directors meeting was adjourned at 5:04 p.m.

Respectfully Submitted,

Tami Allison
Senior Project Manager

Approved
Jessica Gomez, RWP Chair

Date

SOUTHERN OREGON TRANSPORTATION AND LOGISTIC SECTOR PARTNERSHIP

MISSION

Bringing transportation-sector businesses together with public service agencies to create employment opportunities for the people of Southern Oregon.

STORY

There are 91,410 trucking industry jobs in Oregon: one in seventeen jobs in the state. According to the Oregon Employment Department, truck drivers were once again number one on the list with 86% of the vacancies listed as difficult to fill. Currently, truck drivers had the highest number of job openings in Jackson and Josephine counties (over 3,000). The average wage for all truck drivers is almost \$45,000 per year, and the wage is even higher for long haul drivers. There are many other opportunities in transportation including diesel mechanic, freight logistics personnel, fork lift drivers, bus drivers, and warehouse and distribution workers.

THE CHALLENGE

One of the challenges facing trucking is enticing young people into the industry. Federal law prohibits people under 21 from operating trucks in interstate commerce, though 18-year olds can operate in intrastate commerce. However, many of these jobs are already taken by more senior drivers that want home time with their families. The greatest number of openings are in long-haul, interstate trucking. In general, trucking is a difficult job, maneuvering an 80,000 pound truck down the road, shifting complicated transmissions, driving in bad weather, and dealing with the distracted motoring public. Long-haul drivers are away from home for long periods, must have a clean driving record and no drugs, including marijuana. Plus, the image of the truck driver is not as good as the days of yore when a driver was the Knight of the Road.

To overcome these difficulties, the industry has aggressively worked to improve the job. Most of today's trucks have automatic transmissions which makes them much easier to drive. Trucks have a lot more technology on them, including lane departure warnings, roll stability controls, forward collision mitigation and on-board communications devices. Today's trucks are technologically sophisticated and highly connected; an impressive office for a young, tech-savvy driver.

The interior of the trucks have been greatly upgraded and are now as nice, or nicer, than most motor homes on the road. Trucks have refrigerators, microwave ovens, satellite TV and many other amenities.

Most importantly, truck drivers enjoy one of the highest starting wages in any industry. First time long-haul drivers will make close to \$50,000 annually plus bonuses for things like safe driving and fuel economy. No higher education is needed other than a Certified Driver's License (CDL); a clean criminal record is not necessarily required.



WHAT IT TAKES

If they can pass a drug test, they can become a driver. There are two private truck driving schools in Southern Oregon, and the Rogue Community College has a truck driver training class. These classes usually cost between \$4,000 and \$5,000 for tuition and last around 4 weeks at the end of which a student will obtain their CDL. However, most of our targeted workforce cannot afford the tuition or have the financial ability to be out of work for the four weeks to obtain a CDL.

TARGETED WORKFORCE

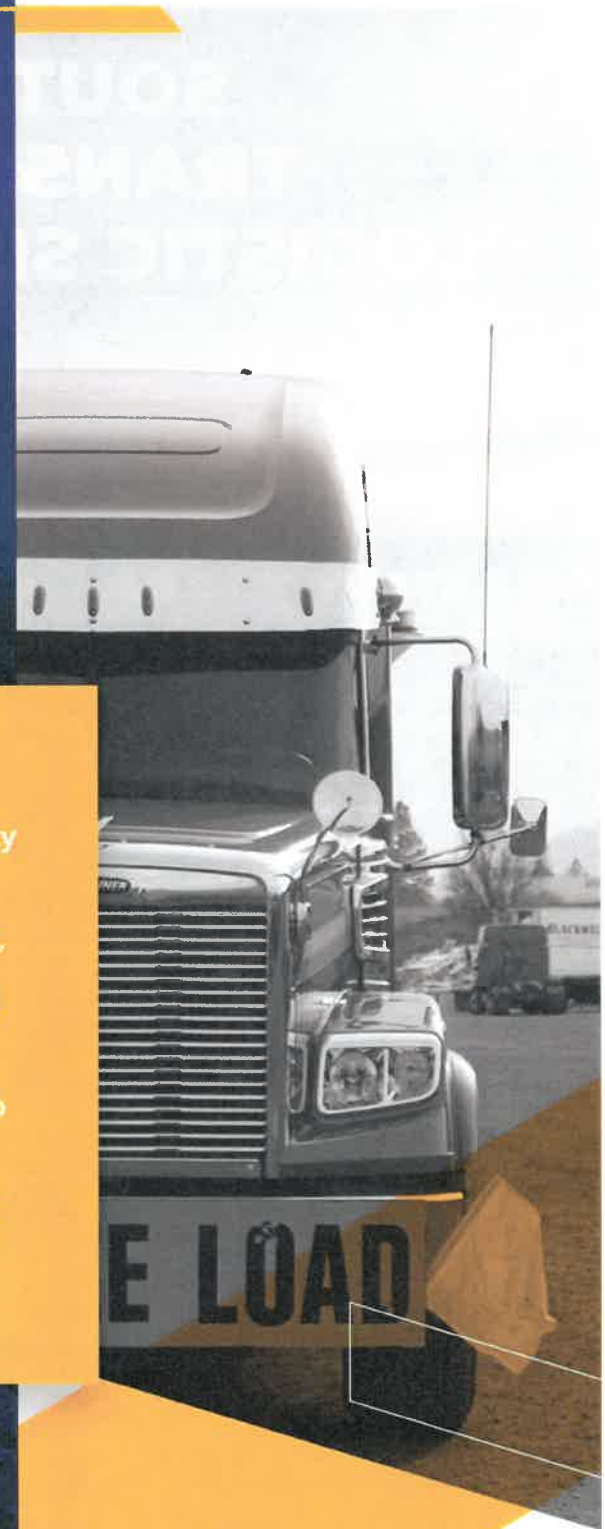
Unlike most industries, our primary targeted workforce is not high school students because of the federal law limiting interstate driving to 21-year olds. We believe there is a large group of under-employed people in their twenties and thirties that, if given the chance, would benefit greatly by moving into the transportation industry. Research shows that many people are ignorant of how to become a truck driver. They also erroneously believe their poor prior work experience or criminal background will preclude them from this career.

STRATEGIC PLAN

- **Raise community awareness of industry needs. This includes having regular meetings, establish image programs, advertising, media outreach, and community networking.**
- **Raise capital for training scholarships, new equipment, publications. We will work with both the public and private sector to raise cash, in-kind contributions, and expertise.**
- **Reach out to the target workforce via news outlets, job fairs, social networking, and educational groups.**
- **Develop and enhance training schedules and activities that provide the best value to the student and employer. This will include upgrading equipment and teaching techniques to meet today's transportation challenges.**

OUTCOME

If we can get them over the financial hurdle, there would be a much greater pipeline of prospective truck drivers, and other transportation workers available for the industry. The resulting increase in wage for the people of Southern Oregon would provide a large economic boost for our community and make it a better place for us all to live.



**ROGUE WORKFORCE PARTNERSHIP
BUDGET / ACTUAL FOR JUL 18 - MAR 19**

	MODIFIED				
	BUDGET	ACTUAL	DIFFERENCE	%	
REVENUES					
WORKFORCE INNOVATION & OPPORTUNITY ACT					
Title 1B Adult	956,778	402,872	(553,906)	42.1%	
Title 1B Dislocated Worker	1,611,408	789,470	(821,938)	49.0%	
Title 1B Youth	1,306,687	760,957	(545,730)	58.2%	
High Concentration of Eligible Youth	72,383	32,530	(39,853)	44.9%	
Additional Assistance (Pacific Crest Transformers)	6,587	2,340	(4,247)	35.5%	
WIOA SUBTOTAL	3,953,843	1,988,168	(1,965,675)	50.3%	
OTHER INCOME					
Work Experience	277,171	146,150	(131,021)	52.7%	
Careers in Gear (Donations)	12,500	14,770	2,270	118.2%	
Careers in Gear (Endowment Fund)	7,506	7,368	(138)	98.2%	
Competitive Strategies	87,200	70,986	(16,214)	81.4%	
Rethinking Job Search	17,375	22,090	4,715	127.1%	Addl funds were available at end of grant
Industry Engagement	86,021	86,021	0	100.0%	Fully spent
TANF Summer Jobs Program	35,311	29,727	(5,584)	84.2%	Project is complete
US Forest Service	6,896	3,503	(3,393)	50.8%	
CPT Training	75,000	24,271	(50,729)	32.4%	Grant in early stages
Mechatronics Training	50,000	5,662	(44,338)	11.3%	Grant in early stages
Caregiver School of Learning	72,000	9,189	(62,811)	12.8%	Grant in early stages
Miscellaneous Income	81,080	66,833	(14,247)	82.4%	
Rental Income / Cost Reimbursements	373,129	266,856	(106,273)	71.5%	
OTHER INCOME SUBTOTAL	1,181,189	753,426	(427,763)	63.8%	
TOTAL REVENUES	5,135,032	2,741,594	(2,393,438)	53.4%	
EXPENDITURES					
Personnel	733,966	509,937	(224,029)	69.5%	
Contracted Workforce Services	2,510,272	1,485,069	(1,025,203)	59.2%	
Operating Expenses	1,174,591	746,587	(428,004)	63.6%	
<i>Facilities</i>	<i>509,813</i>	<i>384,797</i>	<i>(125,016)</i>	<i>75.5%</i>	
<i>Contracted Services</i>	<i>87,988</i>	<i>50,652</i>	<i>(37,336)</i>	<i>57.6%</i>	
<i>Dues</i>	<i>14,332</i>	<i>13,718</i>	<i>(614)</i>	<i>95.7%</i>	Most were paid at the beginning of the year
<i>Training, Travel, Events</i>	<i>35,705</i>	<i>21,672</i>	<i>(14,033)</i>	<i>60.7%</i>	
<i>Moving Costs / Furniture</i>	<i>55,000</i>	<i>87,420</i>	<i>32,420</i>	<i>158.9%</i>	Amount charged to RWP = \$57,883
<i>Insurance</i>	<i>12,035</i>	<i>10,169</i>	<i>(1,866)</i>	<i>84.5%</i>	
<i>IT / Telephone / Copiers</i>	<i>131,546</i>	<i>83,082</i>	<i>(48,464)</i>	<i>63.2%</i>	
<i>Client Costs (State Training Grants)</i>	<i>228,793</i>	<i>21,573</i>	<i>(207,220)</i>	<i>9.4%</i>	Grants in early stages
<i>Data Processing (iTrac)</i>	<i>39,879</i>	<i>25,519</i>	<i>(14,360)</i>	<i>64.0%</i>	
<i>One Stop Operator</i>	<i>50,000</i>	<i>34,283</i>	<i>(15,717)</i>	<i>68.6%</i>	
<i>Other Costs</i>	<i>9,500</i>	<i>13,703</i>	<i>4,203</i>	<i>144.2%</i>	Includes \$5k contrib to SORS thru Endowment Fund
Holdback / Carry Out into following year	716,203	0	(716,203)	0.0%	Not included in "Actual"
TOTAL EXPENDITURES	5,135,032	2,741,594	(2,393,438)	53.4%	



DATE: May 9, 2019

TO: Rogue Workforce Partnership Corporate Directors

FROM: Sherri Emitte, Chief Finance and Administrative Officer

SUBJECT: Budget for Program Year 2019-2020 (PY19)

BACKGROUND

Typically, each July we present the proposed budget to the Corporate Directors and the Consortium, and then, subsequently, to the Workforce Board at their next meeting. Even though the new program year begins on July 1, we've waited until the July meeting because the State typically doesn't even send us preliminary information until about June; but even then, we don't have final numbers and must still use our best guesses. We've decided that since we have to use best guesses anyway, we might as well present our budget to the boards in May and June, before the program year begins. So attached is the PY19 budget, with projected revenues and expenditures of \$4,254,835. Below are explanations of the various budget line items.

DISCUSSION

WORKFORCE INNOVATION & OPPORTUNITY ACT (WIOA)

Our available WIOA funds reflect an overall decrease of about \$327,000. Preliminary allocation information from the Department of Labor indicates that Adult and Dislocated Worker funds are being reduced by about 10%, and Youth funds by about 4%. We received similar information from the feds last year; however, the State was able to supplement that shortage with some reserve funds they had so that the final local allocation was about the same as the prior year. It is unknown at this time whether or not the State will be doing that again; so to take a conservative position, we are budgeting the full decrease by estimating our proportional share of this state level allocation.

On a positive note, both RWP and ResCare have been frugal with our funds this past year, so we have a good amount of carry-forward into PY19. In addition, in this current year the State was able to allocate an additional \$174,000 in Dislocated Worker funds that they had in reserve. This added to our carry-forward funds. You may recall that the current year's budget also included a fund transfer from Adult funds to Dislocated Worker funds. Because we received these additional Dislocated Worker funds, this delayed the need to request a transfer in the current year, so we are planning to bring a PY19 fund transfer request in an amount of \$795,000 to the June 6th Workforce Board meeting. Finally, we also expect to receive additional "High Concentration of Eligible Youth" funds; but that amount can vary

from year to year, so we're not guessing what that allocation might be. But we do have \$39,853 in carry-forward funds.

The revenue summary is shown below:

WIOA Fund	PY19 Allocation	PY18 Carry-Fwd	Supplemental Funds	TOTALS
Adult	\$ 858,797	\$ 720,000	\$ (795,000)	\$ 783,797
Dislocated Worker	\$ 674,884	\$ 285,000	\$ 795,000	\$1,754,884
Youth	\$ 938,232	\$ 110,000		\$1,048,232
High Concentration		\$ 39,853		\$ 39,853
Total	\$2,471,913	\$1,154,853	---	\$3,626,766

OTHER INCOME

- There are various reasons for the net decrease of \$566,813 in Other Income. We anticipate that the funding levels for the two-year State General Fund grants – the Work Experience, Competitive Strategies, and Industry Engagement grants – will remain at the same level. However, because of the usual late arrival of the state contracts, we end up being able to spend more in the second year of the grant than the first. So the reduction you see in those grants is a reflection of first-year spending in PY19 versus second-year spending in PY18.
- The CPT and Mechatronics Training, and the Caregiver School of Learning grants were one-time innovation grants that won't be repeated in PY19.
- The US Forest Service grant currently has carry-forward funds from an existing grant. In addition, we were recently awarded an additional \$6,000, for total available funds of \$10,364.
- The Careers in Gear activity has been budgeted at just about the same levels.
- We do not have the Rethinking Job Search and TANF Summer Jobs grants this year, as the Rethinking grant has expired, and the Department of Human Services is contracting directly with ResCare for the TANF program.
- Miscellaneous Income, which includes Gain/Loss on Investments, has been projected more conservatively this year than the previous year.
- With the elimination of the Bartlett facility from our facilities inventory, rental income has been significantly reduced.

EXPENDITURES

Operating expenses are decreasing by over \$360,000, largely due to the closure of the Grants Pass annex in December 2018, and the closure of Bartlett at the end of May. In addition, we do not have any moving costs this coming year as we did with the Woolworth move in this year.

Personnel costs are up by \$11,287 compared to the previous year's budget. This is due to a mixture of reasons:

- › Even though we've adjusted the pay of some individual positions, we haven't given a cost of living increase since RWP began four years ago. So we are planning to give a 4% COLA as of July 1st.
- › Our health insurance costs have increased by about 16% this year.
- › We are recalibrating a program management position that was previously budgeted with a position that will focus on quality improvement and data analytics.
- › Dana Shumate will be leaving the region soon, but we plan to keep her engaged via remote access work at a reduced level (*from an average of 20 hours/week to 10 hours/week*). We also plan to bring on another person on to work up to 10 hours / week to provide additional support in our Advanced Manufacturing, Transportation and Business-Education Partnership work.
- › We are budgeting in some transitioning costs in a couple of areas, which we can discuss during our meeting.

Contracted Workforce Services represent amounts to be paid to just our two sub-contractors, ResCare and College Dreams. We have budgeted an overall decrease of almost \$530,000, which is attributable to three factors:

- › The reduction of over \$327,000 in WIOA funds;
- › The refinement in our investment strategies to focus resources on new stepping stone "Upskill and Backfill" trainings and foundational personal effectiveness skill-building for incumbent, transitioning, and emerging workers; and
- › The elimination of a couple of funding sources that we referred to above.

ResCare has also consistently under-expended prior contracted budget allocations due primarily to turnover, and resulting periods of staff vacancies.

Finally, there is \$714,878 budgeted as funds to be **carried forward** into the following year. It is always desirable to have some "cushion" from year to year so we're not pushed into a corner by unexpected surprises. This amount is very close to the amount we budgeted in the current year.

SUMMARY

RWP Staff would request that the Rogue Workforce Partnership Corporate Directors approve the PY19 budget in the amount of \$4,254,835.

**ROGUE WORKFORCE PARTNERSHIP
BUDGET FOR YEAR ENDING JUNE 30, 2020**

	MODIFIED 2018-19	PROPOSED 2019-20	DIFFERENCE
REVENUES			
WORKFORCE INNOVATION & OPPORTUNITY ACT			
Title 1B Adult	956,778	783,797	(172,981)
Title 1B Dislocated Worker	1,611,408	1,754,884	143,476
Title 1B Youth	1,306,687	1,048,232	(258,455)
High Concentration of Eligible Youth	72,383	39,853	(32,530)
Additional Assistance (Pacific Crest Transformers)	6,587	0	(6,587)
WIOA SUBTOTAL	3,953,843	3,626,766	(327,077)
OTHER INCOME			
Work Experience	277,171	195,478	(81,694)
Competitive Strategies	87,200	78,380	(8,820)
Industry Engagement	86,021	79,992	(6,030)
CPT Training	75,000	0	(75,000)
Mechatronics Training	50,000	0	(50,000)
Caregiver School of Learning	72,000	0	(72,000)
US Forest Service	6,896	10,364	3,468
Careers in Gear (Donations)	12,500	12,500	0
Careers in Gear (Endowment Fund)	7,506	8,000	494
Rethinking Job Search	17,375	0	(17,375)
TANF Summer Jobs Program	35,311	0	(35,311)
Miscellaneous Income	81,080	27,880	(53,200)
Rental Income / Cost Reimbursements	373,129	215,476	(157,653)
OTHER INCOME SUBTOTAL	1,181,189	628,069	(553,120)
TOTAL REVENUES	5,135,032	4,254,835	(880,197)
EXPENDITURES			
Operating Expense			
Facilities	509,813	290,029	(219,784)
Contracted Services	87,988	80,647	(7,341)
Dues	14,332	14,332	0
Training, Travel, Events	35,705	35,705	0
Moving Costs / Furniture	55,000	0	(55,000)
Insurance	12,035	12,035	0
IT / Telephone / Copiers	131,546	94,756	(36,790)
Client Costs	228,793	200,000	(28,793)
Data Processing (iTrac)	39,879	40,000	121
One Stop Operator	50,000	30,000	(20,000)
Other Costs	9,500	16,700	7,200
Total Operating Expense	1,174,591	814,204	(360,387)
Personnel	733,966	745,253	11,287
Contracted Workforce Services	2,510,272	1,980,500	(529,772)
Holdback / Carry Out into the following year	716,203	714,878	(1,325)
TOTAL EXPENDITURES	5,135,032	4,254,835	(880,197)

Attachment A

Changing RWP Investment Strategies for PY 2019-2020

As we've been discussing in many recent meeting forums, we are proposing changes in RWP historic investment strategies for the upcoming fiscal/program year. We propose to expand our investments in the new "Upskill and Backfill" strategy that's successfully emerged over the past 6-8 months in the Advanced Manufacturing and Healthcare industry sector strategies. The goal will be to flow more current, transitioning and emerging workers into these new "Stepping Stones" to launch their trajectories in these industry career pathways.

For some customers, entering directly into entry-level Certified Production Technician Training or the Caregivers School of Learning or Certified Nurse Assistant (CNA) training may be all they need to step up into success. For others, additional support and foundational skills development may well be needed. So in addition to these expanded entry-level industry specific skills and certifications, we'll also be seeking to make investments in things like Job Coaching; a progression of Internships/Work Experiences and On-the-Job Training for customers who need to build capacity in a more step-by-step experiential learning mode; and personal effectiveness seminars such as those offered by Wings, Evolutionary Consulting and others.

Improving the Quality & Vision for the Customer Experience

We'll also be looking to ensure that ResCare managers and supervisors can provide the necessary oversight, case reviews and support to staff so that different types of customers have the customized set of services they need to make step-by-step progress on their customized path to successful employment.

Longitudinal Data, Predictive Analytics & Customer Typologies

Also in the coming year, we plan to dive deeply with WorkSource Rogue Valley partners, into more in-depth work with predictive analytics and longitudinal data. Working with the Oregon Enterprise Data Analytics group out of the Oregon Department of Human Services, we will be identifying different customer typologies, customized services strategies and differential levels of success for those we serve through WSRV. These cutting-edge tools will allow us to more discretely manage the different types of customers we serve, as well as our overall investment strategies and success of our programs.

Changing the ResCare Profit Structure

Finally, based on recent conversations we've had with our colleagues at the Willamette Workforce Partnership (WWP), we will be changing the profit structure of the ResCare contract to resemble the most recent WWP contract. Like WWP, we have found that the current way we have profit structured in our ResCare contract to be unsatisfactorily misaligned with our overarching goal of having contracted staff focus exclusively on providing exceptional customer service. Instead, there is an overabundant focus by management and staff on just "hitting the numbers" to achieve the profit goal. Our concern has long been that quality service and doing what's best for the customer takes a back seat to the distractions of hitting profit goals.

RWP Workforce Board ♦ Membership & Positions

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<i>Business Representatives ♦ Mandatory Majority</i>			<i>Labor Representatives &/or Joint Apprenticeship Training Center ♦ Mandatory</i>		
1	Jessica Gomez* ♦ Founder & CEO <i>RWP Chair</i>	Rogue Valley Microdevices	Lance Corley ♦ Apprenticeship Director	Crater Lake Electrical JATC <i>Joint Apprenticeship Training Committee</i> IBEW Local 659 - <i>International Brotherhood of Electrical Workers</i>	1
2	Michael Donnelly* ♦ Materials Manager <i>RWP Vice-Chair</i>	Carestream, Inc.	Drew Waits ♦ Business Agent / Organizer	Southern Oregon/Northern California Plumber & Steamfitters, UA 290	2
			<i>Community-Based Organizations</i> - with demonstrated experience & expertise in addressing the employment needs of individuals with barriers to employment - serve veterans , or individuals with disabilities		
			<i>Organizations</i> - with demonstrated experience & expertise in addressing the employment, training, or education needs of eligible youth , including representatives of organizations that serve out-of-school youth		
3	Nikki Jones* ♦ Owner	Express Employment Professionals	Dr. Brian Shumate ♦ Superintendent	Medford School District	3
4	Brent Kell ♦ Executive Director	Valley Immediate Care	Kirk Kolb ♦ Superintendent	Grants Pass School District	4
5	John Underwood* ♦ Human Resources Manager	Timber Products	Scott Beveridge ♦ Superintendent	Southern Oregon Education Service District	5
			<i>Education & Training – Title II & Higher Education ♦ Mandatory</i>		
6	Norm Kester ♦ CEO	Quantum Innovation	Dr. Cathy Kemper-Pelle ♦ President	Rogue Community College	6
			<i>Economic / Community Development ♦ Mandatory</i>		
7	Trever Yarrish ♦ Co-Founder & COO	Zeal	Alex Campbell ♦ Regional Coordinator	Regional Solutions Team	7
			<i>OED / Wagner-Peyser ♦ Mandatory</i>		
8	Alex Poythress ♦ Managing Partner	REVEIL Agency	Sherri Stratton ♦ Senior Manager	Oregon Employment Department	8
			<i>Vocational Rehabilitation ♦ Mandatory</i>		
9	Shawn Hogan* ♦ VP of Engineering	Linx Technologies, Inc.	Kari Kingsolver ♦ Area Manager	Office of Vocational Rehabilitation Division	9
			<i>Optional Members</i>		
10	Catherine Goslin ♦ Director of Human Resources	Rogue Valley Manor	Melissa Wolff ♦ Self-Sufficiency Program Manager	Oregon Department of Human Services	10
11	Michael S. Card ♦ President	Combined Transport	Dr. Linda Schott ♦ President	Southern Oregon University	11
12	Joe Meyers ♦ Vice President	Pacific Electrical Contractors	Dr. Tom Keyser ♦ Dean for the College of Engineering, Technology & Management	Oregon Institute of Technology	12
13	Robert Begg ♦ Director HR Administration	ASANTE Health Systems			
Total RWP Workforce Board Membership = 25 Positions					

Mandatory
Must be
20% of
Workforce
Board

Mandatory = WIOA Workforce Board Membership Requirement | * = Corporate Director | **New members** | **Reappointed Members** | **Tentative**