

WDC FINANCE & ADMINISTRATION COMMITTEE

June 9, 2023



SEAKINGWDC.ORG

WELCOME & INTRODUCTIONS



Angela Dunleavy, Board Chair

AGENDA

- Review draft agenda

I. INTRODUCTIONS

II. ACTION ITEMS

- A. Audit Report
- B. Approve Minutes (2/10/2023)
- C. WorkSource Certification
- D. One-Stop Operator Procurement
- E. PY-23 Budget
- F. WIOA Contract Extensions, Modifications & Non-Renewals
- G. Incumbent Worker Training
- H. Policy updates:
 - Trade Adjustment Assistance & Dislocated Worker Co-Enrollment
 - Youth Incentives
 - Adult & Dislocated Worker Incentive Policy

III. REPORT-OUT

- A. CEO
 - Board Leadership Nomination Committee
 - WIOA Formula Allocation
 - State Funding
 - Board Excellence Dashboard
 - ESD Monitoring PY-22
 - Lookahead Calendar

IV. ADJOURNMENT

ACTION ITEMS

AUDIT REPORT



Workforce Development Council of Seattle-King County

Audit Presentation to Governance

June 9, 2023

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Deliverables

Report on the
Financial
Statements

Single Audit
reports

Governance
Communication



Required Communications

Topic	Communication
Our Responsibility Under Generally Accepted Auditing Standards	<ul style="list-style-type: none">• Express an opinion on the fair presentation of the consolidated financial statements in conformity with GAAP• Plan and perform the audit to obtain reasonable, but not absolute, assurance that the consolidated financial statements as a whole are free from material misstatement• Obtain an understanding of internal control over financial reporting• Utilize a risk-based audit approach• Evaluate accounting policies and significant accounting estimates• Conclude whether there is substantial doubt about the entity's ability to continue as a going concern• Communicate significant matters to appropriate parties
Planned Scope and Timing of the Audit	<ul style="list-style-type: none">• Performed the audit according to the planned scope.• Timing of the audit began as planned in mid-April and into May.
Other Information Included in Annual Reports	<ul style="list-style-type: none">• Consolidated financial statements may only be used in their entirety• Our approval is required to use our audit report in a client prepared document• We are required to read other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements



Required Communications

Topic	Communication
Significant Accounting Policies	<ul style="list-style-type: none">• Management is responsible for the accounting policies of the organization• Accounting policies are outlined in Note 2 to the financial statements• No new accounting standards adopted during the year• Accounting policies deemed appropriate
Significant Accounting Estimates	<ul style="list-style-type: none">• An area of focus under a risk-based audit approach• No significant estimates identified
Significant Financial Statement Disclosures	<ul style="list-style-type: none">• Correction of error Note 7
Significant Unusual Transactions	<ul style="list-style-type: none">• None identified



Required Communications

Topic	Communication
Corrected misstatements	<ul style="list-style-type: none"> • None.
Management Representation Letter	<ul style="list-style-type: none"> • Management provided the representation letter and our final audit was issued
Other	<ul style="list-style-type: none"> • No difficulties encountered in performing the audit. Management was easy to work with and very responsive to our requests. Delay in issuance of the audit mostly related to staffing issues at CLA and working through prior period adjustment issues • No issues discussed prior to retention as independent auditors • No disagreements with management regarding accounting, reporting, or other matters • No management consultations with other independent auditors • No difficult or contentious matters requiring consultations outside of the engagement team • Internal control letter was not required.



Results of Professional Services

Financial Statement Audit

- Two significant audit adjustments

Material weaknesses identified in Single Audit report.

- Material weakness related to revenue recognition and related audit adjustments

Other

- No new standards implemented for FY 2022.



Financial statement highlights

Statement of financial position:

- \$992,746 increase in cash
- \$673,139 decrease in grants receivable
- \$288,607 decrease in total assets
- \$1.198million decrease in total liabilities

Statement of Activities

- Total grants and contributions (unrestricted + restricted) up by \$2.943 million
- Total expenses increased by \$1.634 million. Program increase of \$2.290M and Admin decrease of \$656k
- Correction of error resulting in \$1.556 M decrease in beginning net assets as of 6/30/21 and \$600k as of 6/30/20 (Note 7)

Statement of Cash flows

- Cash used in operating activities totaled \$997,358
- No cash used in investing or financing activities



Single Audit highlights

Schedule of Expenditures of Federal Award

- Major programs tested:
 - WIOA Cluster
 - National Dislocated Workers Program

Financial Reporting Findings

- Material weakness related to revenue recognition and related audit adjustments

Compliance Findings

- None

Corrective Action Plan provided



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REVIEW & APPROVE MINUTES

Finance & Administration Committee Meeting – February 10, 2023

PY23 WORKSOURCE CERTIFICATION

- WIOA requires WorkSource sites be certified every 3 years
- Process and tools directed by Employment Security Department

WIOA REQUIRES...



State and local One-Stop partners share common performance goals



Mandated to collaborate in developing and implementing One-Stop Delivery system

Services designed with customer in the center
Resources are leveraged for efficiency
Continuous improvement is the hallmark



Requires one (1) Comprehensive Center representing all mandatory partners



WorkSource Seattle-King County

2 Centers
5 Affiliates
39 Connection sites

RECOMMENDATION



The WDC Certification Team recommends the following site-level certifications for the six WorkSource Seattle-King County sites:

2023 Recommended Site Certification Levels		Operated by:
Auburn	WorkSource Center	ESD
North Seattle	WorkSource Center	ESD
Downtown Seattle	WorkSource Affiliate	YWCA
Rainier	WorkSource Affiliate	ESD
Redmond	WorkSource Affiliate	ESD
South Seattle	WorkSource Affiliate	South Seattle College

SITE-SPECIFIC CONTINUOUS QUALITY IMPROVEMENT (CQI) GOALS



Each WorkSource site identified at least one Continuous Quality Improvement (CQI) goal, providing a detailed plan and methodology to achieve the goal.



CQI goals per site for the next three (3) years are on the following slides.



Auburn

- CQI Goal 1: In a continuous effort support integrated service delivery, we are targeting customer wait times from 20 minutes to 15 using the SharePoint tool for all onsite services.
- CQI Goal 2: Determine a way to better inform job seekers about the opportunities to take Coursera courses over the next two years.

North Seattle

- CQI Goal: Creation of a staff-led Workshop Facilitation Team to accomplish the following:
 - New virtual workshops
 - New facilitator training
 - Exploration of new training formats
 - Standardization



Downtown Seattle

- CQI Goal 1: upgrade all technology and equipment in order to provide the best experience for our customers (Note: we are currently in the middle of this effort and are installing new computers in our job bank, computer classroom, and interview rooms).
- CQI Goal 2: YWCA will focus on being more intentional in entries into ETO (and its future replacement).

Rainier

- CQI Goal: Rainier is targeting increasing show rates for the Reemployment Services and Eligibility Assessment (RESEA) program for UI claimants that will accomplish the following:
 - Provide customer-centered experience, encouraging clients to return for repeat services
 - Increase number of referrals to WorkSource system partners and programs



Redmond

- CQI Goal: WorkSource Redmond will build self-directed, cross-functional Integrated Service Delivery (ISD) teams empowered to plan, do, check, and adjust processes and services to maintain and improve the customer experience and employment outcomes.

South Seattle

- CQI Goal 1: Establish better relationships with Connection sites
- CQI Goal 2: Create surveys for workshops to share with customers
- CQI Goal 3: Train in better use of ETO and its replacement
- CQI Goal 4: Identify professional development pathways for its staff to continue enhancing their skills and ability to provide services

ACTION REQUESTED

The Finance and Administration Committee (FAC) is asked to consider and approve the above recommendations for WorkSource Site Certification levels. If approved, the site status will continue for the next three years, through June 30, 2026.

RFQ NO. 22-01
WORKSOURCE ONE STOP OPERATOR




Review Panel Recommendations
Presented to WDC Finance & Administration Committee
June 9, 2023

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ACTION ITEM



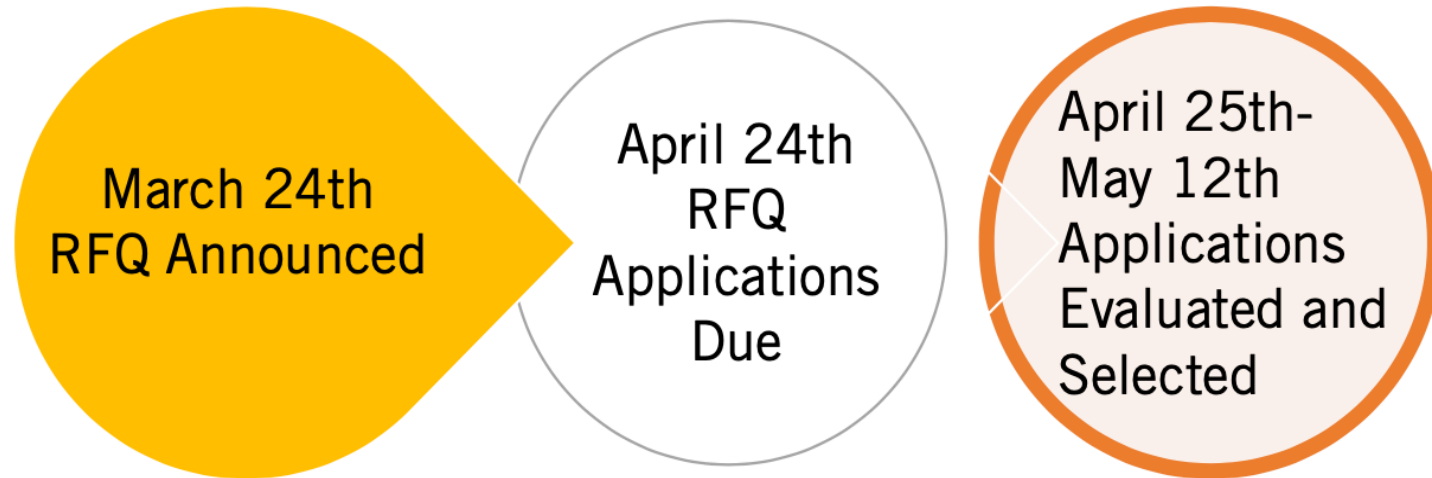
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- A thick yellow arrow pointing downwards, positioned to the left of the list items.
- I. Background**
 - II. The Review Process & Timeline**
 - III. Funding Information**
 - IV. Analysis of Top Proposals**
 - V. Recommendations**
 - VI. Action Requested**
 - VII. Discussion**

Background & Role of the Operator



- ❖ The Workforce Innovation and Opportunity Act (WIOA) requires local Workforce Investment Boards to select a One-Stop Operator (Operator) to administer the area's American Job Center Network system, known as "WorkSource" in Washington State.
- ❖ The One Stop Operator oversees WorkSource operations across the Centers, Affiliates, and Connection Sites by providing guidance and leadership that promotes alignment, standardization of policies, system integration, and high quality customer service and programs.

RFQ Rating process and analysis



A five person evaluation panel was established to review and rate proposals, comprised of a board member and five WorkSource Connection Site Community Based Organizations.

Three applications were received and evaluated, and the committee met to debrief and reach a consensus and recommendation.

The highest scoring applicant, Career Path Services, was interviewed and selected to move forward.

ACTION REQUESTED



The committee recommends funding Career Path Services from July 1, 2023, to June 30, 2024, with continued renewable funding for up to three years contingent upon successful execution of the contract deliverables. The WDC also recommends extending the current One Stop Operator's contract to up to one quarter to on board the new provider and guarantee a smooth transition.



DISCUSSION

PROGRAM YEAR 2023 ANNUAL BUDGET

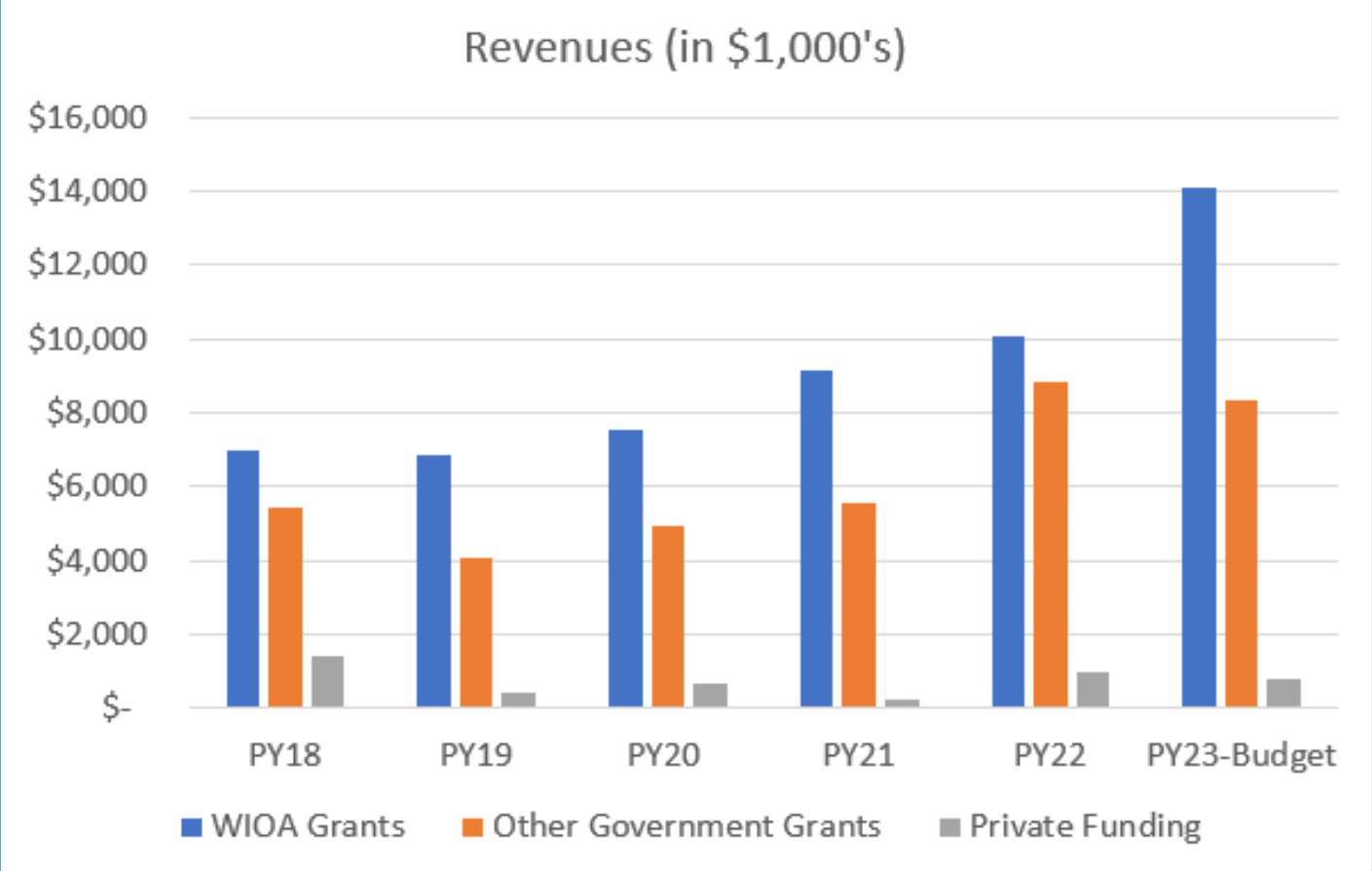
July 2023 – June 2024

Program Year 2022 Highlights



- Grants Awarded
 - Dept of Commerce Digital Navigator 10/22-6/23 \$988,505
 - State Funded EcSA 7/22-6/23 \$1,039,448
 - NDWG QUEST Disaster Recovery 10/22-9/24 \$3,189,231
- Subcontractors
 - 118 Active Contracts
 - 59 Unique providers
- Promotions
 - Director of Strategic Partnerships & Funding
 - Operations Manager
- Personnel Hired
 - Contracts and Compliance Manager
 - Three Project Managers
 - Communications Specialist
 - Policy Specialist
 - Data Analyst
 - Director of Industry Strategies
 - Executive Assistant
 - Project Manager (projected hire)

Program Year 2023 Revenue



Program Year 2023 Revenue



- **WIOA**

- \$8,685,709 Budgeted Carry-in from PY22 (compared to \$7.07mil carry-in from PY21 in to PY22)
- \$8,633,947 Budgeted PY23 award (compared to \$11.68mil award in PY22)
- (\$3,236,119) Carry-forward into PY24, 38% of PY23 award

- **Other Government Funding**

- Carry-in from Federal EcSA, KC Homeless Project, KC JIA, KC Recovery/Career Corps, QUEST
- Budgeted for renewal of KC Grants (JIA and VSHSL) and State Funded EcSA
- Added \$500,000 funding from City/County for operational expenses

- **Private Funding**

- Carry-in from Gates Foundation and Chase grants
- Budgeted \$150,000 from Bank of America based on previous year annual awards

Program Year 2023 Staffing

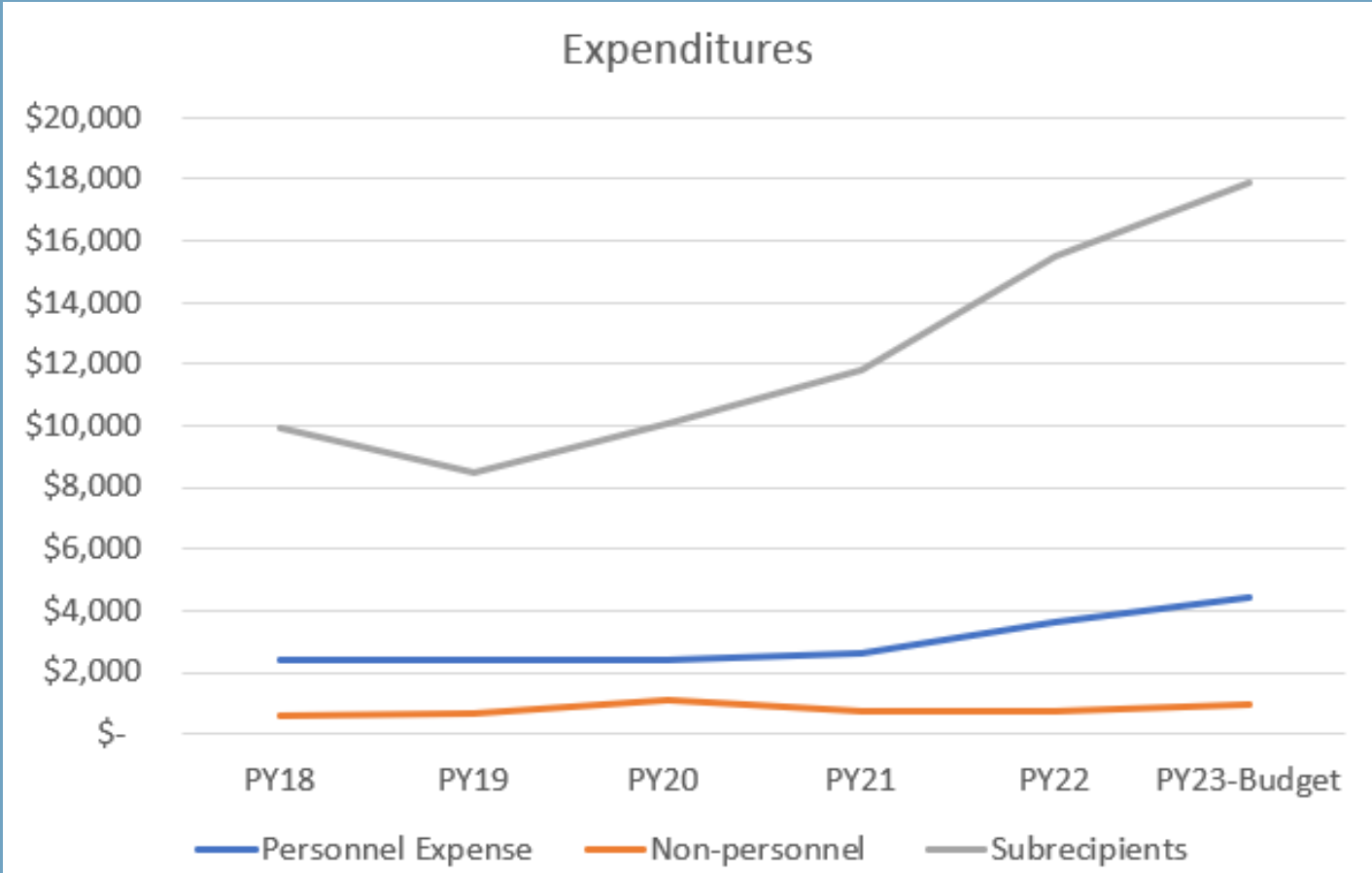


- **Budgeted Replacements**
 - Director of Industry Strategies June 2023

- **Budgeted New Positions**
 - ETO Lead September 2023
 - Director of Impact October 2023
 - Monitor October 2023
 - Grants Manager January 2024
 - Project Manager January 2024
 - Project Manager If NIH Grant is awarded

- **Total PY23 Headcount (excluding potential Project Manager): 29**

Program Year 2023 Expenditures



Program Year 2023 Expenditures



	7/1/2018 - 6/30/2019	7/1/2019 - 6/30/2020	7/1/2020 - 6/30/2021	7/1/2021 - 6/30/2022	7/1/2022 - 6/30/2023 (Projected)	PY23 Budget
Total Revenue	13,889,783	11,398,884	12,590,458	16,132,139	19,940,743	23,221,144
Expenses						
Total Salaries and Benefits	2,452,543	2,451,311	2,419,029	2,635,089	3,655,575	4,388,987
Total Subcontractors	9,939,829	8,484,635	10,070,166	11,826,517	15,531,886	17,886,547
Total Occupancy (Rent, Utilities, Telecom)	240,652	254,931	315,786	273,142	269,199	282,000
Total Equipment/Supplies/Furniture	54,980	68,045	86,546	54,482	62,665	66,900
Total Professional Services/A133 Audit	49,602	172,163	577,405	269,414	186,217	228,200
Total Travel/Professional Development	95,795	66,794	47,356	56,752	110,426	228,755
Total Printing/Publications	-	-	3,380	4,788	1,768	4,500
Total Insurance	27,032	27,565	29,769	36,543	43,504	45,000
Total Dues/Memberships	49,515	46,096	39,046	66,135	78,414	90,000
Total Expenses	12,909,948	11,571,540	13,588,483	15,222,862	19,939,653	23,220,889
Revenue over (under) Expenses	979,835	(172,656)	(998,025)	909,277	1,089	255

Program Year 2023 Expenditures



- Increase in Salaries & Benefits due to assumed 5% COLA and five added positions
- Increase in Subcontractor expense in line with increased revenue
- Professional Services, budgeting to continue using All Things HR (\$5.4k/month) and ISOutsourse (\$25k annually)
- Increase in Travel/Professional Development due to increasing Professional Development from \$2k/year per employee to \$5k and low expenditure for Council Travel/Meetings in PY22.
- Increasing Printing/Publications to expand marketing and outreach projects

Any questions or comments?

CONTRACT RENEWALS

ADULT PROGRAM

- Asian Counseling Referral Service
- Neighborhood House
- TRAC Associates
- YWCA



DISLOCATED WORKER PROGRAM

- Asian Counseling and Referral Service
- Pacific Associates
- TRAC Associates



YOUTH PROGRAM

- Boys and Girls Club
- King County Children Youth and Young Adult (CYYA)
- Urban League
- Evergreen Goodwill
- El Centro de la Raza
- Partner in Employment (PIE)



NON-RENEWAL

- Safe Futures



INCUMBENT WORKER TRAINING



WHAT IS INCUMBENT WORKER TRAINING?



For businesses to remain competitive in the Seattle-King County's thriving economy, a well-trained workforce that is up-to-date on industry-recognized skills is necessary.

The Incumbent Worker Training (IWT) under WIOA provides workers and employers funding for continuing education, training, and upskilling to increase both participants' and companies' competitiveness.

ACTION REQUESTED:



The action requested to the committee is to approve the \$15,000 reserved from the WIOA Adult and Dislocated Worker Programs for the purpose of funding the Incumbent Worker Training Program.

POLICY UPDATES REVIEW AND APPROVE:



TAA and Dislocated Worker Co-Enrollment

Youth Incentive Policy

Adult and Dislocated Worker Incentive Policy

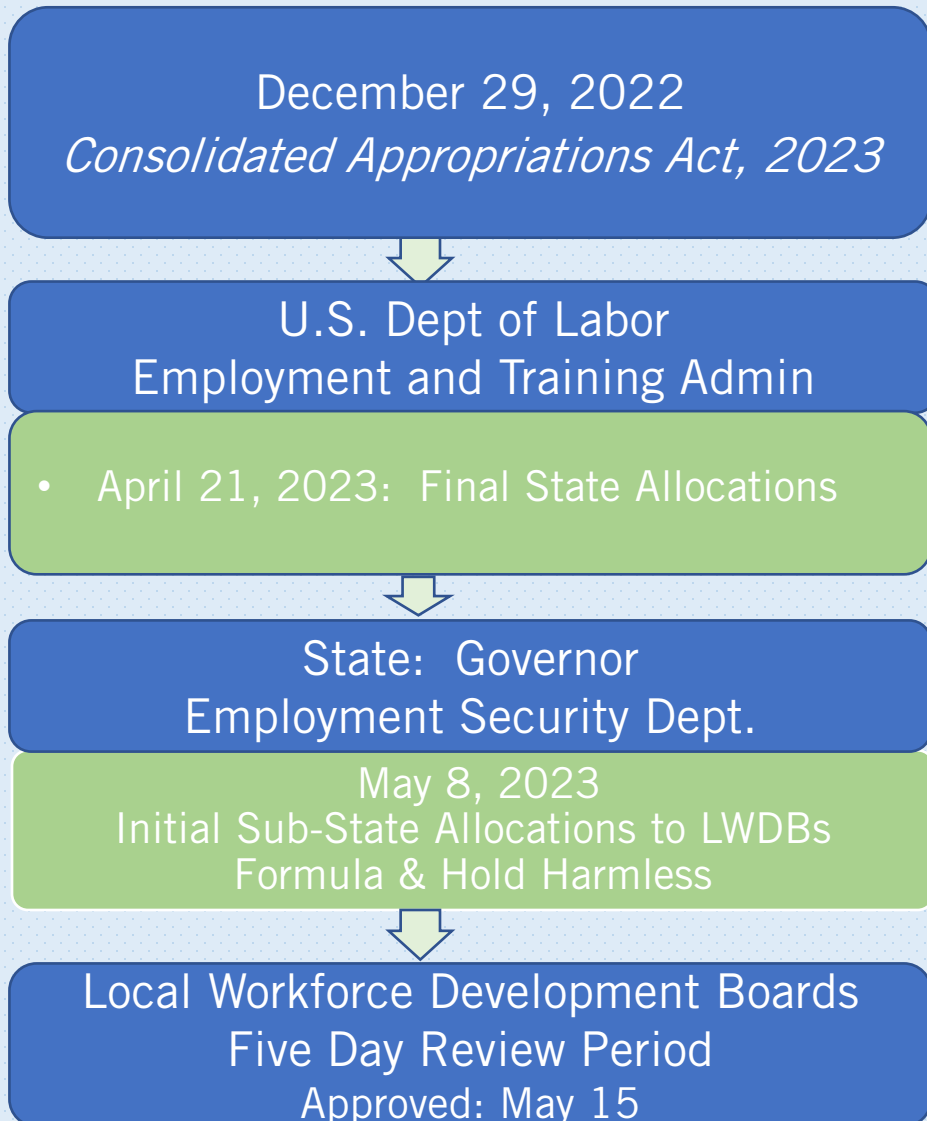


CEO REPORT OUT

BOARD LEADERSHIP NOMINATION COMMITTEE

WIOA PY23 / FY24 ALLOCATION

PY22/FY23 WIOA FUNDING PROCESS & TIMELINE



ALLOCATION PROCESS

STEP 1: CALCULATE BASED WIOA FORMULA METRICS

Youth and Adult Criteria:

- # Unemployed in Areas of Substantial Unemployment
- # Excess Unemployed
- # Economically Disadvantaged Youth/Adults

Dislocated Worker Criteria:

- # Unemployed
- Unemployed in Excess of 4.5%
- Long Term Unemployed

STEP 2: HOLD HARMLESS ADJUSTMENT

SEATTLE KING COUNTY FORMULA ALLOCATION METRICS

STEP 1: FORMULA ALLOCATION METRICS

WIOA FORMULA ALLOCATION CRITERIA:

Youth and Adult

- # Unemployed in Areas of Substantial Unemployment
- # Excess Unemployed more than 4.5%
- # Economically Disadvantaged Youth/Adults

Dislocated Worker

- # Unemployed
- # Excess Unemployed more than 4.5%
- Long Term Unemployed

Unemployment Data Source: State LMEA
(July 2021 -June 2022)

Economically Disadvantaged Source: Census
Based January 1, 2016- December 31, 2022

METRIC	STATE	Sea-King	% of State
Unemployed in ASU	172,782	40,683	23.55%
Excess unemployed	15,458	20,625	22.98%
Adult Econ Disadvantaged	533,185	0	0
Youth Econ Disadvantaged	97,294	22,390	23.01%
Total Unemployed	162,110	37,450	23.10%
LT Unemployed 15+ Weeks	54,924	14,107	25.68%

SEATTLE KING COUNTY FORMULA ALLOCATION METRICS

PY23/FY24 Formula Allocation and Hold Harmless Mitigation

Allocation Calculations:

- Allocation based on data factors: \$6,964,505
- Hold harmless adjustment: \$1,669,442
- Final allocation: \$8,633,947

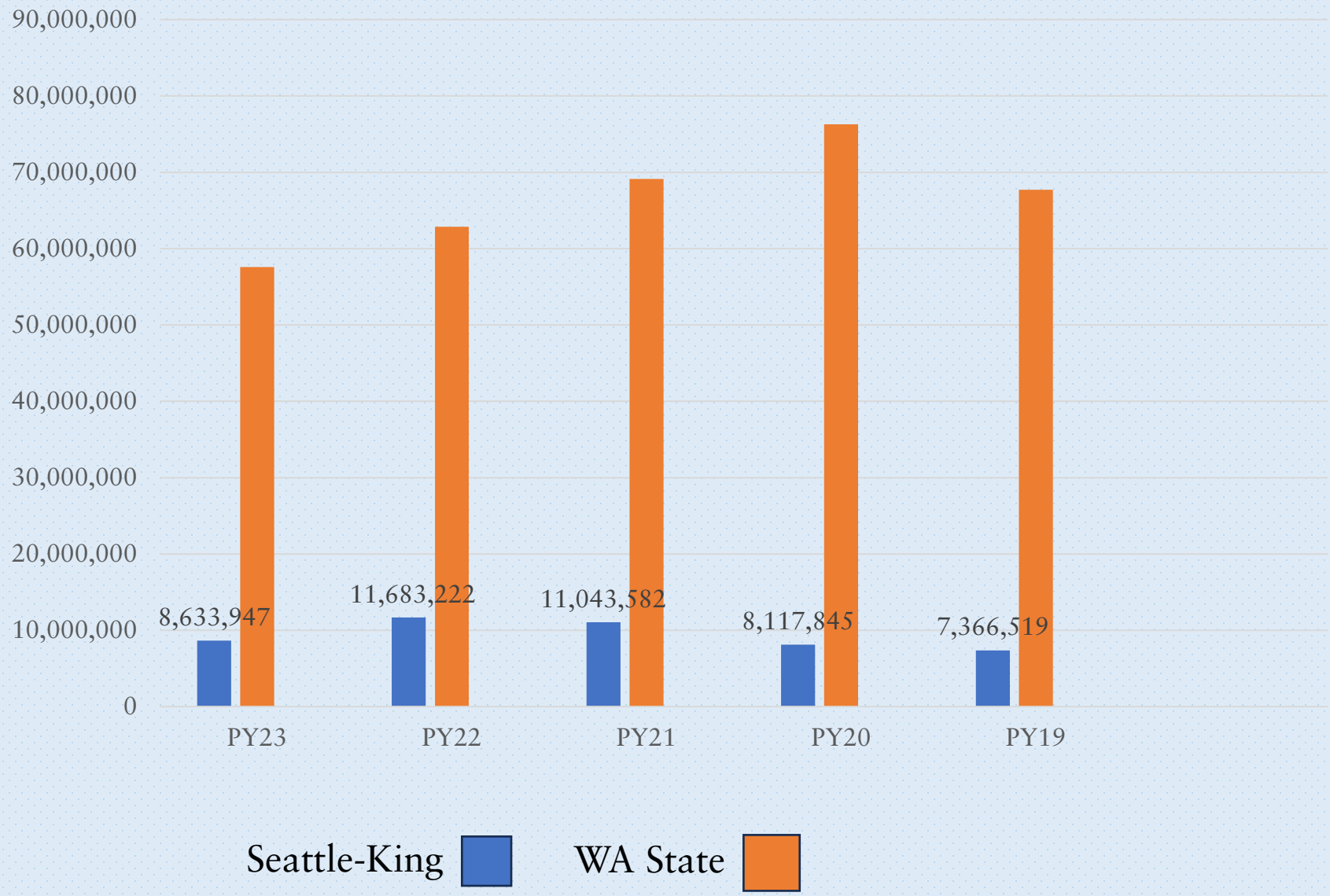
	Allocation Formula Factors	Hold Harmless Adjustment	FINAL Allocation PY23/FY24	PY22/FY23 Allocation	PY22-PY23 Variance	
					Amount	%
YOUTH	\$ 2,524,124	\$ 678,239	\$ 3,202,363	\$ 4,132,739	\$ 930,376	22.5%
ADULT	\$ 2,448,973	\$ 586,841	\$ 3,035,814	\$ 3,906,050	\$ 870,236	22.3%
DW	\$ 1,991,408	\$ 404,362	\$ 2,395,770	\$ 3,644,433	\$1,248,663	34.3%
TOTAL	\$6,964,505	\$1,669,442	\$ 8,633,947	\$11,683,222	\$3,049,275	26.1%

SEATTLE KING COUNTY FORMULA ALLOCATION METRICS

PY23 – PY22 FORMULA ALLOCATION DATA METRICS COMPARISON PY22-PY23

METRIC	STATE		SEATTLE KING COUNTY			
	PY23	PY22	PY23		PY22	
			Number	% of State	Number	% of State
Unemployed in ASU	172,782	264,453	40,683	23.55%	77,885	29.45%
Excess unemployed	15,458	89,751	0	0	20,625	22.98%
Adult Econ Disadvantaged	533,185	579,344	129,935	24.37%	148,435	25.6%
Youth Econ Disadvantaged	97,294	125,880	22,390	23.01%	31,665	25.15%
Total Unemployed	162,110	227,762	37,450	23.10%	63,243	27.77%

WIOA FORMULA FUNDS TRENDS



STATE FUNDING

BOARD EXCELLENCE DASHBOARD

ESD MONITORING PY22

LOOKAHEAD CALENDAR

REMINDERS



FULL BOARD LUNCHEON & MEETING

June 22nd, Bethaday Community Learning Space

FINANCE & ADMINISTRATION COMMITTEE

September 8th, 2023