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## ADMINISTRATIVE OFFICE

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### CEP Board of Directors

Wednesday, April 1, 2020 – 10:30 a.m.

CEP Office – Ashland, WI

### Meeting Minutes

#### Present Web Ex

Thomas Gordon, Sr.  
Dee Gokee-Rindal  
Tom Mackie  
Bill Kacvinsky  
Dave Willingham  
Bob Kopisch  
Dan Makovsky  
Joe Pinaridi  
Charlie Glazman  
Dawn Petit  
Elizabeth Franek  
Brent Blomberg, alternate

#### Excused

Emmett Byrne

#### Others Present Web Ex

Jeff Muse  
Jenny Decker  
Mary Zinnecker  
Annette Meudt, DWD  
Phil Koenig, DWD  
Aaron Sarbarker, DWD  
Jean Christiansen, WIPFLI

#### Call Meeting to Order

Bill Kacvinsky, CEP Board Chairman called the meeting to order. Roll call was taken, a quorum was present. The public meeting notice was published in two class A newspapers in the WDA.

#### Approval of the Meeting Minutes from 2/19/2020

**Brent Blomberg made a motion to approve the 2/19/20, meeting minutes as presented. Seconded by Tom Gordon Sr. Vote taken, carried unanimously.**

#### Executive Director Report-

Jeff Muse reported that the mission of CEP is to strengthen the economy of northwest Wisconsin by providing effective and efficient workforce development services to businesses and job seekers.

Jeff reported that CEP hired Amanda Frohn for FSET to cover the Price County Area. David Hibbard left the FSET position and took another position at CEP working with DVR clients. Jeff reported that there are no more than three or four people in the CEP office at this time. Discussion took place regarding COVID-19. Bob Kopisch said Price County declared an emergency order and are using administrative powers by providing an emergency resolution. Bob will send Jeff the document they're using. Dave Willingham, Tom Mackie, and Joe Pinaridi said they're all doing the same in their counties.

#### Discussion with DWD Regarding CEP/WIB Governance & Organizational Issue

Jeff explained that there are some unanswered questions regarding the proposed separation of the Workforce Investment Board, Inc. (WIB) and the Northwest WI Concentrated Employment Program, Inc. (CEP) organizations. The CEP Board wants more clarification regarding the WIB's separation proposal and the proposed change in the fiscal agent status from CEP to WIB. Bill said the WIB met on March 26<sup>th</sup>

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and Jeff explained that the WIB wants to hear what the CEP Board decides. Bill noted this change is coming very fast, and with everything going on, the CEP Board needs time to research it further. Jeff said he's hearing the state Department of Workforce Development (DWD) and the WIB wants this change done by July 1<sup>st</sup>. Annette Meudt of DWD said July 1<sup>st</sup> is not a hard fast date, mostly for fiscal purposes but she said it does not have to happen July 1<sup>st</sup>. She noted that most grants run from July to June at the Division of Employment and Training (DET). Jeff noted they're looking at logic, and the CEP Board needs to know what's going on at face value and what is DOL's concern regarding conflict. Another concern raised is although the CEP Board/CLEOS still maintain the fiduciary responsibility, they appear to have less control in what's being proposed, is that considered blind faith for a business? There are other concerns cited such as additional WIB staff being paid out of WIOA dollars or will that be deducted? There are many technical questions that need to be sorted out.

Aaron Sarbacker of DWD said the CEP Board is the same CLEO consortium who will still have fiduciary responsibility. The primary driver is the Workforce Innovation and Opportunity Act (WIOA) funding stream. The WIB is responsible for monitoring the CEP and their funding. It was noted that the WIB should control funds of the service provider. Annette said the Department of Labor (DOL) said there needs to be a firewall between the WIB and the CEP and the WIB receiving the funds creates the firewall. A question was raised by the CLEOS about the WIOA dollars that go to WIB that would pay themselves to monitor the service provider. Phil said in the majority of the WDAs, the money goes to the WIBs. The WIB reports to the CLEOS. Phil said the CLEOs designate the fiscal agent, and in no other place in the state is it the service provider. Charlie Glazemen noted that as elected officials, they are fiscally responsible for these funds, how can accountability be assured that the WIB manages the finances responsibly? Phil said the WIB Director should be reporting to the CEP Board/CLEOS like other WDAs. Phil noted that CEP remains the service provider and in areas or cases where they see disallowed costs, that is where the service provider has issues.

A concern was made that the WIB and CEP both appear as service providers funded from the same funding source. Annette said their proposed model adds a layer of protection for CLEOs by having the WIB monitor the CEP. A question was raised on if it's appropriate for the WIOA dollars to pay for internal monitoring? It was noted if it comes out of admin, it's allowable. The WIB would retain the 10% admin and procure the rest to CEP for service provision. A concern was raised in this scenario, regarding the WIB allocating WIOA funds to whoever they choose, as in other workforce regions that are non CEP designated under WIOA legislation, to various service providers. It was noted that CEP does not want their programs and staffing to shrink while the WIB continues to grow their staff. Phil said on the chart, the WIB Director has to run any fiscal plans past the CLEOS. It was noted that this is a new model that has not been done in the past and what can we do to ensure fiscal responsibility? It was noted a MOU could be put in place. Phil noted that the WIB can run fiscal plans through CLEOS and they could implement controls. Dave Willingham said we need to clarify how the two boards have functioned and he is relatively certain, until recently, that the CLEOs were not aware they were the CEP Board, not separate as CLEOs who were not monitoring both the agencies. There was concern that Board members were not sure how this suddenly came about or whether they agree on this change from the way it has always been done. Dave said there are issues with the role of the Joint WIB/CEP Executive Committee which can influence each of the two boards while they have them report to their own board. It was

suggested that CLEOS may have to be a separate body as the CLEOS; so even if you build a firewall, conflict or fire could exist on either side of that wall anyway. Dave recommended creating a separate set of agreements with the WIB. The WIB and CEP can have a MOU. Dave said this chart does not solve the issue of who monitors who and the county elected boards would not be comfortable with this change to create an entity where the CLEOS act as a separate body. Bill suggested that Dave's concerns could be part of the MOU. Dave said the CEP Board may have to be constituted with a different set of membership, aside of the CLEOs. It was noted that July 1<sup>st</sup> was an unrealistic date at this time as more research and work needs to be done on this issue. Dawn Petit said this was discussed at last CEP Board meeting, and there were concerns about a change in fiscal responsibility that the CLEOS are accountable for. She felt that she cannot see giving someone an open check book and then put the CLEOS on the hook. Dawn said we need to have this laid out between these two entities and does not want this to go back to her constituents because it got mixed up. Elizabeth agreed with Dawn Petit on their concerns regarding the CLEO's fiscal accountability. It was noted that there should be a proper orientation for each CLEO board member to educate them on how this functions at the county level. Aaron said in other areas, CLEOS are separate from the service provider and explained they are only responsible for WIOA. He also explained creating a separate consortium. A question was asked, where on the flow chart, would the CLEO consortium go? Aaron said where the CEP Board square is. Dave said that the CEP Board, the CLEOS, acting as one, understood things better. He fears that in essence, if we move to three separate entities, we wouldn't be knowledgeable about what comes out of the sound machine. The question is, would there be an objection from DOL if the CEP Board continues to operate under the new proposed model, with the CEP Board also having a substantial number of members as CLEOs. Jeff said we have we have no idea who is being talked to at the DOL and they have no idea what a CEP is, as there are only three left in the nation (WI, MN, KY). It was noted that the CEP Board has not heard directly from the DOL and wants to know who from there is saying what. Aaron said the DOL is looking out for CLEOs and said Dave accurate in his assessment on how this should look. Aaron said the CLEO consortium can be involved with CEP, but has a separate vote.

Jeff reported that he recently met with the CEP Office in Detroit Lakes, Minnesota to see how their CEP agency is working. He said their CEP is not having any issues or directive from the DOL regarding the issue of their CEP being the fiscal agent. He said their CEP keeps in contact with the DOL regarding workforce matters on the federal level. The question was raised, who is driving this from the DOL about Wisconsin's CEP? Phil said the DOL goes through the state and usually does not speak to the WIBs or CEPs. Phil said what he is hearing, is that we are open to having a separate CEP Board and CLEO consortium. It was the consensus that the CEP Board needs to regroup and is not ready to make that decision right now. It was agreed by CEP Board members that they want to see the MOU before any motion or action is made. Tom Gordon said we need to meet in person to make a decision on something this important. The MOUs need to be created in draft form and the org chart is just a beginning to figure out how that functions. Bob Kopisch agrees with Dave. Dave said that in drafting the MOU we need to address the role and separate function of the organizations if the CLEOs are going to have a separate set of bylaws and also address how the joint committees will function. Elizabeth indicated she would like to see more transparency with the WIB and CEP about the services they provide for the people who really need it. Brent Blomberg agreed that we need to meet in person. Aaron will provide some CEO Consortium bylaws from another area.

**Action Item: Review/Approve Possible Recommendations by the CEP Board Regarding the Governance Issue**

**Tom Mackie made a motion to continue to work on the WIB/CEP Governance issue. Seconded by Charlie Glazeman. Vote taken, carried unanimously.**

**Action Item: Review/Approve WIOA Plan**

Jeff noted that we emailed Board members the link to the WIOA plan. It's about 60 pages long and needs approval to go to WIB Board. A question was raised on whether we should make some changes to the WIOA plan. It was noted this plan is about programs, not governance.

**Tom Gordon, Sr. made a motion to approve the WIOA plan as presented. Seconded by Brent Blomberg. Roll call vote taken, carried unanimously.**

**Action Item: Review/Approve Changes to the Field Level Operating Procedure Manual**

Jeff explained that the handout regarding the Supportive Services section in the CEP Field Level Operating Procedures Manual which had some changes. He noted the changes in green was the new language and the changes in red were the old.

**Dave Willingham made a motion to approve the change to the Supportive Services language in the CEP Field Level Operating Procedures Manual as presented. Seconded by Joe Pinardi. Vote taken, carried unanimously.**

**State & Federal Updates**

There were no updates at this time. Jeff reported that some staff are working at home and are looking at grants and which ones to focus on. Jeff noted that we are over 50% dependent on grant funding and we are looking to grow in areas such as training for elders, health insurance, youth, etc. There was concern with looking for grants at a time when we're flooded with unemployment claims that we need to focus on helping people who are out of work. Jeff said we are working with the unemployed.

**Comments & Announcements**

None

**Next Meeting Date and Location**

The next meeting of the CEP Board of Directors will take place at the call of the Chairman. It was agreed that the Monday, April 20<sup>th</sup> meeting is not going to happen at this time.

**Adjournment**

The meeting was adjourned at 11:45 a.m.

