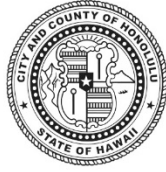


OAHU WORKFORCE DEVELOPMENT BOARD
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KIRK CALDWELL
MAYOR

JASON C. CHANG
CHAIR

TIM WONG
VICE CHAIR

EXECUTIVE COMMITTEE:
JAMES P. HARDWAY
MELI JAMES

ALISON P.M. LUM
EXECUTIVE DIRECTOR

Executive Committee Meeting
Tuesday, April 9, 2019 – 1:00pm to 2:00pm
Queen's Conference Center, Room 201

Members Present: Jason Chang, James Hardway, Rodney Lee, Tim Wong
Staff Present: Alison Lum, Justin Sarce, Lyn Uratani

I. Call to Order at 1:04pm.

II. Approval of Minutes from January 11, 2019.

Jason Chang entertained a motion to approve January 11th minutes. Tim Wong motioned. James Hardway seconded. Unanimously approved.

III. New Business:

a. Memorandum of Understanding (MOU) for One Stop Operator

Alison Lum explained that this MOU is from the meeting in December for Finance. The State Workforce Development Council (WDC) referenced bulletin saying that local boards obligate 80% of funds by end of first program year; 10% is for Local Administrative Cost and each provider for Youth and Adult/Dislocated Worker is given allotted amounts in exchange for budget. WDC informed OWDB that this is not contract. Because we are City to City, we needed a detailed MOU in works with COR and was approved by City Corporation Counsel (COR). OWDB is currently finalizing MOU with OSO. **There is currently a contract with OSO, but WDC does not understand how this works.** The historical background is that City Purchasing and Procurement simply did not know how to contract City to City. What the contract needs is a clear definition of amount; parameters of beginning and end date are clear, but budget is fuzzy. A new MOU for every contract year is something that we could take this to Finance every year. At the last meeting, James Hardway brought up tightening scope of services to see if we are allocating too much money. What we need to do in the next one is to provide administrative money like collecting rent. This will be corrected in PY17 budget.

James Hardway asked how OWDB will make up for loss of funds. Alison Lum stated that OWDB will have a bit of overage; delay in funds caused OSO to go over. OWDB will also

have overage in LAC. Tim Wong asked that since OWDB is currently fixing something now, what this implies for next year. They could take away funding. James Hardway asked whether OWDB should argue separation between OWDB and OSO if we give admin money. James Hardway mentioned that the OSO will invoice; in this case, WDC not correct and this is sticky area of firewall. If we contract out any entity to do OJT, the entity will need to do admin tasks, as granter, we cannot let them take part of our budget. Alison Lum shared that OSO measures actual space to allocate rent. Rodney Lee added that OWDB is supposed to hire OSO to run it. The firewall is needed because we oversee them. James Hardway and Tim Wong agreed with Rodney Lee.

Tim Wong asked if OWDB can use contract work to assist with fiscal issues when Justin Sarce leaves. Alison Lum stated that OWDB is looking to fill Justin's position, and the BFS Fiscal team is fully staffed. Rodney Lee mentioned that OWDB should request what stipulates that the past three years of admin needs to be partially paid for. Certainly OWDB receives funds from WDC but what in WDC's authority can they give direction to local area? Tim Wong mentioned that OWDB had questions about allocation and still needs clarification from the Board member side, not just from the staff. Alison Lum said that John Bailey stated that questions from local area can be directed to USDOL. WDC cannot say that OWDB cannot contact feds. James Hardway said that there's no prohibition against local area from contacting feds. Jason Chang asked if it is a skewed methodology. Justin Sarce stated it is skewed by very slightly more. Jason Chang asked to know how significantly. Justin Sarce said a percentage. Jason Chang stated that it is better than 10%. Alison Lum mentioned the month lag of WDC reporting. James Hardway asked if the issue of the admin cost is separate from the MOU. Alison Lum explained that OWDB needs MOU in place and signed by 6/30. Not a full board approval.

b. PY18 Budgets for OSO and AJCH

Justin Sarce shared that after the revised PY17 numbers came out, OWDB approved formulation and remainder of budget. Board approves AJCH budget. WDC can ask to see this information but they do not have authority over service provider budget. OWDB currently has no policy to tell service provider that modifications must be done if there is change of 10% or \$10,000. OWDB should take care of this since we are held to this with WDC. Tim Wong observed that OWDB should include "and" between 10% and \$10,000. Justin agreed. Tim Wong shared that otherwise OWDB will be explaining lots of variances if the Board makes it too stringent. As long as you are aware of where funds are going, that's a comfort. James Hardway mentioned that there needs to be some sort of control. Justin Sarce added that a metric that they look at is cost per participant. Alison Lum said that this is arbitrary. Cost per participant will go down, but WDC does not make clear how they measure this. James Hardway asked how this would be implemented. Tim Wong mentioned that OWDB should ask Jackie Sakane what her thoughts are; it is understandable if we bring the \$10,000 level down. Rodney Lee added that it will catch more items. Committee agrees that budget will be brought to the Board for approval.

c. AJCH Manager's Travel Request

Alison Lum explained that Erick Pascua would like to go to NAJA for the fiscal reporting side, not programs. Erick Pascua has asked OWDB if the Board could pay partial or all of his training for travel and per diem. James Hardway asked if there is no budget at AJCH. Alison Lum stated not currently, since the impact from IFA has caused their budget to change. Justin Sarce added that the programs absorbed in-kind. James Hardway said that Erick Pascua being able to go to this training is a good thing, but expressed concern about funding of the service provider out of OWDB budget. Will that concern WDC? Alison Lum said that this would be allowable since he is not being trained on his program. That's the only way it would make sense. Even if AJCH had money, OWDB could still cover it because he is learning fiscal. NAJA is necessary for fiscal program management. Alison Lum added that the Executive Committee given power in by-laws to make decisions for board, but COR says that Executive Committee does not represent quorum of entire board. Cognizant of time put into meetings and keep to minimum.

Jason Chang entertained a motion to approve the AJCH Manager's Travel Request and ratify at the next Full Board meeting. James Hardway motioned. Tim Wong seconded. Unanimously approved.

IV. Executive Director's Report

a. Alison Lum stated that each county is required to submit an Executive Director's report to WDC. Erick Pascua, Nisa Tokunaga, and Lei Nakamura will need to provide updated numbers since WDC is tailoring questions for each county. OWDB has answered these questions for more than a year now. Justin Sarce's last day is April 15, 2019; he met with Rowena Santamaria and Bryce Okimoto to make sure PY17 funds on target. OWDB will need to do a modification before Justin Sarce leaves. OWDB has kept it to LAC budget and modification is based on excess of salary and fringe. OWDB was going to use this as a fix especially because OSO went over; the Board also made sure vacation payout to HART was put on the side, but there is still an overage. James Hardway mentioned that OWDB needs to be mindful of WDD and WDC issues with DLIR. Alison Lum responded that without a quick fix, it would mean that the OSO would have eat \$9,000 in general funds. The date that WDC signs contract is the date we can touch the money from; the gap is \$8,820, which is under \$10,000. Rodney Lee asked if the AJCH has recourse due to the shortage. Alison Lum responded that the AJCH would have to pull from general funds. OSO budget is on a 12 month calendar; they were already asked to stretch it for 20 months. If lag of couple months, that is not too bad. But they count on it coming in during August, September, or October—never this long of a wait. If Title I money runs out, we need to stop service. City Managing Director understood this. DCS assumes City will pick up to keep providing services. Justin Sarce mentioned that the quarterly report from OSO will show net zero. Alison Lum stated that OWDB cannot set precedence that OSO will receive LAC. Tim Wong asked if this will mean another modification of PY17 LAC again, and whether this is something the full board has to hear and that he has to explain yet another time. Rodney asked why there is no recourse, if general funds are

pulled to do something we contracted them to do. With government agency procurement – it's a violation if funds are not available. Complaints can come through that says funding is not available and the recourse is to file a claim. We procured without the funding having been secured, then a violation and finding happens. From auditor's point of view, that imposes funding availability before signing of contract. This will not happen if we do not get anything from WDC. Is there someone who can give us procurement advice and legal counsel? This is a huge risk. Alison Lum mentioned that OWDB will reach out to COR. Impact to clients being served is major concern of USDOL. Tim Wong stated that other counties need to broach this to USDOL. Rodney Lee said that this is a huge violation that can cause program to be shut down. We need to document risk, because if someone looks at this, there's a trail about trying to resolve this issue. OWDB has been aware of a potential violation. Tim Wong observed that this comes back to PY17 modification. Does the Board have to do a modification to reallocate to that portion? Or can we say regarding the budget whether something is over or something is under. Justin Sarce responded that the addition of OSO into budget to cover shortfall is what created new line item. Alison Lum stated that if we do not spend PY17 it is left there. Tim Wong commented that the Board should have leeway and that he did not want to go back to ask the Board. We already asked once, and that's it. Keep it simple. Justin Sarce agreed. Rodney asked about a variance report. Alison Lum remarked it would be done for close out. Justin Sarce commented that total expenditures are most important. Rodney Lee reiterated that the Board needed legal advice as soon as possible, and must give this WDC. That way it is easier to explain variance.

Alison Lum shared that the Conference of Mayors will be held at the end of June and that Mayor Caldwell will be hosting it. Rebecca Soon was asked to join the meeting. OWDB has asked Manny Valbuena who should participate with Rebecca. Manny Valbuena wonders if Jason Chang could do this. An agenda will be shared and there will be food at this event. If Jason Chang is not available, someone else from OWDB needs to represent the Board.

V. Updates from Committees

a. Data Management and Technology

Rodney Lee shared that there has not been a meeting yet, but intends to hold a meeting in May.

b. Employer Engagement

Alison Lum mentioned that Russel Cheng, Alison Lee, and Trevor Bracher attended February 27th meeting hosted by Faustino Dagdag at the AJCH. This meeting was to allow Oahu to offer input on Dr. Payton's statewide framework.

c. Finance

Tim Wong shared that the PY18 budget has been approved. Going forward, the process should get better. Having same person for two budget years will be helpful. Alison Lum thanked Tim Wong for joining WDC conference calls.

d. Performance Measures and Accountability

James Hardway stated that no meeting has been held, and that he plans to start looking at numbers. It will be important to come up with a metric to see results of co-location of partners. Alison Lum will send a bulletin to James about certifying AJCH as compliant comprehensive.

e. Sector Strategies and Career Pathways

Alison Lum commented on behalf of Committee Chair Meli James to share that there will be an April 18th support partners for manufacturing meeting. The Board needs to utilize the \$5,000 from WDC before June 15th.

VI. Next meeting: TBA

VII. Adjourned 2:02pm.