

CEO Meeting  
Friday, March 11, 2022 11:00 AM Mountain

Zoom  
525 Camino De Los Marquez  
Suite 250  
Santa Fe, NM 87505

|                    |         |
|--------------------|---------|
| Cibola County:     | Absent  |
| Colfax County:     | Absent  |
| Los Alamos County: | Absent  |
| McKinley County:   | Present |
| Mora County:       | Present |
| Rio Arriba County: | Absent  |
| Santa Fe County:   | Present |
| San Juan County:   | Present |
| San Miguel County: | Absent  |
| Taos County:       | Present |

Total Present: 5, Absent: 5.

**Also in attendance:** NALWDB Staff: Lisa Ortiz –Executive Director/Financial Specialist, Barney Trujillo - Operations Manager, Kevin Boyar – Program Monitor, Amber Gomez – Project Specialist/Communications **Guests:** Christina Garcia-Tenorio - DWS, Rick Sandoval – Zlotnick & Sandoval, Eric Vasquez – One-Stop Operator, Jessica Hudson – One-Stop Operator Assistant, Julio Garcia – Advise a Modern Law Firm, Evangeline Touchine – HELP NM, Ericka Van Eckhoutte –HELP NM, Amber Alcon – Wagon Mound, Mary Berglund – Eagle Nest, Lida Calhoun – Red River, Tom Swenk – City Farmington, Linda Cooke - Millan

#### 1. Call Meeting to Order

The meeting was called to order at 11:14AM by Chairman Henry Roybal.

#### 2. Roll Call and Determination of a Quorum

Roll Call was done by NALWDB Project Specialist/Communications, Amber Gomez, who indicated that a quorum was not present.

#### 3. Pledge of Allegiance

The pledge of allegiance was recited by all in attendance.

#### 4. Approval of Agenda

There was not a quorum present to approve the agenda.

#### 5. Approval of CEO Meeting Minutes - December 3, 2021

There was not a quorum present to approve the prior meeting minutes from December 3, 2021.

#### 6. Shared Liability Agreement - Presented by Christina Tenorio, NM Department of Workforce Solutions

##### 6.1 NMAC Rule 11.2.4.9- Presented by Christina Tenorio

Christina introduced herself as the liaison to the chief elected officials and the local workforce development boards across the state for NMDWS. She added, part of her position is really understanding the chief elected official portion as it relates to WIOA. She informed the CEO's that she wrote a grant to USDOL to receive assistance training the CEO's and the Local Workforce Development Boards on their roles and responsibilities as it relates to WIOA, and they were granted that award. They also worked with a third-party company known as mayor and mayor who helped them develop a effective training on WIOA, section 107(local governance). Her training objective for the meeting included the following: building an understanding of WIOA, the public workforce system as it prescribes to the chief elected officials, the implementation of roles and responsibilities at the governance level, and how it includes the Local Workforce Development Board, shared liability, and the Local Workforce Development Board grant agreements. Christina stated the everyone should have received the New Mexico Chief Elected Officials Guide. She recommended reading this short document for more information.

Chairman Roybal asked Madam Executive Director to confirm that we're currently doing evaluations on our fiscal agent Mr. Sandoval.

Madam Executive Director confirmed that Chairman Roybal was correct. She stated that we conducted an evaluation yearly.

Christina Garcia Tenorio stated that Chairman made a good point because when those are put into the shared liability agreements, it'll give an outline and a brief overview on the evaluation process.

Chairman Roybal stated that he thinks it's a good practice to conduct an annual evaluation.

While presenting about the oversight role the CEO's have in the selection of the One-Stop Operator, she commended Eric for the wonderful job he's done as the One-Stop Operator and in getting different partners to participate in the process of MOUs with the board.

Chairman Roybal thanked Christina for Henry for recognizing Eric for his hard work.

Christina mentioned that they've been able to work with Jessica and Eric, in a lot of the work they've done at the local level and it's not an easy position they have. She added, At the dislocated worker level there are some regulations that state that the CEOs have to be a partner with the One Stop operator. However, at a high level this partnership could be as simple as referring individuals to the system. It's also important to understand what's occurring at the One Stop level.

Christina informed the CEO's that she would be sending out an example of the shared liability agreement to Lisa and Barney to be distributed to the CEO's that can be used as a template. It includes all of the requirements, NMAC designations, and citations.

Amber Gomez announced for the record that County Manager Brent Jaramillo joined at 11:43am.

Christina stated, typically the Local Board draft the shared liability agreement, then the CEOs can go through redline and track anything that needs to be changed. Once the changes are made then it can be officially signed into the agreement between the Local Workforce Development Board and the CEOs.

County Manager Mike Stark – San Juan County thanked Christina for her presentation. He then asked, if the counties are going to be recipients individually of these federal funds, and is this agreement going to say that, if any one of the entities or counties misappropriates this these funds, there will be shared liability with the other counties.

Christina explained, if for any reason there's misappropriated funds at the service provider level, and they cannot or will not make that situation correct/right with their own funds, then it falls back on the counties and the counties collectively. In the shared liability agreement, the funds that each county is responsible for can be based on a percentage, determined by population size of that county, or it can also be decided to split the amount evenly between the counties.

Madam Executive Director informed the CEO's that the NALWDB has had a partnership agreement in place between all the CEOs since 2019. However, since the NMAC rule has been approved in June, we are currently in the middle of revising the shared liability agreement. She explained that we've merged the information from our previous agreement with the new information from the NMAC rule and incorporated the recommendations from Christina into the new shared liability agreement between all the Counties. She also announced that we've had a clean audit and there's been no misappropriation of funds.

Christina informed the CEOs that these partnerships, or these sub grant agreements, are put in place as safeguards. Whether it's through policy or the agreement it's to ensure that that this doesn't happen. She mentioned that it's been a prudent practice that has occurred not only in this state, but other states across the nation.

Mr. Stark asked Christina to explain the need for a shared liability versus, individual counties being held responsible for the misappropriated funds that took place in their county. He also asked if the receipt of those federal funds will cause an audit, or if those federal audit requirements fall back on the Workforce Board?

Christina explained that there will be a working meeting when the shared liability agreement is updated. It's going to require everyone to be in agreement in regard to who's responsible for the misappropriated funds. To answer Mr. Starks second question, she stated, the audit occurs at the Local Workforce Development Board Level. When the feds come in to review how funds have been used, then the CEOs can participate in the audit.

Mr. Stark stated, so we're not going to be a sub recipient of these funds, we're going to be a direct recipient, and so that would trigger single audit requirements, potentially for every county.

Christina informed Mr. Stark that an audit would not be done at each county. However, a single audit would be done at the local level, collectively, for all 10 counties.

Madam Executive Director clarified that the funds are received at the Northern Board, then the Northern Board is audited annually for those funds that are dispersed through our service provider, and any other contracts that we have.

Christina thanked everyone for their great questions. She expressed that she'd be happy to be a resource and mentioned that they're welcome to contact her directly in coordination with Lisa, and the workforce board. Christina added that she'll pass these on to Lisa, so that she has all of her notes.

Chairman Roybal thanked Christina for her presentation. He then requested if we could try and get confirmation from the CEO's if they received these documents when they're sent out. He then asked Lisa if she could send the CEO's Christina's contact information.

Christina gave Lisa the ok to send out her contact information,

Madam Executive Director informed Chairman Roybal that yes, we can do that.

## 7. Action Item

### 7.1 Shared Liability Agreement - Respective roles & Liability of the individual CEO

Madam Executive Director stated that, since there's still not a quorum present to approve the Shared Liability Agreement, we can move on to item eight the financial reports.

Chairman Roybal asked Julio Garcia if the items that were not approved today due to not reaching a quorum need to be approved during the next CEO meeting.

Julio Garcia informed Chairman Roybal that's correct.

## 8. Financial Reports

### 8.1 Executive Director Report - Presented by Lisa Ortiz

Madam Executive Director gave the CEO's a brief overview in regard to our expenditures, allotments, and our performance, based on the last few months of PY 21. She explained some of the challenges the Northern Board has seen and addressed. She stated that she has served about a year and a half as the Executive Director, which is about the same time our service provider started. She informed the CEOs that herself and her team take the responsibility of managing their grants very seriously. She stated that we work directly with the service provider HELP NM on a regular basis, work with our fiscal agent to develop more comprehensible budgets and are responsive to our state oversight. During our annual board retreat last year, we informed our board members that there was a surplus of funds in youth and dislocated worker. Madam Executive Director informed the CEOs that during these last 6 months they diligently worked with HELP NM to expend these funds before they expired, and the state would have to recapture those funds. She stated that our youth budget was about \$2.4 million and current to date, and we have expended about \$676,000. By March we needed to spend \$1.4 million, and our service provider projected about \$1.2 million, leaving a balance of about \$1.7 million. We will be returning about \$780,000 to the State. She informed the CEOs that the Board worked with DWS to make this happen before they could recapture those funds. Under Dislocated Worker, the service provider had a contracted budget of \$3.8 million and expended about \$650,000 to date. By March we needed to spend about \$2.4 million and HELP NM projected helps about \$1.3 million, leaving about \$3.1 million. She mentioned that we submitted a request to make a transfer from Dislocated Worker to Adult because we have a large need for Adult services. With the return of \$1.4 million and \$1.8 million to the State it leaves us with a balance of about \$968,000. For Adult we had a contract budget of \$1.3 million and HELP NM has expended \$1 million and over exceeded their projection. She stated that it was a difficult decision however, we will be returning \$2.5 million worth of funds to the State which will make our budget more manageable.

Madam Executive Director shared a table with the allotments the board has received over the past five years from PY 17/18 – PY 21/22. All of the allotments received for Dislocated Worker during the past five years have been about \$10 million, and we're only expending about \$3.5 million in the past five years. In Youth we have received over \$5 million and we're only spending about \$2.3 million. Each year the funds are being carried over and last year there was a huge amount of funds that needed to be spent and we were unable to spend them. PY 20 was a bad year for our performance, however, in PY 21 we exceeded in five categories, met three categories, and failed in four. Currently, as we sit at the midpoint of our new program year, the data shows we are performing better than we have in the last five years, while also expending more WIOA funds in the region. She stated that the State has asked us to have a budget next year that is based on our allocation as opposed to what we've done in the past. She informed the CEOs that we are working with our fiscal agent to make that happen, and for the remainder of the year, we will continue to work with our fiscal agent and service provider to manage these funds in a more effective manner. Madam Executive Director then emphasized and highlighted our goals in partnership with higher education, training institutions, and businesses. She mentioned that this year, our financial report had zero findings, and has been approved by the State Auditor's Office. She then asked if there were any questions.

Chairman Roybal thanked Madam Executive Director for her presentation, he commented that he understands that there is a plan in place for next fiscal year to spend the funds received.

Madam Executive Director assured Chairman Roybal that we do have a plan. She added, after the funds are returned, the balance will be more manageable going into the new year.

Commissioner Moore – McKinley County made a comment about the shared liability. He expressed that most of this information being presented is new to both himself and the county manager of McKinley. He requested more information to be sent out in the future so that they are more informed.

Madam Executive Director informed Commissioner Moore that we can send him the information that Christina has provided for today's presentation, and we can also have a conversation with the state as well. She also mentioned that we'd be happy to clarify any questions he may have.

Chairman Roybal asked if there were any other questions. He then thanked Commissioner Moore for his comment. He stated that it's important that everyone is informed and that a lot of this information is new to everyone.

## 8.2 Financial Budget/Expenditure report - Presented by Rick Sandoval

Rick Sandoval Gave a brief finance report that included a letter to the CEO's, Actual Expenditures by allocation, budget to actual, and the participant costs.

Mr. Sandoval summarized the letter which basically reiterated the same information presented in Madam Executive Directors Report.

Mr. Sandoval then presented the Expenditure by Allocation report. This report reflects the allocation by fiscal year for Admin, Adult, Dislocated Worker, and Youth. The dates in red located at the top of the spreadsheet represent when those funds will expire. If they're not expended by the date shown, then those funds will revert back to the State and reallocated to

the other boards within the State. He noted, under the column for the expiration dated June 30, 2022, is the transfer of those funds, which allowed us to be able to utilize the allocation by transferring some of it back to the State so they can then reallocate. This allowed the board more flexibility in expending those funds that expire FY23. Mr. Sandoval stated that there is a 40% requirement for the third quarter and the funds will expire FY22 which is June 30, 2023. He noted that under Adult we're at 34% expenditure levels and once the march expenditures come through we'll be close to hitting that benchmark with the Adult. Under Dislocated Worker Mr. Sandoval reported that the expenditure levels were pretty low. He informed the CEOs that it would be a challenge to reach those benchmarks by March, and it may require two cycles of adjusting the budget before those expenditure levels are reached. He stated that they're currently working with the service provider to get updated projections and once they have those, they will send out a projected report similar to the one being presented.

The Budget to Actual Report displayed the comparison for revenues and expenses for the period July 1, 2021-February 28, 2022. The expenses included the following elements: board operations, program, and unrestricted. He informed the CEOs that there have been challenges in both the Dislocated Worker and Youth funding streams. Both funding streams are well below where we had anticipated by this point. Which is the reason why the board decided to send some of that money back to the State so that it can be utilized at that level. He stated that they continuously work with HELP NM to get updated projections and their plan to expend the funds. He added, based the projections they'll receive next week there will be an adjustment to the contract amounts which will be reflected in the reduction of those amounts.

Under the Participant Cost Report, it displays the training costs HELP NM NM has allocated for each of the funding streams, Adult, Dislocated Worker, and Youth. He explained that both Dislocated Worker and Youth are behind on what we had anticipated would be spent for the year. He stated that for Dislocated Worker there was a budgeted amount of \$1.9 million, and about \$115,000 expended. The Youth In-School has a budgeted amount of about \$76,000 which is approximately 50% expended and a budgeted amount of \$1.1 million for Youth Out-of-School which is less than 20% expended. Mr. Sandoval explained that the Board and the staff are working with HELP NM to develop a plan to address the need while making sure that the funds are being expended appropriately. He then asked if there were any questions.

Chairman Roybal stated that Mr. Sandoval had mentioned that there's an opportunity in the future that we might be able to change how the shared liability would be.

M. Sandoval informed Chairman Roybal that he is correct. He added, it has to be a collaborative effort with the CEOs to figure out how to share the cost more equitably if there were funds that were at risk, or the board had costs that the provider is unwilling to reimburse.

Chairman Roybal thanked Mr. Sandoval and asked if there were any questions on his report.

## 9. Announcements

There were no announcements

## 10. Public Comments

11. Next Meeting Date June 1<sup>st</sup> or 2<sup>nd</sup> at 3:00 PM

Christina Garcia Tenorio stated, from the state's perspective, by the time the next quarterly meeting occurs, the NALWDB will have finalized grant agreements that they'll be able to present to the CEO board.

Madam Executive Director asked if those are usually approved in the middle of May.

Christina Garcia Tenorio informed Lisa that she is working until April and suggested getting these approved by April so there's enough time to help with the budgetary purposes.

Rick Sandoval mentioned that there's also a preliminary budget that would be presented at that point as well.

Mora County and McKinley County indicated that they would be available on the 1<sup>st</sup> or 2<sup>nd</sup>.

Chairman Roybal requested the meeting be scheduled for June 2<sup>nd</sup> and if there are any discrepancies with that date, we can move the meeting to June 1<sup>st</sup> at 3:00pm.

## 12. Adjournment

Chairman Roybal thanked all who attended the meeting and asked how many participants were present.

Madam Executive Director stated that she believes that five counties were present

Amber informed Chairman Roybal that there were five counties present and 10 total with the cities, villages, and towns.

Chairman Roybal expressed his appreciation for those who attended although it was a rough start with only a few in attendance. He requested that we look into what rules need to be changed as far as the cost sharing agreements. There needs to be a discussion with our county managers to ensure that there is a clear understanding of the liabilities for each respective governing bodies. He stated that, he thinks that it's important that this information is distributed to all of the CEOs.

- An Executive Session may be called at any time during the meeting. Pursuant to New Mexico Open Meetings Act Section 10-15-1 (H) Subsections; (1) Meetings pertaining to issuance, suspension, renewal, or revocation of a license, except that a hearing at which evidence is offered or rebutted shall be open. All final actions on the issuance, suspension, renewal or revocation of a license shall be taken at an open meeting; (2) Limited personnel matters; provided that for purposes of the Open Meetings Act, "limited personnel matters" means the discussion of hiring, promotion, demotion, dismissal, assignment or resignation of or the investigation or consideration of complaints or charges against any individual public employee; provided further that this paragraph is not to be construed as to exempt final actions on personnel from being taken at open public meetings, nor does it preclude an aggrieved public employee from demanding a public hearing. Judicial candidates interviewed by any commission shall have the right to demand an open interview; (3) Deliberations by a public body in connection with an administrative adjudicatory proceedings For purposes of this paragraph, "administrative adjudicatory proceeding" means a proceeding brought by or against a person before a public body in which individual legal rights, duties or privileges are required by law to be determined by the public body after an opportunity for a trial-type hearing. Except as otherwise provided in this section, the actual administrative adjudicatory proceeding at which evidence is offered or

rebutted and any final action taken as a result of the proceeding shall occur in an open meeting; (4) The discussion of personally identifiable information about any individual student, unless the student or the student's parent or guardian requests otherwise; (5) Meetings for the discussion of bargaining strategy preliminary to collective bargaining negotiations between the policymaking body and a bargaining unit representing the employees of that policymaking body and collective bargaining sessions at which the policymaking body and the representatives of the collective bargaining unit are present; (6) that portion of meetings at which a decision concerning purchases in an amount exceeding two thousand five hundred dollars (\$2,500) that can be made only from one source is discussed and that portion of meetings at which the contents of competitive sealed proposals solicited pursuant to the Procurement Code are discussed during the contract negotiation process. (7) Meetings subject to the attorney-client privilege pertaining to threatened or pending litigation in which the public body is or may become participant; (8) Meetings for the discussion of the purchase, acquisition or disposal of real property or water rights by the public body.