

Executive Committee Meeting  
Tuesday, February 8, 2022 1:00 PM Mountain

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

Floyd Archuleta	Present
Rebecca Estrada:	Present
Rudy Garcia:	Present
Vince Howell:	Present
Sean Medrano:	Present
Jolene Nelson	Present
Jon Paul Romero:	Present
Joseph Weathers:	Present

Present:8, Absent:0.

**Also in attendance: NALWDB Staff:** Lisa Ortiz – Executive Director, Barney Trujillo – Operations Manager, Amber Gomez – Project Specialist/Communications **Guests:** Veronica Alonzo - DWS, Margarito Aragon – DWS, Christina Garcia-Tenorio – DWS, Eric Vasquez – One-Stop Operator, Teresa Quintana – HELP NM, Rick Sandoval – Zlotnick Sandoval

#### 1. Call Meeting to Order

Meeting was called to order by Chairman Joseph Weathers at 1:00 PM.

#### 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 present.

#### 3. Pledge of Allegiance

The pledge of allegiance was recited by all in attendance.

#### 4. Approval of Agenda

Motion to approve the agenda. This motion, was made by Floyd Archuleta, seconded by Rebecca Estrada, and passed unanimously by rollcall vote 5Yays.

#### 5. Action Items

##### 5.1 Budget/Expenditure to date

Madam Executive Director informed the committee that during the last executive committee meeting there was a discussion between the board members and state in regard to returning up to about 650,000 of funds to the state based on unobligated funds and available of what has not been expended to date. She also mentioned, during the last finance committee meeting, they identified an additional unobligated funds based on the spending pattern and the allotments that the board has received. She added, originally, they identified \$2 million in dislocated worker and about \$780,000 in youth. However after a recent discussion, they identified about 1.8 million in dislocated worker and 780,000 in youth.

Rudy Garcia commended the staff, fiscal agent, service provider, and the state for their excellent work.

Madam Executive Director stated, based on the youth program, we had budgeted about \$2.4 million. What has been expended today is about \$489,642. HELP NM's projections are about \$1.2 million. If we return about \$780,300, this will leave a remaining balance of about \$359,700 if they have additional participants that they'd need to enroll. Moving on to dislocated worker their budget was \$3.8 million. They have expended today \$454,499 and their projection obligations is about \$1.3 million, if which we have submitted a transfer to the state of \$381,000, and if we return earn \$1.8 million, this still leaves a balance of \$292,474 that's available to them to use for participants. The adult program, they have \$1.3 million, and they've expended to date \$657,244. Projections they have in obligations \$1,540,182. With the transfer from dislocated worker to adult giving them an additional \$381,000, which they have obligated, they will have a balance of about \$132,890. She then asked if there were any questions regarding the budgets and expenditures?

Chairman Weathers asked if all of the \$780,000 youth money is for out of school youth.

Madam Executive Director informed Chairman Weathers that she doesn't have the amount broken down between in school/out of school. However, it is most likely out of school.

Amber Gomez stated for the record that Sean Medrano joined the meeting 1:06pm.

Madam Executive Director asked Chairman Weathers if Mr. Sandoval could present his reports so that the committee can see the expenditures for each of the programs and the balances unless there are any questions.

Rudy Garcia informed the executive committee that he spoke with the stat and the Northern Board isn't the only Board whose reverted funds because they weren't spent

Madam Executive Director stated, based on the expenditures and the budgets, they identified the funding in youth and dislocated worker that we can return to the state with the committee's approval. If approved, the state can reallocate those funds to the other boards.

Rick Sandoval gave the committee a brief financial report. His report covered the actual expenditures by allocation, the NALWDB Budget Summary, and the HELP Projected Based on History.

Mr. Sandoval noted, under the actual expenditures by allocations report, currently all of PY21 funds have been expended and we're in FY22 funds. If the transfer is approved by the state, we'd be adding an additional 300,000 to the \$1.08 million. Under dislocated worker the amounts of funding available hasn't been adjusted for the anticipated transfer. He informed the committee, once the transfer is approved, those amounts will be updated. Currently dislocated worker has \$3.6 million which will be reduced by \$1.8 million and \$381,000 will be transferred. He added, about \$1.2 million from dislocated worker. Under the youth funding most of the transfer of \$780,000 will come out of PY20 which is set to expire June 30<sup>th</sup>. He believes that this should help the Board reach their 40% expended (by March) and 80% obligated (by June) grand requirement.

Chairman Weathers asked Mr. Sandoval, of the \$780,000 how much is in school/out of school?

Mr. Sandoval informed Chairman Weathers that there wasn't a discussion on the breakout. He believes that if you take from the allocation, the amount left over is split. He added that there's a waiver to do a 50/50 split and there needs to be a discussion with HELP NM on how the money should be split.

Rudy Garcia stated, dislocated workers in northern New Mexico, rural areas are very hard to find. He added that he would like to have a meeting soon to figure out how we can help out dislocated workers in the rural areas. He then complimented the staff for the excellent job they've done.

Amber Gomez stated for the record the Vince Howell joined the meeting at 1:12pm.

Mr. Sandoval stated, under the budget summary there was a revision which included the anticipated transfer from dislocated worker to adult of \$381,000. He added, the amount on the next line below of negative \$2 million has now changed to \$1.8 million. Mr. Sandoval informed the committee that he will make those updates after the meeting. He added, another revision he needs to make is with the HELP NM contract. The amounts listed in the report include \$1.5 million (adult), \$1.2 million (dislocated workers), \$1.5 million (youth), and \$1.2 million for the new contract. That is a reduction from the \$7.5 million at the beginning of the year. He pointed out that the amounts for the innovative allotment are absent because they have all been combined into the revised contract total.

Barney Trujillo noted that initially it was \$2 million, and after speaking with the provider they've indicated that they're going to have a big influx this month, so that \$200,000 gives a little bit of leeway.

Chairman Weather expressed that he understands Mr. Trujillo's comment.

Mr. Garcia asked, if we carry over money from previous years, why don't we spend those funds so that they aren't redistributed to the other Boards.

Madam Executive Director explained, when we receive our allotments, we have about two years to spend those funds and they don't carry over more than that.

Rick Sandoval stated, all of this is dependent on the provider having a contract to expend the funds. He added, about two years ago there was a solicitation for a potential second youth provider which would have used up a lot of the youth money. However, that RFP never happened, and the Board was unable to expand over a million dollars.

Chairman Weathers asked Madam Executive Director if Rick was referring to when the Board had HELP NM on the last quarter of SER's contract.

Madam Executive Director informed Chairman Weathers, that was strictly Summer Youth Academy. Last year was HELP's first year as our service provider based on our new RFP. She added, the Board had the additional funds, like Rick mentioned, which is when we gave HELP the opportunity to spend those funds on the innovation modifications for dislocated worker and out of school youth.

Rick mentioned that the period he was referring to was when Mr. Barela was the Executive Director. He added that this occurred for a number of years since then. However, the infrastructure for the provider had not been there for them to be able to take on that much

more of an obligation to expand. Mr. Sandoval mentioned that there was an attempt to try to expand and either there were no bids or SER didn't have a capability to take on the additional work, and that's the reason for the carry over as well.

A spread sheet that displays the funding for the Board in the last five years was shared with the committee.

Rudy Garcia mentioned that the staff did an excellent job going back five years on that spreadsheet. He added, in the last few years, we have actually been in the same exact boat no matter the provider.

Madam Executive Director stated that we went back five years, based on the allotments that the board is receiving, and based off the expenditures.

Barney Trujillo stated, in the last five years we were awarded \$10 million in dislocated worker funds and only spent \$ 3 million with two different providers. He added, we're hoping that this year is the best year for dollars spent in dislocated worker. For next year's budget we want to set the provider up for success so that they can not only achieve a good budget but have the ability to grow/track performance.

Rudy Garcia stated that the staff and the board are doing a great job. He mentioned that he spoke with Veronica and Margarito about the state possibly giving the North too much money for that type of program because dislocated workers are hard to find in rural areas.

Chairman Weathers asked a question in regard to the amounts spent from dislocated worker, does that include the transfers that were transferred to adult in the five years?

Barney Trujillo stated, if you look at dislocated worker, those were the funds and we had to transfer into adult in order to cover how much was being spent in adult.

Chairman Weathers clarified his question, is the difference from the adult award and the adult spent is the transferred money from dislocated worker. Barney Trujillo stated, that's correct.

Madam Executive Director asked if there were any questions. There being no questions, Mr. Sandoval continued with his report.

Rick Sandoval gave a brief report on the HELP projected based on history. He explained that this was the starting point when staff wanted to know a simplified spending history and where we would be if help expended their contract based on the monthly averages He stated, the total anticipated costs for June is \$1.1 million in adult, just under \$900,000 in dislocated worker, and \$1,041,000 in youth, with an overall total of approximately \$3.2 million. Based on spending history \$2.3 million is anticipated to be expended. He believes, given the fact that the budgets reduced after the recoupment, there's still some cushion. He added, the projections are revised by HELP as they get new information and it's very useful to have those meeting with the provider to ensure the information is up to date.

And I think having those meetings is useful, just to make sure that we have up to date information on what that projected cost might turn out to be So any questions on this?

Rudy Garcia asked Mr. Sandoval if he could inform the provider in advance their current standing and where they should be by the end of each quarter.

Chairman Weathers asked Mr. Sandoval or the State, how we stand in comparison to the other Boards.

Margarito Aragon asked Chairman Weathers if he's asking about the report out that the boards get versus how similar what the north is getting, or how their spend downs work?

Chairman Weather clarified, the award versus the spent.

Mr. Aragon addressed Mr. Garcia's and Chairman Weathers question. In regard to Mr. Garcia's question about carry and how much is carried from program year to program year. He stated, looking at the youth, the proposed is you have a recapture of \$780,000, that money would come out of the PY 20 allocation, which right now sits at \$924,000. Then you still have the PY 21 allocation of \$1.1 million. Mr. Aragon stated, when looking at other boards, what they're doing is similar to what's happening on the adult side of the northern board's allocations. They're carrying in a very slim budget of about 20%-30% allocations. Mr. Aragon stated, what needs to happen as the board is carrying there needs to be enough to get through the first quarter of the new program year. During the second quarter of the new program year the board should be drawing from the current year allocations if not sooner.

Chairman Weathers asked how the Northern Board compares to the Eastern and Southern Board percentage wise. His second question was, if this is an ongoing problem that the board is continually carrying money into the next year, why, hasn't the board received less money

Mr. Aragon stated, the funding formula takes into account the population size, the unemployment rate, and the in-demand industries in each area. He explained that he believes that the North receives the second biggest pot of money is due to the population size and unemployment rate combined. He added, the north has two MSA's, Santa Fe metropolitan area and Farmington metropolitan area. The East doesn't have an MSA, and the Southwest has the Dona Ana County, Las Cruces, MSA. In addition to the two metropolitan areas, the north has the rural counties with higher unemployment rates. Mr. Aragon stated that the Act says that the State cannot give a region less than 90%, of what of last year's allocation. However, the State can look at in the second quarter of the new program or look at what the actual expenditures were for that last year's money, and they can recapture anything in excess of 20%. They can recoup up to 80% but must leave at least 20% of the allocation in the region. This is typically not a punishment, it's as a way to help the board stat spending their current years money.

Chairman Weather asked, so in our next allotment, we will get 90%, not 100%, correct?

Mr. Aragon informed Chairman Weathers that the board is guaranteed to get at least 90% of last year's allocation. He added, last week USDOL submitted their budget projections, and New Mexico got a 10% cut across the board in all programs. Therefor each board is probably going to receive 90% of last year's allocations.

Rebecca Estrada asked if giving the state back money and only working with current money will correct the process and lead to a more positive outcome? She added, there seems to be a pattern of the board struggling to spend down the funds regardless of provider. She expressed that she understands the algorithm for how the money is allotted. However, the degree attainment in our training, and the skills that are being trained in the northern area are below

most of the state. She asked if this will be a one-time thing or need to be done over a few years.

Mr. Aragon informed Rebecca that a few years ago they did the same thing with the southwest region because they were in the same cycle that the northern board is in right now and were carrying over large amounts. He added, it took a few years and a couple of recaptures for the state to end the cycle. The States goal is to get the board to start spending their money as fast as they can. By recapturing old money, it allows the board to start spending current year money right away. Then there wouldn't be questions in regard to is the board receiving too much money.

Chairman Weathers asked if there were any other questions.

Rebecca Estrada stated that it's her understanding that one of the reasons we've gotten into this cycle is due to the previous structure and or previous membership of this board.

Chairman Weathers reminded everyone that there's a few individuals that need to leave the meeting early.

Mr. Garcia stated that the State is doing an excellent job guiding the staff. He added, the federal government gives money to each state so that they can put individuals to work and in order to do that everyone must work together.

Chairman Weathers thanked Madam Executive Director and Mr. Trujillo and asked them what their recommendation is to the executive committee.

Madam Executive Director made a recommendation to return \$780,300 out of the youth program to the state, and \$1.8 million out of dislocated worker with the discussion of possibly an additional \$200,000 to get us to that year mark that was mentioned before the \$2 million depending on the expenditures and where we're at in March.

Rudy Garcia made a motion for approval based on staff's recommendation.

Before continuing with the motion, Charmin Weathers asked if there were any questions from the committee to the recommendation?

Rebecca Estrada stated that she understands

Vince Howell indicated that he understands, he stated that the board is returning money to the state to distribute to another region.

Chairman Weathers asked Mr. Aragon what regions these funds will be distributed to?

Mr Aragon responded, with this type of recapture, they can only give it to the regions that already spent 80% of last year's allocation. Therefor they're looking at distributing it to two regions.

Chairman Weather stated that would be the east and central. Mr. Aragon added, with a large portion of it going to the east

Chairman Weathers asked if there were any other questions

Floyd Archuleta stated, as chairman of the Youth Committee he supports the recommendation of the Executive Director.

Chairman Weathers stated, with that said he accepted Mr. Garcia's motion and asked if there was a second to the motion. The motion was seconded by Rebecca Estrada and passed unanimously by rollcall vote 6 Yays.

He then asked if there was any more discussion.

#### 6. Public Comments

There were no public comments.

#### 7. Next Meeting Date \_\_\_\_\_

Chairman Weathers asked Madam Executive Director if she had a scheduled date for the next full board meeting?

Madam Executive Director stated that we are planning to have our next full board meeting on February 23 at 10am.

Chairman Weathers suggested, during the next rules committee meeting, HELP NM's policy aligns with the Boards policy as far as the age of the of the youth being 14-24.

Madam Executive Director informed Chairman Weathers that we can add that we can add item to the next rules committee meeting.

#### 8. Adjournment

Motion to adjourn at 1:54 PM. This motion, made by Rebecca Estrada, seconded by Rudy Garcia, and passed unanimously.

Rudy Garcia requested an informational report from HELP NM during the next full board meeting. He then asked for an update on the staff's retirement and how much the board contributes to that

Chairman Weathers asked Mr. Garcia if he would like this information presented at the next full board meeting?

Teresa Quintana informed Mr. Garcia that they'll have those reports ready for the next full board meeting.

Chairman Weathers thanked everyone for attending the meeting.

- 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 g 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.