



SPOKANE WORKFORCE COUNCIL

MINUTES

SPOKANE WORKFORCE COUNCIL EXECUTIVE COMMITTEE

September 24, 2020 – 12:00-1:25 PM
Meeting held via Zoom

MEMBERS PRESENT:

Robert Duron	Dan Evans	Kelley Halverson	Machelle Johnson
Tina Morrison	Mayor Nadine Woodward		

MEMBERS ABSENT

Staci Franz	Commissioner Josh Kerns	Tim Sigler, designee for Mayor Woodward	Ron Valencia, designee for Commissioner Kerns
Diana Wilhite			

GUESTS PRESENT

John Dickson

STAFF PRESENT:

Jessica Clayton – Program & Development Director	Jeanette Facer – Finance Director	Dawn Karber – Chief Operations Officer	Angela Maioriello – Office Assistant
Mark Mattke – Chief Executive Officer			

Chair Dan Evans called the meeting to order at 12:02 PM with a quorum of members present.

ITEM #1 – REVIEW OF MEETING MINUTES

Review of August 27, 2020 meeting minutes.

Action: Motion and Second to approve the August 27, 2020 meeting minutes. Approved Unanimously.

ITEM #1.5 – GRANTS & CONTRACTS

Mark Mattke, CEO - SWC

Eviction Rent Assistance Program for Young Adults

- The Eviction Rent Assistance Program (ERAP) for Young Adults is funded under the CARES Act via the Washington State Department of Commerce and passed through the city of Spokane to assist young adults who have had their housing impacted by the COVID-19 pandemic.

- The grant would allow us to pay past due, current due, and future rent with a focus on equitable distribution of resources to disadvantaged populations.
- This program is being administered by the Office of Homeless Youth and the Office of Family and Adult Homelessness at the WA Department of Commerce.
- The SWC, at the Next Generation Zone, will assist young adults up to age 24 with up to three months of rental payments in any combination of status including past due, current, or future rent through December 2020.
- It also allows payments to friends and families and can support monthly rent at a hotel or temporary lodging.
- The grant total is \$100,000 which includes staff time for existing Next Generation Zone staff, administration, and direct rental payments.
- The grant will end on December 31, 2020, unless funds are exhausted before that date.
- Pending approval from the Spokane City Council, the SWC requests to accept the \$100,000 award and subcontract up to \$18,000 to Goodwill Industries, \$5,000 to NEWESD 101, and \$72,000 to Career Path Services (includes all direct rental payments).

Action: Motion and Second to accept \$100,000 Eviction Rent Assistance Program for Young Adults funds award from City of Spokane and subcontract up to \$18,000 to Goodwill Industries, \$5,000 to NEWESD 101, and \$72,000 to Career Path Services. Approved Unanimously.

ITEM #2 – MONTHLY FISCAL REPORTS

Jeanette Facer, Finance Director – SWC

Jeanette reported that we have met our WIOA program funds obligation targets for the past year:

- PY19 Youth –88% Obligated
- PY19 Adult – 100% Obligated
- PY19 DW – 100% Obligated

She also indicated that the SWC will carry-in fund balances in each of our WIOA programs to begin the new program year on July 1:

- PY20 Youth - \$459,691
- PY20 Adult - \$287,599
- PY20 DW - \$401,388
- PY20 ACP - \$291,213

SWC PY20 Active Grants Under Management are as follows:

- WIOA Formula Grants - \$7,145,868 (53%)
- WIOA Competitive Grants - \$4,018,088 (30%)
- Other Grants - \$2,326,893 (17%)
- Total funds under management - \$13,490,849 – a new high-water mark for this organization. Also of note, the board has sought to diversify our funding sources and reduce the dependence on federal formula funds. The 53/47 split of formula to other sources represents the work that has been accomplished to secure a diverse array of grants and that great strides have been made to achieve this.

Jeanette provide a history of the funding the SWC has managed over the past several years:

- PY15 - \$7,536,996
- PY16 - \$8,128,956
- PY17 - \$9,247,631
- PY18 - \$9,057,451
- PY19 - \$11,126,395
- PY20 - \$13,490,849

ITEM #3 – COMPENSATION STUDY & STRUCTURE DEVELOPMENT

Mark Mattke, CEO - SWC

- The SWC needed to review its compensation structure and measure how we are keeping pace with the market as the current compensation and salary structure have been in place since the inception of the SWC as a non-profit in 2013.
- With the board's concurrence, staff engaged the services of a consulting firm, Culpepper and Associates, Inc., to conduct a study of our organization and the present-day market and to develop a set of recommendations to guide updates to our salary schedule.
- Natalie Croy and Dominic Fortuna from Culpepper and Associates presented their findings to the board.
 - Steps included: Organization and job understanding, job matching, market assessment, pay structure development, benefits analysis, final report, and recommendations.
 - Three leadership meetings were held to understand each position, select survey job matches for each role based on job content and level to facilitate the market analysis.
 - 100% of Spokane Workforce Council jobs were considered benchmarked.
 - Survey job matches reflected at least 80% of the benchmark roles' core responsibilities and were internally validated by the Spokane Workforce Council's Leadership Team.
 - Benchmark jobs are common in the marketplace and have readily available survey data.
 - These jobs form the anchor of the salary structure.
 - The Compensation Survey sources included:
 - Culpepper Complete for Non-Profits Compensation Survey Solution
 - National Association of Workforce Boards Salary Study
 - Washington Workforce Association Salary Survey
 - IRS Form 990s
 - Relevant Labor Markets Considered were:
 - Company Revenue – up to \$10M
 - Ownership – Non-Profit
 - Geography:
 - Geographic Pay Zone: U.S. Pay Zone 4
 - Geographic Region: Northwest (US 4)
 - Geographic Locale: WA: Spokane (US 4)
 - Pay Practices – Applying Pay Structure Grades
 - Recommend targeting the 50th percentile for jobs.
 - Every position has a market range, appropriate pay within this range is dependent upon a variety of factors (performance, skill set, experience).
 - Validate your structure annually through compensation surveys and current market dynamics.
 - Company Results:
 - Overall, Spokane Workforce Council's employees are within 10% of the target market rate.
 - Market competitive range is +/- 20%
 - Variance to Market is -9%
 - Pay Structure
 - Pay structures start narrow and broaden as they go up to support longevity in position at higher levels.

- The pay structure is considered market-anchored because it was created based on the targeted market rate (50th percentile) of the jobs in Spokane Workforce Council.
- Jobs are then tied to the grade with the midpoint closest to the market 50th percentile.
- They pay structure range becomes the proxy for the actual market data going forward and is used to manage employee pay.
- Employee Placement
 - Employee pay levels are plotted against the new salary band to show how they are aligned to the market.
 - As indicated in our findings, all employees are within the pay range.
 - Employees should progress through the pay range based on relevant experience, contribution, impact, tenure, etc.
- Benefits (Health and Retirement) Analysis
 - Spokane Workforce Council's Health and Retirement Benefits were compared to the external non-profit market to determine competitiveness and spend alignment.
- The committee members discussed salary level compensation verses total compensation with benefits, retirement plan details, data sources and whether there is funding budgeted for increases in compensation.
- There are resources in the budget that would allow for merit increases.
- The pay structures put into place now will be back dated to July 2020 in order to get us to market level.
- The overall percentage of increase for salaries budgeted varies by employee, based on performance and position.
- Culpepper and Associates, Inc., recommends we use the market pay structure they have created to ensure we are paying competitively and equitably across the organization.
 - They advise using this information as guidance whenever we are making merit decisions, really focusing in on where people are in their pay ranges and when we are recruiting employees into the organization.
 - No one knows what the labor wages are going to do in the next 12 months, but typically they see that the market moves annually about two to three percent.
 - They recommend keeping an eye on that every year because you do not want to keep it static.
 - They also recommend looking at your employees and where they are in those pay structures to make sure that you know they are where they should be based on their performance, tenure, and experience.
 - They have a salary budget survey that they do every year, it is free to participants and the results show how the market is moving.
 - It is recommended to participate in the 15-minute survey because it is not really the cost of living but the cost of labor that they keep an eye on in order to understand how the labor market is moving.
 - For executives, they recommend looking at the 990s of the competitors to make sure that you understand what is going on in that labor market as well.
- The committee members discussed options for implementing the recommended pay structures, looking at compensation, performance, and market data.
- Mark thanked Natalie and Dominic for their work and presentation.
 - This has been discussed internally for some time as we try to get back within market and recognize staff performance.

- We have a smart approach to this that has been informed by expert analysis and our own internal review earlier this year that arrived at some of the same conclusions around this.
- Now that we have a good data source, it is Mark's job to look at what is recommended, create a new salary schedule, and determine where staff are placed on the schedule.
- This will not be a wholesale jump of all our staff to the next new level.
- Some staff have received compensation increases and some have not, but we have some budget this year to support this effort.
- We have not changed our salary structure since 2012 when we first incorporated the nonprofit, so it was time for this to happen.
- This is a great chance for us to make sure that we are not only attracting talent but retaining talent in these positions and making sure we are a competitive place to work.
- Dan replied that despite the fact that we have to go through this exercise he knows that the staff, particularly the leadership in this meeting, are not working an eight to five/five days a week schedule and he personally feels that anything we can do to support them in this regard is more than warranted.

ITEM #4 – ACTIVITIES & UPDATES

Mark Mattke, CEO – SWC

- WIOA Dislocated Worker funds – We are awarding \$5,100.00 to Career Path Services for continued support of dislocated worker customers via the Spokane Resource Center.
 - Many customers that are seeking food, housing and health care assistance are dislocated workers, so we are infusing Dislocated Worker Program funds into the staff at the Spokane Resource Center.
 - This is another example of braiding these funds into the various elements of our workforce system so we can serve all the customers with appropriate services when they need them.
- Housing Security Grants – Rental and Mortgage Assistance
 - Mark thanked the city and county for the trust they have placed in us to get the CARES Act and HUD monies out to meet the needs in our community.
 - Anything we can do to help people get stable housing is going help in the long run when it comes to their reengagement in employment and on a career track.
 - Dawn reported that about 14 staff are rotating through the Spokane Resource Center and working very hard to get applications processed.
 - A few staff and Dawn rotate on picking up applications at the front door and helping people if they have questions.
 - On high census days, about a hundred phone calls have come in.
 - Every day people are asking how they can get rental assistance.
 - We have processed at least \$10,000 in housing assistance so far and there is more need than we can meet.
 - We have been able to pull over staff that would otherwise have been laid off through a nonprofit partner, to work on this project.
 - We are also taking advantage of volunteers and paid interns in order to make sure we respond to the community need.
 - The team has updated their phone system, their processing system and database system to help get the applications processed.
 - We are still applying for additional money and working really hard to meet the needs of everyone coming to the front door.

- WorkSource Renovation
 - This was budgeted by the state for years and since we just finished a recent lease renewal, with new paint, new cubicles, workspaces, and carpets that will be finished by November 1st.
- CCS BOT – Mark Mattke and Mike McBride presented to the Community Colleges of Spokane Board of Trustees with regional economic data at their most recent board meeting.
 - This is part of our overall efforts to continue to utilize a common set of data for all the planning for instructional programs for workforce system investments.
 - They presented at the Greater Spokane Incorporated the month before and are making some good inroads to getting everyone the same level of understanding in terms of economic impact upon workers and industries and where the economy is poised to grow again.
- NAWB Webinar – Next week on the 29th, we are presenting on a national webinar for the National Association of Workforce Boards regarding our recent Trailblazer award and providing some of the best practices across the country.
- Membership – Dr. Mary Cullinan from Eastern Washington University stepped down from her position and her successor, Dr. David May has agreed to step in to fill her role on the board.
 - His nomination will go before the board for a vote in the October 14th meeting.
- Virtual Job Fair – We just had another virtual job fair on September 15th where we had several hundred job seekers and over 50 employers.
 - Mark has been advocating at the state level for a statewide tool so that employers do not have to understand and learn a new platform if they operate in multiple markets.

OTHER BUSINESS

Diana mentioned that new COVID-19 requirements have come out allowing some in-person business meetings. Mark asked if the board is wanting to move back to in-person meetings. Diana replied that she wanted people to know it is a possibility depending on what the board feels like doing. Mark is open to considering face to face versus online meetings. He has been tracking the reopening recommendations from the state and SRHD and based on the number of new COVID-19 cases it looks like we are still going in the wrong direction. Kelley agreed that staying with virtual meetings for the time being is best until the numbers come down significantly. We need to consider everyone who has family members that cannot afford to be compromised.

Mark thanked Diana for bringing it up and he misses having the board meetings in person. Part of the face to face discussions includes the energy and interchange between people, especially at small groups and tables. Given that we must keep people six feet apart would constrain that small group dialog. He has been considering how to do this in person but currently there are some good ways to do it virtually with breakout rooms in Zoom. We are thinking that we can do this all through winter, if necessary.

Meeting adjourned at 1:25 PM.