

Deep East Texas Local Workforce Development Board

Board Meeting

July 12, 2011

2:30 P.M.

539 S. Chestnut Suite 300

Lufkin Texas

MINUTES

Members Present

Tyane Dietz, Acting Chair

Wayne Haglund

Patty Fairley

Karla Moffett

Jim Wark

Sally McKinney

Jerry Huffman

Steve Allison

Kathleen Hawkins

Joe Clyde Adams

Jerry Whitaker

Jimmy Mize

Mary F Bradford

Roby Somerford

Kelli Marshall

Henry Edenfield

Ellen Mills

Betty Russo

Charles Rushing

Joe Shannon

David Hailey

Sue Wood

Guests

Maria Kassabaum, 1863 Solutions

Jon Bunn, WFS

Joyce Myers, NCI

James White, Texas House of Representatives

Staff Present

Rita Fancher, Recording Secretary

Marilyn Hartsook

Charlene Meadows

Linda Mott

Members Absent

Nino Borbon

Monique Nunn

Garvey Jackson

Howard Watts

Lonnie Grissom Jr.

Call to Order, Verify Quorum, and Conflict of Interest; Welcome Guests and New Members

Tyane Dietz, Acting Chair, called the meeting to order at 2:32 p.m. A quorum was verified. Tyane welcomed James White the State Representative from the Texas House of Representatives. She also welcomed two new board members, Roby Somerford, Private Sector from Nacogdoches County and Kelli Marshall, Private Sector representing Newton County.

Discussion/Action:

Approval of Minutes of May 10, 2011

Jim Wark made a motion to approve the minutes of May 10, 2011. Henry Edenfield seconded. Motion carried.

Public Comments

None.

Information Items

None

Membership Update

Tyane Dietz said the Board is now in compliance with state and Federal regulations with twenty seven members.

Action Item 11-17: Ratification of May 2011 Action Items

Tyane stated that action taken by the Board in meetings while the Board membership is not in compliance with state and Federal regulations requires that the Board ratify same in a meeting when the Board membership is in compliance. Board membership went out of compliance on March 31, 2011. On June 7, 2011, the commissioners of the Texas Workforce Commission confirmed the appointment of Kelli Marshall as a private sector Board member. On June 21 the commissioners confirmed the appointment of Roby Somerford as a private sector Board member. The Board is now in compliance with its membership requirements with twenty seven members.

Requested Action: Ratification of the following action taken in previous meetings:

Board Meeting Date:

May 10, 2011
May 10, 2011
May 10, 2011

May 10, 2011

May 10, 2011

May 10, 2011

Action Item

Approval of Minutes of March 8, 2011
Action Item 11-12: Target Occupations for 2011
Action Item 11-10: Training Provider Applications for Trinity Valley in Athens, Palestine, and Terrell
Action Item 11-15: Workforce Center Facilities in Houston County to co-locate with Angelina College
Action Item 11-09: Procurement Policy on micro-purchase Threshold of \$3,000
Action Item 11-11: E. Taylor & Associates Monitoring Contract Renewal

Jim Wark made a motion to approve the ratification of the action taken in previous meetings. Jimmy Mize seconded motion. Motion carried.

Board Member Comments on Activity in their respective areas

- Polk County is beginning a Workforce Readiness Initiative and is partnering with Polk County Economic Development, WorkForce Solutions, the county high schools, and the Texas Department of Ag.
- Work has begun on the Evacuation shelter in Nacogdoches County
- Sabine County has two new Valero gas stations
- The Tyler County arena has a new RV park and shelter for animals

Executive Director's Report

Charlene Meadows reported:

- Movers are coming tomorrow to move the Crockett WFC into the new building with the Angelina College Training Center. The grand opening is planned for August 4th.
- Performance reports for April indicate that the Board is missing one Choices participation measure. The state is looking at the performance measures for Choices and how they are going to measure that performance measure.
- In May she and/or staff attended the Texas Forest Country Partnership annual banquet and the regular meeting this month and she and/or staff attended the COG annual membership meeting.
- In May, she was visited by Veterans program representatives from state, regional, and local level.
- She attended the TAWB and state ED Council meetings in June.
- There is no word of a change in WIA funding. There is legislation at the House to reauthorize WIA. There are also several other jobs bills proposed; it isn't clear how they would affect WIA if they become law. One effect was the defunding of the Project RIO for ex offenders. The Board will not have funds to specifically serve this group.
- Email service for the Board staff will be changing before the end of August. The Board staff will no longer be under the TWC services.
- Mileage for the state agencies has increased to 55.5 cents per mile effective July 1st. Charlene stated subcontractors who are not state agencies may establish a higher or lower mileage reimbursement rate than that applicable to state agencies. The rate must have the Board's approval and must be specified in the original budget.
- The Board has received a number of amendments for the 401K plan for staff. These amendments are required by law. One amendment is that employees are now able to have access to their funds at the age of 59 ½. The Board has also filed the 550 and the 990 for the 401K plan amendments.
- E. Taylor and Associates is in the process of conducting the Board's internal monitoring of the two subcontractors, therefore they will be coming in three different weeks in August.
- Nominations for board and employer awards at the state conference are due in two days, July 14th. Every board area can recognize an employer as Employer of Excellence; this is non-competitive and is recognition. After soliciting and receiving a few nominations, the Board plans to recognize KJAS radio station in Jasper. The Board has not, at least in a long time, recognized an employer from Jasper. The nomination by a workforce center

employer was well written and showed that the station is an important partner of the center.

- The Board is planning to nominate Memorial Health System of East Texas for two competitive awards – Industry Sector and Employer of the Year – for the Hudson ISD LVN program established last year.
- The Board is also nominating Region VI ESC adult education for Service to Workers for working with the workforce center in Polk County to reach and serve adults in need of education.
- The Healthcare Simulation Initiative final report was presented to the Board members by Joann Grissom in February. The grant has expired but other grants have been written to continue the Healthcare Simulation program grant. Copies of the report were made available to the Board members.
- The Federal Government has declared some counties as a disaster area due to the wildfires. The list included Trinity and Tyler Counties. Under the National Emergency Grant, the Board would have to contact TWC to see if the counties were eligible. She contacted the County judges because the judges decide if their county needs it. The damage would have to be public, not private property. Dislocated workers would be hired to assist with the needed repairs.
- Neal Havard, Information Systems Specialist resigned effective July 15th.

Committee Reports

- Business Services Committee

The committee did not meet today.

- Operations Committee

The committee met today.

Discussion/Possible Action

Action Item 11-24: Child Care Policy

This action item comes as a motion from the Operations Committee. David Hailey stated the Board has previously approved a variety of child care policies. The current policy has been compiled in a format that is easier for the Board and contractor staff to follow. Mr. Hailey stated the new child care policy has been formatted to follow the TWC 809 Child Care Rules. After staff reviewed the policy, it became apparent that several policies needed to be changed, and some new policies added. Suggested changes to current policy are as follows:

1. Assessing the Parent Share of Cost. Currently the contractor assesses a share of cost at 8% for a family with one child in care or 10% for two or more children. TWC has instructed the Boards that no later than October 1, 2011 to more accurately reflect a true sliding scale based on the family size and income. A chart showing the new way to calculate the Parent Share of Cost is attached as Appendix 2 to the policy.

A choice was made to use the State Median Income (SMI), as opposed to the Federal Poverty Guidelines, because the SMI has already been approved by the Board to use to determine eligibility. An analysis was done to ensure that this method was not projected to lower the overall parent share of cost collected, considering funding reductions.

2. Education Activities. Current policy does not distinguish between online and traditional college credit classes. However, the Child Care 809 rules require that parents must demonstrate a need for child care in order to receive child care services. When parents are enrolled in online classes they are able to participate while caring for their children. Therefore, child care is not needed.
3. Two Parent Activity Hours. The Board previously set a work requirement of 25 hours per week for a parent, and 50 hours per week for a two parent family. However, it was not clear that each parent in a two parent family must work 25 hours. The new policy requires each parent to work 25 hours per week, for a family total of 50 hours.
4. Calculating Lump-Sum or Bonus Income. The way lump-sum or bonus payments are calculated has been changed to make it more favorable for the parent.
 - 1) If the payment is received on a regular basis, even annually, the payment will be pro-rated by the number of months between each bonus check payment.
 - (2) If the payment is a one-time payment, calculate in the parent's favor by using either of the following methods:
 - (A) include as income for one month only; or
 - (B) depending on the amount,
 - (i) prorate over 6 months for less than \$1,000
 - (ii) prorate over 12 months if equal to or greater than \$1,000
5. Parent Responsibility Agreement. According to the Child Care 809 rules, parents must comply with all provisions of the Parent Responsibility Agreement. Failure to do so may result in sanctions as determined by the Board, up to and including termination of the family's child care services. Currently the Board imposes a \$25 sanction per month to a parent's share of cost fee for noncompliance. However, TWC will no longer allow the sanction to be included in the parent share of cost, making it extremely difficult to collect the sanction. The suggested new policy is that parents who fail to comply with the provisions of the PRA will have their child care services terminated no later than October 1, 2011, unless allowable exemptions are documented.
6. Child Care for TANF Recipients. Currently a parent receiving TANF who is not participating in the Choices program because they are not required to, is being served as an income eligible parent. The Board receives Choices funding to ensure the performance targets are met, and the current policy is counter-productive toward meeting the Choices performance. Effective immediately any parent receiving TANF must be referred to the Workforce Center to participate in Choices. The parent may then receive care under the Choices program.
7. Child Care during Temporary Interruptions in Work, Education, or Job Training. Current policy is that child care is suspended for work breaks of more than two weeks, or when a child is visiting a noncustodial parent. However, the Child Care 809 rules do not specify at what point child care must be suspended. The new policy defines a short break in care as two weeks or less, except for education or work breaks related to the winter or Christmas school break, during

which child care may continue. Child care will be suspended for up to 90 days for any interruption other than that mentioned above, unless a medical incapacity is warranted.

8. Provider Reimbursement. Providers are currently paid for days when their centers must be closed due to extraordinary circumstances, but no limit is in place. The new policy will allow up to 5 days when the provider must close due to bad weather or extraordinary circumstances with approval from the contractor.

9. Provider Responsibilities and Reporting Requirements. Providers are required to notify the contractor when parents do not pay the parent share of cost, which is to be paid in advance of care being provided. Generally, the contractor will not allow parents to transfer to another provider or reenroll in child care services when there is an outstanding parent share of cost owed to the provider. However, in many instances the provider doesn't require the parent to pay in advance, allows the parent to accrue a balance, and does not notify the contractor of any outstanding fees. The new policy would require the provider to notify the contractor within two weeks or by the end of the billing period in which the parent did not pay the assessed fee, whichever is later. The contractor will terminate care if made aware of the parent's refusal to pay. The contractor will not require parents to repay unpaid fees if the provider does not inform the contractor of the unpaid fees within the required time limit. The Operations Committee's motion recommends approval of the policy changes as presented with the clarification of "**extraordinary circumstances**" defined in the policy. The committee also suggests adding "**The provider may be paid for up to 5 days "per event"** and for the policy to state "**the centers must inform CCS by phone or email within 24 hours, and must confirm the closing in writing (email or letter) within one week of the closing.**" The new policy changes will be effective August 1, 2011. Jim Wark seconded the motion to approve the Child Care Policy with the amended changes. Patty Fairley declared both verbally and in writing a conflict of interest and declined discussion and voting. Motion passed.

Action Item 11-20: Workforce Center Facilities in Shelby County

This action item comes as a motion from the Operations Committee. David Hailey said the current lease for workforce center space with Lumberjack Partners for the Shelby County Workforce Center will expire June 30, 2011. The current total rent is \$5,000 per month for 5,401 square feet. Mr. Hailey stated a Request for Proposals (RFP) was issued November 8, 2010 and offers were due December 3, 2010. Three offers were submitted. The Board elected to consider Mr. Murray Matthews to build a new office. David stated after a funding loss, other options with Mr. Murray were considered but something to meet the Board's need had not been worked out. Action Item 11-14, which dealt with this matter, was tabled at the May 10th Board Meeting in order to look at other options and properties due to the funding loss. David continued saying that due to the tabled action item and funding loss, the staff contacted realtors in Shelby County and the surrounding area to find other places available for lease. The two properties available for lease had many issues with the offices such as: needing complete remodel, no parking spaces available, and not ADA compliant with access to the buildings or restrooms. The staff also contacted Dr. Joe Shannon at Panola College about space at the Shelby Regional Training Center. However, there was not available space. David reported another option the Board considered is downsizing with our current landlord. The Board staff discussed this with him and he was agreeable to this but with a 5 year lease. Mr. Hailey reported that the Board occupies three suites and said the Board could downsize to only two. He explained that the

landlord would build a wall separating the first suite from the two suites. The two suites already have accessible entrance and exit doors, and employee restrooms. Mr. Hailey said the new lease amount would be \$3000 a month for approximately 3,046 sq. feet. This would minimize the lease amount and costs for moving expenses. Construction on the few remodel items can begin approximately August 1, 2011 with a new lease date of September 1, 2011. David commented the current lease of \$5,000 will be extended for two months – until August 31, 2011. The Operations Committee’s motion recommends downsizing the current location in Center, Texas, to 3,046 square feet with a reduced lease amount of \$3,000 a month for five years with the current landlord. Ellen Mills seconded motion. Motion carried.

Action Item 11-16: Training Provider Minimum Performance

This action item comes as a motion from the Operations Committee. David Hailey said as required by the Workforce Investment Act, the Texas Workforce Commission (TWC) established minimum performance requirements for use by Boards in determining the continued eligibility of a certified program to receive WIA funds. The Board must adopt local performance requirements annually for initial eligibility determination process. He stated the Board took action last year to adopt (PY2010) standards for initial eligibility. The Operations Committee’s motion recommends adopting the state minimum performance requirements for initial eligibility determination through PY 2011. Jim Wark seconded motion. Patty Fairley declared both verbally and in writing a conflict of interest and declined discussion and voting. Motion carried.

Action Item 11-18: Trade Policy Amendment

This action item comes as a motion from the Operations Committee. David Hailey reported the Trade Adjustment Assistance (TAA) program helps workers who have lost their jobs as a result of international trade get back to work. He said the TAA program offers a variety of benefits and services to eligible workers, including job training, income support, job search and relocation allowances, a tax credit to help pay the costs of health insurance, and a wage subsidy to workers 50 years of age and older. David reported the Trade and Globalization Adjustment Assistance Act of 2009 (2009 Amendments), part of the Recovery Act, enacted the largest expansion of the TAA program since its creation almost four decades ago. The 2009 amendments expanded the Trade Act in several substantial ways through December 31, 2010. David stated that the Omnibus Trade Act of 2010 extended the provisions of the 2009 Amendments through February 12, 2011. However, on February 13, 2011, the TAA program reverted to the program in effect under the Trade Act of 1974 as amended by the TAA Reform Act of 2002 (2002 Amendments), as if these amendments had never happened. Mr. Hailey explained as required by TWC, the Board is required to issue policy regarding all programs administered by the Board. The Board policy was developed by staff in compliance with these statutes. He said the staff recently reviewed the Trade Policy for technical changes and clarifications, and suggests the following policy changes:

On-the-Job Training (pg. 6)

Add: Reimbursement is paid to the employer for up to 50% of the participant’s wage for the extraordinary costs of providing the training, reduced productivity and additional supervision related to the training.

Waiver of Training (pg.13)

Delete: Trade affected workers must contact workforce center to re-evaluate workers circumstances or the waiver may be revoked.

Add: Trade-affected workers with approved training waivers must be notified of the requirement to contact their TAA case managers at least once every 30 days. Case managers must determine at contact whether the waiver reason still applies or if the training has become feasible, and an approved waiver can be revoked only if the training becomes feasible.

Benefits and Services of the 2009 & 2002 Amendments to the TAA program (throughout policy)

Add:

<p>Trade Petition Numbers that range between 70,000 and 79,999</p>	<p>Trade Petition Numbers that fall below 69,999, and above 80,000</p>
<p><i>Benefits and services available under the 2009 Amendments.</i></p>	<p><i>Benefits and services available under the 2002 Amendments</i></p>

The Operations Committee’s motion recommends approval of the changes to the TAA policy as presented. Jim Wark seconded motion. Patty Fairley declared both verbally and in writing a conflict of interest and declined discussion and voting. Motion carried.

Action Item 11-19: 1863 Solutions Contract Renewal Authorization to Negotiate

This action item comes as a motion from the Operations Committee. David Hailey stated that the Board contracted with 1863 Solutions Inc. for management and operation of the workforce centers for the period October 1, 2010 through September 30, 2011. He reminded the committee this was the fourth renewal of the contract, which is renewable for an additional 12 months, contingent upon satisfactory performance and Board approval. David said the staff has evaluated contract performance and finds no significant deficiencies. He pointed out that issues are addressed promptly and professionally. He reported the performance is good with 13 measures either meeting or exceeding targets. David clarified the one measure not being met is Choices, and the area has received a Technical Assistance Plan from TWC to help the Board achieve this goal. He remarked that the monitoring by TWC in February revealed issues with the procedure for the Trade Act program. David informed the committee that the Board has placed 1863 Solutions on a Corrective Action Plan, which is progressing positively. He added that 1863 Solutions has continued to serve a large numbers of job seekers and has successfully completed several new programs that were implemented last year. Mr. Hailey stated that overall, 1863 delivers services timely and efficiently fulfilling their contract obligations for the management and operations of the Workforce Centers. The Operations Committee’s motion recommends permission for the Board to begin negotiating for workforce center management and operations with 1863 Solutions Inc. for the period October 1, 2011 – September 30, 2012. Jim Wark seconded motion. Patty Fairley declared both verbally and in writing a conflict of interest and declined discussion and voting. Motion carried.

Action Item 11-23: NCI Contract Renewal Authorization to Negotiate

This action items comes as a motion from the Operations Committee. David Hailey stated the Board contracted with Neighborhood Centers, Inc. (NCI) for operation of the Child Care Services program for the period October 1, 2010 through September 30, 2011. He reminded the committee this was their third renewal contingent upon satisfactory performance and Board approval. He cited the contract can be renewed for up to 24 more months with an annual review

and approval by the Board. Performance Target: Average Number of Children Served Per Day: 1799. Performance as of April: 2287, and successfully completed ARRA requirement of 323 children served. David reported the program monitoring conducted for the Board by E. Taylor and Associates revealed only one finding, which was incorrect documentation of the provider rate in six files. He stated this has been shared with NCI and they will respond with action taken to correct this. Mr. Hailey said the fiscal monitoring by E. Taylor and Associates is still in process. He said an issue of possible overpayment to NCI for the management fee is being investigated and a report with a determination will be issued by E. Taylor soon. The Operations Committee's motion recommends permission for the Board to begin negotiating the CCS contract with Neighborhood Centers Inc. for the period October 1, 2011– September 30, 2012. Jim Wark seconded motion. Patty Fairley declared both verbally and in writing a conflict of interest and declined discussion and voting. Motion carried.

- Executive/Finance Joint Committee

The Finance Committee met today with the Executive Committee.

Discussion/Acceptance

Jerry Whitaker presented the financial reports for the period ending May 31, 2011. No issues were found.

Discussion/Possible Action

Action Item 11-13: Mid-Year Budget Amendment

This action item comes as a motion from the Executive/Finance Committee. Tyane Dietz stated the mid-year modification to the fiscal year 2011 budget was modified to include additional funds received since October, to adjust for actual 2010 carry forward and new budget needs. The Executive/Finance Committee's motion recommends the approval of the budget as presented. Jim Wark seconded motion. Motion carried.

Briefing Item 11-22: 2011 Monitoring Report from TWC

Tyane Dietz presented this briefing item stating that in February 2011, the Texas Workforce Commission conducted a fiscal and program review of the Board and its contractors. A draft report was issued in April and the Board has responded to the findings noted below.

- (1) The Board did not report accurately compensated labor hours for jobs created and jobs retained data reported under the Recovery Act for the fourth quarter 2009 and the first quarter of 2010.
- (2) The Contractor (workforce center) is not ensuring that TAA (Trade Act) waivers of training requirements are met. This includes accurate completion of waiver forms, correct TWIST data entry, proper development of employment plans, and appropriate revocation of waivers prior to participants entering training.

Tyane reported that the Board has responded to the report by correcting the Recovery Act reporting for the two quarters. She cited that training on TAA requirements has been conducted for the workforce center staff. Tyane said that the Board has placed the contractor on a Technical Assistance Plan and meets with appropriate personnel regularly to assess progress. No action required.

Briefing Item 11-21: Acceptance of 2010 A-133 Single Audit Report

Tyane Dietz reported that Ben Gomez, of Gomez and Company, presented the 2010 A-133 Single Audit Report to the Executive/Finance Committee today. Tyane stated that in January 2010, Gomez and Company conducted an independent audit of the Board's financial operations for the twelve months ended September 30, 2010. A copy of the audit and management letter was provided to the Board Members. Tyane stated that the Board is in compliance with the requirement of OMB Circular A-133, which requires entities receiving over \$500,000 in Federal funds to have an annual independent audit. She stated that the Board received a clean opinion with no findings or issues. No action required.

Any Time-Sensitive item(s) brought for action by the Executive Committee due to another committee's inability to meet and take action

None

With no further business, the meeting adjourned at 3:20 p.m.

Transcribed by:

Rita Fancher, Recording Secretary

Date: August 11, 2011

Approved by:

Garvey Jackson, Chair

Date: _____