

Deep East Texas Local Workforce Development Board
Operations Committee Meeting
July 12, 2011 12:00 Noon
539 S. Chestnut Suite 300
Lufkin Texas

Minutes

Members Present:

David Hailey, Chair
Steve Allison
Wayne Haglund
Karla Moffett
Mary Bradford
Sally McKinney
Hank Edenfield
Sue Wood
Patty Fairley

Guests:

Maria Kassabaum, 1863 Solutions
Jon Bunn, WFS
Joyce Myers, NCI

Staff:

Rita Fancher, Recording Secretary
Charlene Meadows
Marilyn Hartsook

Members Absent:

Howard Watts

Call to Order

David Hailey called the meeting to order at 12:02 p.m. A quorum was verified. Everyone was reminded of the Conflict of Interest policy.

Action Item: Approval of Minutes of May 10, 2011

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

Public Comments

None

Information Items

None

Discussion/Possible Action

Action Item 11-24: Child Care Policy

Marilyn Hartsook presented this action item. She 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. Marilyn 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.

Marilyn said the staff recommends approval of the policy changes as presented. Discussion followed regarding item #8. Provider Reimbursement The committee wants clarification of “**extraordinary circumstances**” defined in the policy. The committee also suggested adding “**The provider may be paid for up to 5 days “per event”**”. Wayne Haglund recommended revising 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. Sue Wood made a motion to accept the Child Care Policy with the amended changes as discussed above. Karla Moffett seconded motion. 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

Charlene Meadows presented this action item. She 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. Charlene 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. Charlene 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. Charlene 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. Charlene 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. Charlene reported that the Board occupies three suites and said the Board could downsize to only two. She 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. Charlene 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. Charlene commented the current lease of \$5,000 will be extended for two months – until August 31, 2011. Charlene stated the staff 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. Sue Wood made a motion to accept the staff recommendation and present to the full Board for approval. Mary Frances Bradford seconded motion. Motion carried.

Action Item 11-16: Training Provider Minimum Performance

Marilyn Hartsook presented this action item. She 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. Marilyn stated the Board took action last year to adopt (PY2010) standards for initial eligibility. Marilyn said the staff recommends adopting the state minimum performance requirements for initial eligibility determination through PY 2011. Sue Wood made a motion to accept the staff recommendation and present to the full Board for approval. Hank Edenfield 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

Marilyn Hartsook presented this action item. She reported the Trade Adjustment Assistance (TAA) program helps workers who have lost their jobs as a result of international trade get back to work. She 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. Marilyn 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. Marilyn continued stating 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. Marilyn 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. She 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><i>Benefits and services available under the 2009 Amendments.</i></p>	<p>Trade Petition Numbers that fall below 69,999, and above 80,000</p> <p><i>Benefits and services available under the 2002 Amendments</i></p>
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Marilyn stated the staff recommends approval of the changes to the TAA policy as presented. Sue Wood made a motion to accept the staff recommendation and present to the full Board for approval. Sally McKinney 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

Charlene Meadows presented this action item stating 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. She 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. Charlene said the staff has evaluated contract performance and finds no significant deficiencies. She pointed out that issues are addressed promptly and professionally. She reported the performance is good with 13 measures either meeting or exceeding targets. She 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. Charlene remarked that the monitoring by TWC in February revealed issues with the procedure for the Trade Act program. She informed the committee that the Board has placed 1863 Solutions on a Corrective Action Plan, which is progressing positively. She 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. In conclusion, Charlene stated that overall, 1863 delivers services timely and efficiently fulfilling their contract obligations for the management and operations of the Workforce Centers. The staff recommendation is approval to begin negotiating for workforce center management and operations with 1863 Solutions Inc. for the period October 1, 2011 – September 30, 2012, and present the results to the full Board at the August 9th meeting for final approval. Wayne Haglund made a motion to accept the staff recommendation and present to the full Board for approval. Hank Edenfield 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

Charlene Meadows presented this action item reiterating 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. She reminded the committee this was their third renewal contingent upon satisfactory performance and Board approval. She 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. Charlene 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. She stated this has been shared with NCI and they will respond with action taken to correct this. Charlene said the fiscal monitoring by E. Taylor and Associates is still in process. She concluded by saying 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 staff's recommendation is for approval to begin negotiating the CCS contract with Neighborhood Centers Inc. for the period October 1, 2011– September 30, 2012 and present the results to the full Board at the August 9th meeting for final approval. Sue Wood made a motion to accept the staff recommendation and present to the full Board for approval. Mary Frances Bradford seconded motion. Patty Fairley declared both verbally and in writing a conflict of interest and declined discussion and voting. Motion carried.

Reports

Neighborhood Centers Inc.

Joyce Myers of NCI reported that as of today there are 1704 children in formula funding. There are 154 applicants on the waiting list. Joyce reported 100 applicants per week for the past three weeks have been outreached. The Performance Measure for FY 2011 is 1799. NCI anticipates meeting the performance measure for this fiscal year of 1717 which is 95.43%.

1863 Solutions, LLC – Workforce Center Operator

Maria Kassabaum of 1863 Solutions Inc. gave a brief summary on performance measures, job statistics, training programs, and activities in the Workforce Center. She discussed the June 2011 labor exchange report. She stated there is going to be a dress code enforced for applicants in the workforce center. Jon Bunn reported on the layoff of the Texas Youth Commission in Crockett. Jon stated that the workforce center staff spent two weeks with the employees providing the necessary services needed. Out of 268 being laid off, Jon reported that 108 had either been transferred or found other jobs. Concluding his report, Jon gave an update on the Texas Back to Work program.

Work-in-Texas and Labor Market Information Report

Marilyn Hartsook reviewed and discussed the chart of the Deep East Texas Labor Market statistics for the month of May 2011. The unemployment rate has increased to 9.1%. Job seekers, job openings, and total entered employments all increased.

Staff Contract Management Reports

Child Care Oversight Summary Report

Marilyn Hartsook discussed the Childcare Contract Management Report. There is only one performance measure required for the child care program. The performance measure for October 2010- September 2011 is 1799 for direct care. However, this year there is also an ARRA requirement that CCS serve 364 children per month. In May there were 2069 units in care. This is 115% of the required measure. For the month of May, the childcare contractor collected \$1219.17 from parents who reimbursed the Board for services they received that they were either not entitled to or that they underpaid in parent fees. Payments made directly to the Board in April were \$250.00. A grand total of \$6610.25 has been repaid to the Contractor and Board for the YTD.

Workforce Center Operator Oversight Summary

Marilyn Hartsook discussed the Workforce Center Operator report for the month of May 2011. The contractor is currently meeting or exceeding all performance targets. Anticipated expenditure rate is 67%. Overall expenditures are at 59%. Operations expenditures are at the 62.7% level, and client services are at the 52.8% level.

After no further business, the meeting was adjourned at 1:20 p.m.

Transcribed by:

Date: August 3, 2011

Rita Fancher, Recording Secretary

Approved by:

David Hailey, Chair

Date: _____