

Deep East Texas Local Workforce Development Board

Board Meeting

September 13, 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

Steve Allison

Kathleen Hawkins

Joe C Adams, Sr.

James Mize

Mary Frances Bradford

Roby Somerford

Henry Edenfield

John Slocomb

Ellen Mills

Howard Watts

Betty Russo

Charles Rushing

Joe Shannon

David Hailey

Guests

Maria Kassabaum, 1863 Solutions

Jon Bunn, WFS

Rene Solis, NCI

Renee Waggener, NCI

Peggy Muckelroy, NEDCO

Steve Knight, Lufkin Daily News

Staff Present

Rita Fancher, Recording Secretary

Marilyn Hartsook

Charlene Meadows

Linda Mott

Darla Johnson

Lynne Bauereiss

Members Absent

Jim Wark

Sally McKinney

Jerry Huffman

Monique Nunn

Jerry Whitaker

Kelli Marshall

Garvey Jackson

Sue Wood

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 2:45 p.m. A quorum was verified. Tyane welcomed new board member, John Allen Slocomb, Private Sector, representing Polk County.

Discussion/Action:

Approval of Minutes of July 12, 2011

Jimmy Mize made a motion to approve the minutes of July 12, 2011. Mary Frances Bradford seconded. Motion carried.

Public Comments

None.

Information Items

None

Executive Director's Report

Charlene Meadows reported:

- The Board has been receiving contracts from TWC for this year's funding.
- Performance measures for July indicate that the Board is not meeting the "Choices Single Parent Participation Rate".
- The Board received the final monitoring report from TWC. There were five findings on the report; one being from Child Care, and the other four from the Workforce Center. The Board and contractor are on a corrective action plan for two Trade findings.
- Teresa Maryska who works for the Texas Veteran's Commission received the award for the Veteran of the Year in Texas from two Veteran's organizations. Teresa works at the Angelina County Workforce Center as the Veterans Representative.
- Contacts made during August included Economic Development meetings in Nacogdoches and Angelina County; Texas Workforce Commission Business Forum; Houston County Training Center Dedication, and P16 meetings.
- The President has proposed a Jobs Act and she will keep the board members updated on the progress.
- The WIA reauthorization may begin moving forward.
- The Board's funding continues to be reduced. Allocations for FY 12 have been received and there is a decrease of \$150,000 and an increase in Child Care of \$200,000.
- That space in the Board office, Center, Lufkin, and Crockett Workforce Centers has been minimized to help with decrease of costs.
- The 2010 Annual Report has been completed and ready for distribution
- That the board email is no longer on the Texas Workforce Commission server. Rita will email staff emails to Board members.

Committee Reports

- Business Services Committee

The committee did not meet today.

- Operations Committee

The committee met today.

Discussion/Possible Action

Action Item 11-30: Amendment to Parent Share of Child Care Cost

This action item comes as a motion from the Operations Committee. David Hailey explained that the Board recently approved changes to the parent share of cost (PSoC) and the elimination of the \$25 per month sanction fee. The elimination of the sanction fee will have an effect on the Board’s cost of care that was not previously considered. The staff found that over 500 families had paid the sanction fee for a net negative monthly effect of \$12,500. The Board cannot afford to meet its’ contracted number of children in care if the amount of reimbursement increases.

Cost of Child Care (contracted number x average daily cost of care) =

Parent Share of Cost + Amount of Reimbursement (available funds)

Currently, \$130,395 are collected per month in PSoC, plus \$12,500 needed to make up the difference in sanctions equals **\$142,895, the minimum needed in PSoC**

Therefore the staff is recommending a change in the new Parent Share of Cost, as indicated below.

CURRENT PSoC	Percentage of State Median Income (SMI)								
	0%-20%	>20%-30%	>30%-40%	>40%-50%	>50%-60%	>60%-70%	>70%-75%	>75%-80%	>80%-85%
1st child	\$16	\$89	\$134	\$178	\$223	\$267	\$312	\$357	\$402
Each Additional Child	\$6	\$21	\$32	\$42	\$53	\$63	\$73	\$79	\$84

Current “Each Additional Child” – calculated using the difference in the first and second child using 12%

Projected PSoC total \$136,093

Each Additional Child	\$5	\$30	\$45	\$59	\$74	\$89	\$104	\$119	\$134
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Increase for “Each Additional Child” – calculated using 1/3 of 1st child

Projected PSoC total \$145,132

In the past, a 35% discount was applied if the family had over seven members and another discount if all the children attended school. The staff recommends replacing these with the following 35% discount for household in which all the children are either/or part-time, school referrals, or part-week. David stated the Committee recommends approval of the policy changes as presented. 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 11-25: Training Provider Applications

This action item comes as a motion from the Operations Committee requesting approval of the presented Training Provider Applications. The Training Provider Certification System is the system for selecting Workforce Investment Act-funded training providers for adults and dislocated workers. Training providers must submit applications annually to the local boards for approval of individual training programs, and the boards forward the approved applications to

TWC for certification and inclusion on the statewide list of training providers. Initial eligibility training provider applications include: Child and Family Development Certificate at Angelina College in Lufkin. New Horizons Consumer Learning Centers for: MCITP Enterprise Administrator Certification Training; Linux+ Certification Training; A+ Certification Training; IT Fast Track: Microsoft Certified Enterprise Support Tech Training; IT Fast Track: Microsoft Certified Network Admin with Security+ Training; Master Microsoft Office Specialist 2007 w/QuickBooks & Business Skills Training; MCITP Server Administrator Certification Training; Network+ Certification Training; Security+ Certification Training; Server+ Certification Training; The Complete Hacking Professional Series. Hank Edenfield seconded the motion. Motion carried.

Action Item 11-27: 1863 Solutions Contract Renewal for Management of Workforce Center Operations

This action item comes as a motion from the Operations Committee. David Hailey reminded the Board members that the Board contracted with 1863 Solutions Inc. for management and operation of the workforce centers beginning October 1, 2007, and renewed the contract at 12 month intervals in October 2008, 2009, and 2010. He said that during the July meeting, the Board voted to proceed with contract negotiations for October 1, 2011 through September 30, 2012 and authorized staff to enter into negotiations with 1863. A final proposed budget for 1863 Solutions for October 1, 2011- September 30, 2012 was given to the board members for review. The Committee recommends contracting with 1863 Solutions LC for management of the Deep East Texas workforce center system October 1, 2011- September 30, 2012 for \$217,000, \$10,850 of which will be paid at the end of the contract year as profit based on performance stated in the contract. Operating costs of \$2,792,358 and Client Services will be allocated by funding stream. Hank Edenfield seconded motion. Motion carried.

Action Item 11-28: NCI Contract Renewal for Management of Child Care Services Operations

This action item comes as a motion from the Operations Committee. David Hailey stated the Board contracted with Neighborhood Centers, Inc. (NCI) for the delivery of child care services beginning October 1, 2008, and renewed the contract at 12 month intervals in October 2009, 2010, and 2011. He said during the July meeting, the Board voted to proceed with contract negotiations for October 1, 2011 through September 30, 2012 and authorized staff to enter into negotiations with NCI. A budget and narrative for NCI for October 1, 2011-September 30, 2012 was presented to the Board members for review. The Operations Committee recommends contracting with Neighborhood Centers Inc. for management of Deep East Texas child care services October 1, 2011- September 30, 2012 for \$877,106. Continuation of the contract will be conditional based on the resolution of monitoring and auditing findings to the satisfaction of the Board; and that 18% of billed Indirect costs be withheld until such time as there is resolution satisfactory to the Board, at which time withheld funds will be paid. Hank Edenfield seconded motion. Motion carried.

- Executive/Finance Joint Committee

The Finance Committee met today with the Executive Committee.

Discussion/Acceptance

Linda Mott presented the financial reports for the period ending July 31, 2011. No issues were found.

Discussion/Possible Action

Action Item 11-29: Fraud Policy Revision

This action item comes as a motion from the Executive Committee. Tyane Dietz stated the Board had previously approved a fraud policy that was issued to the Board staff and the contractors. TWC issued WD Letter 13-11 titled: Requirements for Reporting, Fact-Finding, and Prosecution of Fraud, Waste, Theft, and Program Abuse Cases, and Collect of Overpayments. This letter requires that the Board change some of the fraud policies that are currently in place. Changes to current policy are requested as follows:

1. Investigating allegations of fraud by Board or contractor staff. Current policy states that the Executive Director and the Board's fraud investigator conduct an investigation and report the results to the TWC Office of Investigations (OI). WDL 13-11 requires that the Office of Investigations maintains full jurisdiction over cases involving TWC employees, Board employees, and Workforce and Child Care Services employees. The Executive Director or Board fraud investigator will now immediately report these cases to the OI. The Board will not conduct any fact-finding or investigation into these matters unless specifically directed to do so by OI.
2. Threshold for reporting cases to the OI. The current threshold for reporting cases of non-employee fraud is \$500. The new threshold is \$3,000. Cases involving less than the new amount will be handled at the Board or contractor level.
3. Handling fraud cases. The OI will determine on a case-by-case basis who takes the lead in conducting fact-finding for cases that involve employees, or nonemployee cases over \$3,000.
4. Report of Findings. The Board must submit a Report of Finding to OI after the fact-finding process has been concluded.
5. Final Action Report. This new report is submitted to OI for all cases in which the Board takes final action.
6. Parent Agreement. OI requires that the Board either uses the TWC developed Customer Awareness Form (RID-51) or a locally developed form. The Board previously adopted the Parent Agreement form, which covers all of the TWC required elements.
7. Due Diligence. The Board is expected to use due diligence in reporting, fact-finding, and collection of overpayments. When there is clear and convincing evidence that a person committed fraud, the Board's fraud investigator may refer the case to the appropriate authorities for possible prosecution. Failure to do so may result in disallowed costs.

The Committee recommends that the Board approve the fraud requirements as specified in WDL 13-11 and as stated in the revised fraud policy. Jimmy Mize seconded motion. Motion carried.

Action Item 11-26: Award of Auditor Contract

This action item comes as a motion from the Executive Committee. Tyane Dietz stated that per the Texas Workforce Commission's Financial Manual for Grants and Contracts, Chapter 20, Section 20.1, TWC requires annual audits in accordance with OMB Circular A-133.

She stated the Board issued a Request for Proposals (RFP) #11-291 for auditing services on August 1, 2011 and four proposals were received. The proposers are:

Proposers	
Gollob, Morgan, Peddy PC	Tyler, TX
Gomez and Company	Houston, TX
Alexander, Lankford & Heirs, Inc.	Lufkin, TX
Halls, Johnson, McLemore, Redfield & Rodrigues, LLP	Nacogdoches, TX

The committee recommends contracting with Alexander, Lankford & Heirs, Inc. for the amount of \$28,000. Ellen Mills seconded motion. Motion carried.

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: September 26, 2011

Approved by:

Garvey Jackson, Chair

Date: _____