

Deep East Texas Local Workforce Development Board
Operations Committee Meeting
September 13, 2011 12:30 P.M.
539 S. Chestnut Suite 300
Lufkin Texas

Minutes

Members Present:

David Hailey, Chair
Steve Allison
Wayne Haglund
Karla Moffett
Mary Bradford
Hank Edenfield
Patty Fairley
Howard Watts

Guests:

Maria Kassabaum, 1863 Solutions
Jon Bunn, WFS
Rene Solis, NCI
Renee Waggener, NCI

Staff:

Rita Fancher, Recording Secretary
Charlene Meadows
Marilyn Hartsook
Lynne Bauereiss
Darla Johnson

Members Absent:

Sally McKinney
Sue Wood

Call to Order

David Hailey called the meeting to order at 12:35 p.m. A quorum was verified. Everyone was reminded of the Conflict of Interest policy.

Action Item: Approval of Minutes of July 12, 2011

Hank Edenfield made a motion to approve the minutes of July 12, 2011. Steve Allison seconded. Motion carried.

Public Comments

None

Information Items

None

Discussion/Possible Action

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

Marilyn Hartsook presented this action item as a recommendation from the staff. Marilyn 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 (contacted 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. Marilyn stated the staff recommends approval of the policy changes as discussed. Hank Edenfield made a motion to accept the staff recommendation and present to the full Board for approval. Howard Watts 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

Sarah Milligan presented this action item as a recommendation from the staff. 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. Staff recommends approval of the following applications: 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 made a motion to approve the Training Provider Applications and present to the full Board for approval. Mary Frances Bradford seconded the motion. Motion carried.

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

Charlene Meadows presented this action item as a recommendation from the staff. Charlene reminded the committee that the Board contracted with 1863 Solutions Inc. for management and operation of the workforce centers October 1, 2007, and renewed the contract at 12 months intervals in October 2008, 2009, and 2010. Charlene reiterated 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 Solutions. A final proposed budget for 1863 Solutions for October 1, 2011-September 30, 2012 was given to the committee members for review with discussion following. Charlene stated the staff 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 made a motion to accept the staff recommendation and present to the full Board for approval. Karla Moffett seconded motion. Motion carried.

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

Charlene Meadows presented this action item as a recommendation from the staff. She stated the Board contracted with Neighborhood Centers, Inc. (NCI) for the delivery of child care services October 1, 2008, and renewed the contract for 12 months in October 2009, 2010, and 2011. She reiterated 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 NCI. A budget and narrative for NCI for October 1, 2011-September 30, 2012 was presented to the committee for review with discussion following. Charlene informed the Committee about potential issues with the NCI 2010 audit and monitoring issues. A report is forthcoming. The issue was explained in the written Action Item 11-28. Charlene stated the staff recommends contracting with Neighborhood Centers Inc. for management of Deep East Texas child care services October 1, 2011- September 30, 2012 for \$877,106. She said continuation of the contract to 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 made a motion to accept the staff recommendation and present to the full Board for approval. Karla Moffett seconded. Motion carried.

Reports

Neighborhood Centers Inc.

Renee Waggener reported that as of September 13, 2011, there are 1544 children in care. There is a waiting list of 302 children. Renee stated that September is the end of their fiscal year and that they are unable to place additional children in care based on the allocations.

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 August 2011 labor exchange report. She reported the performance measure not being met at this time is “Average Choices Single Parent Participation Rate”. The target for this measure is 40%. Maria stated using the year to date methodology; the current rate being met is 36.05%, which is 90.12% of the target. New strategies have been implemented for the Claimant Re-employment performance measure.

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 July 2011. The unemployment rate has decreased to 9.9%. Job seekers, job openings, and total entered employments decreased.

Staff Contract Management Reports

Child Care Oversight Summary Report

Lynne Bauereiss 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 June there were 1752 units in care. This is 97% of the required measure. For the month of June, the childcare contractor collected \$656.56 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 July were \$25.00. A grand total of \$10,561.65 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 July 2011. The contractor is meeting all of the performance targets with the exception of the Choices Single Parent Participation Rate, which is at 91.63% of target. Marilyn stated this measure will change beginning the next contract year, measuring only work activities. Anticipated expenditure rate is 83%. Overall expenditures are at 76%. Operations expenditures are at the 78.7% level, and client services are at the 68.8% level.

After no further business, the meeting was adjourned at 1:30 p.m.

Transcribed by:

Date: September 22, 2011

Rita Fancher, Recording Secretary

Approved by:

Date: _____

David Hailey, Chair