

**Workforce Solutions - Deep East Texas**  
**415 S. First Street, Suite 110B**  
**Lufkin, TX 75901**  
**Executive/Finance Committee Meeting Minutes**  
**March 2, 2022**

**I. CHAIR WAYNE HAGLUND CALLED THE EXECUTIVE/FINANCE COMMITTEE MEETING TO ORDER AT 3:00 P.M.**

**MR. HAGLUND ANNOUNCED IN ACCORDANCE WITH GUIDANCE FROM THE TEXAS WORKFORCE COMMISSION (WD LETTER 28-19) DATED NOVEMBER 19, 2019, REGARDING THE TEXAS OPEN MEETINGS ACT GOVERNMENT CODE CHAPTER 551 ALLOWING THE USE OF VIDEOCONFERENCING AS A METHOD FOR CONDUCTING BOARD MEETINGS, THE BOARD IS PROVIDING FOR PUBLIC PARTICIPATION IN THE OPEN PORTIONS OF ITS COMMITTEE MEETING AT THE ADDRESS LISTED ABOVE AND VIA VIRTUAL MEETING WEB LINK. HE ALSO SAID THE MEETING IS BEING RECORDED AND THE OPEN SESSION PORTION OF THE MEETING IS AVAILABLE TO THE PUBLIC UPON REQUEST. THE BOARD SERVES TWELVE (12) COUNTIES AND LISTED THE HOST LOCATION AND PRESIDING OFFICER, WAYNE HAGLUND, WAS PHYSICALLY PRESENT.**

**AFTER THE ROLL CALL, MR. HAGLUND CONFIRMED THAT A QUORUM WAS PRESENT:**

Members Present: Lisa Balty, Tyane Dietz, Robert Fitzpatrick, James Gentry, Wayne Haglund, Garvey Jackson, Gene Lee, Ellen Mills, John Allen Slocomb

Members Absent: Kotosha Jeffery, Kelli Marshall

Board Staff Present: Mark Durand, Debb Homman, Lauren Phipps, Karen Stubblefield, Misty Woodard

Visitors: None

**WAYNE HAGLUND REMINDED THE BOARD MEMBERS OF THE CONFLICT OF INTEREST DECLARATION.**

Wayne Haglund asked that all members sign a conflict of interest declaration regardless of whether they have a conflict and send the form to Board Staff.

**WELCOME OF GUESTS:**

None

**II. Public Comments**

None

**III. Discussion/Action: Approval of Minutes – February 8, 2022**

Motion: Tyane Dietz made the motion to approve the minutes as presented.

Second: James Gentry

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

#### **IV. Information and Briefing Items**

##### **A. Diaz, Smith and Associates DWFS Monitoring Reports**

###### **Fiscal Review**

Mr. Mark Durand reported on the monitoring review of Workforce Solutions Deep East Texas (WSDet) Workforce contractor, Dynamic Workforce Solutions (DWFS), conducted by Diaz, Smith and Associates (DSA). DSA determined one fiscal review finding in the area of Disbursement Transactions. Of the fifteen (15) transactions reviewed, three (3) indirect transactions of travel expenditures were not properly adjusted as required by the General Services Administration (GSA) rules. The GSA requires per diem amounts be adjusted on the first and last days of travel. The last day was not adjusted in the three (3) transactions resulting in an overcharge. Additionally, the reasonableness of benefit to the Deep East Texas WDS was not apparent, resulting in an overcharge of \$54.75 questioned cost. DWFS responded to this finding, stating their management team travels to different locations to identify best practices. The travel expenses are allocated to the cost pools and identified in the cost allocation plan. DWFS has consistently applied and audited and has been deemed appropriately of the cost allocation process. DWFS agreed with the last day adjustment and will repay the Board a total of \$3.93 for overcharges respectively. DSA has accepted this response pending additional testing and verification in subsequent monitoring reviews, and this finding is determined resolved.

###### **Program Review**

DSA reviewed randomly selected files for the program monitoring review, including program files for Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF/CHOICES), TANF/Non-Custodial Parents (NCP), Workforce Innovation and Opportunity Act (WIOA), and Trade Adjustment Assistance (TAA). No findings were determined for SNAP, TANF/NCP, and TAA. DSA determined two (2) findings for TANF/CHOICES. The first finding was in the area of Data Integrity. DWFS did not correctly enter participation hours in TWIST and the participation hours did not match source documentation in some of the reviewed files. DWFS imposed an operational oversight plan to include participation hours validation and review. In addition to the review of customer files, DSA will be provided a copy of the oversight plan, the tasks performed, and the results. Board Workforce Coordinator will review the plan and monitor to ensure plan is being followed by DWFS. Board case review in February determined that participation hours were entered correctly in one (1) of two (2) cases. DWFS has been notified of issue and concern. The second finding DSA reported in the TANF/ CHOICES program was in the area of Noncooperation. DWFS staff has one day after a CHOICES customer fails to meet their required activity to attempt to contact the customer to determine if customer was in compliance. The contact must be documented in TWIST. In one (1) of four (4) cases, the timely and reasonable attempt (TRA) was not made by staff. In two (2) of four (4) cases, the date on non-compliance of the TRA by DWFS staff was not documented. DWFS imposed an operational oversight plan that was implemented in October 2021. October is outside the scope of this review period. The status of this finding is unresolved until further documentation is obtained. Board case review in February reflected DWFS met TRA requirements. DSA determined one program review finding in the WIOA program regarding Individual Training Accounts (ITAs). Guidelines require case notes document income and expected expenses for the entire training period of customer enrollment in training. DSA recommended DWFS develop a process for this requirement. DWFS did not agree with this finding because the guide allows WorkInTexas (WIT) printouts as documentation. DWFS submitted their procedures and documentation to DSA. DSA responded the corrective action plan appears adequate, but DWFS must include reference in case notes. Status of this finding is pending until next monitoring follow-up. Board will review to ensure compliance.

##### **B. Diaz, Smith and Associates Goodwill Monitoring Reports**

###### **Fiscal Review**

Mr. Mark Durand reported on the monitoring review of WSDet Child Care contractor, Goodwill Industries of Central East Texas (Goodwill), conducted by DSA. Mr. Durand noted one fiscal review finding in the area of Small-Micro Purchase Procurements. DSA determined that Goodwill was under the impression that credit card purchases were not required to follow FMGC guidelines. Goodwill revised their credit card allocation policy and basis for determining micro purchase reasonableness. DSA determined Goodwill's response resolves this finding.

###### **Program Review**

DSA examined 53 files in their program monitoring review and noted two (2) findings. One finding involved Client Services – Activity Interruption. A customer was not enrolled in activity interruption as outlined by child care program guidelines. Activity interruption in work, education or training must be recorded when a parent reports a change and, in this instance, Goodwill did not record the interruption timely. Goodwill updated procedures and completed staff training of the updated procedures to correct this finding. DSA determined Goodwill’s response resolves this finding and will provide subsequent review at next monitoring visit. In addition, the Board’s Child Care Coordinator will internally monitor to ensure corrective action plan is followed. The second program review finding involved Early Terminations due to excessive absences and non-payment of Parent Share of Cost (PSOC). Child Care guide requires a family’s financial circumstance be evaluated for possible reduction in PSOC before an early termination, and this process was not followed by Goodwill in one (1) of four (4) cases reviewed. Following this finding, Goodwill updated the counselor note to verify follow-up has been completed as required by the guide. DSA determined this response resolves the finding.

**V. Discussion and Possible Action**

**A. Action Item 22-08 Workforce Career and Education Outreach Specialist Amendment**

Mr. Durand stated in early 2021 the Board approved the establishment of Workforce Career and Education Outreach Program. As a result, one (1) Workforce Career and Education Outreach Specialist (WCEOS), Mr. James Parry, was hired. Mr. Parry has been working with students across 12 Independent School Districts (ISDs), providing career guidance, career preparation, and workforce information. To date, Mr. Parry has delivered 121 presentations and 2,328 student and faculty engagements. In February 2021, Virtual Reality (VR) career exploration was incorporated into the program using VR headsets and simulation software. Additional Board staff have accompanied Mr. Parry in past events to assist with VR presentations. Mr. Durand requested an additional WCEOS to allow for expansion of the program and increase exposure to career exploration and demand occupations by serving more students and more school districts in the Deep East Texas region. An additional WCEOS will provide back-up support during VR career exploration events. Mr. Durand noted the WSDet Board is the only Board in Texas to have one WCEOS. Following a review of funding, the cost of adding a second WCEOS will be approximately \$36,785 for the period April 2022-October 2022. The Board approved the original budget of \$80,490 for the WCEOS. The amended budget for two WCEOS will total \$117,275. Ms. Tyane Dietz asked if the two WCEOS would travel together. Mr. Durand responded the two specialists would travel together for some events, such as VR career exploration events, but would not travel together for other events allowing for the specialists to serve more students and school districts simultaneously. Ms. Lisa Balty inquired about the summer months when school is out and how the additional WCEOS’s time would be occupied. Mr. Durand stated he is hopeful in partnering with juvenile detention facilities and juvenile probation offices, among other youth groups that operate in the summer months, so the WCEOS can focus their time and outreach on the youth within these organizations. Also, the WCEOS would use the summer months to develop presentations, prepare for the upcoming school year, and complete training. Ms. Karen Stubblefield noted the WCEOS will utilize this time to familiarize themselves with local businesses and to learn more about high demand occupations. Mr. Haglund requested regular updates of WCEOS throughout the summer to ensure their time is utilized effectively and constructively.

Motion: James Gentry made the motion to approve the amendment as presented.

Second: Ellen Mills

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

**B. Action Item 22-07 Closed Session – Deliberation Regarding Executive Director**

**Employment and Evaluation Concerning Action Item 22-07. Gov’t Code Section 551.074**

Chair Wayne Haglund announced the Executive Director Evaluation was not complete, therefore Action Item 22-07 would go before the Committee at the following Executive/Finance Committee meeting. No action or discussion taken.

**C. Open Session Action, if any, as a result of Closed Session Deliberation Regarding Executive Director Employment, Evaluation and Salary Concerning Action Item 22-07. Gov’t Code §551.074**

None

**VI. Discussion and Acceptance of Financial Reports**

**A. Financial Reports for January 2022**

- **Statement of Financial Position**
- **Budget vs. Actual**
- **Grant Report**

Misty Woodard provided financial updates for the month of January 2022. Ms. Woodard referenced the variance narrative and reviewed the contracts outstanding. Ms. Woodard noted the purchase of mobile work phones for staff that travel. This purchase was initiated to avoid work-related communications on staff's personal phones. Motion by James Gentry and seconded by Gene Lee, the committee accepted the financial reports.

**VII. Discussion of issues to be brought before the Committee**

None

**VIII. Adjourn**

Wayne Haglund adjourned the Executive/Finance Committee Meeting at 3:46 p.m.

Duly passed and approved on this 12<sup>th</sup> day of April 2022

Kell Marshall  
Kell Marshall, Chair

Attest

Lauren Phipps  
Lauren Phipps, Planning and Policy Specialist