

**Workforce Solutions Deep East Texas
Board Meeting Minutes
415 S. First Street, Suite 110B
Lufkin, TX 75901
March 8, 2022**

I. CHAIR WAYNE HAGLUND CALLED THE BOARD MEETING TO ORDER AT 2:31 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 ITS BOARD 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: Joe Clyde Adams, TJ Colwell, Tyane Dietz, Tim Ditoro, Robert Fitzpatrick, Wayne Haglund, Ethan Herr, Staci Hodges, Eddie Hopkins, Anita Humphreys, Malcolm, Ifoezeh, Garvey Jackson, Gene Lee, Matthew Lowery, Kelli Marshall, Quincy Martindale, Ellen Mills, Marisa Phillips, Jessica Rogers, Rich Scott, John Allen Slocomb, John White

Members Absent: Lisa Balty, Rebekah Burkhalter, James Gentry, Phyllis Grandgeorge, Kotosha Jeffery, Laurie King, Randall Roberts

Board Staff Present: Mark Durand, Sarah Milligan, James Parry, Lauren Phipps, Karen Stubblefield, Misty Woodard

Visitors: Scott Amey, Jessica Blair, Kevin Bradford, LaTreaser Cartwright, Rhonda Cartwright, Paul Dunn, Dustin Hill, Michelle Kennedy, Shakia Roberts, Arree Currie-Towery

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 return the form to board staff.

WELCOME OF GUESTS:

Mark Durand welcomed Mr. Dustin Hill with the Deep East Texas Self Insurance Fund to the meeting. Mr. Durand also introduced the newest Board member, Mr. Matthew Lowery. Mr. Lowery briefly overviewed his qualifications as a Board Member, stating he majored in Agriculture and Agribusiness and minored in General Business, obtaining his Bachelor Degree from Stephen F. Austin State University. Mr. Lowery is the Project Manager for TFP Nutrition. The Board Members welcomed Mr. Lowery.

II. Public Comments

None

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

Motion: Eddie Hopkins made the motion to approve the minutes as presented.

Second: Anita Humphreys

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

IV. Election of Officers

On behalf of the Nomination Committee, Ms. Tyane Dietz presented the following nominations: Ms. Kelli Marshall as Chair; Ms. Ellen Mills as Vice Chair; and Ms. Kotosha Jeffery as Secretary. On a motion by Mr. Gene Lee and seconded by Mr. John White, the Board adopted and elected the slate recommended by the Nomination Committee.

V. Information Items

A. Diaz, Smith and Associates (DSA) 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 for the review period of September 1, 2020 through September 30, 2021. 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.

B. Diaz, Smith and Associates Workforce Contractor 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 a total 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.

VI. Board Members Comments on Activity in their Respective Areas

Mr. Gene Lee announced the office move of his company, Lee Transervices, Inc. to the newly remodeled building that previously housed Lufkin Parks and Recreation. Mr. Tim Ditoro noted the success of the partnership with Angelina College and Lockheed Martin.

VII. Executive Director's Report

A. Contracts/Agreements

Director of Alcohol and Drug Abuse Council of Deep East Texas (ADAC), Ms. Phyllis Grandgeorge, has been looking for office space in Livingston to rent. WSDet and ADAC entered into a Memorandum of Understand/Infrastructure Agreement (MOU/IFA) for the lease of one office in the Polk County Workforce Center to provide services to ADAC customers.

B. Performance

As of January 2022, year-to-date (YTD) child care enrollment was 96.28%, which is within the Meeting Performance target of 95-105%. Actual average per day enrollment YTD is 1887 with a target goal of 1960. Child Care Contractor is currently outreaching 150 parents per week to increase enrollment. However, application submissions and response rates are low. As of January 2022, 339 Service Industry Recovery (SIR) children have been enrolled. TWC has been stressing the importance of Child Care Services (CCS) Providers properly tracking attendance and has even requested all Boards submit fraud fact-finding policies and procedures for review. The Board and Child Care contractor have been working closely with CCS Providers to ensure attendance is accurately recorded. Mr. Durand reported

on the success of a Job Fair held in Nacogdoches in February with 36 employers and 119 job seekers in attendance.

C. Contacts and Coordination Efforts

Mr. Durand reported on the television interview with KTRE to promote the Nacogdoches Job Fair. Mr. Durand and other Board staff also presented services to the Impact Lufkin Board. Mr. Durand met with Lockheed Martin to continue the discussion of how WSDet can assist with Lockheed Martin's recertifications and new hires. Mr. Durand also attended the Texas Association of Workforce Boards (TAWB) meeting in Austin.

D. Rules and Legislation Update

Mr. Durand reported the Chapter 313 Tax Credits will expire on December 31, 2022. Mr. Durand noted Chapter 381 and Chapter 380 are expected to be a topic in the next session. The 381 agreement allows Texas counties to provide incentives to encourage economic growth in their areas. The 380 agreement authorizes cities to offer incentives to promote economic development and growth.

E. Funding

Mr. Durand reported the Board received additional SNAP funding for outreach to the SNAP general population to assist with more intensive services to obtain employment. TWC is issuing to the Boards WIOA Statewide Funding to assist with Cybersecurity Infrastructure. Deep East Texas will be awarded \$74,852. The Board received \$703,000.00 to assist Summer Earn and Learn (SEAL) participants with work readiness training and paid work experience during the summer months for students with disabilities.

F. Other Activity and Administrative Matters not requiring action by the Board

Mr. Durand reported the Labor Market information for the region for January 2022 has not been released yet, but the Unemployment Rate for December 2021 was down to 5.8% from November 2021 rate of 6.1% and December 2020 rate of 7.9%. Mr. Durand mentioned the Deep East Texas Student HireAbility Navigator, Ms. Aubrey Jones, and her involvement in the Transition to the Workplace series. The second session of the series discussed topics of assisting re-entry of ex-offenders into the workforce and removing barriers for job seekers with disabilities.

VIII. Committee Reports

A. Executive/Finance Committee

1. Committee Activity

2. Discussion/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. 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 stated she would like to see WCEOS partner with school districts in all twelve (12) counties in the Deep East Texas region, and work closely with youth programs that include at-risk children such as the Boys & Girls Club. Mr. Wayne Haglund suggested outreach to youth receiving Protective Services. 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.

Motion: The Executive/Finance Committee recommended for acceptance of the Workforce Career and Education Outreach Specialist Amendment as presented.

Second: Tyane Dietz

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

3. Open Session Action, if any, as a result of Closed Session
None

4. Discussion and Acceptance of Financial Reports

a. Financial Reports for January 2022

1. Statement of Financial Position

2. Budget vs. Actual

3. 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. On a motion by Eddie Hopkins and seconded by John Allen Slocomb, the Board accepted the financial reports.

IX. Adjourn

Wayne Haglund adjourned the meeting at 3:17 p.m.

Duly passed and approved on this 12th day of April 2022



Kelli Marshall, Chair

Attest



Lauren Phipps, Planning and Policy Specialist