

Workforce Solutions - Deep East Texas
415 S. First Street, Suite 110B
Lufkin, TX 75901
Executive/Finance Committee Meeting Minutes
September 13, 2022

I. VICE CHAIR ELLEN MILLS CALLED THE EXECUTIVE/FINANCE COMMITTEE MEETING TO ORDER AT 1:06 P.M.

MS. MILLS 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. SHE 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, ELLEN MILLS, WAS PHYSICALLY PRESENT.

AFTER THE ROLL CALL, MS. MILLS CONFIRMED THAT A QUORUM WAS PRESENT:

Members Present: Lisa Balty, James Gentry, Garvey Jackson, Kotosha Jeffery, Gene Lee, Kelli Marshall, Ellen Mills

Members Absent: Tyane Dietz, Robert Fitzpatrick, Wayne Haglund, John Allen Slocomb

Board Staff Present: Mark Durand, Debb Homman, Aubrey Jones, Sarah Milligan, Lauren Phipps, Karen Stubblefield, Misty Woodard

Visitors: Scott Amey, LaTreaser Cartwright, Rhonda Cartwright

CHAIR, KELLI MARSHALL REMINDED THE BOARD MEMBERS OF THE CONFLICT OF INTEREST DECLARATION.

Ms. Marshall 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 – July 19, 2022

Motion: Ellen Mills made the motion to approve the minutes as presented.

Second: Gene Lee

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

IV. Information and Briefing Items

A. TWC Annual Desk Review of Audit

In July 2022, the Deep East Texas Local Workforce Development Board accepted the fiscal year 2021 audit completed by Alexander, Lankford and Hiers, Inc. Certified Public Accountants. The Board was then required to submit the audit report to the Texas Workforce Commission (TWC) for review. TWC confirmed the audit report complies with relevant regulations, guidance, and standards, and the audit file was closed for the fiscal year ending September 30, 2021.

B. TWC RSM On-Site Risk Assessment Reports

The Board's EO Officer, Lauren Phipps, reported on the in-person risk assessments conducted by TWC's Risk & Security Management (RSM) team in July 2022 at two of the Deep East Texas workforce centers. Ms. Phipps briefly explained the purpose and outcome of each assessment. The RSM team assessed the Livingston and Lufkin workforce offices for potential exposures to risks and unsafe work conditions, such as proper use of surge protectors and electrical outlets, fire hazards, and obstructed walkways.

Documentation of evacuation plans and routine safety training was also provided to the RSM team. On August 8, 2022, the RSM team submitted their reports for the Livingston and Lufkin offices, giving both facilities an "Excellent" rating in all four (4) categories assessed: (1) safety; (2) security; (3) privacy; and (4) continuity of operations. No hazards were identified.

C. TWC Annual Equal Opportunity Monitoring Review

TWC conducted their annual Equal Opportunity Compliance monitoring in March 2022. The Board's EO Officer, Lauren Phipps, assisted with the monitoring by completing an EO Survey and providing TWC with supporting documentation regarding physical accessibility of the Board's workforce centers, programmatic accessibility, and the Board's policies and procedures associated with Equal Opportunity and Accessibility. TWC reported no findings or areas of concern regarding programmatic accessibility and the Board's policies and procedures. As for physical accessibility, TWC's EO Coordinator informed the Board that TWC would no longer allow for facilities to be "grandfathered in" based on the year the facility was constructed, which has been accepted in previous years. As a result, three (3) of the Deep East Texas workforce centers required minor updates to their facilities. Two (2) centers only needed to install a door pull on the outside of the accessible restroom stall door, and one (1) center needed to relocate the toilet paper dispenser so that it is within 7-9 inches from the front of the toilet. All three (3) centers completed these minor updates. Following submission of updated facility inspections, TWC notified the Board that all Deep East Texas workforce centers are in compliance for fiscal year 2022. Other than these minor facility updates, there were no findings by TWC during the FY2022 Equal Opportunity Monitoring Review.

V. Discussion and Possible Action

A. Action Item 22-25 WIOA Policy Update

As mandated by TWC, the Board is required to issue policies regarding all programs administered by the Board. Board staff recently reviewed the Board's Workforce Innovation & Opportunity ACT (WIOA) Policy for any necessary updates regarding technical changes and clarifications, so the policy aligns with TWC's WIOA Guide. The following information was added on page 23 of the Board's WIOA Policy regarding WIOA Coordination of Funding: "When coordinating other grant assistance, Boards and training providers must consider the full cost of participating in training services, including the cost of dependent care, transportation, and other support services. Boards must ensure that Workforce Solutions Office staff documents each participant's income and expected expenses for the entire training period. WIOA funds may be used to offset any deficit." Board staff requested approval of the updated WIOA Policy.

Motion: Ellen Mills made the motion to accept the revised WIOA Policy as presented.

Second: Kelli Marshall

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

B. Action Item 22-26 FY2023 Budget

The Board is required to prepare and submit an operations budget for the fiscal year period October 1, 2022 through September 30, 2023. The Budget outlines the Board's oversight and management, facility and infrastructure, service delivery and direct client costs for both workforce and childcare contractors. The Board's total revenue is projected \$27,821,548 due mainly to the increase in childcare and Workforce Innovation Opportunity Act (WIOA) funding. The Budget includes Special Projects: IT Apprenticeship, Carpentry Apprenticeship, Child Care Business Services Specialist and Student HireAbility Navigator funding. The Board's WIOA Adult, Dislocated Worker and Youth grants total \$3,636,599. The direct client services career center increased \$82,000 from FY'22. Direct childcare is proposed at \$16,458,630 to serve a targeted number of 2,350 children per day. Mark Durand and Finance Director, Misty Woodard, reviewed a breakdown of the budget, providing explanations on areas where the budget increases significantly for FY2023. Mr. Durand noted that Board Staff is currently at 16 full-time employees (FTEs), with two (2) Child Care Business Specialist positions currently in the process of being filled. Mr. Durand requested the Board approve one additional FTE for an Accountant position. This will result in a total of 19 FTEs for Board Staff. Ms. Woodard noted the significant increase in the Facility and Infrastructure Expenses Budget to allow for back-up server/switches to comply with cybersecurity requirements, cybersecurity and IT services, and software upgrades such as Adobe Pro. The rental contract for the Workforce Solutions office located in Lufkin will expire in 2023 and funding has been placed in the budget if procurement results in the relocation of the center. Ms. Woodard noted the increase in the budget for Board Staff travel, and explained this increase is due to higher fuel prices, inflation, and the additional FTEs. Ms. Woodard also noted the decrease in Child Care Direct Client costs due to the Service Industry Recovery (SIR) funding ending in March 2023.

Motion: Gene Lee made the motion to accept the FY2023 Budget as presented.

Second: James Gentry

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

C. Open Session Action, if any, as a result of Closed Session

None

VI. Discussion and Acceptance of Financial Reports

A. Financial Reports for June & July 2022

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

Misty Woodard provided financial updates for the months of June and July 2022. Ms. Woodard referenced the variance narrative and reviewed the contracts outstanding. For the June 2022 Variance Narrative, Ms. Woodard mentioned the \$19,000 for Arctic Wolf contract services and the need for this service to fulfill cyber security requirements from TWC. The Board was also informed of the necessary increase of the bond from \$1,000,000 to \$2,000,000 due to increased child care funding and the Board exceeding the \$1,000,000 bond a few times. Mr. Durand and Ms. Woodard reviewed the Contracts Outstanding report for July 2022. Ms. Lisa Balty inquired about the IT Apprenticeship Grant and why 72% of the grant is still remaining. Mr. Durand responded that recruitment of interested participants has been a challenge, but a recent employer roundtable discussion was held with Legacy Institute for Financial Education (LIFE) and Lockheed Martin to discuss how to increase recruitment.

VII. Discussion of issues to be brought before the Committee

Mark Durand noted that Director of Adult Education and Literacy (AEL), Mr. Randy Roberts, announced he had a virtual meeting with TWC's Adult Education Specialist, and learned the local AEL program leads the state in co-enrollment numbers with the Deep East Texas Local Workforce Development Board. 14% of the

local AEL students are also enrolled in one or more of the Board's programs, such as SNAP, WIOA, and Vocational Rehabilitation, whereas the state average is only 6%.

VIII. Adjourn

Kelli Marshall adjourned the Executive/Finance Committee Meeting at 2:09 p.m.

Duly passed and approved on this 18th day of October 2022


Kelli Marshall, Chair

Attest


Lauren Phipps, Planning and Policy Specialist