

Workforce Solutions Deep East Texas
415 S. First Street, Suite 110B, Lufkin, TX 75901
Executive/Finance Committee Meeting Minutes
October 18, 2022

I. CHAIR KELLI MARSHALL CALLED THE EXECUTIVE/FINANCE COMMITTEE MEETING TO ORDER AT 1:31 P.M.

MS. MARSHALL 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, KELLI MARSHALL, WAS PHYSICALLY PRESENT.

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

Members Present: Lisa Balty, Tyane Dietz, James Gentry, Garvey Jackson, Kotosha Jeffery, Kelli Marshall, Ellen Mills, John Allen Slocomb

Members Absent: Robert Fitzpatrick, Wayne Haglund, Gene Lee

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

Visitors: LaTreaser Cartwright, Paul Dunn

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 – September 13, 2022

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

Second: Lisa Balty

In Favor: All

Oppose: None

Abstain: None

Motion: Passes

IV. Information and Briefing Items

A. CHOICES Technical Assistance Plan Lifted

On April 5, 2022, the Texas Workforce Commission (TWC) placed Workforce Solutions Deep East Texas on a Technical Assistance Plan (TAP) to improve performance in the contracted target, CHOICES Full Engagement, performance measure for Board Contract Year 2022. The Board along with its workforce contractor and TWC designed a plan to meet the goal of 50%. The partners met monthly and tracked the success of the plan and progress toward meeting the measure. Performance began to improve immediately with an increase in performance measure percentage. Effective September 14, 2022, TWC lifted the TAP due to the Board meeting the CHOICES Full Engagement YTD measure of 50% for four (4) consecutive months and demonstrating timely and effective implementation of all elements of the TAP. For the August 2022 Monthly Performance Report, the CHOICES Full Engagement Rate was 51.63%, meeting monthly performance.

B. Draft Child Care Quality Expenditure FY'23 Review

TWC allocates funding to the Board through the Child Care Quality (CCQ) improvement grant. TWC allocated 4% of the Child Care Formula Funds to be used for various activities including research and data analysis to identify areas in which there is a need for quality care but a lack of Texas Rising Star (TRS) certified providers; assisting providers in becoming TRS or assisting TRS providers in achieving higher levels of TRS certification; mentoring providers to assist in becoming TRS or achieving higher levels of TRS certification; professional development; providing incentives to fund non-consumable classroom materials such as books, toys, equipment, and curriculum; educational information for parents on the development of children; supporting health and safety; and supporting infant and toddler supply and quality (at least 3% of total funds required). The FY'23 CCQ funds allocated to the Board totals \$968,767. The Board has identified areas of need to best utilize the funds to provide quality child care to the children served through Child Care Services. Some projected expenditures include \$165,000 for training and professional development; \$228,689 for Tiered Quality Rating and Improvement System (QRIS) which includes any item purchased to enhance the learning in the classroom/outdoors for ages 3 and up; \$125,000 for infant and toddler quality initiatives which includes any item purchased to enhance the learning in the classroom/outdoors for ages birth to 35 months; and \$55,000 for supporting health and safety which can include CPR certification, first aid supplies, and shade structures, among other things. Mark Durand mentioned looking into procuring cooling systems for outdoor play areas to keep children from becoming overheated. Ms. Dietz stated in previous years funding was utilized to purchase educational items but not cooling systems and shade structures. Ms. Dietz asked if companies are asking the Board to purchase these items. Mr. Durand responded that companies were not asking the Board to purchase these items; Board staff felt these items were important to kids' safety. Ms. Dietz emphasized, and Ms. Marshall agreed, the importance of focusing on the purchase of educational items for the children. Mr. Durand noted the Board is not confined to spending certain dollar amounts in specific areas and expenditures can be allocated to different categories of the CCQ Plan.

V. Discussion and Possible Action

A. Action Item 22-28 Audit Resolution Report

Mr. Durand reported on TWC's Audit Resolution Report. TWC conducted their annual monitoring March 7-14, 2022 and identified two (2) findings in report #22.17.001 issued to the Board on July 9, 2022. The first finding involved conduction and documentation of procurements. TWC questioned the Board's decision and documentation of not selecting the highest scoring evaluator to review and evaluate the Auditing Request for Qualifications (RFQ) proposals. The result was identified as a \$1,375 questionable cost paid to the evaluator. TWC monitors also requested additional documentation for selection of vendors in the areas of needs assessments, negotiations and independent cost analysis. To resolve this finding, the Board updated its Procurement Policies and Procedures and implemented a Procurement Checklist for all staff to follow. The Board provided documentation in all areas for procurements questioned by TWC for needs analysis, independent cost analysis and negotiations. The Board also provided justification for selecting the evaluator based on experience and qualifications to evaluate the RFQ for auditing services. Based on the justification,

TWC Audit Resolution determined the questionable cost of \$1375 was allowable. Corrective actions taken by the Board resolved this finding. The second finding involved revoking TWIST access within the required timeframe. TWC requires employee access to TWIST be terminated within 24 hours of said employee's termination. The Board made changes to its IT Security Policy to ensure termination is completed immediately within the 24-hour timeframe. The Board provided training to both contractors and Board staff for submitting access termination forms immediately to IT department. The Board's IT department is submitting monthly reports to Executive Director and Finance Director to check for compliance of termination. The Board submitted these reports to TWC Audit Resolution in July with a zero percent error rate. August and September internal monitoring reflects a zero percent error rate. Corrective actions taken by the Board resolved this finding. Mr. Durand noted there were no program findings.

Motion: Tyane Dietz made the motion to accept the Audit Resolution Report as presented.
Second: Ellen Mills
In Favor: All
Oppose: None
Abstain: None
Motion: Passes

B. Action Item 22-29 Renewal of Auditing Contract

The Board is required to have a financial audit conducted each year in compliance with the State of Texas Uniform Grant Guidance (UGMS) and OMB Circular A-133. A copy of the audit must be furnished to TWC within nine (9) months of the end of each fiscal year. In 2022, a Request for Qualifications (RFQ) was released, and the Board voted to contract with Alexander, Lankford & Hiers, Inc. for Independent Auditing Services. The RFQ and contract provides for renewal of up to four (4) additional years after the initial period at the Board's discretion based on satisfactory performance. This would be the first renewal year if the Board elects to renew the contract. Alexander, Lankford & Hiers, Inc. submitted a cost of \$39,150 for the September 30, 2022 audit, which includes \$2,950 for the preparation of the 990 forms. This is an increase of 5% from the previous contract amount and is due to inflation and the rising cost of personnel.

Motion: Kelli Marshall made the motion to approve the renewal of the Auditing Contract as presented.
Second: Lisa Balty
In Favor: All
Oppose: None
Abstain: None
Motion: Passes

C. Action Item 22-30 Renewal of Legal Services Contract

The Board released a RFQ in 2020, soliciting legal services. The Board selected Simon/Paschal, PLLC to furnish advice, counsel and issue legal opinions in various operations of the Board. The RFQ allowed the Board to negotiate an initial one-year contract with two (2) one-year renewals, contingent upon successful contract performance. The initial contract was executed in 2020 and was renewed in 2021. If approved, this will be the second renewal and contract period will be through September 30, 2023. Simon/Paschal has represented the Board satisfactorily in reviewing contracts, appeal and fraud hearings and providing other services as requested by the Board. Simon/Paschal, PLLC submitted a letter which constitutes their firm's agreement to renew the legal services contract at the same hourly rate as the current legal services contract (\$250 per hour).

Motion: Ellen Mills made the motion to approve the renewal of the Legal Services contract as presented.
Second: Tyane Dietz
In Favor: All
Oppose: None
Abstain: None
Motion: Passes

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

None

VI. Discussion and Acceptance of Financial Reports

A. Financial Reports for August 2022

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

Misty Woodard provided financial updates for the month of August 2022. Ms. Woodard referenced the variance narrative. Ms. Woodard mentioned the \$21,040 for TRS professional development training and \$6,000 for the TRS banquet guest speaker. Mr. Durand and Ms. Woodard reviewed the Contracts Outstanding report. Mr. Durand noted the IT Apprenticeship program has 16 apprentices. Per guidance from TWC, the apprenticeship may be extended by six (6) months with no additional grant funds, which the Board intends to do. Mr. Durand also mentioned \$150,000 in grant funds was transferred from WIOA Dislocated Worker to WIOA Adult. On a motion made by Kelli Marshall, and seconded by Ellen Mills, the Committee accepted the August financial report.

VII. Discussion of issues to be brought before the Committee

Mr. Durand commended Ms. Dietz on her involvement with the Raise Hands Texas event. Mr. Durand further stated that Board support for this event was phenomenal. Ms. Dietz emphasized the need to invest in some type of pipeline to encourage the Deep East Texas region's youth to stay within the region. Mr. Durand suggested one way to accomplish this is through internships.

VIII. Adjourn

Kelli Marshall adjourned the Executive/Finance Committee Meeting at 2:23 p.m.

Duly passed and approved on this 13th day of December 2022


Kelli Marshall, Chair

Attest


Lauren Phipps, Planning and Policy Specialist