Date: August 30, 2019

To: Joint Meeting of Finance & Audit Committee and Workforce Centers Committee, Workforce Solutions East Texas Board

From: Douglas G. Shryock, Director of Regional Workforce and Economic Development

Subject: Meeting of September 4, 2019

A Joint meeting of the Finance & Audit Committee and Workforce Centers Committee of the Workforce Solutions East Texas Board has been scheduled for **Wednesday, September 4, 2019 at 1:30 p.m. in Room 1 at the Workforce Solutions East Texas – Tyler Center located at 4100 Troup Highway, Tyler, Texas.** An agenda with supporting materials is enclosed.

The Committee will consider:

- Status of expenditures including review of the HB-1 Budget;
- Briefing on funding allocations for the upcoming fiscal year;
- Consideration of HB-1 Budget for the upcoming year;
- Transition from Dynamic Workforce Solutions Inc. to CareerTEAM LLC as Workforce Centers Services Provider;
- Performance Incentive Amendment for Dynamic Workforce Solutions (DWS); and
- A plan for possible closure of Workforce Center Offices in Henderson and Jacksonville.

If any attendee has any special requirements due to disabilities, reasonable arrangements will be made, upon request. Please contact the ETCOG office at (903) 218-6400. Telephone inquiries can be made at (800) 735-2989 (TDD) or (800) 735-2988 (Voice). If there are any questions about any item on the agenda, staff will be happy to respond.

DGS/GA/kv

Enclosures
Workforce Solutions East Texas Board

Joint Meeting
Finance and Audit Committee
Workforce Centers Committee
Wednesday, September 4, 2019, 1:30 p.m.
Workforce Solutions East Texas Center, Room 1
4100 Troup Highway, Tyler Texas

AGENDA

1. Call to Order: Chair Gene Keenon and Chair Nan Moore

2. Consider Public Comments: Chair Gene Keenon and Chair Nan Moore

3. Consider and take appropriate action regarding approval of the minutes of the Joint Finance and Audit Committee and Workforce Centers Committee meeting of August 22, 2018: Chair Gene Keenon and Chair Nan Moore (Enclosure #1)

4. *Consider and take appropriate action regarding status of expenditures including review of the HB-1 Budget: Doug Shryock and Monty Scroggins

5. *Consider and take appropriate action regarding briefing on funding allocations for the upcoming fiscal year: Wendi Horst, Monty Scroggins and Doug Shryock

6. *Consider and take appropriate action regarding consideration of HB-1 Budget for the upcoming year: Wendi Horst, Monty Scroggins and Doug Shryock

7. *Consider and take appropriate action regarding transition from Dynamic Workforce Solutions Inc. to CareerTEAM LLC as Workforce Centers Services Provider: Doug Shryock

8. *Consider and take appropriate action regarding Performance Incentive Amendment for Dynamic Workforce Solutions (DWS): Doug Shryock (Enclosure #2)

9. *Consider and take appropriate action regarding a plan for possible closure of Workforce Center Offices in Henderson and Jacksonville: Chair Gene Keenon, Chair Nan Moore and Doug Shryock

10. Consider and take appropriate action on the next meeting date and identification of items to be included on the next Joint Finance and Audit Committee and Workforce Centers Committee agenda: Chair Gene Keenon and Chair Nan Moore

11. Adjournment

*Denotes an item on Agenda that will have fiscal implications

Members with a Conflict of Interest on any agenda items must refrain from taking part in the discussion and abstain from voting.
Minutes

Workforce Solutions East Texas Board
Joint Meeting
Finance and Audit Committee
Workforce Centers Committee
Wednesday, August 22, 2018 at 10:00 a.m.
Tyler Workforce Center
Room 1
4100 Troup Highway, Tyler, Texas 75703

1. Call to Order: Chair Keenon and Chair Moore

Chair Keenon called the meeting to order at 10:03 a.m.

The following individuals were present:

Members
Chair Gene Keenon
Chair Nan Moore
Jody Clements
Claude Figueroa
Ex. officio Robert Haberle
Roberta Hall
Jamal Moharer

Staff
Doug Shryock
Gary Allen
Dawn Goodeman
Wendi Horst
Keith Huddleston
Monty Scroggins
Kitty Vickers

Guests
Scott Amy, DWFS
Paul Dunn, DWFS (attended by phone)
Ann Valdez Haines, BakerRipley-CCS
Cheryl Newton, WSET/DWFS
Rita Portz, WSET/DWFS
Timothy Smith, WSET/DWFS

2. Consider Public Comments: Chair Keenon and Chair Moore

Tim Smith announced Dollar General had a successful and great hiring event, with a huge turnout.

Jamal Moharer announced he decided it would be best for him to not chair the Workforce Centers or any Committee, but plans to remain on the Committee as an active member. He stated his business interacts with East Texas Council of Governments, and he does not want a project, which everyone involved may not quite agree on, lead to a conflict of interest.
Minutes –Joint Meeting of Finance & Audit Committee and Workforce Centers Committee
August 22, 2018
Page 2

Doug Shryock stated the Chief Elected Officials have a nomination team made up of regional “elected” who have planned a couple of dates scheduled to visit with each Board member. Each member will have about 20 minutes to visit with the Team. There are two openings on September 11th. The times are: 1:00-1:20 and 1:30 – 1:50. All the dates are filled on September 18th. There is still another date to be determined.

Doug Shryock reviewed the Workforce Solutions East Texas (WSET) Business Cards distributed. These cards are for the Board members to help assist with getting the word out on the great services the contractors are providing.

3. Consider and take appropriate action regarding minutes of the Joint meeting of the Finance and Audit Committee and the Workforce Centers Committee on October 4, 2017: Chair Keenon and Chair Moore (Enclosure #1)

Jody Clements moved to accept the minutes of the Joint meeting of the Finance and Audit Committee and the Workforce Centers Committee on October 4, 2017. The motion was seconded by Roberta Hall and passed with no opposition.

4. Consider and take appropriate action regarding report on program performance: Doug Shryock, Keith Huddleston and Cheryl Newton (Enclosure #2)

Keith Huddleston reviewed the report on program performance as of June 30, 2018 enclosed in the agenda packet. This was information only and there was no action taken.

# of Employers receiving Workforce Assistance has been #1 in the State for the past 6 months.

Average # of Children served per day in child care is at 100.74%.

Nine are meeting plus performance.

Eight are meeting performance.

Two are not meeting performance:
• Choices Full Work Rate
• Employed Q4 Post Exit – Adult

East Texas is currently working with Texas Workforce Commission (TWC) under a Technical Assistant Plan (TAP) hoping to meet performance for four consecutive months before they can get off of TAP.

5. Consider and take appropriate action regarding report on program expenditures: Doug Shryock and Monty Scroggins (Enclosure #3)

Monty Scroggins reviewed the report on program expenditures as of June 30, 2018 enclosed in the agenda packet. This was information only and there was no action taken.
There are no major issues with the expenditures at this time.

Percentage of Year Completed: 75.0%

Total Board Budget Expended: 62.9%

Oil & Gas and Trade Grants are under expended.

6. *Consider and take appropriate action regarding United States Department of Labor Review Report: Doug Shryock*

Doug Shryock discussed a handout regarding United States Department of Labor Review Report. This was information only and there was no action taken. The US Dept. of Labor, Employment & Training Administration, Region IV, Dallas Regional Office conducted program, financial, and administrative reviews of TWC’s WIOA Title I and Title III programs May 7-11, 2018 in East Texas. The purpose of the review was to ensure compliance with Federal requirements, assess if policies and procedures were in place to produce quality program outcomes, identify areas in need of technical assistance, and collect promising practices.

The team reviewed financial and administrative aspects of WIOQA Title I & III grants. Interviews with WSET, its fiscal and administrative agent, ETCOG, and its contracted service provider - Dynamic Workforce Solutions (DWS). The team visited work experience sites, interviewed youth participants and reviewed policies and procedures.

Findings:
- ETCOG did not have internal controls in place to prevent the bypassing of both its own procurement policies as well as the procurement requirements of the Uniform Guidance when hiring a consultant as an employee.
- Two (2) of the ten sampled time and attendance records revealed inconsistent treatment of staff time charged to grants.
- Four (4) of 67 accounting transactions reviewed lacked documentation supporting costs were allowable grant expenditures.
- DWS did not document the need for transportation assistance.
- The services documented in the participant files did not correlate with the services entered in the Workforce Information Systems of Texas (TWIST).

Promising Practice:
The team called out WSET’s network with the business community and intensive communication with its youth participants as allowing participants to obtain work experiences, leading to permanent jobs. The Dynamic Futures Work Readiness program received praise for building on individuals strengths, remediation, goal-setting, basic skills for success at work, resumes, teamwork activities, human resources basics, dressing for success, financial literacy, job search strategies, customer service, ethics in the workplace, cultural diversity, leadership, sexual harassment, interview application, and mock interviews.
TWC and WSET have 45 days to supply additional documentation demonstrating compliance, present program corrective actions in order to achieve compliance, and/or refute findings.

Chair Keenon informed the committee he is changing the order of the agenda by moving to item #11 and cover the HB-1 Budget, since this item impacts most of the remaining items on the agenda.

7. *Consider and take appropriate action regarding the deobligation of Temporary Assistance for Needy Families (TANF) funds: Doug Shryock and Monty Scroggins

8. *Consider and take appropriate action regarding renewal of contract with Dynamic Workforce Solutions Inc. for Workforce Centers Operations: Chair Keenon and Doug Shryock (Enclosure #4)

9. *Consider and take appropriate action regarding a plan for possible closure of Workforce Center Offices in Henderson and Jacksonville: Chair Moore, Doug Shryock, Wendi Horst and Monty Scroggins

10. *Consider and take appropriate action regarding approval of Infrastructure Funding Agreements: Wendi Horst, Monty Scroggins and Doug Shryock (Enclosure #4)

11. *Consider and take action as appropriate regarding approval of the HB-1 Budget: Chair Moore, Doug Shryock, Wendi Horst and Monty Scroggins (Enclosure #5)

Monty Scroggins reviewed the HB-1 Budget enclosed in the agenda packet. The budget has increased by 10.3 million dollars this year over last year’s budget at 31% over last year. The total Board operations has increased 71.3% over last year’s budget.

Quorum was lost at 11:27 AM. Staff continued to brief the Joint Committee on the remaining agenda items to be considered by the Workforce Solutions East Board meeting on September 12, 2018.

12. *Consider and take appropriate action regarding one time merit increases for Employment Services (ES) staff: Doug Shryock and Monty Scroggins

13. Adjournment

The meeting was adjourned at 11:27 AM when quorum was lost.
Date: August 30, 2019

To: Finance and Audit Committee

From: Douglas G. Shryock, Director of Workforce and Economic Development

Subject: Reconsideration of the November 7, 2018 Performance Incentives for Workforce Contractors who are For-Profit Entities

**Background**

As you are aware, each year the Board adopts Performance Incentives for Workforce Contractors who are For-Profit Entities.

In November of 2018, the Board approved the Performance Incentive for Dynamic Workforce Solutions. Months after the Board made its determination of the incentives, TWC announced the performance incentives for the Board quartiles. There is a discrepancy between the original adopted incentive of the Board and the TWC Board quartile incentives. Below addresses the inconsistency and recommends a means of addressing the issue.

The original Performance Incentives for Workforce Contractors who are For-Profit Entities memo states, “It is possible the Board Incentive measure may be changed from BCY18. If so, an amended proposal will be presented with the same dollar amount of reserves, but a different TWC Board Incentive Measure.” The Entered Employment Related to Training measure was eliminated by TWC and replaced with Career Pathways which is related to WIOA Adult, DW, and Youth.

**Staff Recommendation**

The previous Entered Employment Related to Training measure was specific to WIOA Adult and DW only. The revised incentive measure entitled Career Pathways includes WIOA Youth. The Board set aside no incentive amount for Entered Employment Related to Training for WIOA Youth.

Therefore, with no WIOA Youth funds available for redistribution for the Career Pathways incentive, staff recommends the funds set aside for Entered Employment Related to Training for WIOA Adults and Dislocated Workers be redistributed as indicated below.
<table>
<thead>
<tr>
<th>WIOA Adult Measures</th>
<th>Original %</th>
<th>Original $ Amount</th>
<th>Revised %</th>
<th>Revised $ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td># of Employers Receiving Workforce Assistance</td>
<td>10%</td>
<td>$4,300.00</td>
<td>14%</td>
<td>$6,020.00</td>
</tr>
<tr>
<td>Employed Q2 Post Exit</td>
<td>22%</td>
<td>$9,460.00</td>
<td>26%</td>
<td>$11,180.00</td>
</tr>
<tr>
<td>Employed Q4 Post Exit</td>
<td>22%</td>
<td>$9,460.00</td>
<td>26%</td>
<td>$11,180.00</td>
</tr>
<tr>
<td>Credential Rate</td>
<td>20%</td>
<td>$8,600.00</td>
<td>24%</td>
<td>$10,320.00</td>
</tr>
<tr>
<td>Entered Employment Related to Training</td>
<td>20%</td>
<td>$8,600.00</td>
<td>0%</td>
<td>$0.00</td>
</tr>
<tr>
<td>Exceed PPS OVT/OJT Goal by 01%</td>
<td>6%</td>
<td>$2,580.00</td>
<td>10%</td>
<td>$4,300.00</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>100%</strong></td>
<td><strong>$43,000.00</strong></td>
<td><strong>100%</strong></td>
<td><strong>$43,000.00</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WIOA DW Measures</th>
<th>Original %</th>
<th>Original $ Amount</th>
<th>Revised %</th>
<th>Revised $ Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claimant Reemployment within 10 Weeks</td>
<td>10%</td>
<td>$6,300.00</td>
<td>13.3%</td>
<td>$8,400.00</td>
</tr>
<tr>
<td># of Employers Receiving Workforce Assistance</td>
<td>9%</td>
<td>$5,670.00</td>
<td>12.3%</td>
<td>$7,770.00</td>
</tr>
<tr>
<td>Employed Q2 Post Exit</td>
<td>19%</td>
<td>$11,970.00</td>
<td>22.3%</td>
<td>$14,070.00</td>
</tr>
<tr>
<td>Employed Q4 Post Exit</td>
<td>18%</td>
<td>$11,340.00</td>
<td>21.4%</td>
<td>$13,440.00</td>
</tr>
<tr>
<td>Credential Rate</td>
<td>18%</td>
<td>$11,340.00</td>
<td>21.4%</td>
<td>$13,440.00</td>
</tr>
<tr>
<td>Entered Employment Related to Training</td>
<td>20%</td>
<td>$12,600.00</td>
<td>0%</td>
<td>$0.00</td>
</tr>
<tr>
<td>Exceed PPS OVT/OJT Goal by 01%</td>
<td>6%</td>
<td>$3,780.00</td>
<td>9.3%</td>
<td>$5,880.00</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>100%</strong></td>
<td><strong>$63,000.00</strong></td>
<td><strong>100%</strong></td>
<td><strong>$63,000.00</strong></td>
</tr>
</tbody>
</table>

As noted above, the overall total for incentives for WIOA Adult and DW are consistent with the total amount set aside in the original Board approved incentive memo.

If you have any questions or concerns staff are available to address them at the upcoming meeting.