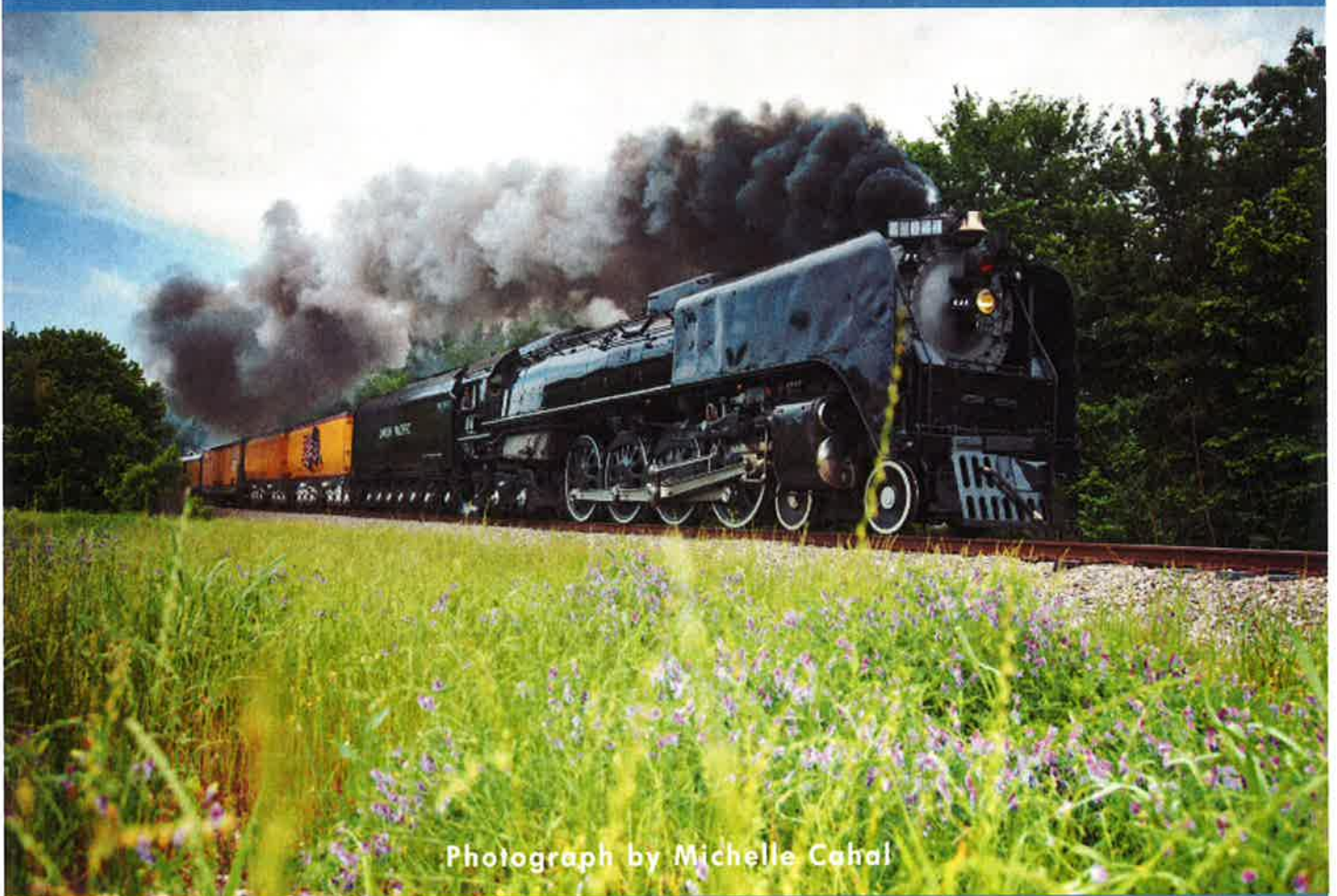


East Texas Council of Governments

Fiscal Year 2013 Budget



Photograph by Michelle Cahal



David A. Cleveland, Executive Director
3800 Stone Road
Kilgore, TX 75662

Robert Nelson, Chairman
Mayor, City of Lindale

Established: 1970
East Texas State Planning Region (6)
Area: 10,022 square miles
Population 805,074



August 30, 2012

ETCOG Board of Directors:

Offered for your review and consideration is the Strategic Work Plan and Budget for the East Texas Council of Government's operations for the fiscal year ending September 30, 2013. As always, preparation of the Plan presents unique challenges that are influenced by, among other things, the state of the economy both at the national level and locally, as well as internal changes made in the organization with the intention of making it a more efficient and effective force for delivery of public services to the region.

As most likely reflected in your own budgets for the cities, counties and other governmental agencies that you represent, the condition of the present economy has only slightly improved, if at all from the previous year. Because it is not expected to make appreciable improvements in the near term, it is more important than ever to maximize the resources available to us in providing the highest levels of service and support to the citizens of our communities.

During the current fiscal year, ETCOG underwent a considerable reorganization effort to respond to observed deficiencies in a number of operations but also to position the organization to make it more adaptable and more easily responsive to changes in the future. The reasons for and results of these changes are reflected in the narrative portions of information provided for each program.

In preparing the 2013 budget document, changes resulting from the reorganization posed several challenges. One of the purposes of a budget is to show the continuity from one year to the next by comparing what changes are proposed to be made in the coming year, with the current one. When substantial changes are made in the organizational structure, it is difficult to make comparisons of costs, "Full-Time Equivalent" (FTE) positions, objectives, essential work tasks and the like.

In an effort to provide some orientation as to the scope of changes made and to assist the reviewer in understanding the reasons for some increases in costs that arose by virtue of those changes, a summary of the most significant changes are provided in the following.

The Organizational Chart appearing on page iv. perhaps illustrates best the changes made in the structure. You will note for example that the former Department of Finance has been expanded in scope of responsibilities to include centralized purchasing and facility management, both of which were formerly handled by certain employees within each Division. Staffing in the Financial Services Section has been increased so as to be able to absorb the increased workload of Account/Payable that will come when management of the 14 Workforce Center Office facilities throughout the region will become the responsibility of ETCOG instead of the Contractor.

In recognizing a certain deficiency in Fiscal Management across all Divisions, a "Fiscal Management Section" was established and staffed with nine full-time employees. This increased presence is expected to provide much more focused and effective effort in contract administration, budgetary control, expenditure monitoring and cost containment.

Major changes in the Workforce Division were (i.) the integration of elements of Economic Development that were in the former Regional Services Division into the new Division for Regional Workforce and Economic Development; (ii.) establishment of much more robust monitoring and program improvement capability; and (iii) improved support to the Workforce Board.

Integration of Economic Development should provide dividends in promoting better communication between the business community who needs workers, with the workforce centers whose role it is to provide qualified workers.

The new Workforce System Improvement Team (WSIT) combines the monitoring function with, training, technical assistance and development of program improvement techniques that should assist the Contractor and ETCOG in achieving their performance measures on a consistent basis and provide much better services to its participants. The size of the team increased from three to seven.

Additions have been made to Planning and Economic Development Services team to improve staff response to Board needs and focus on Policy and Program Development issues rather than internal management issues.

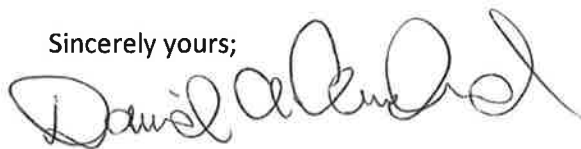
In response to emerging budget realities, ETCOG's Public Safety and 9-1-1 Emergency Services Divisions will be merging in the near future. To a lesser extent changes have also been made in other Divisions but will be most noticeable in Workforce and Administrative Support Services.

Finally, it should be noted that since 2009, ETCOG has not provided employees with a Cost-of-Living increase which is fairly consistent with the austerity that has been followed by most of its member agencies. This year however, most other jurisdictions are allowing from a 1.5% to 3.5% COLA. Because the percentage cost of living has risen over 4.6% since October of 2009, I recommend that an across the board increase of 2% be granted and a 1% merit pool be established. Information concerning the data on which this recommendation is based is found in Appendix – C.

I am grateful for your ongoing support as we continue to evolve into the organization you need and want us to be. As we move toward the new fiscal year, please accept this note as my personal invitation to share your thoughts, concerns and ideas concerning how we can serve you better. While we cannot meet every need, rest assured that, as our Customer Service Creed states, we will "look for a way to say yes" every time you call on any member of the ETCOG Team. I look forward to another year in your service.

With best wishes, I am

Sincerely yours;

A handwritten signature in black ink, appearing to read "David A. Cleveland". The signature is fluid and cursive, with a large initial "D" and "C".

David A. Cleveland
Executive Director

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our Commitment

Vision

We are a trustworthy organization committed to providing leadership, education, and financial resources to our 14 county region.

Mission

In order to improve the Quality of Life for all of our citizens, ETCOG pledges all of its resources to educate and assist its members to accomplish their goals.

Core Business Services

Coordinating comprehensive planning to improve the quality of life in East Texas through:

- Workforce & Economic Development Solutions: providing skilled employees to meet employers' needs and employment driving training for job seekers.
- Aging: advocating and supporting independence for seniors.
- Transportation: providing mobility solutions through multi-modal planning.
- Public Safety: connecting people with emergencies to first responders, providing grant guidance, technical assistance and training for public safety professionals.
- Regional Services: providing environmental programs and GIS mapping and technology tools for decision making

EAST TEXAS COUNCIL OF GOVERNMENTS

MEMBER GOVERNMENTS

AUGUST 2012

COUNTIES:

Anderson
Camp
Cherokee
Gregg
Harrison

Henderson
Marion
Panola
Rains
Rusk

Smith
Upshur
Van Zandt
Wood

CITIES:

Alba
Alto
Arp
Athens
Beckville
Big Sandy
Brownsboro
Caney
Canton
Carthage
Chandler
Clarksville
Coffee
Cuney
East Mountain
East Tawakoni
Edgewood
Elkhart
Emory
Frankston
Fruitvale
Gallatin
Gilmer
Gladewater

Grand Saline
Gun Barrel City
Hallsville
Hawkins
Henderson
Jacksonville
Jefferson
Kilgore
Lakeport
Lindale
Log Cabin
Longview
Mabank
Malakoff
Marshall
Mineola
Mt. Enterprise
Murchison
New London
New Summerfield
Noonday
Ore City
Overton
Palestine

Payne Springs
Pittsburg
Point
Quitman
Reklaw
Seven Points
Star Harbor
Tatum
Tool
Trinidad
Troup
Tyler
Van
Warren City
Waskom
Wells
White Oak
Whitehouse
Wills Point
Winnsboro
Winona
Yantis

EAST TEXAS COUNCIL OF GOVERNMENTS

MEMBER GOVERNMENTS

AUGUST 2012

INDEPENDENT SCHOOL DISTRICTS:

Athens ISD	New Summerfield ISD
Carthage ISD	Ore City ISD
Frankston ISD	Overton ISD
Gilmer ISD	Rains ISD
Grand Saline ISD	Slocum ISD
Harmony ISD	Tatum ISD
Jefferson ISD	Troup ISD
Longview ISD	Westwood ISD
Mt. Enterprise ISD	Yantis ISD
Neches ISD	

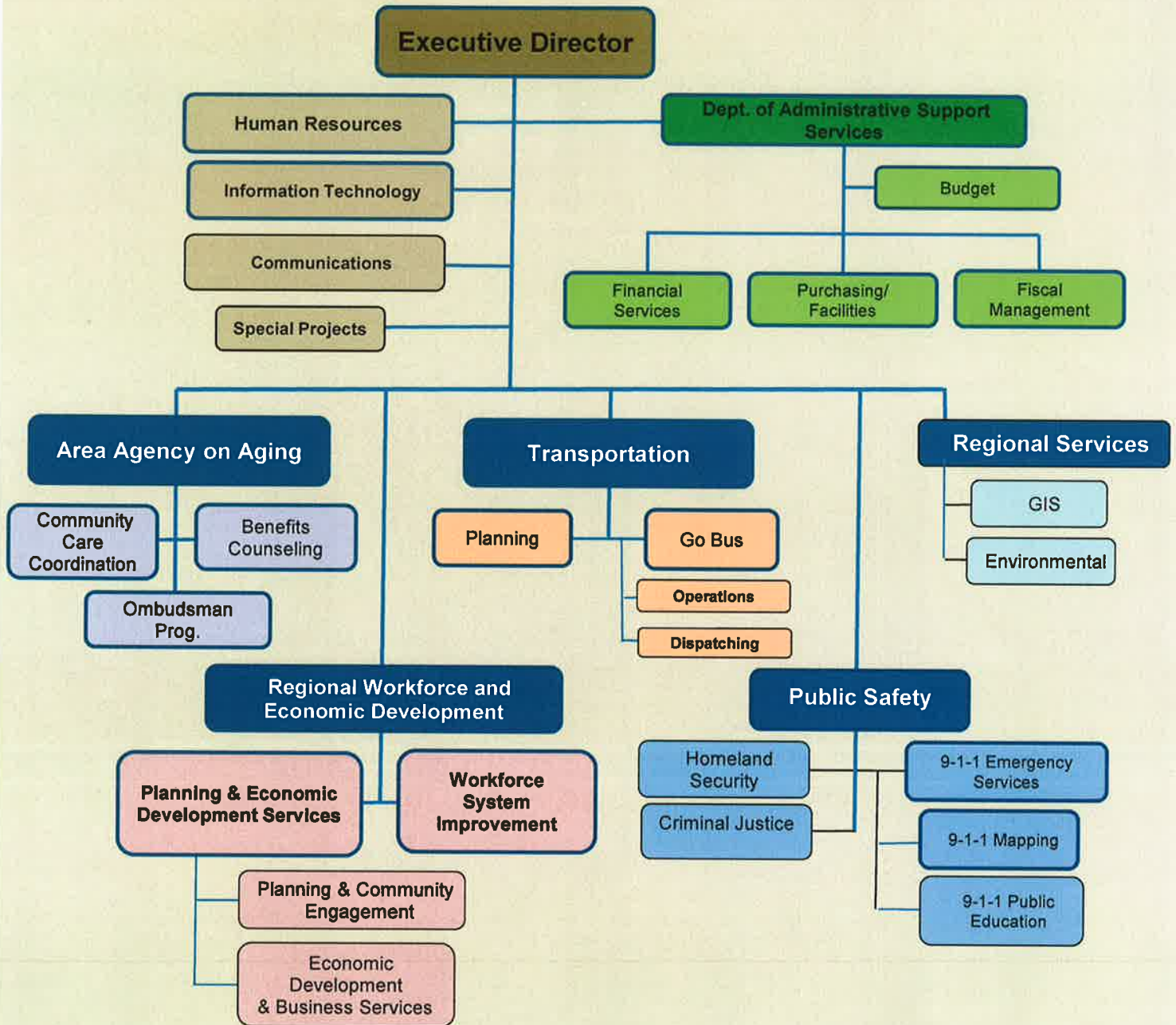
SPECIAL PURPOSE DISTRICTS:

Cherokee County SWCD #427
Harrison County SWCD #412
Upshur-Gregg SWCD #417
Wood County SWCD #444
Kilgore College
Panola College
Trinity Valley Community College
Tyler Junior College
9-1-1 Network of East Texas
East Texas Cedar Creek Fresh Water Supply District

RIVER AUTHORITIES:

Sabine River Authority
Upper Neches River Municipal Water Authority

EAST TEXAS COUNCIL OF GOVERNMENTS ORGANIZATIONAL CHART 2013





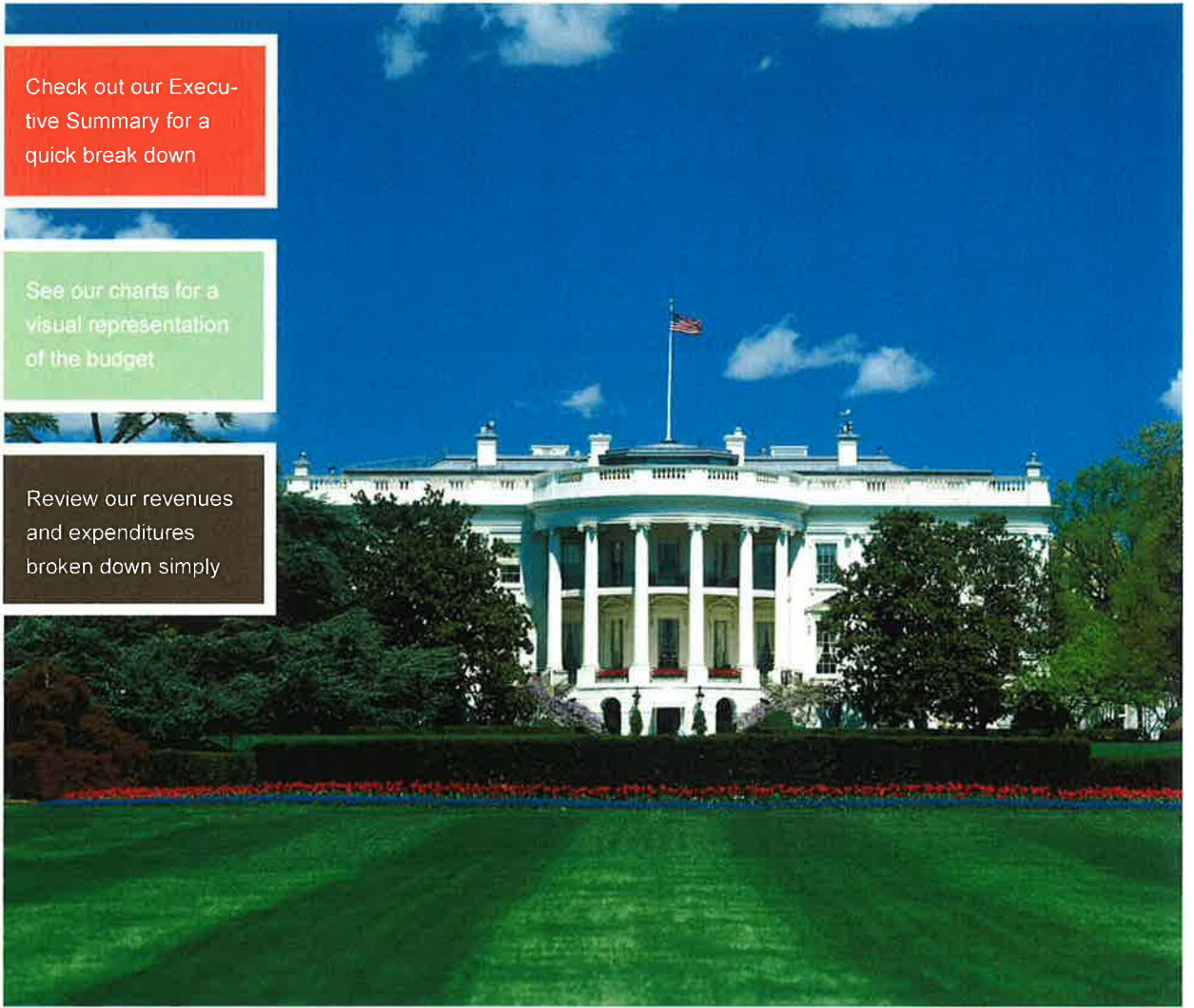
Check out our Executive Summary for a quick break down



See our charts for a visual representation of the budget



Review our revenues and expenditures broken down simply



section 1

Executive Summary

east Texas
Council of
Governments

Section 1: Executive Summary - Overview

The principal purpose of ETCOG is to administer and manage all of the state and federal grant programs for which it receives funds. Through various grant funding mechanisms ETCOG is able to administer grants for five major service areas that include Workforce Development, Area Agency on Aging (AAA), Transportation, Public Safety and Regional Services. Each of these Divisions may be subdivided into more specific programs that correspond more or less to the grants that are received to fund them. Each collection of programs under a single Division is, to a great extent, directed by state agencies that oversee the distribution of funds allocated by the state legislature for each of the programs. The State in turn requires adherence to specific processes and procedures for receiving, disbursing, accounting for and reporting the use of funds flowing from the federal government through the state or in some cases directly from the state.

Preparation of the 20012-13 Annual Operating Budget was more challenging than in past years owing to two major considerations. The first was consequences of a significant reorganization effort that took place in 2011-12. One of the objectives of the reorganization was to establish a structure that would be more agile in adapting to changes in focus and amounts of federal and state funding that will be available in the coming years. It required a comprehensive overhaul of how functions and tasks were organized, directed, supervised and staffed.

During this process all past practices were evaluated and changed in cases where more efficient and effective uses of resources were found. While the majority of efforts were focused on the Workforce Development Division, changes were also made in the Area Agency for Aging and most noticeably in the former Finance Department whose scope and functions were considerably broadened. The former Public Information and Regional Services Division was also profoundly affected by the reorganization. The Public Information piece was moved and is now directly under the Executive Director. Most Economic Development functions were moved under Workforce Development. This left two environmental programs that were joined by GIS services as the three remaining programs under Regional Services. For clarity in Budgetary reporting, these units are shown as parts of a single division but as a practical matter, the staff is actually supervised by managers in Workforce and Administrative Support Services.

The second major consideration impacting budget preparation this year was decreases in funding levels compared to previous years. Overall it appears that total funds available will decrease by \$2,815,921 or 6.7%. While this would not appear to impact program administration to an extreme extent, the cuts did not fall evenly over all programs. Some suffered significant reductions while others were less stressfully affected. Aging (AAA) and Public Safety were the most severely affected. As a result, their organizational structure and staffing were impacted to more than just a casual degree.

Under each of the following "Program" sections, the most relevant aspects of financial information, staffing, objectives and performance measures for each program are recorded. More detailed information may be found in the full budget document which is found on the ETCOG web page at <http://www.etcog.org/>, "About us" , "Financials".

Summary Listing of Estimated Revenue by Funding Source FY 2013

Federal Awards \$ 28,952,794

Federal awards received from the federal government through the State of Texas are the largest source of funding received by the ETCOG. Revenues are received from the U.S. Departments of Labor, Agriculture, Health and Human Services, Commerce, Housing and Urban Development, Justice, Energy, Transportation, Homeland Security and the Veterans Benefits Administration.

State Awards \$ 9,422,561

State revenues for ETCOG come from the Texas Workforce Commission (TWC), the Texas Department of Aging and Disability Services (DADS), the Office of the Governor Criminal Justice Division (CJD), the Texas Commission on Environmental Quality (TCEQ), the Commission on State Emergency Communications (CSEC), and the Texas Department of Transportation (TxDot).

Local Cash Match \$ 308,336

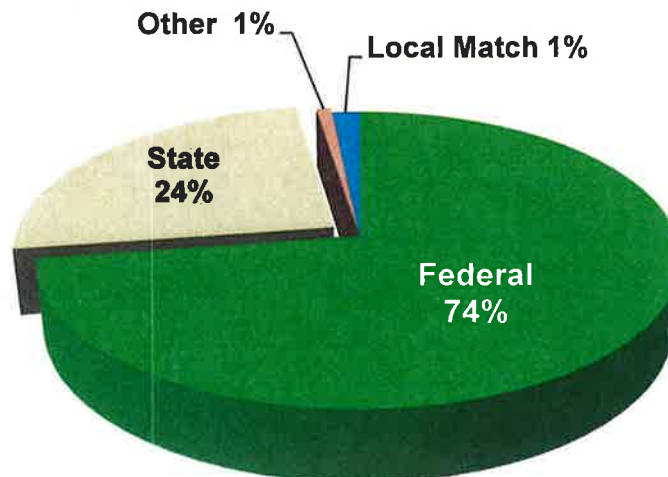
Local cash match is provided in part by the Counties for the Economic Development grant. Local membership dues are also received from cities, counties, and special districts. Membership dues are utilized for general council expenditures and to match various federal and state programs.

Other Income \$ 559,902

Other income includes revenues for ETRDC Service Fees, Chapman Revolving Loan fees, Transportation Bus Fares, Geographic Information Systems (GIS) Services, Investment income and match for transportation operations provided by the Texas Department of Aging and Disability.

Total \$ 39,243,593

Percentage Breakdown of Estimated Revenue by Source:



Summary Listing of Estimated Expenditure Amounts by Category FY 2013

Personnel \$4,777,378

Personnel costs include salaries and benefits for ninety-two full-time employees and forty-one part-time employees. Benefits for full-time employees include paid leave (vacation, sick, holiday's), longevity, workers compensation, disability, pension and hospitalization.

Other Direct Program Expenses \$2,353,313

Other Direct expenses include professional and contract services, travel, training, insurance and bonding, communications, office supplies and membership dues.

Capital Equipment \$524,296

Capital equipment includes purchases of \$5,000 or more that have a useful life of more than one year.

Direct Internal Expenses \$565,346

Direct internal expenses include costs of Human Resource Administration; Information Technology Expenses and Facility Costs.

Shared Costs \$1,018,454

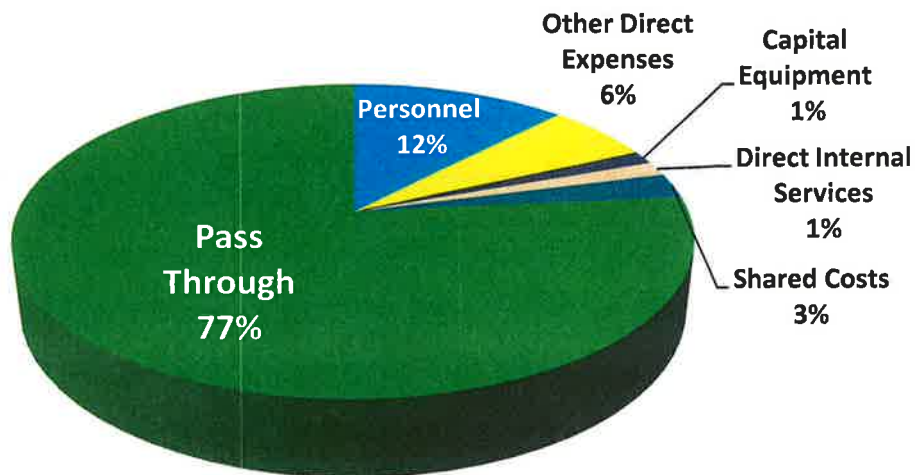
Shared costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportional to the results achieved. Shared costs are charged to Federal and State by use of a provisional shared cost rate.

Pass Through \$30,004,806

Funds which the East Texas Council of Governments has oversight and monitoring responsibilities through contractual agreements with various sub-recipients for the delivery of service in the fourteen county region.

Total \$ 39,243,593

Percentage Breakdown by Estimated Expenditures by Category:



**Table I: Summary of Overall Revenue and Expenditures by Fund for
Fiscal Year Ending 9-30-2013**

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Internal Service Funds</u>	<u>Total All Funds</u>	<u>Total</u>	<u>Interlocal Eliminations</u>	<u>Reporting Entity Direct Charges</u>
REVENUE							
FEDERAL	\$ -	\$ 28,952,794	\$ -	\$ 28,952,794	\$ 28,952,794	\$ -	\$ 28,952,794
STATE	-	9,422,561	-	9,422,561	9,422,561	-	9,422,561
LOCAL	186,715	308,336	-	495,051	495,051	(186,715)	308,336
OTHER	<u>19,675</u>	<u>559,902</u>	<u>-</u>	<u>579,577</u>	<u>579,577</u>	<u>(19,675)</u>	<u>559,902</u>
TOTAL OVERALL REVENUE	<u>\$ 206,390</u>	<u>\$39,243,593</u>	<u>\$ -</u>	<u>\$39,449,983</u>	<u>\$39,449,983</u>	<u>\$ (206,390)</u>	<u>\$ 39,243,593</u>
EXPENDITURES							
SALARIES	\$ -	\$ 3,407,748	\$ -	\$ 3,407,748	\$ 3,407,748	\$ -	\$ 3,407,748
FRINGE	-	1,369,630	-	1,369,630	1,369,630	-	1,369,630
TRAVEL	-	194,359	-	194,359	194,359	-	194,359
PROFESSIONAL SERVICES	-	573,286	-	573,286	573,286	-	573,286
COMMUNICATIONS EXPENSES	-	297,356	-	297,356	297,356	-	297,356
OTHER DIRECT PROGRAM EXP.	206,390	1,288,312	-	1,494,702	1,494,702	(206,390)	1,288,312
EQUIPMENT EXPENSES	-	524,296	-	524,296	524,296	-	524,296
DIRECT INTERNAL SERVICES	-	565,346	565,346	1,130,692	1,130,692	(565,346)	565,346
SHARED EXPENSES	-	1,018,454	1,018,454	2,036,908	2,036,908	(1,018,454)	1,018,454
PASS THROUGH EXPENSES	<u>-</u>	<u>30,004,806</u>	<u>-</u>	<u>30,004,806</u>	<u>30,004,806</u>	<u>-</u>	<u>30,004,806</u>
TOTAL OVERALL EXPENDITURES	<u>\$ 206,390</u>	<u>\$39,243,593</u>	<u>\$ 1,583,800</u>	<u>\$41,033,782</u>	<u>\$41,033,782</u>	<u>\$ (1,790,190)</u>	<u>\$ 39,243,593</u>

Note: Portions of this schedule may reflect rounding differences.

Table II: Special Revenue Funds – Prior Years & 2013 Estimate

BUDGET CATEGORY	FY2010 Actual	FY2011 Actual	FY2012 ORIGINAL BUDGET	FY2013 RECOMMENDED BUDGET	DIFFERENCE 2012- 2013
Federal Assistance	35,425,134	33,724,023	30,286,103	28,952,794	(1,333,309)
State Assistance	6,704,486	8,947,356	9,367,930	9,422,561	54,631
Local Assistance	242,808	252,854	345,485	308,336	(37,149)
Other Income	774,959	663,678	2,059,996	559,902	(1,500,094)
TOTAL BUDGETED REVENUE	43,147,388	43,587,911	42,059,514	39,243,593	(2,815,921)
Salaries	2,535,817	3,013,489	3,196,235	3,407,748	211,513
Other Benefits	465,859	582,136	427,153	473,051	45,898
Hospitalization	428,367	369,123	441,399	475,897	34,498
Pension	330,071	352,508	385,656	420,682	35,026
TOTAL SALARIES AND FRINGE	3,760,113	4,317,256	4,450,442	4,777,378	326,936
Staff In-Region Travel	47,031	43,518	46,759	47,752	993
Staff out-of-Region Travel	120,907	139,856	102,162	105,807	3,645
Committee & Board Member Travel	46,943	47,425	43,800	40,800	(3,000)
TOTAL DIRECT TRAVEL EXPENSES	214,881	230,799	192,721	194,359	1,638
Contract Services	1,202,871	738,003	507,018	441,781	(65,237)
Insurance & Bonding	108,630	120,254	116,156	131,505	15,349
TOTAL DIRECT PROFESSIONAL SERVICES	1,311,501	858,257	623,174	573,286	(49,888)
Public Education	122,369	227,655	88,298	126,641	38,343
Communications	63,330	70,388	134,125	137,154	3,029
Meetings & Conferences	27,410	43,298	36,471	33,561	(2,910)
TOTAL DIRECT COMMUNICATION EXPENSES	213,109	341,341	258,894	297,356	38,462
Supplies	202,163	55,145	77,008	61,592	(15,416)
Copier costs	5,385	11,505	14,732	12,525	(2,207)
Training costs	95,257	352,373	50,379	56,029	5,650
Membership Dues	31,982	35,882	32,085	30,400	(1,685)
Remote space & storage costs	63,953	76,819	49,234	25,750	(23,484)
Computer Maintenance & Repairs and Software	25,165	24,846	342,259	373,976	31,717
Repairs & Maintenance	16,157	46,862	2,546	7,725	5,179
Fuel - Transportation	612,136	657,773	575,000	585,000	10,000
Maintenance - Transportation	489,175	152,573	100,000	80,000	(20,000)
Vehicle Supplies - Transportation	85,251	9,080	11,000	5,000	(6,000)
Inspection - Transportation	11,109	595	500	500	-
Towing - Transportation	450	12,114	8,000	5,000	(3,000)
Tires - Transportation	8,765	58,690	43,000	19,815	(23,185)
Brakes - Transportation	33,983	24,640	19,000	15,000	(4,000)
Oil - Transportation	15,935	18,383	16,600	10,000	(6,600)
Radios - Transportation	16,571	-	-	-	-
Capital Equipment	4,512	539,117	1,233,365	524,296	(709,069)
OTHER DIRECT PROGRAM EXPENSES	1,717,949	2,076,396	2,574,708	1,812,608	(762,100)
TOTAL PASS THROUGH	34,525,059	34,303,150	32,493,026	30,004,806	(2,488,220)
TOTAL DIRECT PROGRAM EXPENSES	41,742,613	42,127,199	40,592,966	37,659,793	(2,933,173)
Human Resource Cost Center	148,818	152,022	145,095	185,630	40,535
Innovation & Efficiency Cost Center	136,918	141,020	134,369	-	(134,369)
Information Technology	159,327	134,798	141,000	204,716	63,716
Facilities	134,110	101,635	102,700	175,000	72,300
TOTAL DIRECT INTERNAL SERVICES	579,174	529,475	523,164	565,346	42,182
Total Shared Costs	825,602	931,238	943,385	1,018,454	75,069
TOTAL PROG. OPERATION EXPENSES	43,147,387	43,587,911	42,059,514	39,243,593	(2,815,921)
FTE POSITIONS	92.98	92.98	129.31	140.75	11.44

DIVISIONAL SUMMARIES

Division for Regional Workforce and Economic Development

ETCOG serves as the administrative and fiscal entity for the Workforce Investment Act (WIA) programs as designated by MOU with The Chief Elected Officials (CEO) Board and the East Texas Workforce Development Board.



ETCOG subcontracts WIA workforce training and workforce center (one-stop) services to Dynamic Workforce Solutions (DWS). The contractor for child care programs is Neighborhood Centers Inc. (NCI). Workforce Solutions East Texas is comprised of full service workforce centers in Longview, Marshall, Palestine and Tyler with satellite centers in Athens, Canton, Carthage, Emory, Gilmer, Henderson, Jacksonville, Jefferson, Pittsburg and Quitman.

All East Texan's may access job search assistance and career planning (universal) services free of charge. Qualified customers may receive intensive assessment and training services in accordance with their individual needs with the objective of helping the customer to gain self-sustaining employment. In addition, targeted populations, such as veterans, welfare recipients, food stamp recipients, and those who lose their manufacturing jobs due to foreign competition, receive training, job search, and other services through federally funded programs established to serve them that are also delivered through the local workforce center/one-stop system.

From **October 2011 through June 2012**- there was an average of **16,604** visits per month at Workforce Solutions East Texas Centers. During the month of **June 2012** there were **3,461** children enrolled in Child Care.

Adoption of New Strategic Plan - During 2012 the East Texas Workforce Development Board worked on a new Strategic Plan which was adopted on June 12, 2012. Its focus is on the following issues:

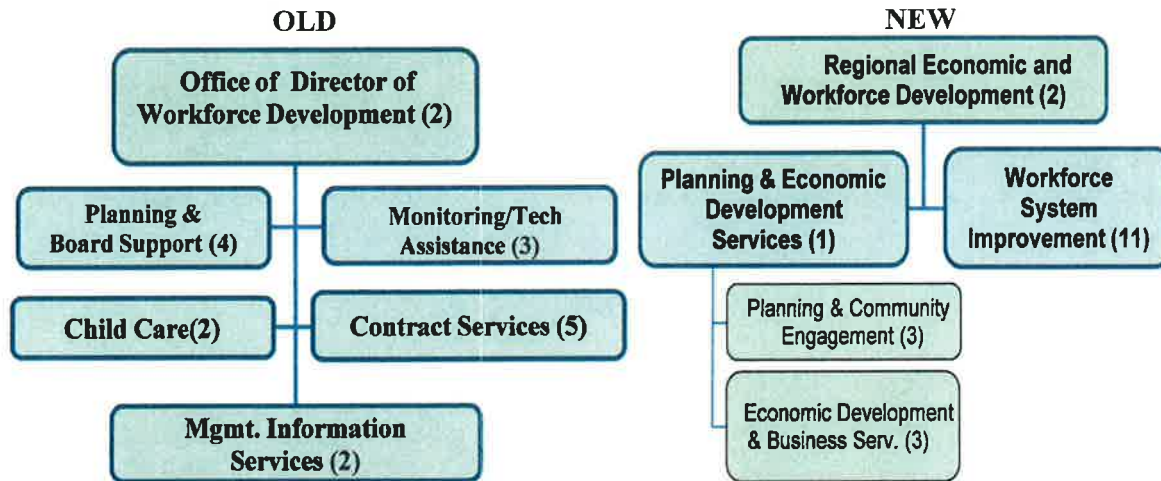
The Workforce Solutions East Texas Board, in cooperation and coordination with public entities, employers, and labor, will initiate and implement activities which enable all parties to identify and fill present and future needs of the East Texas Workforce. The Strategic Plan incorporates strategies which address the following objectives:

- Prepare Emerging Workforce for Work Opportunities
- Develop Workplace Skills for East Texans
- Meet the Needs of Employers for a Quality Workforce
- Support Workforce Development for Economic Development

Reorganization-

As reflected in the two organizational charts on the following page, there was a massive change in the focus and consequently the organizational structure of the Workforce Development Board as a result of the comprehensive Workforce Operational Review Project that was completed in June 2012.

As a result, of this effort, the economic development functions which were formerly operating independently under Regional Services are now integrated into Workforce Development; a focused effort will be made to work with Economic Development Directors in the region to match employers with needs of the unemployed; the monitoring and program improvement team was greatly strengthened counting on 11 members now (up from 3 before); and although not shown here, an enhanced fiscal management function was established in the Department of Finance to ensure much greater accountability by the contractor.



Funding Streams- The five principal major sources of funds, out of 16, are listed as follows:

Child Care Services (CCS) - Provides subsidized child care to public assistance recipients and low-income parents who are employed or attending school.

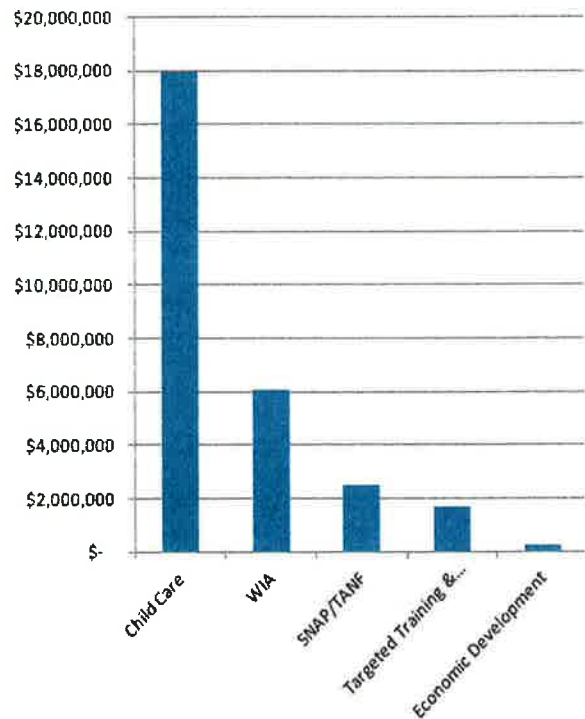
Workforce Investment Act – (WIA) The Workforce Investment Act of 1998 is designed to meet the needs of business and job seekers wishing to further their careers.

Supplemental Nutrition Assistance Program (SNAP) - Seeks to provide employment services to those individuals receiving food stamps with the goal of self-sufficiency.

Temporary Assistance for Needy Families (TANF) – Employment services which are offered through the Choices Program to recipients of TANF.

Targeted Training and Employment Aid – These programs specific categories of the unemployed such as veterans, those that have lost their jobs due to foreign competition or plant closings, etc.

Economic Development – Funding for these activities come from an Economic Development Administration Grant , the ETRDC and Chapman Loan Program and a **CDBG** grant.



Summary of Fiscal Resources for Workforce and Economic Development

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	24,148,382	23,317,565	23,027,375	-1%
State Assistance	4,632,291	5,045,503	5,262,567	4%
Local Assistance	40,691	27,500	44,400	61%
Other Income (Grants Direct Charges)	<u>108,702</u>	<u>1,439,412</u>	<u>112,000</u>	<u>-92%</u>
Total Revenue	28,930,065	29,829,980	28,446,342	-5%
EXPENDITURES				
Salaries and Fringe Benefits	1,292,353	1,282,216	1,501,226	17%
Other Direct Program Expenses	424,948	262,322	330,053	26%
Total Pass Through	<u>26,764,914</u>	<u>27,834,349</u>	<u>26,082,701</u>	<u>-6%</u>
Total Direct Program Expenses	28,482,215	29,378,887	27,913,980	-5%
Direct Internal Services	173,804	179,295	212,327	18%
Shared Costs	<u>274,047</u>	<u>271,798</u>	<u>320,035</u>	<u>18%</u>
Total Program Expenses	28,930,065	29,829,980	28,446,342	-5%

While the decrease in revenue and expenditures overall shows a reduction of 5% from the previous year, the 2013 proposed column includes a good percentage of the recouped funds from disallowed costs in 2009 and additional amounts from economic development that were reported under Regional Services in prior years. Taking these factors into account, the actual decrease in baseline funds is closer to 10%. Should this trend continue, as it is expected to into future years, the organization will be better able to adjust to the tighter budgets than was the case before the re-organization.

Human Resource Requirements – Total All Workforce/Eco. Development Prog.

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	18.00
Full-time equivalent direct support	<u>0.61</u>
Total	18.61

<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	18.95
Full-time Fiscal Management	6.44
Full-time equivalent direct support	<u>0.76</u>
Total	26.15

Apart from the difference in total FTEs from 18.61 in 2012 to the proposed 26.15, it is also important to examine the change in titles and how the positions assigned to work directly in the Workforce and Economic Development Division are organized into two teams. The seven “Direct Charge” positions for 2012 highlighted in yellow did not move over to the new teams that were established for 2013. Some of the Contract specialists moved to the Department of Administrative Support Services (DASS) where they will serve in the new Fiscal Management Section.

Area Agency on Aging Division

The Aging Division provides nutrition services, in-home personal and skilled nursing care coordination, dental care subsidies, home repair, information, referral and assistance support, benefits counseling, ombudsman’s services and transportation funding for East Texas Seniors.



AAA of East Texas in collaboration with seniors groups in cities and counties serves seniors throughout the fourteen counties served by the East Texas Council of Governments. Working alongside Workforce Solutions East Texas, AAA shares an office in Tyler, Texas.

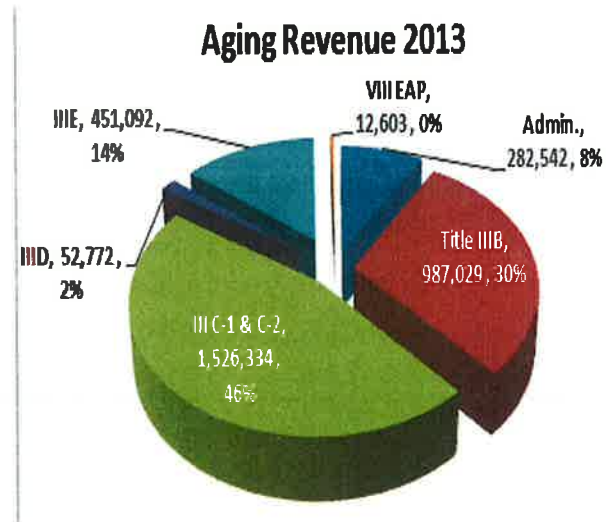
The AAA Advisory Board provides policy direction and oversight for Aging programs. Direction and support is also provided by the Texas Department of Aging and Disabilities (DADS) headquartered in Austin. The AAA Advisory Board members are nominated by local elected officials and approved by the East Texas Council of Government’s Executive Committee. The Aging Advisory Committee is comprised of representative from each of the fourteen counties served by the East Texas Council of Governments.

The Area Agency on Aging is a program of the East Texas Council of Governments serving Anderson, Camp, Cherokee, Gregg, Harrison, Henderson, Marion, Panola, Rains, Rusk, Smith, Upshur, Van Zandt and Wood counties.

Title III Part B –Provides transportation services, in-home services, and caregiver support services, this program insures that elders receive the services they need to remain independent.

Title III Part C1 & C2 -To support nutrition services including nutritious meals, nutrition education and other appropriate nutrition services for older Americans in order to maintain health, independence

Title III Part D - Funds are provided for disease prevention and health promotion services including health counseling and educational services for individuals and primary care givers and quality of life.



Title III Part E - Services for: (1) Family caregivers; and (2) grandparents or older individuals who are relative caregivers.

Summary of Fiscal Resources for Area Agency on Aging

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	2,268,960	3,342,124	3,473,934	4%
State Assistance	189,307	251,554	190,107	-24%
Local Assistance	70,426	141,985	70,636	-50%
Other Income (Grants Direct Charges)	19,323	19,323	19,323	0%
Total Revenue	2,548,015	3,754,986	3,754,000	0%
EXPENDITURES				
Salaries and Fringe Benefits	572,015	528,220	769,447	46%
Other Direct Program Expenses	492,775	255,924	206,608	-19%
Total Pass Through	1,267,339	2,799,991	2,543,164	-9%
Total Direct Program Expenses	2,332,129	3,584,135	3,519,219	-2%
Direct Internal Services	91,819	58,882	70,749	20%
Shared Costs	124,066	111,970	164,033	46%
Total Program Expenses	2,548,015	3,754,986	3,754,000	0%

Revenue stays almost exactly the same from last year. The 4% increase in federal assistance offset the reductions of 24% and 54% respectively in State and Local Assistance. In order to fund fully the new positions, other contract services, supplies and public education had to be reduced.

Human Resource Requirements – Total All Area Agency on Aging

Aging- Total All Programs

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	13.25
Full-time equivalent direct support	0.85
Total	14.10
<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	17.50
Full-time Fiscal Management	0.35
Full-time equivalent direct support	0.00
Total	17.85

The Area Agency on Agency was also impacted by the WOR Study in that it was recognized that program staffing was insufficient to provide the control and oversight of operations that were needed to improve the Agencies record in meeting performance standards. As a result, a total of approximately three and a half authorized positions are proposed to be added to AAA in 2013.

Transportation Division

ETCOG has been providing rural public transportation since 1990. ETCOG’s service was provided through a sub-contract until September 2007, when the operations were bought in-house. Primary customers have been elderly, persons with disabilities, and low-income residents, increases in gasoline prices and the ailing economy have expanded ridership beyond the traditional rural customer base. Since assuming direct operation of transit services in September 2007, ETCOG’s ridership for the September through June period has consistently grown from 86,669 in FY 2009, to 92,205 in FY 2010, to 134,750 in FY 2011 and 134,699 in FY 2012 through May with four more months to go—an increase of over 55% from the base year.



While ETCOG’s transportation focus has been providing rural public transportation, it recently established the East Texas Rural Planning Organization in 2011. The RPO will coordinate all multimodal transportation planning for our fourteen county region

Funding Sources

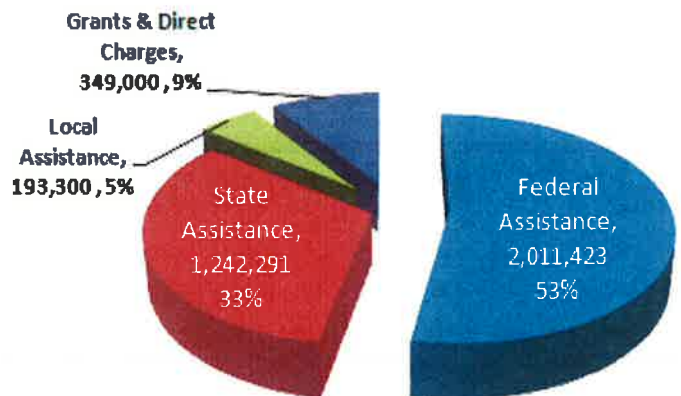
US Department of Transportation –A federal assistance program administered by the Federal Transit Administration is designed to enhance the access of persons living in rural area to health care, shopping, education, recreation, public services, and employment by encouraging the maintenance, development, improvement, and use of passenger transportation systems.

Texas Department of Transportation-Transportation Code, Chapter 455, authorizes the State to assist the sub recipient in procuring aid for the purpose of establishing and maintain public and mass transportation projects and to administer funds appropriated for public transportation under Transportation Code, Chapter 456.

Marshall Flex Route and Kilgore College Services: Both the City of Marshall and Wiley College contribute financially to the success of the Marshall Flex Routes. GoBus

also operates a flex route service connecting Kilgore College campuses in Longview and

Revenue Sources 2013



Kilgore. Together the City of Marshall, Wiley and Kilgore Colleges make a significant contribution to the total costs of these programs.

Summary of Fiscal Resources for Transportation

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	2,216,695	2,858,557	2,011,423	-30%
State Assistance	1,095,149	1,100,473	1,242,291	13%
Local Assistance	141,737	176,000	193,300	10%
Other Income (Grants Direct Charges)	<u>449,953</u>	<u>505,939</u>	<u>349,000</u>	<u>-31%</u>
Total Revenue	3,903,534	4,640,969	3,796,014	-18%
EXPENDITURES				
Salaries and Fringe Benefits	1,730,075	1,753,432	1,749,234	0%
Other Direct Program Expenses	1,621,493	2,290,968	1,495,213	-35%
Total Pass Through	-	88,889	-	-100%
Total Direct Program Expenses	3,351,568	4,133,289	3,244,447	-22%
Direct Internal Services	178,821	135,995	178,660	31%
Shared Costs	<u>373,145</u>	<u>371,685</u>	<u>372,906</u>	<u>0%</u>
Total Program Expenses	3,903,534	4,640,969	3,796,014	-18%

Revenue – Reduction in federal revenue is a function of reduced operating expenses to be reimbursed. Reduced Other Income is mostly due to a reduction in the subsidy for seniors through the Aging program.

Expenditures The decrease in operating expenses came mostly from reducing maintenance and operating costs for the buses.

Human Resource Requirements – Total Transportation Division

2012 Actual	FTE
Full-time equivalent direct	66.76
Full-time equivalent direct support	0.05
Total	66.81

2013 Proposed	FTE
Full-time equivalent direct Admin.	61.84
Full-time Fiscal Management	1.20
Full-time equivalent direct support	0.20
Total	63.24

The number of FTE’s proposed for 2013 compared to 2012 is reduced by a total of 3.57. Although there is a slight increase in the number of FTE for Fiscal Management Services (1.15), this was due to moving one FTE from Transportation into the Department of Administrative Services where the responsibilities and duties of the position are similar but with a different focus. There is a reduction of 4.92 FTE for operations, mainly for bus drivers.

Public Safety Division

In previous years the 9-1-1 Emergency Services function has been treated as a separate Division within ETCOG’s organizational structure, apart from the Division of Public Safety. In view of the fact that funding for both Public Safety Programs and 9-1-1 emergency services are trending downward, it is reasonable to begin to re-integrate these programs into a single as was done in the past. In fact this is the most common arrangement that is found in other Regional Councils around the state.



The Public Safety Division provides training and technical assistance to agencies within the 14-county region in the areas of criminal justice, juvenile justice, victim services, homeland security, emergency management and hazard mitigation. Through its 9-1-1 Emergency Services Regional Program ETCOG performs strategic planning, implementation, and maintenance to support ten of its fourteen counties' 9-1-1 systems as authorized by legislation. 9-1-1 program staff is responsible for database, network, equipment, services and support. Technologies addressed include traditional wire line services, cellular, VoIP (Voice over Internet Protocol), converged services, addressing, GIS, Mapping, and Telephone Device for the Deaf. In support of these efforts the ETCOG 9-1-1 staff supports local governments through addressing in seven counties and sixteen cities.

Funding:

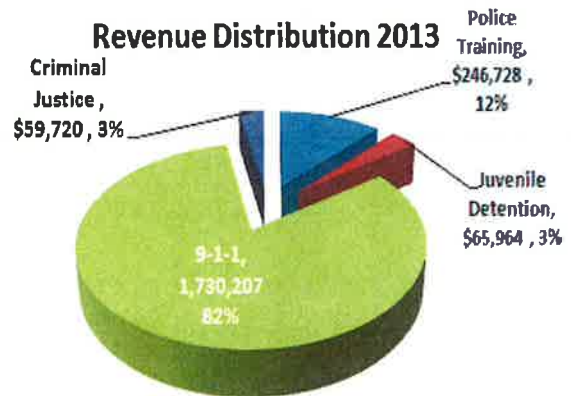
U.S. Department of Homeland Security - Grant to prevent, deter, respond to, and recover from incidents of terrorism.

U.S. Department of Justice – To increase programs related to delinquency prevention and reduction and juvenile justice system improvement.

Office of the Governor, Criminal Justice Division (CJD) – To create and support programs that protect people from crime, reduce the number of crimes committed, and to promote accountability.

Commission on State Emergency Communications (CSEC)- The To pay for planning and implementation of 9-1-1 service in their respective multi-county areas. Regions are reimbursed for documented authorized 9-1-1 program

expenditures after funds are disbursed by the Region.



Summary of Fiscal Resources for Public Safety

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	732,688	493,464	440,062	-11%
State Assistance	3,731,916	1,977,792	2,009,432	2%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	13,250	14,551	27,223	87%
Total Revenue	4,477,854	2,485,807	2,476,717	0%
EXPENDITURES				
Salaries and Fringe Benefits	584,447	625,924	634,572	1%
Other Direct Program Expenses	2,420,099	745,547	762,385	2%
Total Pass Through	1,254,345	897,826	859,198	-4%
Total Direct Program Expenses	4,258,892	2,269,297	2,256,156	-1%
Direct Internal Services	99,602	83,829	85,281	2%
Shared Costs	119,360	132,680	135,280	2%
Total Program Expenses	4,477,854	2,485,807	2,476,716	0%

The decrease from 2011 to 2012 was attributable for the most part to an infusion of capital expenditure in the earlier year to set up the EsiNet (Emergency Services Internet). Making an allowance for this anomaly, funding for most programs has remained relatively constant however there have been some exceptions. This is particularly noticeable in the Homeland Security Grant that was reduced from \$445,000 in 2012 to \$374,098 in 2013 (-16%).

Human Resource Requirements – Total Public Safety Division

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	11.33
Full-time equivalent direct support	0.14
Total	11.47
<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	10.00
Full-time Fiscal Management	0.62
Full-time equivalent direct support	0.63
Total	11.25

No changes in authorized positions are contemplated in the former Public Safety department in Full Time Direct Project Staff. The additional 0.29 position is to fund part of a position in Fiscal Management. In the 9-1-1 Section there is a reduction of a System’s analyst position and the .33 FTE for GIS mapping was moved down to the Direct Support Section.

Regional Services

In 2012, the original “Public Information and Regional Services Division” consisted of nine different programs with five different federal and state agencies providing funding. For 2013, only two of those programs are proposed to be carried forward under the Section Title “Regional Services”. They do not lend themselves to being grouped in any of the four main categories of grants so the intent here is to place them in a stand alone “Section”.

One other service program that had formerly been in the Transportation Division (GIS Services) is also proposed to be included in this section as it represents a service that is

provided to operating Divisions within ETCOG as well as to member governments.



AIR QUALITY

The Texas Legislature has provided rider funding to near-nonattainment areas (NNAs) to enable ozone air quality planning activities. Northeast Texas has used this funding to:

- Conduct the technical studies to understand ozone problems in Northeast Texas.
- Implement local emission reduction strategies.
- Join EPA's ozone "Early Action Compact" (EAC) program and submit a Clean Air Action Plan (CAAP).
- Perform public outreach and awareness programs.

landfills to grants for regional and local MSW projects.

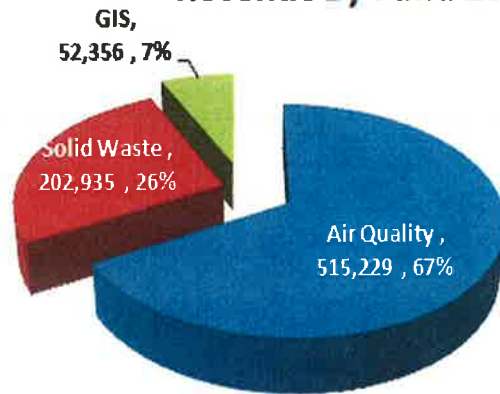
GIS SERVICES

Geographic Information System (GIS) provides powerful analytical and decision making tools to all facets of public governance. It is the goal of ETCOG to make GIS technology affordable and accessible to all member entities irrespective of their size or tax base.

SOLID WASTE

Grants are awarded to regional and local governments for municipal solid waste (MSW) management projects through the state's Regional Solid Waste Grants Program. The TCEQ is directed by the Legislature to dedicate one-half of the revenue generated by state fees on MSW disposed of at

Revenue By Fund 2013



Summary of Fiscal Resources for Regional Services

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2012 Re- estimate	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	-	-	-	-	0%
State Assistance	860,893	1,065,452	734,584	718,164	-33%
Local Assistance	-	-	-	-	0%
Other Income (Grants Direct Charges)	<u>37,450</u>	<u>80,391</u>	<u>63,418</u>	<u>52,356</u>	<u>-35%</u>
Total Revenue	898,343	1,145,843	798,002	770,520	-33%
EXPENDITURES					
Salaries and Fringe Benefits	156,175	185,205	136,346	122,898	-34%
Other Direct Program Expenses	29,229	109,512	77,818	83,350	-24%
Total Pass Through	<u>654,055</u>	<u>788,330</u>	<u>501,142</u>	<u>519,743</u>	<u>0%</u>
Total Direct Program Expenses	839,459	1,083,047	715,306	725,991	-33%
Total Direct Internal Services	25,207	23,536	20,793	18,330	-22%
Shared Costs	<u>33,677</u>	<u>39,260</u>	<u>28,988</u>	<u>26,200</u>	<u>-33%</u>
Total Program Expenses	898,343	1,145,843	765,087	770,520	-33%

Declines in revenue in the Air Quality and Solid Waste programs are expected to continue without much chance that they will recover anytime soon. The GIS revenue should see increases over time as more member agencies take advantage of this program.

HUMAN RESOURCE REQUIREMENTS**Regional Services – All Programs**

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	3.89
Full-time equivalent direct support	0.09
Total	3.98
<u>2013 Proposed</u>	
Full-time equivalent direct	2.50
Full-time equivalent direct support	0.20
Total	2.70

Direct Internal Services

The East Texas Council of Governments (ETCOG) has developed an internal services allocation plan under the guidelines of OMB A-87, whereby costs of the following services can be charged to the various programs on a reasonable and consistent basis. Direct Internal Service expenses are charged to a cost pool and then allocated directly to the grants on a monthly basis.

The Human Resources Division administers all ETCOG personnel management policies, procedures and fringe benefits. Costs pooled here include any cost incurred in a human resource or payroll related function such as cost for salary and benefits for human resources and the payroll administrator, costs of processing payroll checks and other related expenses. **(\$185,630)**

Costs included in the Purchasing/Facilities pool include costs for a centralized purchasing function plus operation and maintenance of facilities owned by ETCOG. Purchasing costs include the cost of two FTEs who will be responsible for micro-purchases and acquisition of other routine goods and services. **(\$379,716)**

Summary of Expenses for Direct Internal Services

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	-	-	-	0%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	-	-	-	0%
EXPENDITURES				
Salaries and Fringe Benefits	138,854	135,495	309,346	128%
Other Direct Program Expenses	407,651	280,600	256,000	-9%
Total Pass Through	-	-	-	0%
Total Direct Program Expenses	546,505	416,095	565,346	36%
Direct Internal Services	-	-	-	0%
Shared Costs	-	-	-	0%
Total Program Expenses	546,505	416,095	565,346	36%

Increase due to 3.25 FTEs being assigned to this pool. There were 1.25 positions added to HR with one being a transfer from Indirect. There were 2.0 positions added to staff the Purchasing/Facilities function which had not existed prior to 2013.

Shared Costs

Indirect Internal Services are also referred to as “**SHARED COST**”. These are expenses incurred for joint or common purposes and may not be directly charged to a specific grant. Generally, shared costs benefit all programs while direct costs benefit programs specifically. OMB A-87 allows for the charging of shared costs not readily assignable to the cost objective specifically benefited without effort that is disproportionate to the results achieved.

SUMMARY OF FISCAL RESOURCES FOR SHARED COSTS

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	-	-	-	0%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	-	-	-	0%
EXPENDITURES				
Salaries and Fringe Benefits	626,458	638,419	713,883	12%
Other Direct Program Expenses	361,603	355,100	304,571	-14%
Total Pass Through	-	-	-	0%
Total Direct Program Expenses	988,061	993,519	1,018,454	3%
Direct Internal Services	-	-	-	0%
Shared Costs	-	-	-	0%
Total Program Expenses	988,061	993,519	1,018,454	3%

CALCULATION OF PROVISIONAL SHARED COST RATE

The **Base Total Direct Labor and Benefits** are calculated by adding salaries and benefits for all divisions including internal direct. Utilizing the formula for calculating the Shared Cost Rate as shown in the preceding, the Provisional rate for 2013 is calculated as follows:

$$\frac{(\$1,018,454) \text{ Total Shared Program Budget}}{(\$4,777,378) \text{ Base- Total Direct Labor and Benefits}} = \boxed{21.318 \%}$$

Shared Costs are charged to each grant based on the provisional rate established at the beginning of the fiscal year as shown above, in this budget document. The rate is multiplied by direct salaries charged to a particular grant to arrive at the amount of Shared Costs that are allocated each month. At the end of the year, when actual total costs are known, adjustments are made to each grant based on the actual calculated rate.

Section II: 2013 Service Programs

Introduction

The format for each Sub-section under Section II includes an introductory statement to the Sub-section that describes, in general terms, the agencies involved in providing funds and oversight to the various programs, a summary description of the programs, overall objectives, funding streams, a summary table of Revenue and Expenditures for all programs, a listing of authorized positions by title and number and an organizational chart for the Division.

At the more detailed program level, information is provided that includes:

- Statement of the history and background of funding and purpose of the program.
- Objectives expected to be achieved through the Program
- Essential work tasks needed to achieve the objectives
- Performance Measures
- Listing of estimated revenue and proposed expenditures by Major Category
- Human Resource Requirements expressed in Full Time Equivalent (FTEs)

For 2013, proposed budgeted amounts have been placed in a table that also contains amounts actually spent in 2011 and budgeted in 2012. If there are significant differences between the proposed 2013 items and those for 2012, a brief explanation for the differences below the table is provided. It should be noted that any explanations provided are necessarily brief especially for revenue. For the most part, the amounts provided in the grants are beyond the control of ETCOG and to some extent the State in determining the amount for each funding stream. As such, the most common explanation of differences between one year and the next is the simple fact that the grant was decreased at the federal or state level.

A comparison is also shown between FTE proposed for 2013 compared to the final for 2012. Because of the reorganization and reallocation of resources, many of the positions particularly in Workforce and Finance were realigned to strengthen particular areas of weaknesses that had been identified and provide a greater focus on fiscal control and program management. For this reason, significant difference may be seen from 2012 to 2013 than would ordinarily be the case.

Completion of the Workforce Operations Review Project has had a profound impact particularly on the organizational structure and staffing of the Workforce Division. However, its impact was felt on other Divisions as well. The narrative discussions under each Sub-section describe changes that were made and expected outcomes but the full impact of improved delivery of services will not be immediately felt. As processes are defined and new roles assumed, the organization should be better positioned to provide better outcomes in the years ahead. During the 2013 fiscal year, staff will be working on refining the mechanisms for defining, tracking, compiling and presenting information that will substantiate this point.

Keeping with the trend that began last year, overall grant funding is down from 2009 and will most likely continue to decline. Overall the loss in anticipated revenue across all programs, from the previous year is \$ 2,815,921 or 6.7 %. This fact has impacted both the Indirect rate, direct charges and among others, the organizational structure of the Public Safety Division and the former Public Information and Regional Services Divisions. Specific impacts are discussed in the narrative portions of each Sub-section that follow.

We begin with the Sub-section for the Workforce Division which follows.



Serving employers and job seekers to enhance the workforce



Promoting the development of a model workforce system



Providing job search assistance, training and education



Workforce & Economic Development

east Texas
council of
Governments

DIVISION OF REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT

WORKFORCE OPERATION REVIEW (WOR)

In the Organizational Objectives Section of the 2012 Budget document, a recommendation was made to conduct a review of Workforce Operations. The purpose as reflected in the "Team Charter" for that effort stated, "The Workforce Operations Review Team will complete a thorough review of all aspects of the Workforce Division, including, but not limited to organizational structure, staffing, internal procedures, and overall management. Recommendations for changes in these areas will be made based on the results of the review; with the objective of improving the efficiency and effectiveness of the Workforce Division."

As a result of that study which was completed in June of this year, five major changes were proposed and adopted by the CEO Board, Workforce Solutions East Texas Board and the Executive Committee of ETCOG. They are designed to improve to a significant degree the capability of the Workforce Division to deliver services to the region. Following is a list of those five changes and plans for improving the organization:

- *Development of Workforce System Program Improvements and Enhanced Monitoring*
- *Integration of Economic Development Functions into Workforce Operations*
- *Focus on Centralization of Common Functions between Operating Divisions*
- *Absorption by ETCOG of Non-programmatic Functions Performed by Contractor*
- *Strengthening of Fiscal Management and Financial Control*

Implementation of the first two of these actions have had a profound impact on the structure, staffing and funding for Workforce operations. These changes are consequentially reflected in the 2013 budget document. The very title of the Division has been changed from "Workforce Development Division" last year, to this year's "Division of Regional Workforce and Economic Development". Other changes are noted in the organization and content of each of the following sections.

THE WORKFORCE SYSTEM IN EAST TEXAS

Workforce Solutions East Texas is a network of One-stop Career Centers serving employers and job seekers throughout the fourteen counties served by the **East Texas Council of Governments**. Workforce Solutions East Texas is comprised of full service workforce centers in Tyler, Longview, Marshall and Palestine, with satellite centers in Athens, Canton, Carthage, Emory, Gilmer, Henderson, Jacksonville, Jefferson, Pittsburg and Quitman. Workforce Solutions also has a Mobile Workforce Center that can be deployed to supplement the services offered through local offices as needed. Public assistance recipients and income eligible working families and college students are offered subsidized child care through Child Care Services, which is an integral part of the Workforce Solutions East Texas.



The Workforce Solutions East Texas Board provides policy direction and oversight for Workforce Solutions East Texas and is funded through a contract with the Texas Workforce Commission. The Workforce Solutions East Texas Board is appointed by the CEO Board that is comprised of County Judges of the ETCOG region plus the Mayors of Longview and Tyler. The Workforce Solutions East Texas Board contracts with Dynamic Workforce Solutions (DWS), Inc for operation of the workforce centers and Neighborhood Centers, Inc. (NCI) for Child Care Services. In addition, literacy and youth services are offered a through a network of standalone providers including local literacy councils and community colleges.

The **East Texas Council of Governments** (ETCOG) serves as fiscal agent and administrative unit for the Workforce Solutions East Texas Board through a memorandum of understanding with the Board which is approved by the CEO Board. Along with pass-through costs for the contractors, costs for the ETCOG Workforce Programs Department identified in the ETCOG budget include staff and associated costs for administrative and support duties on behalf of the Workforce Solutions East Texas Board and for the CEO Board.

SUMMARY DESCRIPTION OF WORKFORCE AND ECONOMIC DEVELOPMENT PROGRAMS

Employers and job seeker services along with child care services are offered through the one-stop centers by combining funding streams from federal and state programs identified under "Funding Streams" which follows. Each of the funding sources requires operation of a distinct program with applicable regulations, guidelines and performance measures unique to each funding stream. The resources of these programs are combined to create a coherent One Stop Career Center system.

Employer services include: On-line access to the applicant pool through WorkInTexas.com, Recruitment & Retention Assistance, Labor Market Information, Training Assistance Information and Links to Online Resources and information. **Job seeker** services and resources include: job postings; job search tools; skills assessment and career exploration tools, training and education, labor market information, child care resources, and eligibility and referral information to appropriate programs and providers. Along with job fairs and how-to workshops, centers offer computers and internet access, resume writing software, copying, fax, phone services and newspapers. Job search assistance and career planning services are made available to all, regardless of income level. Access to career training at a community/technical college or proprietary school is limited to individuals who are eligible based upon income or layoff status/plant closure and who are documented as needing education and training to obtain self-sufficient employment.

From **October 2011 through July 2012**- there was an average of 16,604 visits per month at Workforce Solutions East Texas Centers. During the month of **June 2012**, the average number of children served per day was 3,461.

OBJECTIVES AND STRATEGIES

In addition to the Workforce Operations Review Study, an effort was made to revise the Workforce Solutions East Texas "Strategic Plan". The Strategic Plan for the Workforce Solutions East Texas Board is based upon a Strategic Goal: The Workforce Solutions East Texas Board, in cooperation and coordination with public entities, employers, and labor, will initiate and implement activities which enable all parties to identify and fill present and future needs of the East Texas Workforce. The Strategic Plan incorporates strategies which address the following objectives:

- Prepare Emerging Workforce for Work Opportunities
- Develop Workplace Skills for East Texans
- Meet the Needs of Employers for a Quality Workforce
- Support Workforce Development for Economic Development

FUNDING STREAMS

Following are brief descriptions of the funding streams for Workforce and Economic Development Services. For ease of presentation, they are grouped into categories as shown below and reviewed in the order in which they appear here.

Workforce-

WIA-

Workforce Investment Act - The purpose of WIA as stated in Section 106 of the Act is "to provide workforce investment activities, through statewide and local workforce investment systems that increase the employment, retention, and earnings of participants and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation." Services for job seekers are accessed through a tiered system consisting of core, intensive, and training services.

CHILD CARE

Child Care Services (CCS) - Provides subsidized child care to public assistance recipients and low-income parents who are employed or attending school.

SNAP & TANF

Supplemental Nutrition Assistance Program (SNAP) - Seeks to provide employment services to those individuals receiving food stamps with the goal of self-sufficiency.

Temporary Assistance for Needy Families (TANF) - Employment services which are offered through the Choices Program to recipients of TANF. This program helps individuals receiving time limited cash assistance to find long-term employment and self sufficient wages.

TARGETED TRAINING AND EMPLOYMENT AIDE

Trade Adjustment Assistance Services (TAA) - The Trade Adjustment Assistance (TAA) provides training and job search/relocation assistance to individuals who lose their manufacturing jobs due to foreign imports.

Wagner-Peyser Employment Services (ES) - Legislation passed in 1933 that ensures universal access to a system in which job seekers are matched with jobs and employers.

National Emergency Grant (NEG)- The National Emergency Grant focuses on long-term workforce development strategies and provides training to dislocated workers in occupational areas of projected growth. Discontinued in 2013. (Funds unavailable)

Non-Custodial Parent Choices (NCP) - Provides Employment Services to non-custodial parents ordered into the system by the court for non-payment of child support.

Disability Navigator Program (DPN) - Provides dedicated staff to work with disabled job seekers to help them access the services of the centers.

Veterans' Employment Services (VETS) - Program where Vietnam era veterans, disabled veterans, and recently separated veterans can receive job search assistance, education, and training. The services of this program are provided by employees of Texas Veterans Commission with the Board responsible for housing those employees in the Workforce Centers and coordinating their activities with the rest of the system.

Back to Work- The Texas Back-To-Work Program subsidized the employment of Unemployment Insurance (UI) claimants who previously earned less than \$15 an hour. It targets first time UI claimants. This program was not funded in 2012 but has been funded for 2013.

JARC

Job Access and Reverse Commute (JARC) – Provides transportation assistance to low income workers and job seekers to enable them to commute from rural areas into urban centers and from urban areas to employers located in rural areas.

ARRA

The American Recovery and Reinvestment Act provided funding for supplemental services to be provided through Title I of the Workforce Investment Act and the Wagner–Peyser Act. While funding for this program expired in 2012, the tables comparing prior year amounts to the proposed require that they be reflected for the 2011 year, the last year for which funds were available.

Economic Development -

EDA

U.S. Department of Commerce -Economic Development Administration (EDA) - provides planning assistance to provide support to Planning Organizations (as defined in 13 CFR 303.2) for the development, implementation, revision, or replacement of a Comprehensive Economic Development Strategy (CEDS), short-term planning efforts, and State plans designed to create and retain higher-skill, higher-wage jobs, particularly for the unemployed and underemployed in the nation's most economically distressed regions.

ETRDC

East Texas Regional Development Company (ETRDC) – is a private, non-profit, organization formed for the purpose of assisting small businesses and licensed by the U.S. Small Business Administration. ETRDC has helped many Texas business owners achieve long term financing for all of their business needs.

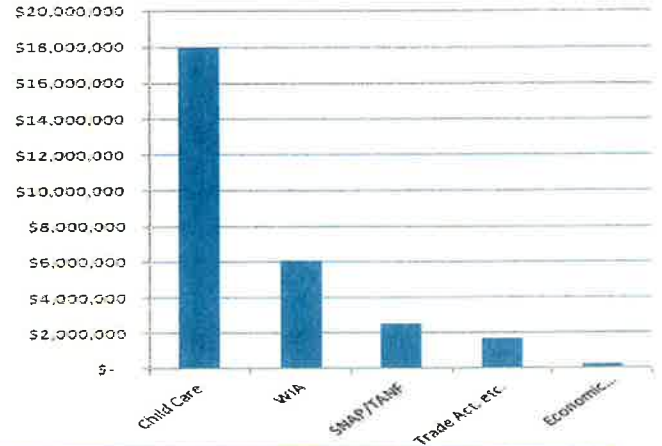
CLP

Chapman Loan Program (CLP) – is designed to provide long term financing to East Texas Business in a 14 county area. Loan proceeds can be used for a variety of purposes including inventory, working capital and equity injections.

CDBG-

Community Development Block Grant - The purpose of this program is to provide technical assistance in the area of community development and in part “create jobs through expansion and retention of businesses”.

**SUMMARY OF FISCAL RESOURCES FOR
WORKFORCE AND ECONOMIC
DEVELOPMENT**



FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	24,148,382	23,317,565	23,027,375	-1%
State Assistance	4,632,291	5,045,503	5,262,567	4%
Local Assistance	40,691	27,500	44,400	61%
Other Income (Grants Direct Charges)	108,702	1,439,412	112,000	-92%
Total Revenue	28,930,065	29,829,980	28,446,342	-5%
EXPENDITURES				
Salaries and Fringe Benefits	1,292,353	1,282,216	1,501,226	17%
Other Direct Program Expenses	424,948	262,322	330,053	26%
Total Pass Through	26,764,914	27,834,349	26,082,701	-6%
Total Direct Program Expenses	28,482,215	29,378,887	27,913,980	-5%
Direct Internal Services	173,804	179,295	212,327	18%
Shared Costs	274,047	271,798	320,035	18%
Total Program Expenses	28,930,065	29,829,980	28,446,342	-5%

While the decrease in revenue and expenditures overall shows a reduction of 5% from the previous year, the 2013 proposed column includes a good percentage of the recouped funds from disallowed costs in 2009 and additional amounts from economic development that were reported under Regional Services in prior years. Taking these factors into account, the actual decrease in baseline funds is closer to 10%. Should this trend continue, as it is expected to into future years, the organization will be better able to adjust to the tighter budgets than was the case before the re-organization.

Increases in Salaries and Fringe Benefits, Direct Internal Services and Shared costs are results in part of increasing staff for Program Improvement, Monitoring and Fiscal Management. It also reflects additional costs related to administering functions that were formerly performed by the contractor. Recall that the fourth objective of the reorganization, "Absorption by ETCOG of Non-programmatic Functions Performed by Contractor", required additional staff to be added to the Department of administrative Support Services. These costs will be paid for by funds that had been going to the contractor.

As we get into the details of each budget for each funding stream it will become clear that these costs do not fall on the programs equally. WIA and Child Care which represent the largest share of Workforce funding, absorb more of the costs because they represent the areas of highest risk and require greater fiscal management and program management oversight.

Human Resource Requirements:

Because of the wholesale changes in the organizational structure of the former Workforce Development Division, it was deemed more instructive to show a side by side comparison of the listing of Authorized positions between 202 and proposed 2013 rather than an historical comparison across several years. The following chart shows such a side by side comparison:

Reconciliation of Authorized Positions FY2012 to FY2013

Regional Workforce and Economic Development	As of 10/1/2011	Regional Workforce and Economic Development	Proposed 2013
Director of Workforce Dev.	1.00	Director of Workforce Development	1.00
Administrative Assistant	1.00	Regional Planning & Community Engagement Team	
Section Chief - Planning Services	1.00	Reg. Planning Eco. Dev. & BS Team Lead	0.80
Regional Planner I	3.00	Admin. Assistant- Workforce	1.00
Childcare Coordinator	1.00	Planning & Community Engagement Specialist	2.00
Childcare Specialist***	1.00	Eco. Development Business Serv. Specialist	2.15
Section Chief Contracts	1.00	ETRDC Administrator	1.00
Contract Specialist	4.00	Workforce System Improvement Team	
Section Chief-Monitoring	1.00	Workforce System Improvement Team Leader	1.00
Program Monitor II	1.00	Sr. Workforce Program Analyst	1.00
Program Monitor I	1.00	Workforce Prog. Improvement Specialist- Lead	4.00
Section Chief - Mgmt. Services	1.00	Workforce Prog. Improvement Specialist	5.00
MIS Specialist II	1.00		
Subtotal Direct	18.00	Subtotal Direct	18.95
		Director Dept. of Admin. Support Services	0.12
Budget Manager	0.21	Budget Manager	0.27
		Fiscal Management Services - Team Leader	0.61
		Grant Mgmt. Services - WIA/DW - Lead	2.00
		Grant Mgmt. Support Specialist - CC/TANF	3.00
		Grant Mgmt. Draws	0.44
Accounting Manager	0.40	Financial Services - Team Leader	0.08
		Financial Specialist	0.48
		Purchasing Specialist	0.20
Subtotal Direct Support	0.61	Subtotal Direct Support	7.20
Total FTEs Workforce	18.61	Total FTEs Workforce	26.15
*** Full time temporary			

Apart from the difference in total FTEs from 18.61 in 2012 to the proposed 26.15, it is also important to examine the change in titles and how the positions assigned to work directly in the Workforce and Economic Development Division are organized into two teams. The seven "Direct Charge" positions for 2012 highlighted in yellow did not move over to

the new teams that were established for 2013. Some of the Contract specialists moved to the Department of Administrative Support Services (DASS) where they will serve in the new Fiscal Management Section.

The two Management Services positions moved to DASS as part of the in-house IT function that is being established for 2013. These positions that were charged as "Administration" in Workforce will now be charged as Direct Support.

The four positions on the right half of the chart under the new Regional Planning and Community Engagement Team actually came from the former Public Information and Regional Services Division. This latter Division will cease to exist in 2013 in the form that it was originally conceived. The revenue that funded those positions also moves over to Workforce. This does impact funding levels for workforce by increasing the sources of revenue but at the same time, the direct service charges and Indirect or shared costs are also increased for workforce since they were formerly absorbed by a totally different fund.

The three positions highlighted in purple under the Workforce System Improvement Team are entirely new positions that are designed to meet the first strategic objective of the WOR review process namely:

- *Development of Workforce System Program Improvements and Enhanced Monitoring*

This team will consist of ten individuals focused on initiating program improvements; improving technical support and training for contractor staff and more thorough and rigorous monitoring of Contractor performance. This is compared to a total of three positions assigned to simply monitoring functions in the past.

It is expected that the additional staff support will result in much better program and fiscal management than has occurred in the past and will allow the Workforce Solutions Board to get out from under the current sanction that it has been under since the beginning of calendar year 2012.

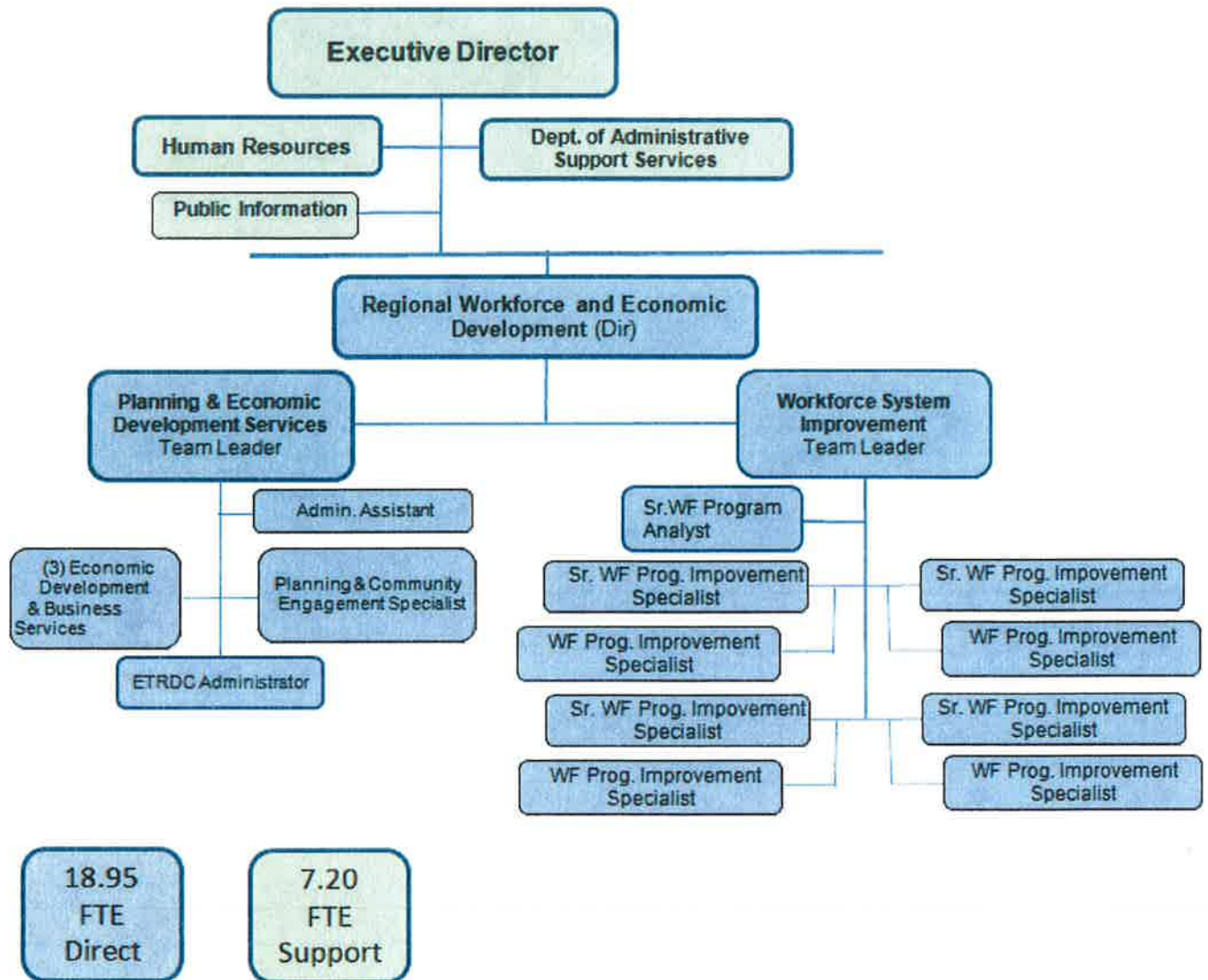
Opportunities/Challenges

In planning activities for the upcoming year staff has identified the following points of emphasis:

1. Full implementation of the WOR Report recommendations including integration of Economic Development functions into the day to day operations of the Workforce and Economic Development.
2. Preparation of a comprehensive Policies and Procedures Manual for Workforce and Economic Development and most specifically for operations of the Workforce Centers.
3. Maintaining to the fullest extent possible the current level of services at the Workforce Solutions East Texas Centers in light of cuts in Workforce Investment Act funding, while achieving all mandated performance measures and complying with applicable requirements for each program.
4. Continuing efforts to reduce infrastructure costs at each of the 14 Workforce Centers.

EAST TEXAS COUNCIL OF GOVERNMENTS

ORGANIZATIONAL CHART- WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION



WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION

WORKFORCE INVESTMENT ACT (WIA)

BACKGROUND AND PROGRAM SUMMARY

The purpose of WIA as stated in Section 106 of the Act is “to provide workforce investment activities, through statewide and local workforce investment systems that increase the employment, retention, and earnings of participants and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the Nation.” In addition to job training and other job seeker services, it also provides resources for job matching and employer services.

The Workforce Investment Act (WIA) enables workforce investment activities through statewide and local workforce investment systems that increase the employment, retention, and earnings of participants. It facilitates increased occupational and basic skill attainment by participants to improve the quality of the workforce, to reduce welfare dependency, and to enhance the productivity and competitiveness of the Nation. In addition to job training and other job seeker services, it also provides resources for job matching and employer services.

OBJECTIVES

1. Maximize the availability of occupational training, basic skills training, and support services for unemployed and underemployed job seekers.
2. Support the development of the emerging workforce with training and basic skills enhancement activities.
3. Foster innovative customized training initiatives that will enhance the economic development of the region and assure that workers are competitive in the twenty-first century workplace.
4. Provide rapid response and retraining services to displaced and trade affected workers.
5. Align Workforce Investment activities other employment initiatives to maximize economic stimulus and innovation.
6. Enhance labor exchange activities to assure that job seekers have ready access to labor market information and other tools for self directed job search

ESSENTIAL WORK TASKS

1. Provide staff support for the CEO Board, Workforce Solutions East Texas Board, and its Committees.
2. Prepare program plans, procedures and administrative directives for program subcontractors.
3. Coordinate with partner agencies to provide training and supportive services for unemployed and underemployed workers.
4. Coordinate with the regions Director’s of Economic Development strategies to attract new businesses
5. and/or retain businesses in the region.
6. Procure and develop contracts with Workforce Center operators and service providers.
7. Administer contracts and monitor performance of and compliance with those contracts.
8. To follow up on the suggested activities identified at the Bi-Regional Education Summit.
9. Workforce Summit State of the Workforce Report
10. Preparation of Updated List of Targeted Industries and Targeted and Demand Occupations
11. Determine workforce needs of area employers
12. Inventory resources in the region which support workforce and economic development efforts
13. Prepare and disseminate labor market and workforce intelligence information to interested parties
14. Promote technical education in the schools to support career needs and employer needs
15. Continue to improve secondary education in East Texas by serving as a convener for the exchange of ideas and information among educators.

16. Understand job seeker demographics and match their skills with job opportunities with area employers

PERFORMANCE MEASURES

The Texas Workforce Commission has adopted a set of common measures that apply to all programs along with Workforce Investment Act (WIA) performance measures:

Items Measured	2011	2012 Standard	Current Performance	Status
Staff Guides Entered Employment	67.53%	64.00%	69.08%	Exceeding
At Risk Employment Retention	76.72%	72.50%	77.42%	Exceeding
Total Job Seekers Educational	82.68%	76.00%	74.97%	Missing
WIA Youth Placements in Employment/Education	64.52%	58.00%	45.76%	Missing
WIA Youth Literacy/Numeracy Gains	56.00%	35.00%	31.11%	Missing

SUMMARY OF FISCAL RESOURCES FOR WORKFORCE INVESTMENT ACT

As stated previously, the downward trend for grant funding from the federal government is not borne out in the case for WIA. There is actually an increase in funding of approximately 3% over the prior year. This increase is largely due to part of the \$1.35 million dollars of recouped funds for disallowed costs that was paid by the former Contractor for WIA programs. The chart shown below reflects the revenue and expenditures based on funds strictly from 10% of the grant allowed for administration.

Table 1: Assumes Continuation of Pre – WOR Staffing and Structure

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	5,504,420	5,579,947	5,766,934	3%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	5,504,420	5,579,947	5,766,934	3%
EXPENDITURES				
Salaries and Fringe Benefits	320,600	329,549	346,692	5%
Other Direct Program Expenses	123,248	74,114	78,080	5%
Total Pass Through	4,950,206	5,064,175	5,171,630	2%
Total Direct Program Expenses	5,394,054	5,467,838	5,596,402	2%
Direct Internal Services	41,118	42,252	49,268	17%
Shared Costs	69,248	69,856	121,264	74%
Total Program Expenses	5,504,420	5,579,947	5,766,934	3%

In addition to recouped funds however, ETCOG is allowed to retain funds normally due the Contractor for its indirect costs as well as some aspects of its operations such as Quality Assurance. While ETCOG has chosen not to do this in the past, the re-organization with emphasis on strengthening and exercising greater control over Program and Fiscal Management of the grants, requires that this practice be initiated. In fact the changes proposed in the reorganization

and restructuring effort cannot be accomplished without the additional funds. Keeping in mind also that in the past, the Contractor had full administrative control over the facility and infrastructure costs associated with operation of each of the 14 Workforce Centers and now these responsibilities are going to be absorbed by ETCOG staff.

Based on these considerations, grant funds that were formerly earmarked for the Contractor, will be retained by ETCOG to perform many of the functions formerly done by the Contractor but also to provide program support in the way of Technical Assistance training and constructive monitoring of program implementation. Since most of the issues that have arisen in the past that have led to intent to sanctions and sanctions from TWC plus the fact that the recent Department of Labor monitoring visit focused solely on WIA programs, this particular funding stream will bear the brunt of the cost of implementing the new controls.

The following table reflects the actual proposed budget that includes the funds to be retained by ETCOG for financing increased operation costs due to enhanced Program and Fiscal Management Control and absorption of accounting financial operations that were formerly the responsibility of the Contractor. For the most part, these factors account for the significant increases in employee services, direct internal services and shared costs that are reflected in the chart below. Please note however that the total pass through to the Contractor from the first table to the second table is not affected. It remains at \$5,171,630.

Table 2: Assumes Implementation of WOR Recommended Staffing and Structural Changes

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	5,504,420	5,579,947	6,074,510	9%
	State Assistance	-	-	-	0%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	5,504,420	5,579,947	6,074,510	9%
EXPENDITURES					
	Salaries and Fringe Benefits	320,600	329,549	568,827	73%
	Other Direct Program Expenses	123,248	74,114	132,255	78%
	Total Pass Through	<u>4,950,206</u>	<u>5,064,175</u>	<u>5,171,630</u>	<u>2%</u>
	Total Direct Program Expenses	5,394,054	5,467,838	5,872,711	7%
	Direct Internal Services	41,118	42,252	80,535	91%
	Shared Costs	<u>69,248</u>	<u>69,856</u>	<u>121,264</u>	<u>74%</u>
	Total Program Expenses	<u>5,504,420</u>	<u>5,579,947</u>	<u>6,074,510</u>	<u>9%</u>

HUMAN RESOURCE REQUIREMENTS

The table on the following page reflects the changes in staffing and restructuring that were brought about by the WOR Team recommendations. Until 2012, an equivalent of 5.32 FTE's was assigned to WIA programs. Responsibilities for these staff members included preparation of contracts, fiscal and program management of the contracts, monitoring and financial reporting to TWC and various Boards and Committees within the Workforce Solutions Board of East Texas. Given the scope and range of these responsibilities and the subsequent issues that arose in various areas of the program including a significant amount of disallowed costs that while recouped went undetected for a longer period than should

have been possible, it was determined by the WOR Team that additional staff needed to be assigned.

The staffing levels indicated in the following, represent an assessment of the necessary professional staff necessary to properly manage the grant funds as well as absorb many of the day to day operational functions that were previously handled by the contractor.

**WORKFORCE/ECONOMIC DEVELOPMENT
DIVISION - WIA**

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	5.32
Full-time equivalent direct support	0.00
Total	5.32
<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	3.66
Full-time equivalent direct Program	4.84
Full-time Fiscal Management	1.63
Full-time equivalent direct support	0.38
Total	10.51

WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION CHILD CARE SERVICES

BACKGROUND AND PROGRAM SUMMARY

Provides subsidized child care for public assistance recipients and low income parents who are employed or attending school. This is considered to be a supportive service to enable low income families with young children to work, participate in the labor market, or receive training.

OBJECTIVES

To assure quality child care is available for low income parents seeking employment or job training available throughout the region, and to encourage the provision of quality early child care education in the child care system of the region.

ESSENTIAL WORK TASKS

1. Management of contract for child care services.
2. Establish procedures and documentation requirements for determining eligibility for child care.
3. Monitor compliance with child care rules and policies.
4. Advocate high quality child care activities by providers.
5. Integrate child care services into the workforce system.
6. Fraud detection and adjudication of ineligible payments.

PRIMARY WORK LOAD MEASURES

Note: Rolling Performance Data Used

Items Measured	2011 Performance	2012 Standard	Current Performance	Status
Average number of children served per day	3302	3315	3326	Exceeding

SUMMARY OF FISCAL RESOURCES FOR CHILDCARE

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	10,159,618	12,266,104	13,186,421	8%
State Assistance	3,435,734	4,735,734	4,748,990	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	13,595,352	17,001,838	17,935,411	5%
EXPENDITURES				
Salaries and Fringe Benefits	303,400	511,879	504,470	-1%
Other Direct Program Expenses	90,053	109,157	98,883	-9%
Total Pass Through	13,096,342	16,205,231	17,153,414	6%
Total Direct Program Expenses	13,489,795	16,826,267	17,756,767	6%
Direct Internal Services	40,689	67,065	71,100	6%
Shared Costs	64,868	108,506	107,544	-1%
Total Program Expenses	13,595,352	17,001,838	17,935,411	5%

Notable Changes from Prior Year

Revenue – Grant funding is expected to increase 5% over the previous year, mainly due to carryover funds.

Expenditures- Direct internal Services increased by 6% mostly based on establishment of in-house IT capability and centralized purchasing. The Total amount of funds passed through to the Contractor administering this program increased by 6%.

HUMAN RESOURCE REQUIREMENTS

WORKFORCE DIVISION - Child Care

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	8.16
Full-time equivalent direct support	<u>0.35</u>
Total	8.51
<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	5.06
Full-time equivalent direct Prog.	0.00
Full-time Fiscal Management	2.78
Full-time equivalent direct support	<u>0.59</u>
Total	8.43

Despite the fact that childcare can be a very complex program to administer, the number of funding streams compared to WIA for example are limited and easier to control. There have always been sufficient funds to provide the oversight necessary to monitor the program so there is no real need for additional staff beyond that already assigned.

SELECT NEW INITIATIVES

1. Enhance integration of child care services into the workforce centers by reviewing best practices identified in other workforce areas.
2. Implement Workflow automated case management system.
3. Implement automated attendance tracking system.

WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) & SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (SNAP)

BACKGROUND AND PROGRAM SUMMARY

Two employment programs administered by the Workforce Development Division are incentivized services. That is to say, for a participant to receive a specific benefit, they must sign up for and participate in employment programs. The Workforce System is responsible for implementing the work requirement associated with the Temporary Assistance for Needy Families (**TANF**) Block Grant through the Choices Program. Certain TANF Recipients are required to work or participate in work related activities as a condition of receiving their cash assistance. The Workforce system provides employment and supportive services to enable these activities and initiates sanctions against those recipients who do not participate in work.

Similarly, the Supplemental Nutrition Assistance Program (SNAP) provides employment and training services for recipients of food stamps. The goal is to assist SNAP recipients in obtaining employment - including provision of work opportunities for 18- to 50-year-old Able-Bodied Adults Without Dependents (ABAWDs) - through participation in work programs and education and training activities. Support services for transportation, dependent care expenses, and other expenses that are reasonable, necessary, and directly related to participation in SNAP activities are evaluated based on individual need. Payment for General Educational Development (GED) testing and certificates of high school equivalency also is available.

OBJECTIVES

1. Reduce welfare dependency.
2. Increase employability of recipients.
3. Reduce dependence on Food Stamp benefits by providing employment opportunities for SNAP recipients.

ESSENTIAL WORK TASKS

1. Manage the contracts for Choices services by the workforce staff.
2. Development and enforcement of contractual requirements
3. Monitor compliance with program requirements
4. Contract with basic remedial education services for TANF recipients.

PRIMARY PERFORMANCE MEASURES

Items Measured	2011	2012 Standard	Current Performance	Status
New TANF measures are being finalized from the state and will be released for the new fiscal year at a later date. There is currently no TANF measure other than the common measures.				

SUMMARY OF FISCAL RESOURCES FOR TANF AND SNAP PROGRAMS

TANF

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	1,942,580	1,908,528	1,805,992	-5%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	1,942,580	1,908,528	1,805,992	-5%
EXPENDITURES				
Salaries and Fringe Benefits	121,511	125,713	149,648	19%
Other Direct Program Expenses	31,494	22,339	27,252	22%
Total Pass Through	1,746,947	1,717,940	1,575,934	-8%
Total Direct Program Expenses	1,899,952	1,865,992	1,752,834	-6%
Direct Internal Services	16,439	15,889	21,255	34%
Shared Costs	26,189	26,648	31,902	20%
Total Program Expenses	1,942,580	1,908,528	1,805,992	-5%

Notable Changes from Prior Year

Revenue – Funding for 2013 is to be reduced by 5%.

Expenditures- The reduction in Pass Through funds is needed to fund additional Program staff that will be assigned to the SNAP program. Additional Other Direct Program Expenses (22% increase) are mostly to cover additional travel expenses of the new staff.

SNAP

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	405,546	526,533	543,342	3%
	State Assistance	214,293	181,501	147,788	-19%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	619,839	708,034	691,130	-2%
EXPENDITURES					
	Salaries and Fringe Benefits	37,329	49,647	84,405	70%
	Other Direct Program Expenses	8,510	4,998	10,286	106%
	Total Pass Through	560,996	636,533	<u>566,472</u>	<u>-11%</u>
	Total Direct Program Expenses	606,835	691,178	661,163	-4%
	Direct Internal Services	4,953	6,332	11,973	89%
	Shared Costs	8,051	10,524	17,994	71%
	Total Program Expenses	619,839	708,034	691,130	-2%

Notable Changes from Prior Year

Revenue – Overall decrease of 2% based on 19% decrease in state funding.

Expenditures- The reduction in Pass Through funds is needed to fund additional Program staff that will be assigned to the SNAP program. Additional Other Direct Program Expenses (106% increase) are mostly to cover additional travel expenses of the new staff.

HUMAN RESOURCE REQUIREMENTS

WORKFORCE DIVISION - TANF/SNAP

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	2.75
Full-time equivalent direct support	0.13
Total	2.88
<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	2.61
Full-time Fiscal Management	0.89
Full-time equivalent direct support	0.12
Total	3.62

Increase in assigned personnel to Fiscal Management that had been identified as a deficiency in several monitory visits.

SELECT NEW INITIATIVES

1. Implement Work Keys Assessment to improve quality of work referrals.
2. Implement new standard for administrative costs.
3. Enhance the integration of workforce services/programs into a seamless system that provides maximum benefit for employers and job seekers.
4. Implement vocational education for Choices participants and TANF eligible low income families.

REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION

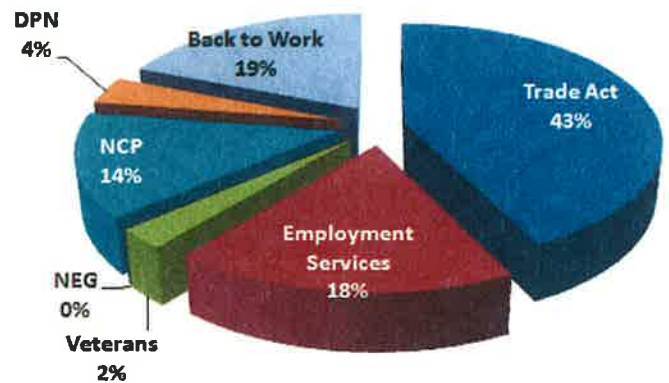
TARGETED TRAINING AND EMPLOYMENT AID

BACKGROUND AND PROGRAM SUMMARY

The preceding three Workforce Programs (WIA, CHILDCARE and SNAP/TANF) represent 94% of budgeted funds for the Regional Workforce and Economic Development Division. Because the next eight Programs represent only 6% of Workforce funds they are combined in this one Sub-section instead of being treated separately. The lower dollar amount of these programs do not diminish their importance especially to those participants that benefit from these programs, but because one of the programs is not funded for 2013 and most others have diminished funding levels, a combined summary will still provide sufficient information relative to the purpose, objectives and performance measures of each program.

While all Workforce Development Programs provide employment and training assistance for the unemployed irrespective of their particular circumstances, programs summarized here target specific categories of the unemployed such as veterans, those that have lost their jobs due to foreign competition or plant closings, etc.

Breakdown of 2013 Funding



The following pages contain brief descriptions of each of the programs that identify the target constituency, objectives of the programs, essential work tasks of Workforce staff assigned to administer them and primary performance measures which are unique to each one.

Fiscal Resources and Human Resource Requirements are combined into one table for all seven programs, however, appropriate comments relative to funding for each individual program are found in the last item under each heading. Funding for the seven programs found in this section come from ten different grants. Following is a breakdown of actual funding amounts for each grant and that amount relative to funding received in this current fiscal year 2012.

<u>Program Funded</u>	<u>Amount 2013</u>	<u>% Incease/ (Decrease)</u>
Trade Act	\$ 730,307	-36%
Employment Services	\$ 305,164	-37%
Veterans	\$ 45,600	-37%
NEG	\$ -	-100%
NCP	\$ 238,979	19%
DPN	\$ 64,000	0%
Back to Work	\$ 320,189	16%
Total	\$ 1,704,239	

TRADE ACT FOR DISLOCATED WORKERS – The Trade Adjustment Assistance Act provides training, job search, and relocation to individuals who are no longer employed due to foreign competition.

OBJECTIVES -To assure that manufacturing workers losing their jobs due to foreign imports receive professional employment assistance quickly.

ESSENTIAL WORK TASKS- Coordinate the delivery of services for workers displaced due to foreign competition with the workforce center system, state workforce officials, and local community partners. This may include assistance with the preparation of a petition designating a displacement as trade affected or advocating for approval of such a petition by state or federal officials.

SELECT NEW INITIATIVES

Implementation of new administrative cost categories and implementation of legislative changes pending in Congress.

BUDGET COMMENTS

Funding under the Trade Act Grant is expected to decrease by 36% from the amount received in 2012.

EMPLOYMENT SERVICES This program was established in 1933 to provide universal access to job matching services for employers and job seekers.

OBJECTIVES - The program was established in 1933 to provide universal access to job matching services for employers and job seekers.

ESSENTIAL WORK TASK- Establishment of workforce center system for use by employers and job seekers.

PRIMARY PERFORMANCE MEASURES

The Texas Workforce Commission adopted a set of common measures that apply to all programs:

Items Measured	2011	2012 Standard	Current Performance	Status
Claimant Reemployment within 10 weeks	57.28%	57.90%	55.52%	Missing
Total Job Postings Filled	35.39%	31.10%	29.69%	Missing
Total Employer Success Rate	50.77%	47.30%	46.66%	Missing
Employer Workforce Assistance	17.85%	13.74%	14.06%	Exceeding

SELECT NEW INITIATIVES

1. Implementation of new electronic tools for collecting job opening data for matching opportunities with job applicants.
2. Work Keys Assessment for job seekers.
3. Development of Job Readiness Certificate.
4. Development of electronic interviewing tools for employers.

BUDGET COMMENTS- Estimates for the Employment Services Grant are expected to decrease by 37%. Expenditures for Admin. Cost, Internal Direct Costs and Shared (Indirect) Costs will decrease from between 45% and 50%. Pass through amounts to the contractor will decrease by 36%.

VETERANS EMPLOYMENT SERVICES- The Veterans program offers employment services, referral, and job training to veterans and disabled veterans.

OBJECTIVE- To assure that returning veterans are fully integrated into the local workforce.

ESSENTIAL WORK TASKS

1. Management of contracts including review of financial reports, development, and enforcement of contractual requirements.
2. Monitor compliance with program requirements.
3. Coordinate workforce center staff activities to assure adequate facilities, computer resources, and other supplies and equipment are available for program staff.

SELECT NEW INITIATIVES - This program is expected to continue as currently operated.

BUDGET COMMENTS - Estimated funding for this program which comes from the State is expected to decrease by 37% for 2013.

NATIONAL EMERGENCY GRANT (NEG)- The National Emergency Grant (NEG) focused on long-term workforce development strategies and provided training to dislocated workers in occupational areas of projected growth. These services are targeted for workers from specific industries in the region which have closed or experience major layoffs. The program was established in 1933 to provide universal access to job matching services for employers and job seekers.

BUDGET COMMENTS - Program ended on April 30, 2012.

NON CUSTODIAL PARENT -The Non-Custodial Parent Choices Employment Project (NCPCEP) is an employment project that targets low-income, unemployed, or underemployed noncustodial parents (NCPs) who are behind on their child support payments and whose children are current or former recipients of public assistance. The goal of the project is to help NCPs, who have substantial barriers to employment and career advancement, become economically self-sufficient while also making consistent child support payments.

The Workforce Solutions East Texas Board (WSETB) through its workforce center service provider works in collaboration with the Texas Office of the Attorney General (OAG) Child Support Service and, the local court system to accomplish the project goals. NCPs ordered into the project by the court system will willingly either participate in the project or will be subject to judicial consequences, up to and including jail time, as directed by the local court system. Entering and retention in employment are a critical part of the Workforce side of this project to meet the Attorney General's goal of increasing child support collections. This program is currently available only in Gregg County.

OBJECTIVES-

1. Serve 15 Gregg County Non-Custodial Parents per month.
2. Achieve 12 entered employments of Non-Custodial Parents per month with a retention of at least six months for 60% of those entering employment.
3. Facilitate innovative employment concepts for the target group, NCPs.

NON CUSTODIAL PARENT (CONT.)

ESSENTIAL WORK TASK- Management of contracts including review of financial reports, development and enforcement of contractual requirements, and monitor compliance with program requirements. Collaborate with local OAG to review and improve processes.

PRIMARY PERFORMANCE MEASURES-

Items Measured	2011	2012 Standard	Current Performance	Status
Obtained Employment Rate	82%	65.00%	82.00%	Exceeding
Retained Employment Rate	65%	50.00%	66.00%	Exceeding

NEW SELECT NEW INITIATIVES- Provide short term training and workshops for participants.

BUDGET COMMENTS -Estimated funding for this program is expected to be increased by 19% to \$238,979 due to the promising results shown over the last few years to find employment for those behind on their child support payments.

DISABILITY PROGRAM NAVIGATOR (DPN)

The DPN Initiative seeks to develop and sustain ongoing partnerships to achieve seamless, comprehensive and integrated services, to expand the capacity of the workforce investment system to serve customers with disabilities and employers, and to create systemic change in the delivery of services.

This program was funded at \$75,793 for the 2011 budget year. Funds in the amount of \$64,000 were available to continue for this program in 2012. It essentially funds one person to administer the program and remains at \$64,000 for 2013.

BACK TO WORK

The Texas Back-To-Work Program subsidizes the employment of Unemployment Insurance (UI) claimants who previously earned less than \$15 an hour. It targets first time UI claimants. The goal of the program is to aid Texans' timely reattachment to the workforce with the appropriate skills needed to be successful on the job and be retained in employment. A total of \$2,000 per participant may be paid to an employer who employs the eligible UI claimant over a four month period.

OBJECTIVES - Develop training agreements with employers of East Texas for the training and placement of 115 residents of the region.

ESSENTIAL WORK TASKS - Management of contracts including review of financial reports, development and enforcement of contractual requirements, and monitor compliance with program requirements.

BUDGET COMMENTS -Estimated funding for this program is expected to be increased by 19% to \$238,979 due to the promising results shown over the last few years to find employment for those behind on their child support payments.

SUMMARY OF FISCAL RESOURCES FOR TARGETED TRAINING AND EMPLOYMENT AID

The summary of fiscal resources shown here is a composite of all programs listed in this subsection.

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	2,051,442	2,465,330	1,338,450	-46%
State Assistance	746,210	72,258	365,789	406%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	2,797,652	2,537,588	1,704,239	-33%
EXPENDITURES				
Salaries and Fringe Benefits	101,300	102,943	57,061	-45%
Other Direct Program Expenses	22,865	11,980	11,613	-3%
Total Pass Through	2,639,654	2,387,566	1,615,251	-32%
Total Direct Program Expenses	2,763,819	2,502,489	1,683,925	-33%
Direct Internal Services	11,985	13,278	8,149	-39%
Shared Costs	21,848	21,821	12,165	-44%
Total Program Expenses	2,797,652	2,537,588	1,704,239	-33%

Significant changes from prior year. One of the seven programs (NEG) is not scheduled to receive any funding for 2013. Of the remaining six programs, three are losing approximately 37% of their funding, two are increasing at an average of about 17% and one (DPN) remains at the same level as 2012. Approximately 94.7% of the funds received are earmarked for pass through for direct program expenses.

HUMAN RESOURCE REQUIREMENTS

WORKFORCE DIVISION - Targeted Support Programs

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	1.90
Full-time equivalent direct support	0.00
Total	1.90
<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	0.64
Full-time Fiscal Management	0.60
Full-time equivalent direct support	0.00
Total	1.24

The 37% reduction in staffing reflects a corresponding reduction of 33% in the amount of funding available for expenditures.

**REGIONAL WORKFORCE AND ECONOMIC
DEVELOPMENT DIVISION**
JOB ACCESS AND REVERSE COMMUTE (JARC)

BACKGROUND AND PROGRAM SUMMARY

The Job Access and Reverse Commute (JARC) program was established to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. Many new entry-level jobs are located in suburban areas, and low-income individuals have difficulty accessing these jobs from their inner city, urban, or rural neighborhoods. In addition, many entry level-jobs require working late at night or on weekends when conventional transit services are either reduced or non-existent. Finally, many employment related-trips are complex and involve multiple destinations including reaching childcare facilities or other services.

For 2013, this Program has been moved to Transportation.

SUMMARY OF FISCAL RESOURCES FOR JOB ACCESS AND REVERSE COMMUTE

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance		803	288,057	-	-100%
State Assistance		-	-	-	
Local Assistance		-	-	-	
Other Income (Grants Direct Charges)		-	-	-	
Total Revenue		803	288,057	-	-100%
EXPENDITURES					
Salaries and Fringe Benefits		550	-	-	
Other Direct Program Expenses		-	-	-	-
Total Pass Through		-	288,057	-	-100%
Total Direct Program Expenses		550	288,057	-	-100%
Direct Internal Services		78	-	-	
Shared Costs		175	-	-	
Total Program Expenses		803	288,057	-	-100%

REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION RECOVERY ACT- STATEWIDE ARRA

BACKGROUND AND PROGRAM SUMMARY

The American Recovery and Reinvestment Act provide funding for supplemental services to be provided through Title I of the Workforce Investment Act and the Wagner-Peyser Act. These programs ordinarily provide matching as well as more intensive interventions to assist dislocated workers and unemployed and underemployed workers and youth.

Funding for this program expired in 2011 but is still included here to capture historical budgetary information from 2011.

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	43,159	-	-	0%
	State Assistance	-	-	-	0%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	43,159	-	-	0%
EXPENDITURES					
	Salaries and Fringe Benefits	5,888	-	-	0%
	Other Direct Program Expenses	671	-	-	-
	Total Pass Through	<u>34,694</u>	<u>-</u>	<u>-</u>	<u>0%</u>
	Total Direct Program Expenses	41,253	-	-	0%
	Direct Internal Services	657	-	-	0%
	Shared Costs	<u>1,249</u>	<u>-</u>	<u>-</u>	<u>0%</u>
	Total Program Expenses	<u>43,159</u>	<u>-</u>	<u>-</u>	<u>0%</u>

REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION

ECONOMIC DEVELOPMENT ADMINISTRATION (EDA)

BACKGROUND AND PROGRAM SUMMARY

The Economic Development Administration (EDA) was established under the Public Works and Economic Development Act of 1965 (42 U.S.C. § 3121), as amended, to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas of the United States. EDA assistance is available to rural and urban areas of the Nation experiencing high unemployment, low income, or other severe economic distress.

In fulfilling its mission, EDA is guided by the basic principle that distressed communities must be empowered to develop and implement their own economic development and revitalization strategies. Based on locally and regionally developed priorities, EDA works in partnership with state and local governments, regional economic development districts, public and private nonprofit organizations, and Indian tribes. EDA helps distressed communities address problems associated with long-term economic issues, as well as sudden and severe economic dislocations including recovering from the economic impacts of natural disasters, the closure of military installations and other Federal facilities, changing trade patterns, and the depletion of natural resources.

The East Texas Economic Development District was formed in 1993 of the seven counties that were not included in the Northeast Texas Economic Development District (NETEDD). In 2005, Wood County was added increasing the District to eight counties and then in 2010 Gregg, Upshur, Harrison and Panola Counties were added which increased the district to twelve counties. The goal of the ETEDD is to promote economic development throughout the district, to assist cities with applying for EDA funding, and to seek additional sources of funding for various projects not eligible under EDA guidelines.

OBJECTIVES

To plan and implement local and regional economic development projects and programs designed to create or retain jobs in the East Texas Economic Development District.

ESSENTIAL WORK TASKS

1. Update and maintain the Comprehensive Economic Development Strategy (CEDS) every 5 years.
2. Update and maintain the Comprehensive Economic Development Strategy Work Plan annually.
3. Compile employment data and funding sources as a result of CEDS work plan.
4. Provide administrative support for the ETEDD Board of Directors.
5. Serve as a technical resource for area Economic Development Corporations.
6. Assist local governments and EDCs with development of EDA Grant Projects.
7. Participate in and support Northeast Texas Economic Developer's Roundtable.
8. Participate in and support regional initiatives dedicated to economic development.
9. Complete and submit all required reports to EDA including the final EDA and job report.
10. Apply for EDA funding for the new fiscal year.
11. Create a plan to market East Texas throughout the nation.

SUMMARY OF FISCAL RESOURCES FOR ECONOMIC DEVELOPMENT ADMINISTRATION

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	61,036	55,833	66,600	19%
State Assistance	-	-	-	0%
Local Assistance	40,691	27,500	44,400	61%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	101,727	83,333	111,000	33%
EXPENDITURES				
Salaries and Fringe Benefits	66,007	55,519	75,118	35%
Other Direct Program Expenses	13,638	8,383	9,265	11%
Total Pass Through	-	-	-	0%
Total Direct Program Expenses	79,645	63,902	84,383	32%
Direct Internal Services	7,804	7,662	10,602	38%
Shared Costs	14,278	11,769	16,014	36%
Total Program Expenses	101,727	83,333	111,000	33%

Significant Changes from Prior Year

Revenue - The overall increase of 19% in revenues reflects a conservative estimate of anticipated revenues for FY 2013. Due to the fact that the persons administering this program during 2012 resigned in April of 2102, until recently there was no one assigned to run this program on a full time basis so there was a great deal of carryover from the prior year.

Expenditures- As a result of the integration of the Economic Development group into Workforce, with the intent to expand the scope of services provided in the region related to economic development issues, the staff was increased by 36% as shown in the comparison below. This accounts for the 33% increase in Expenditures for 2013 in EDA.

HUMAN RESOURCE REQUIREMENTS

WORKFORCE/ ECONOMIC DEVELOPMENT DIVISION - EDA

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	0.98
Full-time equivalent direct support	0.01
Total	0.99
<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	1.17
Full-time Fiscal Management	0.15
Full-time equivalent direct support	0.03
Total	1.35

PRIMARY PERFORMANCE MEASURES

1. Conduct a minimum of four, ETEDD Board of Directors Meetings.
2. Sponsor or participate in workshops on economic development issues.
3. Participate in NETEDR meetings and industry tours.
4. Provide technical assistance to ten cities within ETEDD.
5. Assist with grant applications for local projects as needed.
6. Create and distribute EDA Annual Report.

REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION ETRDC & CHAPMAN LOAN PROGRAM

BACKGROUND AND PROGRAM SUMMARY

Since 1983, the East Texas Regional Development Company (ETRDC) has provided small businesses in Texas with the financing they needed to expand or even start their business. The East Texas Regional Development Company is a private, non-profit, organization formed for the purpose of assisting small businesses and licensed by the U.S. Small Business Administration (SBA). The ETRDC has helped many Texas business owners achieve long term financing for all of their business needs. The Chapman Loan Program (CLP) is designed to provide long term financing to East Texas Businesses in a 14 county area. Loan proceeds can be used for a variety of purposes including inventory and working capital. Proceeds can also be used to help with equity injections.

SBA 504 Loan Program

The SBA 504 Program is designed to provide long-term, fixed rate financing, to eligible businesses. Loan proceeds can be used for fixed assets such as real estate and long life equipment (10 years of life or more), new construction, and even improvements to existing properties.

Economic Development Loans

The CLP Economic Development Loan Program is designed to financing to cities, counties and non-profit economic development organizations in a 14 county area. Loan proceeds can be used for infrastructure improvements to assist local business.

OBJECTIVES

To provide staffing and administrative support to the East Texas Regional Development Company (ETRDC) in order to provide small businesses throughout the State of Texas with fixed rate, long term financing, for needs ranging from fixed assets to working capital.

ESSENTIAL WORK TASKS

1. Market loan programs to area lenders and small business.
2. Coordinate efforts with Kilgore College, Northeast Texas Community College and Angelina College Small Business Development Center's (SBDC's) to educate local lenders.
3. Compile and maintain list of area lenders and small businesses for marketing efforts.
4. Provide administrative and fiscal support for ETRDC Board of Directors.
5. Maintain business plan for the ETRDC.
6. Participate in North Texas Association of Government Guaranteed Lenders (NTAGGL).
7. Participate in the National Association of Development Companies (NADCO) and attend the annual conference.
8. Complete and submit Annual Report to the SBA and Board of Directors.

SUMMARY OF FISCAL RESOURCES FOR ETRDC & CHAMPMAN LOAN PROGRAM

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	-	-	-	0%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	<u>93,910</u>	<u>123,538</u>	<u>112,000</u>	<u>-9%</u>
Total Revenue	93,910	123,538	112,000	-9%
EXPENDITURES				
Salaries and Fringe Benefits	27,886	62,920	53,036	-16%
Other Direct Program Expenses	56,360	38,836	40,188	3%
Total Pass Through	-	-	-	
Total Direct Program Expenses	84,246	101,756	93,224	-8%
Direct Internal Services	3,648	8,445	7,470	-12%
Shared Costs	<u>6,016</u>	<u>13,337</u>	<u>11,306</u>	<u>-15%</u>
Total Program Expenses	93,910	123,538	112,000	-9%

Significant Changes from Prior Year

Revenue – Interest income from loans made in the past are reduced due to pay off of some outstanding amounts and defaults on several of the loans that occurred in the past year or so.

Expenditures- Expenditures had to be adjusted to match the lesser amount of income.

HUMAN RESOURCE REQUIREMENTS

WORKFORCE/ ECONOMIC DEVELOPMENT DIVISION - ETRDC

2012 Actual	FTE
Full-time equivalent direct	1.41
Full-time equivalent direct support	0.00
Total	1.41

2013 Proposed	FTE
Full-time equivalent direct Admin.	0.87
Full-time Fiscal Management	0.01
Full-time equivalent direct support	0.00
Total	0.88

PRIMARY PERFORMANCE MEASURES

1. Process at least 9 SBA 504 loans through SBA approval.
2. Close at least 80% of the loans through SBA approval.
3. Process at least 1 Chapman Loan Program loan.
4. Close all Chapman loans from the prior year.
5. Provide technical assistance in the area of Small Business Lending to at least five EDCs.

REGIONAL WORKFORCE AND ECONOMIC DEVELOPMENT DIVISION COMMUNITY DEVELOPMENT BLOCK GRANT

BACKGROUND AND PROGRAM SUMMARY

The main objective of The Texas Community Development Block Grant (TXCDBG) program is to provide technical assistance in the area of Community Development and provide staff support to the Regional Review Committee for scoring TXCDBG Grant applications. The program is administered by the Texas Department of Rural Affairs (TDRA). ETCOG provides staff support to the East Texas Regional Review Committee (RRC) who makes recommendations to the state regarding which applications should be funded. The RRC members are selected by the Governor's Office. In 2008, ETCOG staff along with the East Texas RRC revised its scoring criteria to meet the new objective scoring requirements. While no longer scoring specific applications, the RRC still maintains control over the program by establishing the number of points available for each category. In 2010, the RRC chose to continue with the objective scoring criteria for the next funding cycle.

OBJECTIVES

The CDBG program works to ensure decent affordable housing, to provide services to the most vulnerable in our communities, and to create jobs through the expansion and retention of businesses. CDBG is an important tool in helping local governments to tackle serious challenges facing their communities. The CDBG program has made a difference in the lives of millions of people and their communities across the Nation.

ESSENTIAL WORK TASKS

1. Assist eligible localities with the collection and analysis of necessary data in order to assist in their access of Texas Community Development Program funds.
2. Conduct activities to further fair housing within the region.
3. Facilitate participation among localities in TXCDBG meetings and hearings, and provide information on TXCDBG requirements.
4. Complete and submit grant applications for local projects as needed and quarterly TDRA reports.

SUMMARY OF FISCAL RESOURCES FOR COMMUNITY DEVELOPMENT BLOCK GRANT

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	16,056	16,056	12,060	-25%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	16,056	16,056	12,060	-25%
EXPENDITURES				
Salaries and Fringe Benefits	11,225	10,641	8,660	-19%
Other Direct Program Expenses	788	1,675	311	-81%
Total Pass Through	-	-	-	0%
Total Direct Program Expenses	12,013	12,316	8,971	-27%
Direct Internal Services	1,530	1,485	1,242	-16%
Shared Costs	2,514	2,255	1,846	-18%
Total Program Expenses	16,056	16,056	12,060	-25%

Significant Changes from Prior Year

Revenue – Anticipated reduced funding from state by 25%.

Expenditures- Expenditures were reduced, less staff assigned and less operating expenses to be used.

HUMAN RESOURCE REQUIREMENTS

**WORKFORCE/ ECONOMIC DEVELOPMENT DIVISION -
COMMUNITY BLOCK GRANT PROGRAM**

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	0.17
Full-time equivalent direct support	0.00
Total	0.17

<u>2013 Proposed</u>	
Full-time equivalent direct Admin.	0.10
Full-time Fiscal Management	0.02
Full-time equivalent direct support	0.00
Total	0.12



Providing seniors with Information, Referral and Assistance



Offering appointments with nutrition education, medication management & benefits counseling



Providing nutrition, caregiving, respite services and more



Aging

AREA AGENCY ON AGING DIVISION

OVERVIEW

The Area Agency on Aging (AAA) of East Texas was established in 1973 in accordance with provisions of the Older Americans Act Comprehensive Services Amendment (Title V of the Older Americans Act). The AAA is an operational unit of the East Texas Council of Governments which was designated by the Governor of Texas as the aging services planning unit for East Texas. Initially, the AAA provided nutrition services only. As funding became available from the State, AAA expanded its services to include benefit counseling/legal assistance, emergency response, in-home services, information, referral and assistance, medication management, home repairs, ombudsman, and other support services.

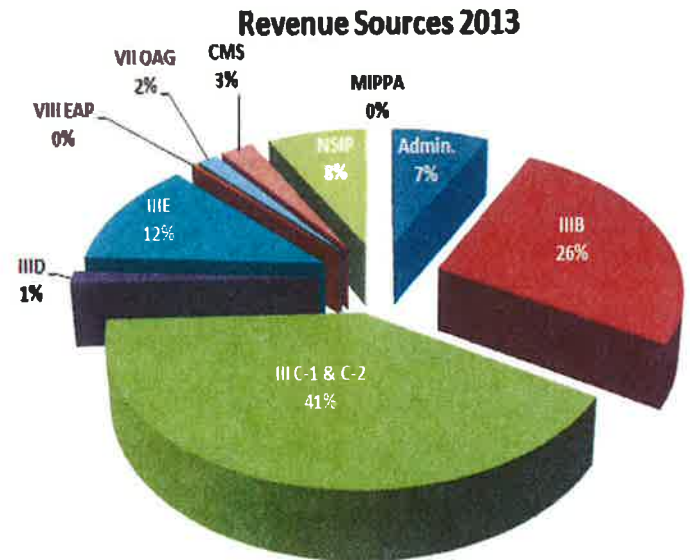
AAA of East Texas in collaboration with seniors groups in cities and counties serves seniors throughout the fourteen counties served by the East Texas Council of Governments. Working alongside Workforce Solutions East Texas, AAA shares an office in Tyler, Texas.

The AAA Advisory Board provides policy direction and oversight for Aging programs. Direction and support is also provided by the Texas Department of Aging and Disabilities (DADS) headquartered in Austin. The AAA Advisory Board members are nominated by local elected officials and approved by the East Texas Council of Government’s Executive Committee. The Aging Advisory Committee is comprised of representative from each of the fourteen counties served by the East Texas Council of Governments.

The East Texas Council of Governments (ETCOG) serves as fiscal agent and administrative unit for AAA operations. Funding is received primarily from grants provided by the US Department of Health and Human Services and approximately 6.5% from the State. Along with pass-through costs for the contractors, costs for the ETCOG AAA Division identified in the ETCOG budget, include staff and associated costs for administrative and support duties on behalf of the AAA Advisory Board.

SUMMARY DESCRIPTION OF AREA AGENCY ON AGING

The Area Agency on Aging of East Texas is designated by the Texas Department of Aging and Disability Services to coordinate services for persons in East Texas who are 60 or older, with particular attention to low-income older individuals, low-income minority older individuals, older individuals with limited English proficiency, older individuals with disabilities, those with Alzheimer’s disease or related disorders and older individuals residing in rural areas.



As our population ages, it is important to provide support services which enable our seniors to live according to their choice, independently and with dignity. With a new face accompanying this changing population, we are constantly looking for new and innovative ways to keep up with the fast-paced baby boomers. We encourage and support volunteer and community groups to get involved.

The Area Agency on Aging is a program of the East Texas Council of Governments serving Anderson, Camp, Cherokee, Gregg, Harrison, Henderson, Marion, Panola, Rains, Rusk, Smith, Upshur, Van Zandt and Wood counties.

1. Nutrition — Home-delivered meals, congregate meals, and nutritional counseling.
2. Senior Centers — Places to go for nutrition services, employment services, and health screening, as well as a venue for social interaction and recreation.
3. In-Home Assistance — Support for homebound elderly who want to be as independent as possible, including housekeeping, domestic chores, personal care, and visitation.
4. Care Coordination — Arrangement and coordination of services for older people in the most efficient, economical way.
5. Transportation — Rides to essential destinations such as nutrition sites, senior centers, doctors' appointments, and grocery shopping.
6. Information, Referral, and Assistance — Help getting information about federal, state, or local services.
7. Benefits Counseling/Legal Assistance — Help provided by trained benefits counselors on public and private benefits. Referrals to other sources of advice on legal matters.
8. Nursing Home Ombudsmen — Trained and certified volunteer advocates, supervised by professionals, who visit nursing facilities and work with the residents, families, and facility employees to achieve the best possible care and quality of life.
9. Volunteer Services/Opportunities.
10. Home repair/Accessibility modification — Minor repairs or modifications of dwellings, occupied by older individuals that are essential for the health and safety of the occupant(s).

OBJECTIVES AND STRATEGIES

To plan, develop, implement, and sustain a service delivery system targeting older individuals with particular attention to low-income including low-income minorities, individuals with limited English proficiency, and older individuals residing in rural areas.

Benefits Counseling (Legal Assistance/Awareness) services — Advise or representation by an attorney, including assistance by a paralegal or law student under the supervision of an attorney, or counseling or representation by a non-lawyer such as a certified Benefits Counselor, where permitted by law, to older individuals with economic and social needs. Provide Legal Assistance to Medicare enrollees and eligible disabled (as determined by the Social Security Administration) Medicare pre-enrollees who are under age 60. This service will be provided by the AAA only if it received funding through the Centers for Medicare and Medicaid Services (CMS). Disseminate accurate, timely and relevant information, eligibility criteria, requirements and procedures to older individuals about public entitlement, health/long-term care services, individual rights, planning/protection options, and housing and consumer needs.

Care coordination services — assess the needs of older individuals and effectively plan, arrange, coordinate and follow-up services which most appropriately meet the identified needs as mutually defined by the older individual, a family member(s) or other caregiver(s).

Caregiver services – provide respite and supplemental services to family caregivers on a short-term basis to allow temporary relief from care giving responsibilities, reduce caregiver stress and reduce the risk of premature institutional placement of the care recipient.

Information, Referral and Assistance services – assess the needs of the inquirer, evaluate appropriate resources, assess appropriate response modes, indicate organizations capable of meeting those needs, provide enough information about each organization to help inquirer make an informed choice, help inquirers for whom services are unavailable by locating alternative resources, when necessary, actively participate in linking the inquirer to needed services, and follow up on referrals to ensure the service was provided.

In-home services – provide assistance to isolated and homebound older individuals who are functionally impaired in their ability to perform regular activities of daily living.

Nutrition services – provide nutritionally balanced meals, at congregate meal sites and delivered to home-bound participants, that meet the nutritional requirements as stated in the OAA and comply with Dietary Guidelines for Americans and recommended dietary allowances.

Ombudsman services – identify, investigate and resolve complaints made by, or on behalf of, residents of nursing facilities and assisted living facilities, and which relate to action, inaction or decisions, that may adversely affect the health, safety, welfare or rights of the residents, providers or representatives of providers, of long-term care services, public agencies or health and social service agencies.

Residential Repair services – provide repairs or modification of dwellings occupied by older individuals that are essential for the health and safety of the occupant(s).

Senior centers operations – operate community facilities which older individuals meet together to pursue mutual interests, receive services and/or take part in activities which will enhance their quality of life, support their independence and encourage their continued involvement in and with the community.

Transportation – transport older individuals from one location to another but does not include any other activity.

FUNDING STREAMS

Following are brief descriptions of the funding streams for Area Agency on Aging:

Title III Part B –To encourage State Agencies on Aging and Area Agencies on Aging to concentrate resources to develop and implement comprehensive and coordinated community-based systems of service for older individuals via Statewide planning, and area planning and provision of supportive services, including multipurpose senior centers. The objective of these services and centers is to maximize the informal support provided to older Americans to enable them to remain in their homes and communities. Providing transportation services, in-home services, and caregiver support services, this program insures that elders receive the services they need to remain independent.

Title III Part C1 & C2 -To provide grants to States to support nutrition services including nutritious meals, nutrition education and other appropriate nutrition services for older Americans in order to maintain health, independence and quality of life. Meals may be served in a congregate setting or delivered to the home, if the older individual is homebound.

Nutrition Service Incentive Program NSIP - Funds are made available to State agencies on aging and Indian Tribal Organizations to purchase foods of United States origin or to access commodities from the United States Department of Agriculture (USDA). These foods are to be used in the preparation of congregate and home-delivered meals by nutrition services programs. Commodities available from the USDA may not be sold, exchanged, or otherwise disposed of (authorized distribution excepted) without prior, specific approval of USDA.

Title III Part D - To develop or strengthen preventive health service and health promotion systems through designated State Agencies on Aging and Area Agencies on Aging. Funds are provided for disease prevention and health promotion services including health risk assessments; routine health screening; nutrition screening; counseling and educational services for individuals and primary care givers; health promotion; physical fitness; home injury control and home safety screening; screening for the prevention of depression, and referral to psychiatric and psychological services; education on availability of benefits and appropriate use of preventive services; education on medication management; information concerning diagnosis, prevention, and treatment of neurological and organic brain dysfunction; and counseling regarding social services and follow-up health services.

Title III Part E - To assist States, Territories in providing multifaceted systems of support services for: (1) Family caregivers; and (2) grandparents or older individuals who are relative caregivers. Services to be provided include: information to caregivers about available services; assistance to caregivers in gaining access to the services; individual counseling, and caregiver training to caregivers to assist the caregivers in making decisions and solving problems relating to their caregiving roles; respite care to enable caregivers to be temporarily relieved from their caregiving responsibilities; and supplemental services, on a limited basis, to complement the care provided by caregivers.

Title VII EAP - To support activities to develop, strengthen, and carry out programs for the prevention, detection, assessment, and treatment of, intervention in, investigation of, and response to elder abuse, neglect, and exploitation (including financial exploitation).

Title VII OAG- The principal role of this Ombudsman Program is to investigate and resolve complaints made by or on behalf of residents of nursing homes or other long-term care facilities. Ombudsmen also promote policies and practices needed to improve the quality of care and life in long-term care facilities and educate both consumers and providers about residents' rights and good care practices.

CMS Basic - The Centers for Medicare & Medicaid Services (CMS) conducts research, demonstrations, and evaluations in support of CMS' key role as a beneficiary-centered purchaser of high-quality health care at a reasonable cost. These grants awarded are in the form of research grants and cooperative agreements; Hispanic health services grants; historically black colleges and university grants. CMS research, demonstrations and evaluations will focus on expanding agency efforts to improve the efficiency of payment, delivery, access and quality of our health care programs that serve millions of beneficiaries.

MIPPA - To provide outreach to eligible Medicare beneficiaries regarding the benefits available under title XVIII of the Social Security Act, including the Medicare prescription drug benefit under Part D of title XVIII of the Social Security Act and under the Medicare Savings Program, and to coordinate efforts to inform older Americans about benefits available under Federal and state programs.

SUMMARY OF FISCAL RESOURCES FOR AREA AGENCY ON AGING DIVISION

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance		2,268,960	3,342,124	3,473,934	4%
State Assistance		189,307	251,554	190,107	-24%
Local Assistance		70,426	141,985	70,636	-50%
Other Income (Grants Direct Charges)		<u>19,323</u>	<u>19,323</u>	<u>19,323</u>	<u>0%</u>
Total Revenue		2,548,015	3,754,986	3,754,000	0%
EXPENDITURES					
Salaries and Fringe Benefits		572,015	528,220	769,447	46%
Other Direct Program Expenses		492,775	255,924	206,608	-19%
Total Pass Through		<u>1,267,339</u>	<u>2,799,991</u>	<u>2,543,164</u>	<u>-9%</u>
Total Direct Program Expenses		2,332,129	3,584,135	3,519,219	-2%
Direct Internal Services		91,819	58,882	70,749	20%
Shared Costs		<u>124,066</u>	<u>111,970</u>	<u>164,033</u>	<u>46%</u>
Total Program Expenses		2,548,015	3,754,986	3,754,000	0%

Revenue stays almost exactly the same from last year. The 4% increase in federal assistance offset the reductions of 24% and 54% respectively in State and Local Assistance. In order to fund fully the new positions, other contract services, supplies and public education had to be reduce.

HUMAN RESOURCE REQUIREMENTS

The Area Agency on Aging was also impacted by the WOR Study in that it was recognized that program staffing was insufficient to provide the control and oversight of operations that were needed to improve the Agencies record in meeting performance standards.

As a result, a total of approximately three and a half authorized positions are proposed to be added to AAA in 2013.

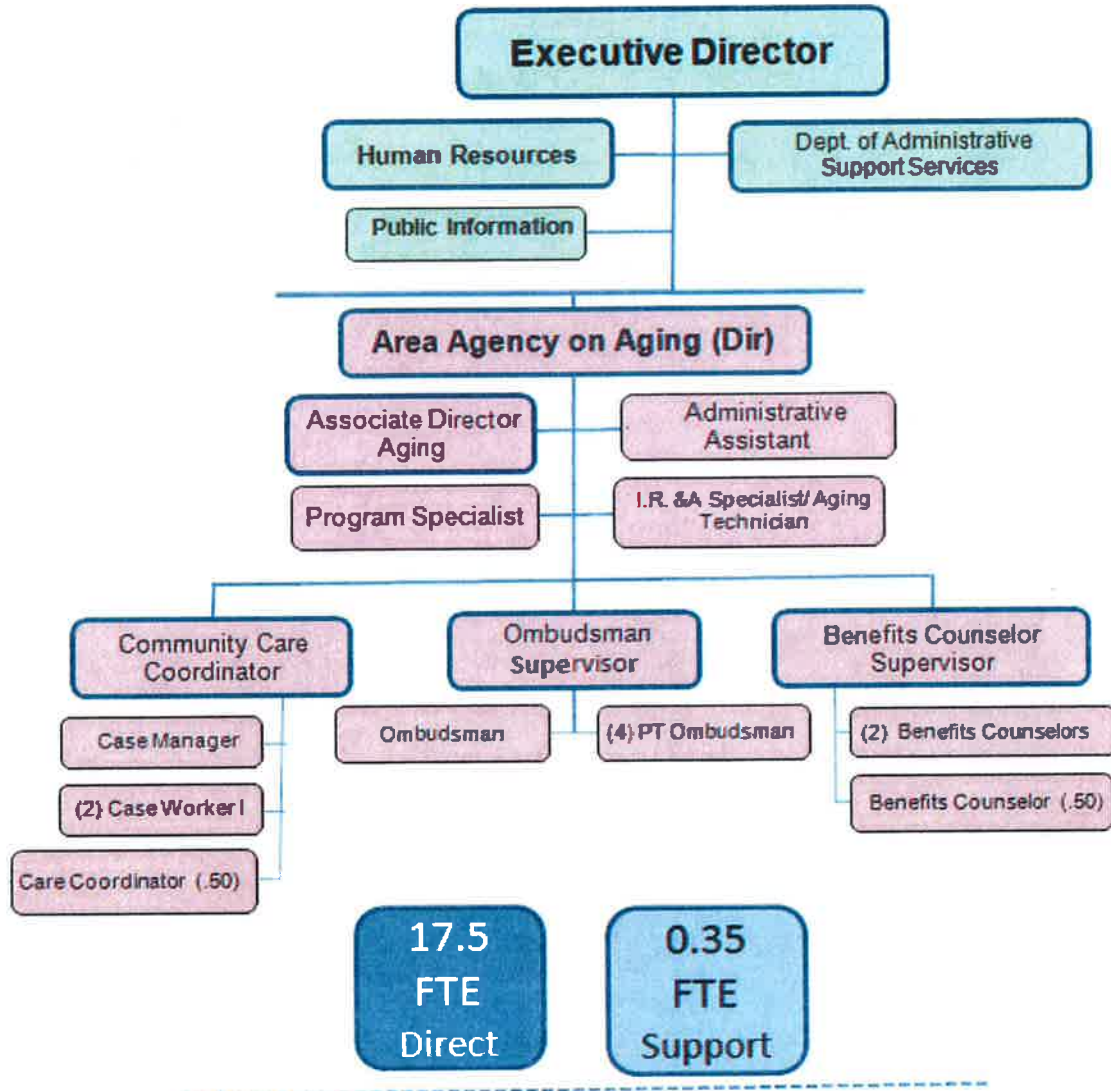
Area Agency on Aging	As of 10/1/2011	Area Agency on Aging	Proposed 2013
Director of Area Agency on Aging	1.00	Director of Area Agency on Aging	1.00
Associate Director of Aging	1.00	Associate Director of Aging	1.00
Contract Manager Assistant	1.00	Contract Manager Assistant	1.00
Community Care Coordinator	1.00	Program Specialist	1.00
Benefits Counseling Supervisor	1.00	Administrative Assistant	1.00
Benefits Counselor	1.00	Care Coordination	
Benefits Counselor Approved Mid-year	1.00	Community Care Coordinator	1.00
Case Manager	1.00	Case Manager	1.00
Case Worker I	1.00	(2) Case Worker I	2.00
Administrative Assistant	0.75	Care Coordinator	0.50
Nursing Home Ombudsman	1.00	Benefits Counseling	
Ombudsman*	0.50	Benefits Counseling Supervisor	1.00
Ombudsman*	0.50	Benefits Counselor	1.00
Ombudsman*	0.50	Benefits Counselor	1.00
Ombudsman*	0.50	Benefits Counselor	0.50
Ombudsman* Approved Mid-year	0.50	Ombudsman	
		Nursing Home Ombudsman (Supervisor)	1.00
		Ombudsman	1.00
		Ombudsman*	0.50
		Ombudsman*	0.50
		Ombudsman*	0.50
		Ombudsman*	0.50
		Ombudsman*	0.50
		Ombudsman*	0.50
Subtotal Direct	13.25	Subtotal Direct	17.50
Administrative Assistant	0.75	Mgr. Fiscal Management Services	0.10
Budget Analyst 10% of salary	0.10	Budget Manager	0.10
Subtotal Direct Support	0.85	Grant Mgmt. Services Specialist -Aging	0.15
Total FTEs Aging	14.10	Subtotal Direct Support	0.35
		Total FTEs Aging	17.85
* Part-time Permanent		* Part-time Permanent	

Opportunities/Challenges

In planning for activities for the upcoming year staff has identified the following issues:

1. Empowering clients will be a major component of the Benefits Counseling and Case Management programs. Senior clients will be actively involved in identifying and selecting those services they want and need. They will be assisted in maintaining autonomy and independence to the maximum degree possible.
2. Clients will be encouraged to select and utilize activities and preventive health services that enhance their quality of life and when necessary, the AAA will advocate and act to protect their rights and prevent abuse, neglect and exploitation.
3. Implement programs designed to improve the overall participation at the senior nutrition centers.
4. Maintaining to the fullest extent possible the current level of services offered to the senior population.
5. The Aging Advisory Committee has expressed a need for additional nutrition providers. Attempts have been made through the procurement process to expand outreach to potentially new providers.
6. Participate in Evidence-Based Prevention Programming activities directly related to establishing or expanding a program that will provide interventions based on the application of principles of scientific reasoning, behavior change theory and program planning that are proven effective in reducing the risk of disease, disability, and injury among older individuals and that will improve the health status of the senior population.

AREA AGENCY ON AGING ORGANIZATIONAL CHART 2013



AREA AGENCY ON AGING DIVISION

SERVICE SUPPORT – ALL PROGRAMS

BACKGROUND AND PROGRAM SUMMARY

The contents of this budget section include primarily services funded through Title II B of the Older Americans Act. Services that are eligible for funding from this source include administrative expenses, Ombudsman, Information Referral & Assistance, Care Coordination, and Legal Assistance for those over age 60, Legal Awareness, Transportation Demand Response, Residential Repair, Homemaker Services, Health Maintenance and Emergency Response. While some of these services are also funded in parts of the following sections, it would be difficult from a budgetary standpoint to parcel out this funding and funding from the State that also supports these functions into the following sub-sections, therefore this sub-section serves as more or less a catchall for Title III B funding that are applied to most all of the AA's substantive programs.

OBJECTIVES

To plan, develop, implement, and sustain a service delivery system targeting older individuals with particular attention to low-income including low-income minorities, individuals with limited English proficiency, and older individuals residing in rural areas.

ESSENTIAL WORK TASKS

1. Provide timely assessments of targeted older individuals, identifying their needs and developing a mutually agreed upon care plan addressing client needs.
2. Compliance, tracking, and reporting functions.
3. Provide public awareness and outreach activities- REACH (Regional Education on Aging, Care giving, Healthcare) and Housing Summit.

SUMMARY OF FISCAL RESOURCES FOR SERVICE SUPPORT – TITLE III PART B, State General Revenue and Other miscellaneous Revenue

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance		211,278	239,865	211,906	-12%
State Assistance		-	-	-	0%
Local Assistance		70,426	79,955	70,636	-12%
Other Income (Grants Direct Charges)		-	-	-	0%
Total Revenue		281,703	319,820	282,542	-12%
EXPENDITURES					
Salaries and Fringe Benefits		153,932	197,465	175,191	-11%
Other Direct Program Expenses		72,290	58,848	53,838	-9%
Total Pass Through		178	-	-	0%
Total Direct Program Expenses		226,401	256,313	229,029	-11%
Direct Internal Services		22,403	21,649	16,165	-25%
Shared Costs		32,900	41,858	37,348	-11%
Total Program Expenses		281,703	319,820	282,542	-12%

Significant Changes from Prior Year

Revenue – Anticipated revenue from DADS predicts a decrease of 12% in 2013, with a corresponding decrease in local fund contribution of 12%.

Expenditures- Based on the decrease in anticipated revenue salaries estimated to be charged to Title III Part B for administration were reduced by 11% with more time being charged to program s. Reductions in Total Direct Internal Services and Shared costs reflect reductions in the total base costs for these categories and WIA's reduced share of these costs.

HUMAN RESOURCE REQUIREMENTS**AGING DIVISION - Title III B**

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	8.47
Full-time equivalent direct support	<u>0.10</u>
Total	8.57
<u>2013 Proposed</u>	
Full-time equivalent direct	11.41
Full-time equivalent direct support	0.35
Total	11.76

In previous years, emphasis was placed on minimizing administrative costs of the Aging programs. As it turns out this practice was at the expense of focusing on performance measures. With the additional staff, there will be a renewed emphasis on quality control and insistence on meeting performance goals under each of the programs administered in this Division.

AREA AGENCY ON AGING DIVISION

SENIOR NUTRITION

BACKGROUND AND PROGRAM SUMMARY

The Older Americans Act, as Amended, provides funds for nutrition services for persons sixty years of age and older. Hot, nutritious meals provided five days a week, except with an approved waiver from Texas Department of Aging and Disability Services (TDADS), at a congregate meal site with home-delivered meals available to those who are not physically able to attend the meal site. Congregate meals are funded under provisions of the Older Americans Act, Title III, Section C.1. Home delivered meals are funded under the Older Americans Act, Title III, Section C.2, Title XIX of the Social Security Waiver and Title XX of the Social Security Act.

As currently authorized, OAA nutrition services programs include:

- *Congregate Nutrition Services (Title III-C1)*: Provides funding for the provision of meals and related services in a variety of congregate settings, which help to keep older Americans healthy and prevent the need for more costly medical interventions. Established in 1972, the program also presents opportunities for social engagement and meaningful volunteer roles, which contribute to overall health and well-being.
- *Home-Delivered Nutrition Services (Title III-C2)*: Provides funding for the delivery of meals and related services to seniors who are homebound due to illness, disability or geographic isolation. Established in 1978, home-delivered meals are often the first in-home service that an older adult receives, and serve as a primary access point for other home and community-based services.
- *Nutrition Services Incentive Program (NSIP) (Title III-A)*: Provides additional funding to States that is used to provide meals. Funds are awarded based on the number of meals served in the prior Federal fiscal year

East Texas Council of Governments, through Contractor/Vendor Agreements, prepare and deliver approximately 335,360 meals (97, 780 congregate approximately 36 congregate meal sites and 237,580 home delivered) within the East Texas fourteen county region.

OBJECTIVES

1. Provide nutritionally balanced meals that meet the nutritional requirements as stated in the OAA and comply with Dietary Guidelines for Americans.
2. Provide meals that are a minimum of 33 1/3 percent of the daily recommended dietary allowance.
3. Comply with applicable provisions of State or local laws regarding the safe and sanitary handling of food, equipment and supplies used in the storage, preparation services and delivery of meals to older individuals.
4. Ensure nutrition services will be available to older individuals and to their spouses, and may be made available to individuals with disabilities who are not older individuals but who reside in housing facilities occupied primarily by older individuals at which congregate nutrition services were provided.
5. Provide for nutrition screening and, where appropriate, for nutrition education and counseling.
6. Assure home delivered meals are offered 250 days per year to eligible individuals and offered 5 days per week except in some rural areas where such frequency is not feasible and a nutrition waiver has been approved.
7. Assure providers use approved regional menu cycles and substitutions that are appropriately analyzed for nutrient content in accordance with Dietary Reference Intakes (DRI) guidelines including Recommended Dietary Allowances (RDA) and the 2005 Dietary Guidelines for Americans (DGE) nutrition requirements, and take into consideration religious and ethnic preferences.
8. Assure providers have a contingency plan for emergency meals, especially for those homebound at greatest risk.

ESSENTIAL WORK TASKS

Access all home delivered meal participants and complete all required intake forms in a timely manner.

PERFORMANCE MEASURES

Annually, 523,000 meals served based on serving 250 days per year, offered 5 days per week, or compliance of the approved waiver, to eligible individuals. Based on the 2012 planning figures, we should be able to maintain the current congregate and home delivered meals service clients.

Items Measured	2011	2012 Standard	Current Performance	Status
Total Congregate Meals Served.	107,287	81,812	74,913	Meeting
Total Home Delivered Meals Served	396,805	280,846	254,729	Meeting
Nutrition Education	164	238	332	Exceeding

SUMMARY OF FISCAL RESOURCES FOR SENIOR NUTRITION Title III C-1,C-2 & NSIP

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	2,104,729	1,889,803	1,812,504	-4%
State Assistance	10,000	-	-	0%
Local Assistance	10,935	62,030	-	-100%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	2,125,664	1,951,833	1,812,504	-7%
EXPENDITURES				
Salaries and Fringe Benefits	-	-	-	
Other Direct Program Expenses	-	-	-	
Total Pass Through	2,125,664	1,638,554	1,526,334	-7%
Total Direct Program Expenses	2,125,664	1,638,554	1,526,334	-7%
Total Direct Internal Services	-	-	-	
Shared Costs	-	-	-	
Total Program Expenses	2,125,664	1,638,554	1,526,334	-7%

Significant Changes from Prior Year

Revenue - The decrease of 7% in revenues from the previous year is due to decreased funding from DADS (4%) and a Local Assistance contribution. In 2012 in order to minimize the impact on East Texas seniors, ETCOG provided a one-time investment of \$62,030 from local funds to support this program. This subsidy will not be continued in 2013.

Expenditures – Decrease in pass through.

HUMAN RESOURCE REQUIREMENTS**2013 Proposed**

Full-time equivalent direct, current year	N/A
Full-time equivalent direct support current year	<u>N/A</u>
Total	N/A

Services provided under the Senior Nutrition Programs are contracted out 100%.

SELECT NEW INITIATIVES

1. Implement strategy to increase the number of participants at congregate meal sites.
2. Implement various activities at the congregate meal sites which will stimulate participants' minds and increase their social skills.

AREA AGENCY ON AGING DIVISION

CAREGIVER TITLE III-E

BACKGROUND AND PROGRAM SUMMARY

The Assistant Secretary of the Department of Health and Human Services is commissioned to carry out a program for making grants to States with State plans approved under section 307 of the Older American's Act (OAA) as amended. The grants pay for the Federal share of the costs of programs to enable the Area Agency on Aging contractors to provide multifaceted systems for support services for family caregivers, grandparents, or older individuals who are relative caregivers. In December 2000, Congress approved President Clinton's \$125 million request to fund the new National Family Caregiver Support Program. This program was designed to provide critical support needed by families to assist them in maintaining their caregiver roles. Texas was allocated \$6.1 million to implement the federal caregiver initiative.

OBJECTIVES

Provide respite and supplemental services to family caregivers on a short-term basis to allow temporary relief from care giving responsibilities, reduce caregiver stress, and reduce the risk of premature institutional placement of the care recipient.

ESSENTIAL WORK TASKS

1. Coordinate information resources, education, training, counseling and support services to enhance caregiver services to meet the needs of caregivers.
2. To provide timely and quality assessments of targeted family caregivers and their care recipients, identifying their needs and develop a mutually agreed upon plan addressing their needs.

PERFORMANCE MEASURES

Items Measured	2011	2012 Standard	Current Performance	Status
Caregiver Information Services	1,840	5,000	17,387	Exceeding
Caregiver Adult Daycare	451	427	401	Meeting
Caregiver Respite In Home	6,695	6,390	5,781	Missing
Caregiver Respite Institutional	2,832	2,690	1,704	Missing
Instruction & Training	476	460	460	Missing

SUMMARY OF FISCAL RESOURCES FOR CAREGIVER TITLE III-E

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	427,937	365,782	401,092	10%
	State Assistance	50,000	50,000	50,000	0%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	477,937	415,782	451,092	8%
EXPENDITURES					
	Salaries and Fringe Benefits	106,215	88,143	125,705	43%
	Other Direct Program Expenses	23,166	15,640	15,449	-1%
	Total Pass Through	311,008	284,218	272,192	-4%
	Total Direct Program Expenses	440,390	388,001	413,346	7%
	Direct Internal Services	14,387	9,097	10,948	20%
	Shared Costs	23,160	18,684	26,798	43%
	Total Program Expenses	477,937	415,782	451,092	8%

Significant Changes from Prior Year

Revenue - Estimated net increase of 10% in federal funding and a constant amount of \$50,000 provided by the State each year results in an overall 8% increase in funding for 2013.

Expenditures- Due to the new "Indirect" rate and increase projected in Direct internal service charges, the costs of these line items increased 20% and 43% respectively. "Total Pass Through" had to be decreased by 4% to help offset the increased cost in salaries, direct and indirect costs.

HUMAN RESOURCE REQUIREMENTS

AGING DIVISION - Care Giver Title III E

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	1.88
Full-time equivalent direct support	0.00
Total	1.88
<u>2013 Proposed</u>	
Full-time equivalent direct	2.65
Full-time equivalent direct support	0.00
Total	2.65

AREA AGENCY ON AGING DIVISION OMBUDSMAN PROGRAM TITLE VII- EAP AND OAG

BACKGROUND AND PROGRAM SUMMARY

Residents in nursing homes are among the most frail and vulnerable Texans. At times, they need help to improve their quality of life and care. An ombudsman can provide assistance so all facility residents receive respectful and competent care.

Congress amended the Older Americans Act in 1978 to establish the Long-Term Care Ombudsman program to serve residents in long-term care facilities. Ombudsman services are available in every state and territory of the United States. In Texas, the **Office of the Long-Term Care Ombudsman** operates in the Texas Department of Aging and Disability Services.

The Texas Ombudsman Program advocates for quality of life and care for residents in nursing homes and assisted living facilities. Federal and state authority mandates ombudsmen to identify, investigate and resolve complaints made by, or on behalf of, residents and to provide services to help in protecting health, safety, welfare and rights. Information and assistance in choosing the most appropriate living residence is also a valuable service.

OBJECTIVES

Title VII EAP-To support activities to develop, strengthen, and carry out programs for the prevention, detection, assessment, and treatment of, intervention in, investigation of, and response to elder abuse, neglect, and exploitation (including financial exploitation).

Title VII OAG- The principal role of this Ombudsman Program is to investigate and resolve complaints made by or on behalf of residents of nursing homes or other long-term care facilities. Ombudsmen also promote policies and practices needed to improve the quality of care and life in long-term care facilities and educate both consumers and providers about residents' rights and good care practices.

ESSENTIAL WORK TASKS

Identify, investigate, and resolve complaints that relate to actions, inactions, or decisions that may adversely affect the health, safety, welfare, or rights of nursing home residents.

In coordination with the appropriate state or local government agencies, develop referral procedures for all long-term care ombudsmen to refer complaints when necessary to any appropriate state or local government agency; such referral procedures must conform to the appropriate state law for referring reports of potential abuse, neglect, exploitation or abandonment and shall contain wherever possible the information specified in the appropriate state reporting laws and shall not abridge the confidentiality requirements of this chapter.

Offer and provide services to assist residents and their representatives in protecting the health, safety, welfare, and rights of the residents.

Inform the residents, their representatives and others about resident rights and about the means of obtaining needed services, and work with the department of social and health services and long-term care facility administrators to assure that notices containing the name, address, and telephone number of the appropriate long-term care ombudsman are posted prominently in every long-term care facility.

Ensure that residents and their representatives have regular and timely access to the services provided through the ombudsman program, and ensure that the residents and complainants receive timely responses from representatives of

the ombudsman program. Provision shall be made by facilities and the ombudsman to secure privacy for the purpose of the ombudsman carrying out his or her duties, including, but not limited to, building relationships with and providing information to residents.

Represent the interests of residents before governmental agencies and seek administrative, legal, and other remedies to protect the health, safety, welfare, and rights of the residents. Analyze, comment on, and monitor the development and implementation of federal, state, and local laws, regulations, and other governmental policies and actions, which pertain to the health, safety, welfare, and rights of the residents, with respect to long-term care facilities and services in the state.

Establish a grievance procedure for the purpose of providing an appeal process for any individual dissatisfied with the actions of any ombudsman. The highest level of appeal shall be the contractor and the contractor's governing board. The grievance procedure is not intended to supplant any contracting or subcontracting agency's internally established grievance procedure for disputes not related to ombudsman duties.

PERFORMANCE MEASURES

Items Measured	2011	2012 Standard	Current Performance	Status
Certified Ombudsman	57	51	48	Meeting

SUMMARY OF FISCAL RESOURCES FOR OMBUDSMAN TITLE VII EAP & OAG

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	-	77,798	71,114	-9%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	-	77,798	71,114	-9%
EXPENDITURES				
Salaries and Fringe Benefits	-	56,285	53,636	-5%
Other Direct Program Expenses	-	1,929	229	-88%
Total Pass Through	-	-	-	0%
Total Direct Program Expenses	-	58,214	53,865	-7%
Direct Internal Services	-	7,653	5,815	-24%
Shared Costs	-	11,931	11,434	-4%
Total Program Expenses	-	77,799	71,114	-9%

Significant Changes from Prior Year

A 9% decrease in federal funding reflects a trend started in recent years towards lower funding levels for these social programs. Because of the reduced overall spending on salaries, Direct Internal Services and Shared Costs

are reduced concomitantly. The reduction in Salaries and benefits even though the number of FTE's increased is due to the fact that new hires in 2013 are paid at a lower rate than those in 2012 that have retired or left.

HUMAN RESOURCE REQUIREMENTS

AGING DIVISION - Ombudsman Title VII EAP & OAG

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	0.95
Full-time equivalent direct support	<u>0.00</u>
Total	0.95
<u>2013 Proposed</u>	
Full-time equivalent direct	1.54
Full-time equivalent direct support	<u>0.00</u>
Total	1.54

AREA AGENCY ON AGING DIVISION

INFORMATIONAL REFERRAL AND LEGAL ASSISTANCE – CMS/MIPPA

BACKGROUND AND PROGRAM SUMMARY

The State Health Insurance Assistance Program (SHIP) was created under Section 4360 of the Omnibus Budget Reconciliation Act (OBRA) of 1990 (Public Law 101-508). In Texas, the SHIP is known as the Health Information Counseling and Advocacy Program (HICAP), which is a partnership of the Area Agencies on Aging, Texas Legal Services Center, and the Texas Department of Insurance. The law authorizes the Secretary of the Department of Health and Human Services (DHHS) to make grants to states to establish and maintain statewide programs to provide health insurance information, counseling, and assistance to Medicare eligible individuals.

The Medicare Improvements for Patients and Providers Act (MIPPA) for beneficiary outreach and assistance grant is intended to strengthen the capability of states to enroll all Medicare eligible individuals who are eligible for the Low Income Subsidy (LIS) for Part D premiums and co-pays and Part B premiums.

OBJECTIVES

The SHIP grant is intended to strengthen the capability of states to provide all Medicare eligible individuals information, counseling, and assistance on health insurance matters. It also helps ensure states have a network of staff and volunteers to provide accurate and objective health insurance information, assistance in making informed health coverage decisions, and understanding related rights and protections.

Since implementation of the Medicare Modernization Act of 2003, the demand for information, counseling, and assistance services has grown. Objectives for the MIPPA grant are as follows:

1. Provide individual legal counseling/assistance services, legal assistance, legal awareness as well as information, referral and assistance services to a greater number of LIS eligible Medicare beneficiaries of any age, and/or their representative(s).
2. Ensure legal assistance services are locally accessible to LIS eligible beneficiaries who are unable to access other channels of information, and who need and/or prefer locally based individual information, counseling, and assistance services.
3. Increase target outreach to LIS eligible Medicare beneficiaries including, but not limited to, non-English speaking beneficiaries, disabled beneficiaries, and individuals residing in rural areas.

ESSENTIAL WORK TASKS

The SHIP grant will provide counseling and assistance to eligible individuals in need of health insurance information including:

1. Information that may assist individuals in obtaining benefits and filing claims under Title XVIII and XIX of the Social Security Act.
2. Policy comparison information for Medicare supplemental policies (as described in section 1882(g)(1) of the Social Security Act, as amended) and information that may assist eligible individuals with filing claims under such Medicare supplemental policies.
3. Information regarding long-term care insurance.
4. Information regarding Medicaid programs, including Medicare Savings Programs.

5. Information regarding other types of health insurance benefits that may be provided to eligible individuals in the state.
6. Information regarding health insurance coverage options created under the Balanced Budget Act of 1977 and subsequent amendments under the Balanced Budget Refinement Act of 1999.

PERFORMANCE MEASURES

Items Measured	2011	2012 Standard	Current Performance	Status
Legal Assistance over 60	702	667	644	Meeting
Legal Awareness	1,719	1,633	703	Missing
Instruction & Training	476	460	460	Meeting

PRIMARY PERFORMANCE MEASURES

Outreach activities include at least: 12 public presentations on Medicare and other benefits; 14 health fairs, providing literature and benefits information; and 14 Medicare Advantage and Part D enrollment events targeting seniors and/or caregivers. In addition, the Area Agency on

Aging of East Texas (AAA) plans to build a network within the current senior centers in our fourteen county region to update and revitalize these centers for the benefit of seniors and/or other caregivers. Total projected clients to be served - 75.

Participate in activities with CMS, DADS and other Health Information Counseling and Advocacy Program (HICAP) partners to assure benefits counselors are equipped to respond to a rapidly changing counseling environment. Participate with CMS, DADS, and other HICAP partners to support national education efforts. Total projected clients served - 4,000.

SUMMARY OF FISCAL RESOURCES FOR INFORMATIONAL REFERRAL AND LEGAL ASSISTANCE- CMS/MIPPA

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	306,973	90,583	96,947	7%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	-	-	-	0%
Total Revenue	306,973	90,583	96,947	7%
EXPENDITURES				
Salaries and Fringe Benefits	91,161	48,118	68,594	43%
Other Direct Program Expenses	187,508	27,386	7,939	-71%
Total Pass Through	-	-	-	0%
Total Direct Program Expenses	278,669	75,504	76,533	1%
Direct Internal Services	8,609	4,879	5,791	19%
Shared Costs	19,695	10,200	14,623	43%
Total Program Expenses	306,973	90,582	96,947	7%

Significant Changes from Prior Year

Revenue - The increase is based on estimated receipts from the federal grant for this program. Revenues for CMS were estimated at the same rate as last year.

Expenditures- FTE increased due to an additional Benefit Counselor position, other direct program expenses were drastically reduced in CMS but will be funded through the Title III-B program.

HUMAN RESOURCE REQUIREMENTS

AGING DIVISION - Referral CMS/MIPPA Title VII EAP & OAG

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	1.20
Full-time equivalent direct support	0.00
Total	1.20
<u>2013 Proposed</u>	
Full-time equivalent direct	1.90
Full-time equivalent direct support	0.00
Total	1.90



Reduced fares for seniors 60 and older



GoBus can be accessed in all 14 counties of East Texas



All of our buses are wheelchair accessible



Transportation



TRANSPORTATION DIVISION

OVERVIEW TRANSPORTATION IN EAST TEXAS

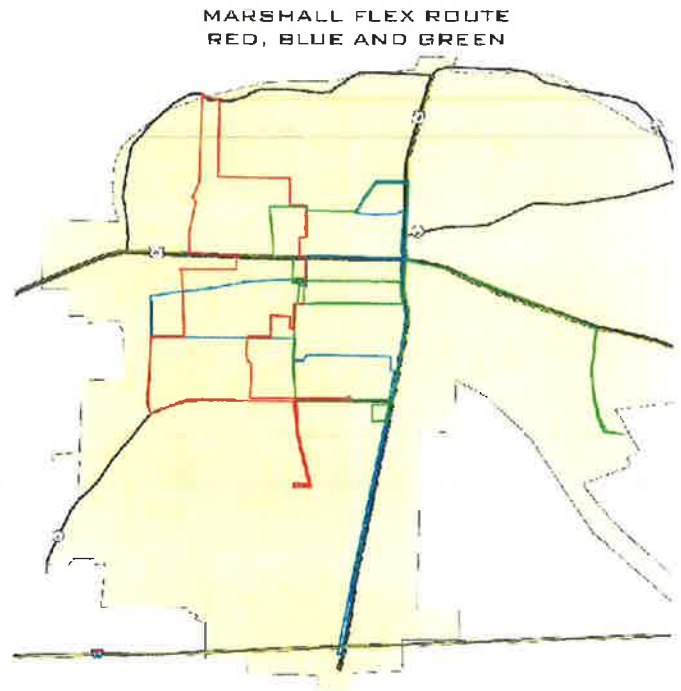
The Federal Transit Administration's Non-Urbanized Transportation program provides the framework for public transportation programs in rural areas. This program is state and federally funded through TXDOT and the ETCOG Aging Department. ETCOG has been providing rural public transportation since 1990. ETCOG's service was provided through a subcontract until September 2007, when ETCOG brought transportation operations in-house. Although historically the transportation program's primary customers have been elderly, persons with disabilities, and low-income residents, increases in gasoline prices and the ailing economy have expanded ridership beyond the traditional rural customer base. Since assuming direct operation of transit services in September 2007, ETCOG's ridership for the September through June period has consistently grown from 86,669 in FY 2009, to 92,205 in FY 2010, to 134,750 in FY 2011 and 134,699 in FY 2012 (through the month of May with four months to go in the year—an increase of over 55%).

While ETCOG's transportation focus has been providing rural public transportation, it recently established the East Texas Rural Planning Organization in 2011. The RPO will coordinate all multimodal transportation planning for our fourteen county region. Through the RPO, our region will speak with one voice to improve planning, project prioritization, consensus building, and funding for transportation projects. Through an MOU, a coalition of ETCOG, Ark-Tex, and Deep East Texas COGs will collaborate on transportation for the greater 35 county East Texas region.

SUMMARY DESCRIPTION OF TRANSPORTATION PROGRAMS

Rural Transportation – Historically the transportation program's primary customers have been elderly, persons with disabilities, and low-income residents, however, increases in gasoline prices and the ailing economy have expanded ridership beyond the traditional rural customer base. Vehicles were branded with the dynamic GoBus scheme to build public awareness of ETCOG's transportation service. The success of the branding campaign is shown in GoBus ridership.

Marshall Flex Route Services - Initiated in 2009, this program is a partnership between ETCOG and the City of Marshall to assist citizens, particularly the elderly, persons with disabilities, and low-income residents, of the Marshall area with their transportation needs.



OBJECTIVES AND STRATEGIES

1. Utilize funds strategically to increase public transportation services throughout the region.
2. Working with the East Texas Regional Transportation Coordination Steering Committee, meet with stakeholders and potential customers to facilitate coordination of public transit services.
3. Explore partnerships for seamless travel among intercity bus, Amtrak, local bus systems, and other providers in both the public and private sectors.
4. Build an effective RPO representing the entire region.

development, improvement, and use of passenger transportation systems.

Texas Department of Transportation-Transportation Code, Chapter 455, authorizes the State to assist the sub recipient in procuring aid for the purpose of establishing and maintain public and mass transportation projects and to administer funds appropriated for public transportation under Transportation Code, Chapter 456. The Texas Department of Transportation has been designated to receive federal funds under the Rural Public Transportation Grant Program, to administer a statewide Rural Public Transportation Grant Program, and to provide state funds to match federal funds.

FUNDING STREAMS

US Department of Transportation – Title 49 Section 5311 of the US Transportation Code provides that eligible recipients may receive federal funds through the Rural Public Transportation Grant Program, a federal assistance program administered by the Federal Transit Administration to enhance the access of persons living in rural area to health care, shopping, education, recreation, public services, and employment by encouraging the maintenance,

Marshall Flex Route and Kilgore College Services: Both the City of Marshall and Wiley College contribute financially to the success of the Marshall Flex Routes. GoBus also operates a flex route service connecting Kilgore College campuses in Longview and Kilgore. Together the City of Marshall, Wiley and Kilgore Colleges make a significant contribution to the total costs of these programs.

SUMMARY OF FISCAL RESOURCES FOR OVERALL TRANSPORTATION

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	2,216,695	2,858,557	2,011,423	-30%
	State Assistance	1,095,149	1,100,473	1,242,291	13%
	Local Assistance	141,737	176,000	193,300	10%
	Other Income (Grants Direct Charges)	449,953	505,939	349,000	-31%
	Total Revenue	3,903,534	4,640,969	3,796,014	-18%
EXPENDITURES					
	Salaries and Fringe Benefits	1,730,075	1,753,432	1,749,234	0%
	Other Direct Program Expenses	1,621,493	2,290,968	1,495,213	-35%
	Total Pass Through	-	88,889	-	-100%
	Total Direct Program Expenses	3,351,568	4,133,289	3,244,447	-22%
	Direct Internal Services	178,821	135,995	178,660	31%
	Shared Costs	373,145	371,685	372,906	0%
	Total Program Expenses	3,903,534	4,640,969	3,796,014	-18%

HUMAN RESOURCE REQUIREMENTS

Reconciliation of Authorized Positions FY2012 to FY2013

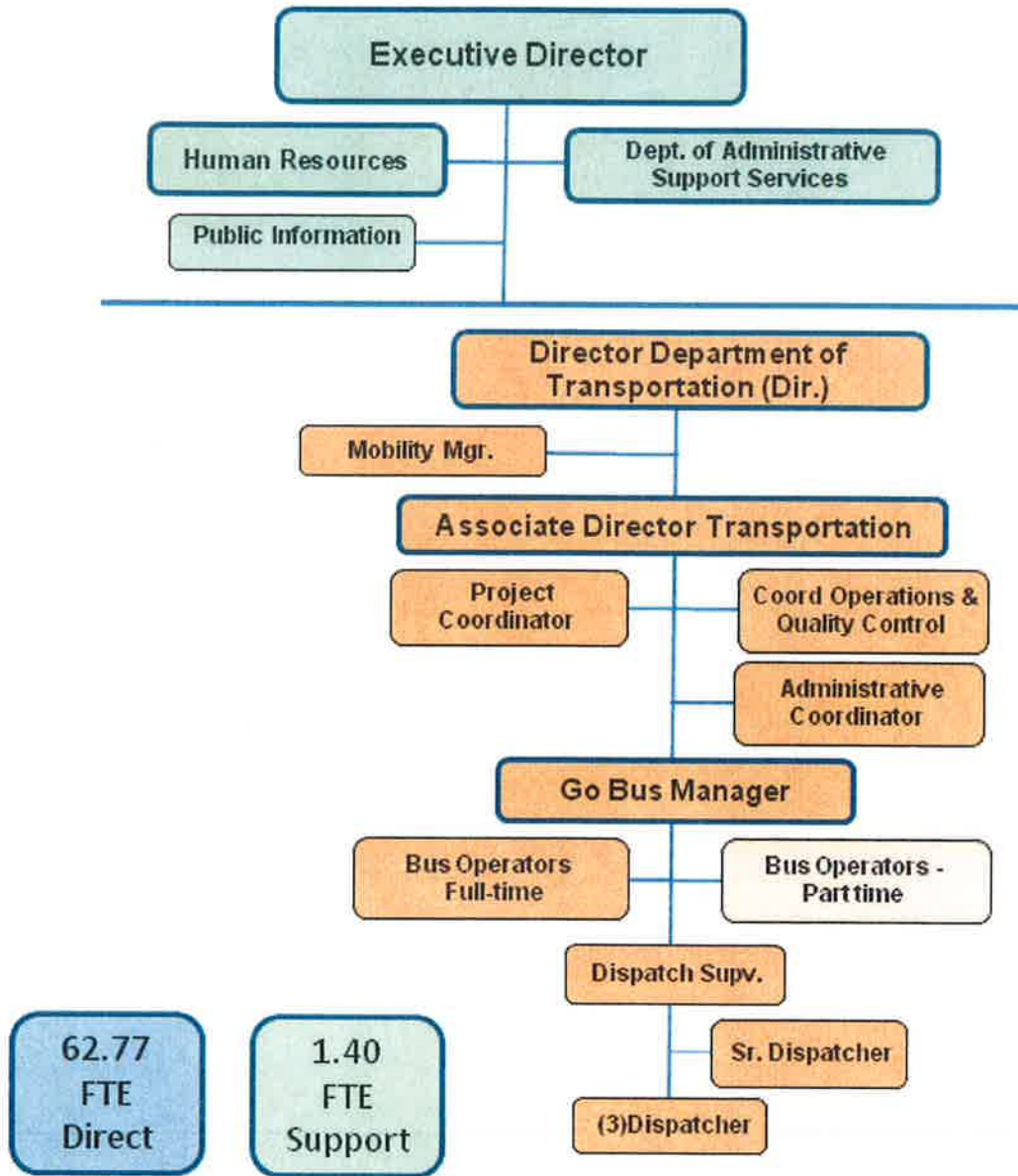
Transportation Division	As of 10/1/2011	Transportation Division	Proposed 2013
Director of Transportation	1.00	Director of Transportation	1.00
Associate Dir. Transportation	1.00	Associate Dir. Transportation	1.00
Transportation Mobility Mgr.	1.00	Transportation Mobility Manager	1.00
Operations Manager	1.00	Coord. -Oper.Assist./Quality Control	1.00
Sr.Coordinator Op. Analysis	1.00	Coordinator Technology	1.00
Coord. -Oper.Assist./QC	1.00	Transportation Project Manager	1.00
Coordinator Technology	1.00	GO BUS OPERATIONS	
Transportation Assistant **	0.98	Go Bus Manager	1.00
Transportation Assistant	0.25	Chief Dispatcher	1.00
Chief Controller- Dispatcher	1.00	Sr. Dispatch Dispatcher	1.00
Sr. Controller Dispatch	1.00	(2) Dispatcher	2.00
Controller Dispatch	1.00		
Controller Dispatch **	1.00		
Driver I	14.00	Driver I	13.00
Driver II	4.00	Driver II	4.00
Driver III	1.00	Driver III	1.00
Driver I **	33.88	Driver I **	33.77
GIS Analyst	0.67		
GIS Intern**	0.98		
Subtotal Direct	66.76	Subtotal Direct	62.77
		Mgr. Fiscal Management Services	0.10
		Budget Manager	0.10
		Grant Mgmt. Services Specialist	1.00
Budget Manager	0.05	GIS Analyst	0.20
Subtotal Direct Support	0.05	Subtotal Direct Support	1.40
Total FTEs Transportation	66.81	Total FTEs Transportation	64.17
** Part-time Permanent		** Part-time Permanent	

CHALLENGES/OPPORTUNITIES

1. Expand the benefits of the Job Access and Reverse Commute, and New Freedom Transportation Programs.
2. Benchmark transit operations to align with best practice standards.
3. Establish a preventive maintenance program for all vehicles.
4. Build awareness of GoBus service.
5. Make GIS capabilities available to all ETCOG divisions and member organizations.

EAST TEXAS COUNCIL OF GOVERNMENTS

ORGANIZATIONAL CHART- TRANSPORTATION DIVISION



TRANSPORTATION DIVISION RURAL TRANSPORTATION

BACKGROUND AND PROGRAM SUMMARY

The Federal Transit Administration's Non-Urbanized Transportation program provides the framework for public transportation programs in rural areas. This program is state and federally funded through TXDOT and the ETCOG Aging Department. ETCOG has been providing rural public transportation since 1990. ETCOG's service was provided through a subcontract until September 2007, when ETCOG brought transportation operations in-house. Although historically the transportation program's primary customers have been elderly, persons with disabilities, and low-income residents, increases in gasoline prices and the ailing economy have expanded ridership beyond the traditional rural customer base. Vehicles were branded with the dynamic GoBus scheme to build public awareness of ETCOG's transportation service.

OBJECTIVES

1. Utilize funds strategically to increase public transportation services throughout the region.
2. Work with the East Texas Regional Transportation Coordination Steering Committee, meet with stakeholders and potential customers to facilitate coordination of public transit services.
3. Explore partnerships for seamless travel among intercity bus, Amtrak, local bus systems, and other providers in both the public and private sectors.
4. Build an effective RPO for the region.

ESSENTIAL WORK TASKS

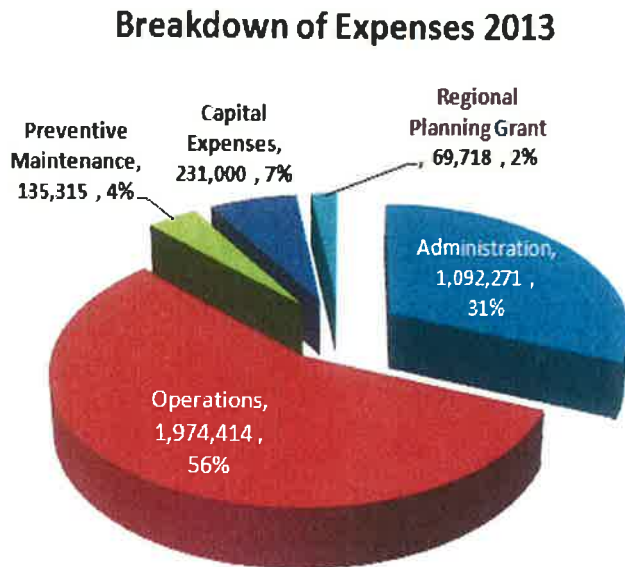
1. Increase efficiency and effectiveness of transit operations through better utilization of technology, equipment, and people.
2. Work with public and private transportation providers to identify and serve unmet needs.
3. Work with interested cities to develop flex/ deviated route services.

PERFORMANCE MEASURES

Items Measured	2011	2012 Standard	Current Performance	Status
Unlinked Passenger Trips	134,750	132,554	143,037	Exceeding
General Public Passengers	115,750	113,560	114,870	Exceeding
AAA Passengers	18,860	18,860	26,809	Exceeding
Actual Vehicle Revenue Hours	58,425	58,000	59,671	Exceeding
Actual Deadhead Hours	6,846	8,500	8,977	Missing
Deadhead Ratio	10.8%	12.5%	13.1%	Missing

SUMMARY OF FISCAL RESOURCES FOR RURAL TRANSPORTATION

The Rural Transportation Section of this Division includes for the most part, the costs of operating Go Bus through out the 14 County Region. The chart at the right provides a breakdown of the top five expense categories for this transit system. Capital expenses are for replacement of a number of the buses that will be needed in 2013. The Regional Planning Grant is a continuation of a project started in 2011.



The chart provided below compares proposed expenditures for 2013 against the budgeted amount for 2012 and actual expenditures for 2011.

SUMMARY OF FISCAL RESOURCES FOR RURAL TRANSPORTATION

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	1,626,877	1,823,928	1,718,127	-6%
State Assistance	1,095,149	1,100,473	1,242,291	13%
Local Assistance	141,737	176,000	193,300	10%
Other Income (Grants Direct Charges)	449,953	505,939	349,000	-31%
Total Revenue	3,313,716	3,606,340	3,502,718	-3%
EXPENDITURES				
Salaries and Fringe Benefits	1,730,075	1,753,432	1,749,234	0%
Other Direct Program Expenses	1,031,675	1,256,339	1,201,917	-4%
Total Pass Through	-	88,889	-	-100%
Total Direct Program Expenses	2,761,750	3,098,660	2,951,151	-5%
Direct Internal Services	178,821	135,995	178,660	31%
Shared Costs	373,145	371,685	372,906	0%
Total Program Expenses	3,313,716	3,606,340	3,502,718	-3%

Significant Changes from Prior Year

Revenue – Reduction in federal revenue is a function of reduced operating expenses to be reimbursed. Reduced Other Income is mostly due to a reduction in the subsidy for seniors through the Aging program.

Expenditures The decrease in operating expenses came mostly from reducing maintenance and operating costs for the buses.

HUMAN RESOURCE REQUIREMENTS

Rural Transportation System

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	66.76
Full-time equivalent direct support	<u>0.05</u>
Total	66.81
<u>2013 Proposed</u>	
Full-time equivalent direct	61.84
Full-time Fiscal Management	1.20
FTE direct GIS Support	<u>0.20</u>
Total	63.24

The number of FTE's proposed for 2013 compared to 2012 is reduced by a total of 3.57. Although there is a slight increase in the number of FTE for Fiscal Management Services (1.15), this was due to moving one FTE from Transportation into the Department of Administrative Services where the responsibilities and duties of the position are similar but with a different focus. There is a reduction of 4.92 FTE for operations. This mainly falls on full-time and part-time bus drivers whose numbers are reduced to reflect the decrease in anticipated revenue for the coming year.

PRIMARY PERFORMANCE MEASURES

1. Reduce non-revenue miles and hours by 20%.
2. Increase passengers "Per Revenue Mile" to an average of .12 or better.
3. Increase transit ridership throughout the region by 10%.
4. Reduce cost per passenger to \$25.00 or less.
5. Implement a rideshare/carpool program for the entire service area.

SELECT NEW INITIATIVES

1. Expand the benefits of the Job Access and Reverse Commute Transit Programs.
2. Establish a preventive maintenance program for all vehicles.
3. Build an effective Rural Planning Organization.
3. Benchmark transit operations to align with best practice standards.
4. Promote GoBus to the region.

TRANSPORTATION DIVISION

JOB ACCESS AND REVERSE COMMUTE (JARC)

BACKGROUND AND PROGRAM SUMMARY

The Job Access and Reverse Commute (JARC) program was established to address the unique transportation challenges faced by welfare recipients and low-income persons seeking to obtain and maintain employment. Many new entry-level jobs are located in suburban areas, and low-income individuals have difficulty accessing these jobs from their inner city, urban, or rural neighborhoods. In addition, many entry level-jobs require working late at night or on weekends when conventional transit services are either reduced or non-existent. Finally, many employment related-trips are complex and involve multiple destinations including reaching childcare facilities or other services.

For 2013, this Program was moved from Aging to the Transportation Division.

ESSENTIAL WORK TASKS

Management of contracts including review of financial reports, development and enforcement of contractual requirements, and monitoring compliance with program requirements.

SUMMARY OF FISCAL RESOURCES FOR JOB ACCESS AND REVERSE COMMUTE

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	-	-	293,296	100%
	State Assistance	-	-	-	0%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	-	-	293,296	100%
EXPENDITURES					
	Salaries and Fringe Benefits	-	-	-	0%
	Other Direct Program Expenses	-	-	293,296	100%
	Total Pass Through	-	-	-	0%
	Total Direct Program Expenses	-	-	293,296	100%
	Direct Internal Services	-	-	-	0%
	Shared Costs	-	-	-	0%
	Total Program Expenses	-	-	293,296	100%

Significant Changes from Prior Year

Funds for this program were budgeted in Workforce in 2012 in the total amount of \$288,057. Funding for 2013 represents less than a 2% increase over the previous year. Operation of the program in terms of scope and ridership are expected to be the same.

HUMAN RESOURCE REQUIREMENTS

N/A

PRIMARY WORK LOAD MEASURES

An Increased pool of potential riders from which lower cost routes can be developed.



Allocating grant funding for equipment needs



Providing addressing services for 18 dispatch offices



Meeting training requirements on a regional level



Supporting 9-1-1 educational efforts throughout East Texas



Public Safety



PUBLIC SAFETY DIVISION

OVERVIEW AND BACKGROUND

In previous years the 9-1-1 Emergency Services function has been treated as a separate Division within ETCOG's organizational structure, apart from the Division of Public Safety. In view of the fact that funding for both Public Safety Programs and 9-1-1 emergency services are trending downward, it is reasonable to begin to re-integrate these programs into a single Division as was done in the past. In fact this is the most common arrangement that is found in other Regional Councils around the state since 9-1-1 Emergency Services is by definition a public safety program.

For 2013, this integration is strictly for presentation purposes and does not reflect overlaps in administration or cross utilization of personnel. It simply sets the stage for future operational integration should the funding levels get to a point that makes it more imperative to do so.

The Public Safety Division provides training and technical assistance to agencies within the 14-county region in the areas of criminal justice, juvenile justice, victim services, homeland security, emergency management and hazard mitigation. The Criminal Justice Advisory Committee ranks grant applications within four funding streams administered by the Governor's Office, Criminal Justice Division: Victims of Crime Act (VOCA) and STOP Violence Against Women Act (VAWA) for victim services; Juvenile Justice and Delinquency Prevention (JJDP) for juvenile services; and the State 421 Fund (SF421) for all other criminal justice purposes, which is primarily used in our region for the Police Training program. The Homeland Security Advisory Committee allocates the region's homeland security funding to eligible local jurisdictions and to important regional projects.

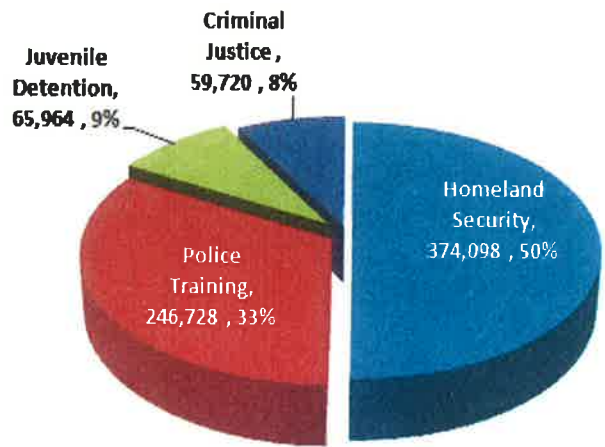
Through its 9-1-1 Emergency Services Regional Program ETCOG performs strategic planning, implementation, and maintenance to support ten of its fourteen counties' 9-1-1 systems as authorized by legislation. 9-1-1 program staff is responsible for database, network, equipment, services and support. Technologies addressed include traditional wire line services, cellular, VoIP (Voice over Internet Protocol), converged services, addressing, GIS, Mapping, and Telephone Device for the Deaf. In support of these efforts the ETCOG 9-1-1 staff supports local governments through addressing in seven counties and sixteen cities.

OBJECTIVES AND STRATEGIES

1. Ensure that each member jurisdiction has appropriate Emergency Management, Hazard Mitigation and Criminal Justice Community Plans.
2. Ensure that each member jurisdiction has adopted the National Incident Management System (NIMS) and has received appropriate training.
3. Improve the quality of Police Training offered within the region.
4. Train and support the Regional Multi-Agency Coordination Group to assist in emergencies.
5. Develop and implement new projects and strategies that improve the administration of justice within the ETCOG region.
6. The goal of 9-1-1 Emergency services is to establish and maintain equipment, networks, and databases to preserve and enhance public safety and health through reliable access to emergency communication services while building to interface with new technologies in order to connect people with emergencies with those who respond.

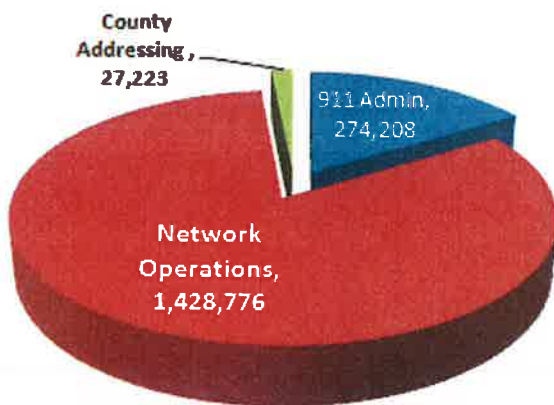
FUNDING STREAMS

U.S. Department of Homeland Security -To build capabilities to prevent, deter, respond to, and recover from incidents of terrorism at the State and local levels through planning, equipment, training, and exercise activities and support the implementation of State homeland security strategies and key elements of the national preparedness architecture, including the National Preparedness Goal, the National Incident Management System and the National Response Plan.



U.S. Department of Justice – To increase the capacity of State and local governments to support a variety of programs related to delinquency prevention and reduction, juvenile justice system improvement, research, evaluation, statistical analysis, and training and technical assistance.

Office of the Governor, Criminal Justice Division (CJD) – CJDs mission is to create and support programs that protect people from crime, reduce the number of crimes committed, and to promote accountability, efficiency, and effectiveness within the criminal justice system. CJD focuses on the enhancement of Texas' capacity to prevent crime, provide service and treatment options, enforce laws, train staff and volunteers, and the restoration of crime victims to full physical, emotional and mental health.



Commission on State Emergency Communications (CSEC)- The Texas 9-1-1 system utilizes the services of private telecommunication companies and database service providers to transport 9-1-1 calls from citizens and provide information vital to delivery of emergency services. The Commission on State Emergency Communications (Commission) contracts with Regional Planning Commissions (Region) to plan and implement 9-1-1 service in their respective multi-county areas. Regions are reimbursed for documented authorized 9-1-1 program expenditures after funds are disbursed by the Region.

SUMMARY OF FISCAL RESOURCES FOR OVERALL PUBLIC SAFETY DIVISION

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	732,688	493,464	440,062	-11%
	State Assistance	3,731,916	1,977,792	2,009,432	2%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	13,250	14,551	27,223	87%
	Total Revenue	4,477,854	2,485,807	2,476,717	0%
EXPENDITURES					
	Salaries and Fringe Benefits	584,447	625,924	634,572	1%
	Other Direct Program Expenses	2,420,099	745,547	762,385	2%
	Total Pass Through	1,254,345	897,826	859,198	-4%
	Total Direct Program Expenses	4,258,892	2,269,297	2,256,156	-1%
	Direct Internal Services	99,602	83,829	85,281	2%
	Shared Costs	119,360	132,680	135,280	2%
	Total Program Expenses	4,477,854	2,485,807	2,476,716	0%

The decrease from 2011 to 2012 was attributable for the most part to an infusion of capital expenditure in the earlier year to set up the EsiNet (Emergency Services Internet). Making an allowance for this anomaly, funding for most programs has remained relatively constant however there have been some exceptions. This is particularly noticeable in the Homeland Security Grant that was reduced from \$445,000 in 2012 to \$374,098 in 2013 (-16%).

HUMAN RESOURCE REQUIREMENTS

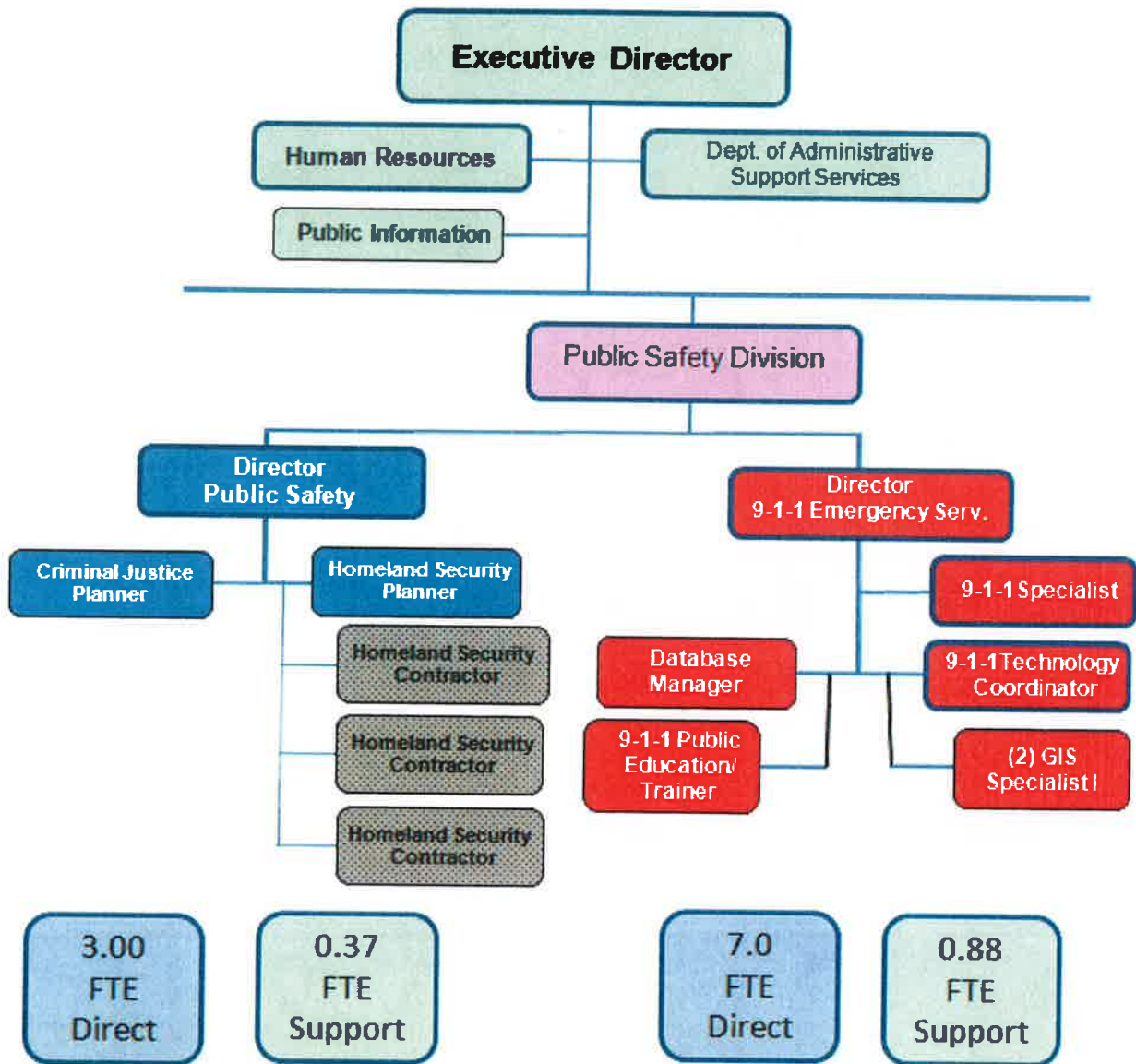
Reconciliation of Authorized Positions FY2012 to FY2013

Public Safety Division (Homeland Security - Criminal Justice)	As of 10/1/2011	Public Safety Division (Homeland Security - Criminal Justice)	Proposed 2013
Director of Criminal Justice	1.00	Director of Criminal Justice	1.00
Homeland Security Coordinator	1.00	Homeland Security Coordinator	1.00
CJD/Homeland Planner	1.00	CJD/Homeland Planner	1.00
Subtotal Direct	3.00	Subtotal Direct	3.00
Budget Manager	0.03	Mgr. Fiscal Management Services	0.09
Financial Clerk*	0.05	Budget Manager	0.02
Subtotal Direct Support	0.08	Public Safety Grant Specialist	0.26
Total FTEs Public Safety	3.08	Subtotal Direct Support	0.37
		Total FTEs Public Safety	3.37

Public Safety Division (9-1-1 Emergency Services)	As of 10/1/2011	Public Safety Division (9-1-1 Emergency Services)	Proposed 2013
Director of 9-1-1	1.00	Director of 9-1-1	1.00
Database Manager	1.00	Database Manager	1.00
Public Educator/Trainer	1.00	Public Educator/Trainer	1.00
Technology Coordinator	1.00	Technology Coordinator	1.00
System Analyst	1.00	Support Specialist	1.00
Support Specialist	1.00	(2) GIS Mapping Specialist I	2.00
(2) GIS Mapping Specialist I	2.00		
GIS Mapping 33% of salary	0.33		
Subtotal Direct	8.33	Subtotal Direct	7.00
Budget Manager	0.06	Mgr. Fiscal Management Services	0.10
		Fiscal Mgmt. Draws	0.15
		Budget Manager	0.10
		GIS Mapping	0.33
		Financial Services Specialist	0.20
Subtotal Direct Support	0.06	Subtotal Direct Support	0.88
Total FTEs 9-1-1	8.39	Total FTEs 9-1-1	7.88
* Part-time Permanent		* Part-time Permanent	

No changes in authorized positions are contemplated in the former Public Safety department in Full Time Direct Project Staff. The additional 0.29 position is to fund part of a position in Fiscal Management. In the 9-1-1 Section there is a reduction of a System's analyst position and the .33 FTE for GIS mapping was moved down to the Direct Support Section.

PUBLIC SAFETY DIVISION ORGANIZATIONAL CHART 2013



OPPORTUNITIES /CHALLENGES

Funding for the Public Safety Program in FY2013 was reduced in multiple program areas. Criminal Justice funding was cut 52% and Homeland Security funding was cut 68%. We were able to maintain all 3 staff members due to our department already running lean. Both programs now have significant budget constraints in FY2012. There is no more money in Criminal Justice for staff training or travel. Homeland Security contracts must also be cut to maintain program staff. We are lucky to have seasoned professionals in our area that can take on the additional work with fewer resources.

To complete the ETCOG EsiNet (Emergency Services Internet) built with the ETCOMNET (East Texas Communications Network) MPLS (multiprotocol label switching) and to establish the Champion EMS as a Secondary PSAP (Public Safety Answering Point). This is relative to completing the geo-diverse host (cloud) initiative for 9-1-1 call delivery begun in FY 2011.

PUBLIC SAFETY DIVISION HOMELAND SECURITY

BACKGROUND AND PROGRAM SUMMARY

Since 2003, Congress has provided funding to the States to strengthen critical infrastructure, purchase interoperable communications equipment, train first responders, and perform other tasks essential to ensure the security of the nation. Texas allocates funding regionally through the 24 COGs. The ETCOG Homeland Security Advisory Committee has allocated over \$15 million to projects proposed by eligible jurisdictions, and to Regional projects. ETCOG has assisted jurisdictions in completion of Emergency Response Plans; purchased 14 mobile communications gateways, placing one in each county; and created GIS maps of the region, now being used by first responders.

OBJECTIVES

1. Increase Regional Communications Interoperability from level 4 to level 6.
2. Increase the number of ETCOG jurisdictions eligible for future Homeland Security grants.
3. Provide regular, convenient, free or low-cost National Incident Management System (NIMS) training for elected officials and first responders.
4. Ensure that all allocated funding is spent appropriately.
5. Train and support the Regional Multi-Agency Coordination Group (MACG).

ESSENTIAL WORK TASKS

1. Assist counties, cities, and ISDs in updating and revising their Emergency Management Plans.
2. Assist jurisdictions in adopting NIMS.
3. Assist jurisdictions in registration and data entry with the National Incident Management Capability Assessment Support Tool (NIMCAST), Texas Regional Response Network (TRRN), and Communication Assets Survey and Mapping (CASM).
4. Coordinate activities with Emergency Management Centers (EMCs), Department of Emergency Management (DEM), and Texas Engineering Extension Service (TEEX).
5. Coordinate NIMS training for elected officials and first responders.
6. Coordinate training exercises and assist in evaluation of response readiness.
7. Assist jurisdictions with State Procurement and Review System (SPARS) data entry, approve project expenditures and ensure that funds are spent appropriately.
8. Train and support the Regional Multi-Agency Coordination Group; maintain the Regional plan, coordinate training and exercises.
9. Ensure that the Biannual Strategy Implementation Report is appropriately completed.

SUMMARY OF FISCAL RESOURCES FOR HOMELAND SECURITY

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	688,854	445,000	374,098	-16%
	State Assistance	-	-	-	0%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	688,854	445,000	374,098	-16%
EXPENDITURES					
	Salaries and Fringe Benefits	122,348	121,105	115,466	-5%
	Other Direct Program Expenses	315,999	73,748	67,337	-9%
	Total Pass Through	209,000	209,000	152,796	-27%
	Total Direct Program Expenses	647,347	403,853	335,599	-17%
	Direct Internal Services	15,110	15,476	13,883	-10%
	Shared Costs	26,397	25,671	24,615	-4%
	Total Program Expenses	688,854	445,000	374,098	-16%

Significant Changes from Prior Year

Revenue – Carry over funding which has been carrying Homeland Security for the last several years is now being drawn down which leaves a reduction of 16%.

Expenditures- Decreases are mostly felt in the Pass Through which represents funds available for member agencies to purchase equipment. There is a slight reduction in the FTEs to reduce salaries and benefits.

HUMAN RESOURCE REQUIREMENTS

Public Safety - Homeland Security

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	1.90
Full-time equivalent direct support	0.05
Total	1.95
<u>2013 Proposed</u>	
Full-time equivalent direct	1.50
Full-time Fiscal Management	0.29
Full-time equivalent direct support	0.02
Total	1.81

Decrease in available funding led to decrease in FTE's of 0.14.

PUBLIC SAFETY DIVISION

911 EMERGENCY SERVICES

OVERVIEW 911 EMERGENCY SERVICES IN EAST TEXAS

The 9-1-1 Emergency Services Regional Program performs strategic planning, implementation, and maintenance to support ten of ETCOG’s fourteen counties’ 9-1-1 systems as authorized by legislation. 9-1-1 program staff is responsible for database, network, equipment, services and support. Technologies addressed include traditional wire line services, cellular, VoIP (Voice over Internet Protocol), converged services, addressing, GIS, Mapping, and Telephone Device for the Deaf. In support of these efforts the ETCOG 9-1-1 staff supports local governments through addressing in seven counties and sixteen cities.

OBJECTIVES AND STRATEGIES

The goal of 9-1-1 Emergency services is to establish and maintain equipment, networks, and databases to preserve and enhance public safety and health through reliable access to emergency communication services while building to interface with new technologies in order to connect people with emergencies with those who respond.

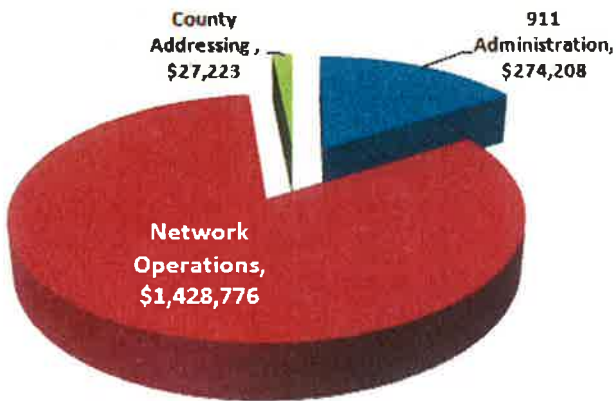
ESSENTIAL WORK TASKS

Essential work tasks include daily review and updates to the 9-1-1 Statewide Database to improve maps and services to support the 9-1-1 PSAPs (Public Safety Answering Points referred to as 9-1-1 call taking centers), to provide additional and better training, to continue to improve data, improve customer service, and to meet or exceed established performance measures. During the FY 2011 cycle ETCOG was able to take advantage of the strategic release of an RFP for both MPLS (Multiprotocol Label Switching) and CPE (Customer Premise Equipment). In addition, the award came with the ability to use the CPE in a broader, more capable manner to support all 9-1-1 centers in the ETCOG regional program and any others that wished to participate. The Emergency CallWorx solution provided a platform to install two geo-diverse hosts and initiate a host-remote configuration capable of supporting what is termed today as Next Generation (NG) 9-1-1. In fact, NG9-1-1 is NOW 9-1-1. The challenges faced are developing networks, equipment and protocols to receive texting, video, and any other future technology supporting communications.

PRIMARY PERFORMANCE MEASURES

1. Number of PSAPs with Wireless ANI/ALI (Automatic Number Info/Automatic Location Identification)	17
2. Number of PSAPs with Wireless Phase II (Mapping of location)	17
2. Number of total 9-1-1 calls	200,000
3. Wireless calls as a percentage of total 9-1-1- volume	50%
4. Total number of Public Education items distributed	-0-
5. Number of PSAPs with equipment replaced	14
6. Number of reported 9-1-1 network outages > 2 hours (State Network Outages/Downtime)	0
7. Provide training to dispatchers	40
10. Develop one new Public Education Initiative	1

SUMMARY OF FISCAL RESOURCES FOR 911 EMERGENCY SERVICES



FUNDING SOURCE	FY 2011 Actual	FY 2012 Budget	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	-	-	-	0%
State Assistance	3,418,953	1,709,806	1,702,984	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	13,250	14,551	27,223	87%
Total Revenue	3,432,203	1,724,357	1,730,207	0%
EXPENDITURES				
Salaries and Fringe Benefits	373,654	433,188	417,514	-4%
Other Direct Program Expenses	2,046,300	627,667	651,993	4%
Total Pass Through	864,539	512,521	512,521	0%
Total Direct Program Expenses	3,284,494	1,573,376	1,582,028	1%
Direct Internal Services	72,410	59,155	59,171	0%
Shared Costs	75,299	91,825	89,007	-3%
Total Program Expenses	3,432,203	1,724,357	1,730,207	0%

Significant Changes from Prior Year

Revenue – Most significant changes occurred in the previous two years. Funding has essentially stabilized for the 2013 fiscal year.

Expenditures- Remained about the same although there was a drop in the number of FTEs assigned to this function. Existing projects are being supported from 2013 funding that remains available after encumbrance are not reflected here.

HUMAN RESOURCE REQUIREMENTS**Public Safety – 9-1-1 Emergency Services**

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	8.33
Full-time equivalent direct support	<u>0.06</u>
Total	8.39
<u>2013 Proposed</u>	
Full-time equivalent direct	7.00
Full-time Fiscal Management	0.25
Full-time Tech Support	0.33
Full-time equivalent direct support	<u>0.30</u>
Total	7.88

Challenges/Opportunities

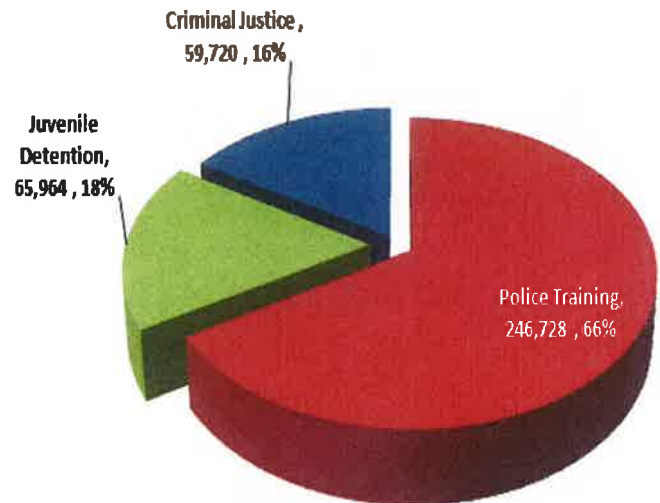
To complete the ETCOG EsiNet (Emergency Services Internet) built with the ETCOMNET (East Texas Communications Network) MPLS (multiprotocol label switching) and to establish the Champion EMS as a Secondary PSAP (Public Safety Answering Point). This is relative to completing the geo-diverse host (cloud) initiative for 9-1-1 call delivery begun in FY 2011.

PUBLIC SAFETY DIVISION

FUNDING SUPPORT FOR TRAINING, JUVENILE AND CRIMINAL JUSTICE

BACKGROUND AND PROGRAM SUMMARY

Part of the package of Public Safety program services offered to member governments in the ETCOG Region is funding support for Police Training, Juvenile Detention and Criminal Justice. The total amount proposed for each of the three programs is broken down in the figure shown to the right.



Following are brief descriptions of each of the programs that include a summary of the scope of the program, the objectives each is attempting to achieve and essential work tasks that are involved in executing the program.

The Table showing the fiscal resources available and estimated expenditures for the 2013 fiscal year are combined on the one chart as well as the Human Resources required since they amount to less than 1.6 FTEs combined for all three programs. The table immediately following reflects the amount of funding available for each program in 2013 compared to the amounts received in 2012. Overall there is an anticipated average increase of 20% for all programs combined.

<u>PROGRAM :</u>	<u>FY 2012</u>	<u>FY 2013</u>	<u>% Increase</u>
Police Training	\$ 212,231	\$ 246,728	16%
Juvenile Detention	\$ 48,464	\$ 65,964	36%
Criminal Justice	\$ 52,515	\$ 59,720	14%
Total	\$ 313,210	\$ 374,425	20%

POLICE TRAINING – This project provides funds to train new peace officers, jailers, and communication operators employed or sponsored by ETCOG member agencies. Additional funds are used to bring talented instructors from outside the region to conduct classes here, and to send officers elsewhere to attend needed classes that are not available within the region.

OBJECTIVES –

1. Increase efficiency of law enforcement within the region, improving arrest and conviction rates, thereby making our region a safer place to live, work, and raise families.
2. Improve training of current officers of ETCOG agencies
3. Encourage qualified candidates to train and work as peace officers, jailers, and communication operators within the ETCOG region.

ESSENTIAL WORK TASKS-

1. Contract with the East Texas Police Academy to provide training for officer candidates, new jailers, dispatchers, and currently employed peace officers.
2. Contract with highly-qualified, recommended instructors with special expertise from outside our region to provide important specialized and advanced courses that would otherwise be unavailable.
3. Provide scholarships for officers to attend advanced and specialized courses unavailable in the region.

JUVENILE DETENTION – ETCOG's rural counties are unable to house juvenile offenders in-county & must contract for beds elsewhere. This project assists those counties whose need for juvenile detention services exceeds available local funds, assuring East Texas juveniles of safe and appropriate housing and needed services such as tutoring, counseling, or GED classes while detained within the ETCOG region.

OBJECTIVES –

Provide funding needed by rural ETCOG counties, for safe and appropriate detention of juveniles who must be removed from home due to delinquent behavior and inadequate parental supervision.

ESSENTIAL WORK TASKS-

1. Allocate funding based on county's juvenile population.
2. Notify counties of allocations, grant rules, and timelines.
3. Keep accurate records and approve appropriate invoices for payment.
4. Ensure that any unused funds are de-obligated and reallocated prior to July 31.
5. Ensure that all requests for reimbursement are submitted promptly, and that all required reports are properly completed and submitted on time.

CRIMINAL JUSTICE – The Criminal Justice program provides training and technical assistance to agencies within the 14-county region in the areas of criminal justice, juvenile justice, and victim services. The Criminal Justice Advisory Committee (CJAC) ranks grant applications within four funding streams administered by the Governor's Office, Criminal Justice Division (CJD): Victims of Crime Act (VOCA) and STOP Violence Against Women Act (VAWA) for victim services; Juvenile Justice and Delinquency Prevention (JJDP) for juvenile services; and the State 421 Fund (SF421) for all other criminal justice purposes, which is primarily used in our region for the Police Training program.

OBJECTIVES –

1. Ensure that each member jurisdiction has an appropriate Community Plan.
2. Develop and implement new projects and strategies that will improve the administration of Criminal Justice within the ETCOG region.
3. Improve the quality of Police Training offered.
4. Coordinate and encourage the provision of services to victims, juvenile delinquency prevention, and other criminal justices projects.

ESSENTIAL WORK TASKS-

1. Provide prompt and courteous technical assistance to all CJD grantees and potential grantees.
2. Conduct annual grant writing workshops.
3. Ensure that the CJAC appropriately prioritizes our CJD grant applications in compliance with applicable Texas Administrative Code (T.A.C.) regulations.
4. Ensure that community planning is done in accordance with CJD specifications.
5. Create and submit a strategic plan required by CJD.
6. Make on-site monitoring visits to any first-year CJD grantees, and others as needed.
7. Attend any required training at CJD's request.
8. Maintain appropriate accounting records.

SUMMARY OF FISCAL RESOURCES FOR POLICE TRAINING, JUVENILE DETENTION AND CRIMINAL JUSTICE

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	43,834	48,464	65,964	36%
	State Assistance	312,963	267,986	306,448	14%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	356,797	316,450	372,412	18%
EXPENDITURES					
	Salaries and Fringe Benefits	88,445	71,631	101,592	42%
	Other Direct Program Expenses	57,800	44,132	43,055	-2%
	Total Pass Through	180,806	176,305	193,881	10%
	Total Direct Program Expenses	327,051	292,068	338,528	16%
	Direct Internal Services	12,082	9,198	12,226	33%
	Shared Costs	17,664	15,184	21,658	43%
	Total Program Expenses	356,797	316,450	372,412	18%

Significant Changes from Prior Year

Revenue – Overall increase of 18% allowed for the assignment of staff cut in Homeland Security to be added here.

Expenditures- All budget line items were increased to compensate for decreases in other funding streams.

HUMAN RESOURCE REQUIREMENTS

Public Safety - Training, Juvenile Detention and Criminal Justice

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	1.10
Full-time equivalent direct support	0.03
Total	1.13

<u>2013 Proposed</u>	<u>FTE</u>
Full-time equivalent direct	1.50
Full-time equivalent direct support	0.06
Total	1.56



Environmental research, education and grant programs



Air quality research and planning



GIS mapping and technology assistance



Regional Services

east Texas
council of
GOVERNMENTS

REGIONAL SERVICES

OVERVIEW

In 2012, the original “Public Information and Regional Services Division” consisted of nine different programs with five different federal and state agencies providing funding. For 2013, only two of those programs are proposed to be carried forward under the Section Title “Regional Services”. They do not lend themselves to being grouped in any of the four main categories of grants so the intent here is to place them in a stand alone “Section”.

One other service program that had formerly been in the Transportation Division (GIS Services) is also proposed to be included in this section as it represents a service that is provided to operating Divisions within ETCOG as well as to member governments. The following chart lists the nine original programs and shows their disposition under the new 2013 Budget format.

FY 2012	FY 2013
<p style="text-align: center;">Division of Public Information and Regional Services</p> <ul style="list-style-type: none"> 1 Air Quality 2 Solid Waste Continued in 2013 under the Regional Services Section of the Budget. 3 TDHCA- Home Repair (Disaster Recovery) 4 Amy Young Barrier Removal These two Housing Programs are in the process of being completed and will not be continued. The lack of available staff and new advance funding requirements make continuation of these programs untenable. 5 Economic Development Administration 6 ETRDC & Chapman Loan Program 7 Community Development Block Grant The preceding three programs have been integrated into the Regional Workforce and Economic Development Division. 8 State Planning Assistance Grant Funding for this program is no longer available from the State. 9 Public Information The function was placed under direct supervision of the Executive Director. 	<p style="text-align: center;">Section: Regional Services</p> <ul style="list-style-type: none"> 1 Air Quality Continued 2 Solid Waste Continued 3 GIS Services Moved from Transportation

The following Programs are administered or managed by personnel assigned to other

AIR QUALITY

The Texas Legislature has provided rider funding to near-nonattainment areas (NNAs) to enable ozone air quality planning activities. Northeast Texas has used this funding to:

- Conduct the technical studies needed to understand the ozone problem in Northeast Texas and develop effective control strategies.
- Implement local emission reduction strategies needed to attain the 1-hour ozone standard resulting in the 1-hour ozone SIP revision submitted to EPA in 2002.
- Join EPA's ozone "Early Action Compact" (EAC) program and submit a Clean Air Action Plan (CAAP) demonstrating attainment of the 8-hour ozone standard in 2007 and maintenance of the standard through 2013.
- Perform public outreach and awareness programs to ensure local participation in, and commitment to, ozone air quality planning activities for the region.

These activities have been funded through the East Texas Council of Governments (ETCOG) under the technical direction of Northeast Texas Air Care (NETAC).

SOLID WASTE

Grants are awarded to regional and local governments for municipal solid waste (MSW) management projects through the state's Regional Solid Waste Grants Program. The TCEQ is directed by the Legislature to dedicate one-half of the revenue generated by state fees on MSW disposed of at landfills to grants for regional and local MSW projects.

GIS SERVICES

Geographic Information System (GIS) provides powerful analytical and decision making tools to all facets of public governance. During the past few years the role of GIS at ETCOG has expanded beyond emergency response operations to support transportation, economic development, aging and work force programs. It is the goal of ETCOG to make GIS technology affordable and accessible to all member entities irrespective of their size or tax base. GIS technology can be utilized for long range planning, zoning, code enforcement, building inspections, crime analysis, hazard mitigation, flood plain management, economic development and demographic analysis.

OBJECTIVES AND STRATEGIES

To provide services to East Texas in the areas of Environmental Services, and GIS mapping Services.

FUNDING STREAMS

Texas Commission on Environmental Quality strives to protect our state's human and natural resources consistent with sustainable economic development. Our goal is clean air, clean water, and the safe management of waste.

GIS Services- ETCOG's GIS program provides GIS assistance to the member entities in emergency response, economic development, infrastructure management and land use planning. The cities of Henderson and Marshall, Counties of Wood, Anderson, Camp Fruitvale Water Utility Corporation, are a few of the entities that have contracted for ETCOG's GIS services in the areas of zoning, water utilities and emergency response.

REGIONAL SERVICES - AIR QUALITY

BACKGROUND AND PROGRAM SUMMARY

Under the technical direction of the Northeast Texas Air Care (NETAC) Group, ETCOG has funded a number of projects that have helped to reduce and develop a better understanding of the causes of ground level ozone in East Texas. Nevertheless, the region must remain committed to maintaining air quality improvements and meeting its obligations under the Clean Air Act. Ozone monitoring data for the region has shown 8-hour ozone readings that approach and sometimes exceed current EPA standards. However, cumulative data shows a downward trend in overall ozone readings for the region. In 2011, the EPA will announce a new, revised 8-hour ozone standard in the range of 60-70 parts per billion (ppb). The Texas Commission for Environmental Quality (TCEQ) is preparing for State Implementation Plan (SIP) development in response to the new standard and is planning for increased coordination between the Rider 8 areas and the TCEQ. The main goal of NETAC air quality planning for **FY 2012-2013** is to assist the TCEQ in SIP development by demonstrating that the region will comply with the ozone standard by the designated attainment date. Attainment of the standard will provide public health benefits and assure that the region can continue to develop and grow without compromising air quality.

OBJECTIVES

1. Provide educational and technical workshops to industries, committees, and local governments.
2. Conduct research and evaluate the cost/ benefit of alternative/clean fuels and other emerging vehicle technologies to help create jobs for East Texas.
3. Perform enhanced ambient monitoring.
4. Refine emission inventories for Northeast Texas.
5. Perform ozone modeling for Northeast Texas.
6. Complete and submit all required reports to (TCEQ) in a timely manner.

ESSENTIAL WORK TASKS

1. Provide Alternative Fuels Data Center / National Renewable Energy Laboratory (AFDC/NREL) updates on Alternative Fuel Vehicle refueling site openings, closings, and status changes (public vs. private, hours, etc) on an on-going basis.
2. Provide staff support to NETAC Organization.
3. Respond to period data requests from the Department of Energy for regional market assessment information (alternate fuel use & pricing, local consumer trends, etc).
4. Apprise the Regional Department of Energy Packaging Management Council (DOE PMC) Manager and Coordinator Council members of issues, developments, success stories, etc. via monthly regional conference calls, webcasts, emails, etc.

SUMMARY OF FISCAL RESOURCES FOR AIR QUALITY

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	-	-	-	0%
	State Assistance	472,400	844,963	515,229	-39%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	472,400	844,963	515,229	-39%
EXPENDITURES					
	Salaries and Fringe Benefits	51,253	88,136	48,843	-45%
	Other Direct Program Expenses	12,428	57,036	68,750	21%
	Total Pass Through	<u>389,000</u>	<u>668,988</u>	<u>381,800</u>	-43%
	Total Direct Program Expenses	452,681	814,160	499,393	-39%
	Direct Internal Services	8,770	12,120	5,424	-55%
	Shared Costs	<u>10,949</u>	<u>18,683</u>	<u>10,412</u>	-44%
	Total Program Expenses	<u>472,400</u>	<u>844,963</u>	<u>515,229</u>	<u>-39%</u>

Significant Changes from Prior Year

Revenue - The decrease of 39% in revenues from the previous year is due to less funding available that was carried over from prior years.

Expenditures- Because of the reduction in funding anticipated for 2013, expenses were reduced in various categories based on 2012 actual year-to-date expenses. Proportional reductions were made in each of these categories. Reductions in Total Direct Internal Services reflect reductions in the total base costs for these categories and Air Quality’s reduced share of these costs.

HUMAN RESOURCE REQUIREMENTS

Regional Services - Air Quality

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	1.28
Full-time equivalent direct support	0.06
Total	1.34
<u>2013 Proposed</u>	
Full-time equivalent direct	0.61
Full-time equivalent direct support	0.10
Total	0.71

Reductions in grant funding require a corresponding reduction in FTEs assigned to administer these functions.

PRIMARY PERFORMANCE MEASURES

1. Organize / host stakeholder meetings, workshops, and events. Prepare meeting agendas, minutes, and packets for members, and requesting speakers.
2. Prepare biannual invoice report to the DOE subcontractor RDS.
3. Conduct the annual Ozone Season Awareness Event.
4. Prepare and submit monthly progress reports to the TCEQ.
5. Conduct Annual Public Education and Media Outreach campaign for air quality efforts.
6. Develop FY 2012-2013 Air Quality Work Plan.
7. Update emission inventory data for use in ozone modeling and emission inventory documentation.

REGIONAL SERVICES- SOLID WASTE

BACKGROUND AND PROGRAM SUMMARY

In accordance with Section 361.014 of the Texas Health and Safety Code, grants are awarded to regional and local governments for municipal solid waste (MSW) management projects through the state's Regional Solid Waste Grants Program. The Texas Commission on Environmental Quality (TCEQ) is directed by the Legislature to dedicate one-half of the revenue generated by state fees on MSW disposed of at landfills to grants for regional and local MSW projects.

The TCEQ allocates the funds to the state's 24 councils of governments (COGs) based on a formula that takes into account population, area, solid waste fee generation, and public health needs. The COGs use the funds to develop and maintain an inventory of closed MSW landfills, conduct regional coordination and planning activities, maintain a regional solid waste management plan, and administer pass-through grant programs to provide funding for regional and local MSW projects.

OBJECTIVES

To provide the resources necessary to carry out a variety of TCEQ-funded solid waste reduction and management programs and projects under contracts with local entities.

ESSENTIAL WORK TASKS

1. Provide staff support to the Solid Waste Advisory Committee (SWAC).
2. Coordinate the FY 2013 Municipal Solid Waste Grants Request for Proposals (RFPs) process.
3. Assist applicants with the FY 2013 solid waste program grant application.
4. Provide educational and technical workshops to committees, local governments, and industries.
5. Complete the development of the FY 2012-2013 Regional Solid Waste Grant application.
6. Facilitate the development of the FY 2012-2013 Regional Solid Waste Grants Program Funding Plan.
7. Complete and submit all required reports to the TCEQ in a timely manner.
8. Conduct training activities with local agencies in the region.
9. Monitor and provide oversight of grants to ensure compliance with established rules and regulations.
10. Attend environmental conferences for solid waste and air quality.
11. Coordinate and staff SWAC meetings by preparing agenda and distributing meeting packets.

SUMMARY OF FISCAL RESOURCES FOR SOLID WASTE

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	-	-	-	0%
	State Assistance	388,493	220,489	202,935	-8%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	388,493	220,489	202,935	-8%
EXPENDITURES					
	Salaries and Fringe Benefits	83,226	69,025	45,284	-34%
	Other Direct Program Expenses	8,678	7,976	5,025	-37%
	Total Pass Through	<u>265,055</u>	<u>119,342</u>	<u>137,943</u>	<u>16%</u>
	Total Direct Program Expenses	356,959	196,343	188,252	-4%
	Direct Internal Services	13,510	9,514	5,029	-47%
	Shared Costs	<u>18,024</u>	<u>14,632</u>	<u>9,654</u>	<u>-34%</u>
	Total Program Expenses	<u>388,493</u>	<u>220,489</u>	<u>202,935</u>	<u>-8%</u>

Significant Changes from Prior Year

Revenue - The source of funds for Solid Waste was cut in half from the 2011 total and is scheduled to be reduced again by 8% in 2013.

Expenditures- Based on the decrease in anticipated revenue, expenses in most categories had to be reduced. Direct Salaries and Benefits, other Program Expenses were reduced 34% and 37% respectively to allow more funds to be available for pass through to the member governments. Consultant fees were cut out entirely (\$2,000) and a significant reduction in printing costs for informational brochures is expected. Total Direct Internal Services reflect reductions in the total base costs for this categories and Solid Waste’s reduced share of this costs.

HUMAN RESOURCE REQUIREMENTS

Regional Services - Solid Waste

2012 Actual

Full-time equivalent direct	0.96
Full-time equivalent direct support	0.03
Total	0.99

FTE

2013 Proposed

Full-time equivalent direct	0.50
Full-time equivalent direct support	0.10
Total	0.60

In light of reductions in revenue by 8% there is a reduction in FTE's by 50%.

PRIMARY PERFORMANCE MEASURES

1. Release FY 2012 Solid Waste Grants Request for Proposals.
2. Conduct pre-application workshop for grant applicants.
3. Increase training activities by 25%.
4. Achieve 100% monitoring and grant oversight for approved grants.
5. Facilitate SWAC FY 2012 Grants Scoring Meeting.
6. Receive approval of Executive Committee and the TCEQ of SWAC scoring recommendations.
7. Execute FY 2012 Solid Waste Grant Contracts.
8. Submit the Semi-Annual Report (SAR) to the TCEQ.
9. Obtain final approval of the FY 2011-2012 Regional Solid Waste Grants Funding Plan.

REGIONAL SERVICES - GEOGRAPHIC INFORMATION SYSTEM

BACKGROUND AND PROGRAM SUMMARY

Geographic Information System (GIS) provides powerful analytical and decision making tools to all facets of public governance. During FY 2010 the role of GIS at ETCOG has expanded beyond emergency response operations to support transportation, economic development, aging, housing and work force programs. It is the goal of ETCOG to make GIS technology affordable and accessible to all member entities irrespective of their size or tax base. GIS technology can be utilized for long range planning, zoning, code enforcement, building inspections, crime analysis, hazard mitigation, flood plain management, economic development, demographic analysis, etc.

FUNDING STREAM

ETCOG's GIS program provides GIS assistance to the member entities in emergency response, economic development, infrastructure management and land use planning. The cities of Henderson and Marshall, Counties of Wood, Anderson, Camp Fruitvale Water Utility Corporation, are a few of the entities that have contracted for ETCOG's GIS services in the areas of zoning, water utilities and emergency response.

OBJECTIVES

1. Build public awareness of the role of GIS in public governance.
2. Build a coalition of GIS users.

ESSENTIAL WORK TASKS

1. Maintain GIS hardware and software.
2. Maintain 9-1-1 Addressing databases.
3. Support Transportation transit technology and mapping. needs.

SUMMARY OF FISCAL RESOURCES FOR GEOGRAPHIC INFORMATION SYSTEM

FUNDING SOURCE	FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance	-	-	-	0%
State Assistance	-	-	-	0%
Local Assistance	-	-	-	0%
Other Income (Grants Direct Charges)	37,450	80,391	52,356	-35%
Total Revenue	37,450	80,391	52,356	-35%
EXPENDITURES				
Salaries and Fringe Benefits	21,696	28,044	28,771	3%
Other Direct Program Expenses	8,123	44,500	9,575	-78%
Total Pass Through	-	-	-	0%
Total Direct Program Expenses	29,819	72,544	38,346	-47%
Total Direct Internal Services	2,927	1,902	7,877	314%
Shared Costs	4,704	5,945	6,134	3%
Total Program Expenses	37,450	80,391	52,356	-35%

Significant Changes from Prior Year

Revenue - The decrease of 29% in anticipated revenues from the previous year is based on an assumption that no new inter-local agreements will be reached in the coming year. While there are a few in the works and as the visibility and value of the GIS services offered by ETCOG increases, it is expected that additional agreements will be reached. However, the prudent approach to growing this program is to estimate revenue conservatively and operate within the constraints that that approach mandates.

Expenditures- Decrease in salaries and fringe benefits is due to not filling a vacant GIS Intern position even though there is no reduction in FTE's as a result.

HUMAN RESOURCE REQUIREMENTS

Regional Services - GIS

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	1.65
Full-time equivalent direct support	<u>0.00</u>
Total	1.65
<u>2013 Proposed</u>	
Full-time equivalent direct	0.47
Full-time equivalent direct support	<u>0.00</u>
Total	0.47

PRIMARY PERFORMANCE MEASURES

1. Improved GIS system reliability.
2. Increased GIS coalition partners.
3. Increased public awareness meetings.



Human Resource
services and benefits



Focused initiatives on
efficiencies and lean
practices



Technology, facility
and operational
management



section 3

Direct

Internal Services



DIRECT INTERNAL SERVICES

OVERVIEW

The East Texas Council of Governments (ETCOG) has developed an internal services allocation plan under the guidelines of OMB A-87, whereby costs of the following services can be charged to the various programs on a reasonable and consistent basis. Direct Internal Service expenses are charged to a cost pool and then allocated directly to the grants on a monthly basis. ETCOG uses a variety of methodologies to allocate costs to the various programs. The following describes each type of allocation and the basis used in distributing these costs.

Human Resources and Payroll Administration

\$185,630

The Human Resources Division administers all ETCOG personnel management policies, procedures and fringe benefits. Costs pooled here include any cost incurred in a human resource or payroll related function such as cost for salary and benefits for human resources and the payroll administrator, costs of processing payroll checks and other related expenses. These costs are allocated monthly to each department based on full time equivalence and direct chargeable salaries for each program.

Purchasing/Facilities

\$379,716

Costs included in this pool include costs for a centralized purchasing function plus operation and maintenance of facilities owned by ETCOG. Purchasing costs include the cost of two FTEs who will be responsible for micro-purchases and acquisition of other routine goods and services. Costs include their portion of space, supplies, etc. These costs are allocated monthly to each department based on full time equivalence and direct chargeable salaries for each program.

On the facilities side, costs include interest and depreciation on the building that ETCOG occupies which was purchased in 2009. Other costs include utilities, maintenance, repairs and improvements of the ETCOG facilities. These costs are allocated to the specific grants based on cost per square foot and direct charged salaries.

In addition, costs for facilities are also considered to include computer support related services, web support services, software upgrades and automation, support salaries and benefits, equipment and depreciation. These costs are pooled into a information technology pool and distributed monthly. The method of allocation is based on computer drops per employee.

DIRECT INTERNAL SERVICE HUMAN RESOURCES

BACKGROUND AND PROGRAM SUMMARY

The Human Resource Department was established to provide a centralized and uniform process for attracting and retaining quality high caliber employees for the programs governed by ETCOG. The responsibilities include identifying and responding to the changing needs of employees and to ensure a continued customer service based working environment.

OBJECTIVES

To provide a full range of Human Resource management skills necessary to administer ETCOG policies, procedures, employee benefits, and to maintain a positive and productive working atmosphere for all employees.

ESSENTIAL WORK TASKS

1. Maintain and administer ETCOG personnel policies and procedures.
2. Provide policy interpretation guidance to employees and management team.
3. Maintain ETCOG personnel records and files.
4. Administer ETCOG employee benefit plan programs.
5. Identify new policies, procedures, and benefits to promote growth of professionalism in the organization and increase retention.
6. Assure ETCOG compliance with State and Federal regulations.
7. Coordinate recruitment efforts for all employment vacancies.
8. Administrate employee benefits and compensation.

SUMMARY OF FISCAL RESOURCES FOR HUMAN RESOURCES

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	-	-	-	0%
	State Assistance	-	-	-	0%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	-	-	-	0%
EXPENDITURES					
	Salaries and Fringe Benefits	138,854	135,495	179,630	33%
	Other Direct Program Expenses	13,651	9,600	6,000	-38%
	Total Pass Through	-	-	-	0%
	Total Direct Program Expenses	152,505	145,095	185,630	28%
	Total Direct Internal Services	-	-	-	0%
	Shared Costs	-	-	-	0%
	Total Program Expenses	152,505	145,095	185,630	28%

Significant Changes from Prior Year

Revenue - N/A

Expenditures- he number of FTE’s increased from 1.75 to 3.0. The administrative support staff which had been budgeted at 0.75 FTE last year was increased to full time. The Payroll clerk that had been budgeted in INDIRECT in prior years was moved to HR in 2013 adding an additional FTE bring the total to three. The additional costs for salaries and benefits (33%) reflect the costs of the additional positions.

HUMAN RESOURCE REQUIREMENTS

Direct Internal Services - Human Resources

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	1.75
Full-time equivalent direct support	0.00
Total	1.75
<u>2013 Proposed</u>	
Full-time equivalent direct	2.00
Full-time equivalent direct support	1.00
Total	3.00

Increase in staffing from prior year. (see comments under “Expenditures” above.

SELECT NEW INITIATIVES

1. Continue working with our Human Resources Strategist for Brinson Benefits on a Performance Plus Management System (PPMS). This project will meet our goal of developing and implementing new employee job descriptions and create an evaluation system based on measurable performance.
2. Working towards implementing new electronic time keeping system, Employee Web Services (EWS) to work in conjunction with HR Manager.
3. Continue to seek ways to reduce paper and increase efficiency.

DIRECT INTERNAL SERVICES PURCHASING/FACILITIES

BACKGROUND AND PROGRAM SUMMARY

As a result of the WOR Study, a major change was implemented in the handling of purchasing, facilities and Information Technology (IT). In prior years, facility costs and IT costs were allocated by using two different pools without including employee costs since all the work was done by contract. The post WOR organizational structure is designed to centralize a purchasing function. Employees assigned to this section will be responsible for managing the costs of facilities which also include IT related expenses.

A contractor will continue to perform hardware maintenance and support. At the conclusion of the year ETCOG will determine if the contractor "continues to make ETCOG a more efficient and effective organization," which meets the criteria to contract for an additional year.

OBJECTIVES

To work closely with other governmental entities and vendors to build and manage a comprehensive, purchasing and procurement program for ETCOG. Administer an efficient and effective internal purchasing and procurement process for ETCOG.

Work to support and assist ETCOG to plan, design, build, and secure all managed properties; maintain facilities so all persons will view ETCOG as a professional, productive, and efficient environment; and schedule routine repairs and preventive maintenance to control deterioration. Provide hardware and network support, and upgrade the existing technology platform in order to make ETCOG a more efficient and effective organization. This includes the continued collection of data and analysis of the feasibility of centralization of all data and phone systems within the administrative responsibility of ETCOG.

ESSENTIAL WORK TASKS

Purchasing:

1. Ensure compliance with State laws governing the public procurement process and human resources policies and procedures. Performs in accordance with ETCOG's customer service standards and with a thorough understanding of the overall mission of ETCOG. Fulfills facilities management responsibilities
2. Work closely with governmental entities and vendors in preparing bid specifications and recommending bid approvals to the Board of Directors. Receive, tabulate and evaluates bid and proposals for content and accuracy.
3. Provide support, consultation, guidance, and training to ETCOG staff concerning purchasing and procurement requirements and the development of effective procurement procedures and instruments.

Facilities:

1. Perform custodial/maintenance services to maintain clean and professional facilities.
2. Periodic random inspections of facilities to identify repairs and offer removal of excess property.
3. Provide facilities services at the same level or standard whether provided by in-house or contract staff.
4. Maintain the operating systems and security software on the networks.
5. Install computer hardware and software, as approved.

SUMMARY OF FISCAL RESOURCES FOR PURCHASING/FACILITIES

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
Federal Assistance		-	-	-	0%
State Assistance		-	-	-	0%
Local Assistance		-	-	-	0%
Other Income (Grants Direct Charges)		-	-	-	0%
Total Revenue		-	-	-	0%
EXPENDITURES					
Salaries and Fringe Benefits		-	-	129,716	100%
Other Direct Program Expenses		394,000	271,000	250,000	-37%
Total Pass Through		-	-	-	0%
Total Direct Program Expenses		394,000	271,000	379,716	-4%
Direct Internal Services		-	-	-	0%
Shared Costs		-	-	-	0%
Total Program Expenses		394,000	271,000	379,716	40%

Significant Changes from Prior Year

Revenue - N/A

Expenditures- In prior years, no personnel were assigned to the base functions of Facilities and IT. All the work was conducted by contract. By expanding the scope of the services provided by this group to Purchasing and Facilities, it was necessary to add staff for the first time. Additional expenses are a result of the addition of two full Time Equivalent positions to this Section.

HUMAN RESOURCE REQUIREMENTS

Direct Internal Services - Purchasing/Facilities

<u>2012 Actual</u>	<u>FTE</u>
Full-time equivalent direct	0.00
Full-time equivalent direct support	0.00
Total	0.00

<u>2013 Proposed</u>	<u>FTE</u>
Full-time equivalent direct	2.00
Full-time equivalent direct support	0.00
Total	2.00

See explanation provided above under "Expenditures".

SELECT NEW INITIATIVES

Establish the new centralized purchasing function that will serve all divisions of the COG, continue absorbing management of the 12 Workforce Center facilities in the region as well as all directly owned ETCOG buildings; continue to contract for professional management of information and communication technology systems, while assessing the services available through member governments and an analysis of the feasibility of providing these services in-house though a combined effort of resources is finalized.



section 4

Shared Costs

east Texas
council of
GOVERNMENTS

INDIRECT INTERNAL SERVICES

OVERVIEW

Indirect Internal Services are also referred to as “**SHARED COST**”. These are expenses incurred for joint or common purposes and may not be directly charged to a specific grant. Generally, shared costs benefit all programs while direct costs benefit programs specifically. OMB A-87 allows for the charging of shared costs not readily assignable to the cost objective specifically benefited without effort that is disproportionate to the results achieved.

For SHARED COSTS, a Provisional Percentage Rate is determined that may be applied and the results added to Direct Chargeable Salaries as a way to distribute these costs in a manner compliant with provisions of OMB A-87.

SHARED COSTS

Shared Costs are expenses incurred for joint or common purposes and may not be directly charged to a specific grant. SHARED COSTS include some Fringe Benefit Costs but only of those employees that are listed in the Human Resource Requirements in this Section. Generally, shared costs benefit all programs while direct costs benefit programs specifically. OMB A-87 allows for the charging of shared costs not readily assignable to the cost objective specifically benefited without effort disproportionate to the results achieved.

The **Total Shared Program Budget** consists of all expenses necessary to provide the following services:

1. Leadership and managerial guidance in planning, organizing and directing all operations of ETCOG.
2. Coordination and direction of all programs and intergovernmental relationships.
3. Development of proposed policy guidance to the Board of Directors.
4. Development and implementation of organizational administrative procedures and practices.
5. Financial management services for all operating Divisions including, accounting, payroll, budgetary reporting, etc.
6. Preparation of the periodic financial reports including the Comprehensive Annual Financial Report and other external documents.
7. Maintenance of all official records and development of the Annual Strategic Work Plan and Budget.
8. Coordination and provision of required professional services including outside independent audit and legal services.
9. Provision of supplies and services plus postage, printing, publications and other resources common to the implementation of all ETCOG programs and projects.

The chart on the following page reflects the amount of Shared Program Costs for the years, 2011, 2012 and projected for 2013:

SUMMARY OF FISCAL RESOURCES FOR SHARED COSTS

FUNDING SOURCE		FY 2011 Actual	FY 2012 Original	FY 2013 Proposed	% Inc/ (Decrease)
	Federal Assistance	-	-	-	0%
	State Assistance	-	-	-	0%
	Local Assistance	-	-	-	0%
	Other Income (Grants Direct Charges)	-	-	-	0%
	Total Revenue	-	-	-	0%
EXPENDITURES					
	Salaries and Fringe Benefits	626,458	638,419	713,883	12%
	Other Direct Program Expenses	361,603	355,100	304,571	-14%
	Total Pass Through	-	-	-	0%
	Total Direct Program Expenses	988,061	993,519	1,018,454	3%
	Direct Internal Services	-	-	-	0%
	Shared Costs	-	-	-	0%
	Total Program Expenses	988,061	993,519	1,018,454	3%

Significant Changes from Prior Year

There were no significant changes in specific line items that cannot be explained by the process of strengthening the Fiscal Management capability of the Department of Administrative Support Services and centralizing the Purchasing and Facilities Management function.

The approximately 12% increase in salaries and fringe benefits which resulted from adding 3.16 FTEs was partially offset by reducing Other Direct Program Expenses by 14%.

As shown on the chart the net change is an increase of only 3%.

Salaries and Fringe Benefits for Internal Direct Expenses are based on employees assigned to the Indirect Services pool. The classes and numbers of positions assigned to this pool are shown in the following table:

HUMAN RESOURCE REQUIREMENTS

Employee requirements for Indirect or Shared Costs are subdivided into two groups. The first is the Executive group consisting of the Executive Director, his immediate staff, HR and IT. The second group consists of employees of the Department of Administrative Support Services which was formerly the Department of Finance.

Reconciliation of Authorized Positions FY2012 to FY2013

Executive	As of 10/1/2011	Executive	Proposed 2013
Executive Director	1.00	Executive Director	1.00
Executive Assistant	1.00	Executive Assistant	1.00
Receptionist Indirect	0.50	Receptionist	1.00
Receptionist I & E	0.50		
Receptionist Indirect	0.50		
Human Resources	1.00	Human Resources	1.00
Administrative Assistant HR	0.75	Administrative Assistant HR	1.00
		Financial Services Specialist Payroll	1.00
Communications Manager	1.00	Communications Manager	1.00
Grants and Research Analyst	0.65	Grant Writer	1.00
Director of Innovation and Efficiency	1.00	Deleted	-
Dir. Public Info. & Regional Svc.	0.01	Deleted	
Custodian **	0.50	Information Technology Manager	1.00
Custodian **	0.50	IT Network Technician	1.00
Subtotal InDirect Exec	8.91	Subtotal InDirect Executive	10.00
** Part-time Permanent			

For the "Executive" portion of Indirect, the chart shown above reflects an increase of 1.09 FTEs from 2012 to 2013. There were actually more transactions recorded here than the just the simple addition of 1.09 FTEs but would serve little purpose in cataloging each and every individual change. It should be noted however that two IT positions have been moved to the Executive Department although only one, the Information Technology Manager is funded fully for 2013. As shown on the Master Organization Chart this position reports directly to the Executive Director.

The following page contains the reconciliation of the former Department of Finance.

Reconciliation of Authorized Positions FY2012 to FY2013

Department of Administrative Services	As of 10/1/2011	Department of Administrative Services	Proposed 2013
Director of Finance	0.97	Director of DASS	0.88
Accounting Manager	0.60	Budget Manager	0.21
Budget Manager	0.45		
Financial Assistant - Payroll	1.00	Financial Services Team Leader	0.92
Financial Assistant - A/P	1.00	Financial Services Specialist A/P	0.76
Accounting Specialist *	0.50	Financial Services Specialist Payroll	-
Accounting Specialist *	0.50	Financial Services Specialist A/P	0.81
Financial Specialist *	0.45	Financial Services Specialist	0.75
		Financial Services Specialist *	0.50
		Financial Services Specialist *	0.50
		Purchasing/Facilities Mgr.	1.00
		Purchasing/Facilities Specialist	1.00
		Purchasing/Facilities Specialist	0.80
		Building Maint Specialist	0.50
Subtotal Dept. of Finance	5.47	Subtotal DASS	8.63

Additions to the new Department of Administrative Support Services number 3.16 FTEs. The Financial Services Section added a net 1.5 FTE to absorb A/P responsibilities previously performed by the Contractor but will be transferred to ETCOG as of October 1. There is an additional 2 positions added to staff the Purchasing and Facilities Section. The purpose of this change is to centralize purchasing functions for all of the ETCOG Divisions.

CALCULATION OF PROVISIONAL SHARED COST RATE

The Base Total Direct Labor and Benefits are calculated by adding salaries and benefits for all divisions including internal direct. Utilizing the formula for calculating the Shared Cost Rate as shown in the preceding, the Provisional rate for 2013 is calculated as follows:

$$\frac{(\$1,018,454) \text{ Total Shared Program Budget}}{(\$4,777,378) \text{ Base- Total Direct Labor and Benefits}} = \boxed{21.318 \%} \text{ (Provisional Shared Cost Rate \%)}$$

Shared Costs are charged to each grant based on the provisional rate established at the beginning of the fiscal year as shown above, in this budget document. The rate is multiplied by direct salaries charged to a particular grant to arrive at the amount of Shared Costs that are allocated each month. At the end of the year, when actual total costs are known, adjustments are made to each grant based on the actual calculated rate.

The chart on the following page shows a detailed breakdown of the component costs in calculating the Indirect Rate.

Certificate of Cost Pools

This is to certify that I have reviewed the cost pool proposal submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal October 1, 2012 establish billing or final cost pool rates for the fiscal year ending September 30, 2013 are allowable in accordance with the requirements of the Federal award(s) to which they apply and OMB Circular A-87, "Cost Principles for State and Local Governments." Unallowable costs have been adjusted for in allocating costs as indicated in the cost pool allocation plan.

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as a cost pool item have not been claimed elsewhere. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the rate.

Subject to the provisions of the Program Fraud Civil Remedies Act of 1986, (31 USC et seq.), and the Department of Labor's implementing regulations, (29 CFR Part 22), the False Claims Act (18 USC 287 and 31 USC 3729); and the False Statement Act (18 USC 1001), I declare to the best of my knowledge that the foregoing is true and correct.

Governmental Unit:

East Texas Council of Governments

Signature:



Name of Authorized Official:

David A. Cleveland

Title:

Executive Director

Date of Execution:

10-1-12

INDIRECT COSTS**PERSONNEL**

Salaries	500,983
Less Part-time Employees	<u>55,438</u>
Total	445,545
Retirement	69,405
Hospitalization	64,067
Fringe Benefits	<u>79,428</u>
Total Personnel	713,883
Out of Region Staff Travel	25,000
Staff Travel	5,000
Committee Travel	13,500
Professional Services	75,000
Insurance & Bonding	3,500
Public Education	7,000
Communications	53,000
Depreciation Expense	8,071
Meetings & Conferences	9,000
Supplies	40,000
Copier costs	20,000
Training costs	10,000
Membership Dues	20,000
Repairs & Maintenance	4,000
Remote Storage Costs	1,500
Minor Office Supplies & Equipment	10,000
TOTAL SHARED COSTS	<u>1,018,454</u>



Appendix

APPENDIX - A

Budgetary Accounting Policies and Practices

REPORTING IN CONFORMITY WITH GAAP:

The East Texas Council of Governments (ETCOG) budget is prepared in accordance with generally accepted accounting principles and governmental accounting standards. These standards require that ETCOG's accounts be established on the basis of fund groups each of which is considered a separate accounting entity. The fund groups for ETCOG are divided into the following categories for budget purposes.

General Fund: This fund is the general operating fund of ETCOG and is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: These funds are to account for the proceeds of specific revenue sources that are legally restricted to specified purposes.

Internal Service Funds: These funds are used to account for activities conducted on a benefits received for service basis. The internal service plan accounts for allocation of certain services provided to other departments to provide a break even result.

The East Texas Regional Development Company is considered a discretely presented component unit.

BASIS OF ACCOUNTING:

The modified accrual basis of accounting is used by the special revenue funds. Under this basis of accounting, revenues are recorded when they become measurable and available to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accrual basis of accounting is used by the internal service funds whereby revenues are recognized when earned and expenses are recognized when the liability is incurred.

Retirement Plan:

The ETCOG retirement plan is a single employer money purchase plan, which is a defined contribution pension plan. Responsibility for the plan administration is with ICMA Retirement Corporation.

Accruals:

Sick leave and vacation leave are charged to an intermediate pool and distributed to the grant based on a percentage of direct charged salaries.

Indirect Costs:

ETCOG has prepared the budget for Fiscal Year 2013 based upon a 21.318% rate of direct charged salaries and fringe benefits. This rate will be submitted to the Texas Workforce Commission, which is ETCOG's State Single Audit Coordinating Agency, for approval.

REPORTING IN CONFORMITY WITH GAAP:

The East Texas Council of Governments (ETCOG) budget is prepared in accordance with generally accepted accounting principles and governmental accounting standards. These standards require that ETCOG's accounts be established on the basis of fund groups each of which is considered a separate accounting entity. The fund groups for ETCOG are divided into the following categories for budget purposes.

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Special Revenue Funds: These funds are to account for the proceeds of specific revenue sources that are legally restricted to specified purposes.

Internal Service Funds: These funds are used to account for activities conducted on a benefits received for service basis. The internal service plan accounts for allocation of certain services provided to other departments to provide a break even result.

The East Texas Regional Development Company is considered a discretely presented component unit.

APPENDIX- B

CALCULATION OF FRINGE BENEFITS

Fringe benefits are allowances and services provided by the East Texas Council of Governments to its employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to the cost of vacation, holidays, sick leave, administrative leave, unemployment insurance and disability insurance. The cost of fringe benefits are generally allowable to the extent that the benefits are reasonable and are required by law, governmental unit-employee agreement, or an established policy of the governmental unit. The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if they are provided under established written leave policies, the costs are equitably allocated to all related activities including Federal awards and the accounting basis selected for costing each type of leave is consistently followed by the governmental unit.

Following is an explanation of how the **EMPLOYEE ACCRUED RATE** is calculated; actual calculations of the Rates for the 2013 Fiscal Year are shown.

Fringe Benefits include leave, longevity and insurance cost for all Full-time Employees except those listed in the Shared Cost Pool. These latter employees are excluded because their costs are included in calculations for SHARED COSTS.

Calculation of the **Employee Accrued Leave Rate** is shown in the following formula:

$$\frac{\text{Total Release Time and Benefits}}{\text{Chargeable Time Costs}} = \text{Provisional Employee Accrued Leave Rate } \%$$

The total annual release time for each employee is calculated and multiplied by his/her hourly rate to get annual costs for each full-time employee (excluding Shared Cost Employees). The cost of miscellaneous benefits which include longevity pay, unemployment and disability insurance are also calculated. These costs are totaled to arrive at a total annual cost of release time and miscellaneous benefits for all Non-shared Cost Employees. The cost of fringe benefits are generally allowable to the extent that the benefits are reasonable and are required by law, governmental unit-employee agreement, or an established policy of the governmental unit. The cost of fringe benefits in the form of regular compensation paid to employees during periods of authorized absences from the job, such as for annual leave, sick leave, holidays, court leave, military leave, and other similar benefits, are allowable if they are provided under established written leave policies, the costs are equitably allocated to all related activities including Federal awards and the accounting basis selected for costing each type of leave is consistently followed by the governmental unit.

Chargeable Time is then calculated by subtracting total released time salaries and Part-time employee salaries from Total Salaries. The **EMPLOYEE ACCRUED LEAVE RATE**, *i.e.* the rate used to distribute Fringe Benefit Costs to Federal and State Awards is derived from dividing Total Released Time costs plus Benefit costs by Chargeable Time for full-time employees.

The following table shows the calculations used to determine the **EMPLOYEE ACCRUED LEAVE RATE** for 2013.

Calculation of Employee Accrued Leave Rate For the Fiscal Year Ending 2013		
Annual Cost of Release Time:		
Annual Leave	\$	200,033
Holidays		177,060
Sick Leave		134,795
Other Release Time		<u>14,755</u>
	Subtotal	526,643
Insurance:		
Unemployment Insurance		34,713
Disability Insurance		<u>28,414</u>
	Subtotal	63,127
Total Release Time & Misc. Benefits	\$	<u>589,770</u>
Total Gross Salaries	\$	4,644,543
Less Released Time		(526,643)
Less Part-time Employees		<u>(809,643)</u>
Chargeable time	\$	<u>3,308,257</u>
Release Time and Benefits / Chargeable time = Employee Accrued Leave Rate		
\$ 589,770 / \$3,308,257 =		17.83%

APPENDIX - C

Bureau of Labor Statistics

Consumer Price Index - All Urban Consumers Original Data Value

Series Id: CUURA316SA0, CUUSA316SA0
 Not Seasonally Adjusted
 Area: Dallas-Fort Worth, TX
 Item: All items
 Base Period: 1982-84=100
 Years: 2002 to 2012

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2002	170.6		172.1		172.9		172.9		173.2		173.6		172.7	172.1	173.3
2003	174.0		176.8		176.9		176.5		177.0		175.9		176.2	176.1	176.4
2004	175.7		177.7		179.1		179.1		179.7		179.9		178.7	177.8	179.6
2005	180.0		181.3		183.5		184.3		188.9		187.8		184.7	182.0	187.4
2006	188.6		188.4		191.2		191.7		192.0		188.4		190.1	189.7	190.5
2007	188.890		190.156		192.779		194.286		194.847		196.465		193.245	191.057	195.433
2008	197.079		198.596		202.357		206.413		205.883		200.051		201.791	200.118	203.463
2009	198.623		200.039		199.311		200.663		201.802		201.958		200.544	199.494	201.595
2010	202.106		201.982		202.108		200.227		201.882		201.168		201.624	201.908	201.339
2011	203.199		206.967		208.794		208.602		209.255		209.283		207.933	206.768	209.097
2012	209.203		212.618		212.226		211.267								211.520

$$211.267 - 201.958 = 9.309$$

$$9.309 \div 201.958 = 4.609\%$$

Increase in CPI from
October 2009 to July 2012

The last Cost of Living Adjustment (COLA) increase was granted in October 2009.
 The only other adjustment since then has been a 1% merit increase for those eligible to receive it.

While the CPI has increased 4.609 % since October 2009, only a 2% increase is recommended.
 That is the amount that can be absorbed within the estimated amount of funds available for 2012-13 and
 the average COLA increase being offered by the jurisdictions listed on the following page is approximately 2%.

Survey from East Texas Cities
Proposed COL/Raises FY 2012/2013

Mount Pleasant.....	2% or 3%
Nacogdoches.....	3%
Atlanta.....	4%
Pittsburg.....	2%
Quitman.....	2%
Winnsboro.....	3%
Carthage.....	4%
Bullard.....	3%
Palestine.....	3% <i>most employees & 2% for Dept. Heads</i>
Lufkin.....	2.5%
Center.....	3%
Jacksonville.....	2%
Gilmer.....	2%

APPENDIX –D

EAST TEXAS COUNCIL OF GOVERNMENTS TEXAS WORKFORCE COST POOLS FOR THE YEAR ENDED SEPTEMBER 30, 2013

Unassignable direct costs are costs that can be identified with a specific TWC cost category, but not by TWC title. These costs will be pooled and allocated based on benefit derived from the TWC entitlements.

Organizational Information – Exhibit A sets forth an organizational chart that identifies all TWC departments and supporting departments.

Statement of Function and Benefit – The following is a list of types of direct unassignable services and revenues provided, which are chargeable to the TWC cost pool.

- Program Income
- Interest Income
- Salaries
- Benefits
- Group Hospitalization
- Pension Costs
- Staff Travel
- Committee Travel
- Professional Services
- Communication Expenses
- Other Expenses
- Capital Equipment
- Other Considerations

In regard to function and benefit, these are only the costs and revenues which directly benefit TWC entitlements.

Budgets – Direct unassignable costs are maintained in the intermediate cost pools. The allocable direct costs are combined with direct costs of the TWC programs to determine the total TWC budgets.

Items of Expense – Allocable costs such as board meeting expense, etc. are recorded in intermediate cost pools then allocated to the relative TWC entitlement/program based on benefit derived.

Allocation Process – The East Texas Council of Governments primarily subcontracts all TWC services. Allocable administrative and program costs are maintained in pools then allocated based on direct charged salaries. The base for allocating unassignable direct costs will be shared in relation to the direct charged salaries of the related program on a monthly basis. The allocation base is dependent on the core programs of WIA, Child Care, Food Stamp & TANF, including American Recovery & Reinvestment Act funds. Other programs are not included in the allocation due to their temporary or insignificant funding dollars.

Supporting documentation will include employee time records and distribution schedules.

The TWC cost pool will be reviewed periodically to determine justification of current costs and basis of the allocation method used.

APPENDIX- E

EAST TEXAS COUNCIL OF GOVERNMENTS
AUTHORIZED PERSONNEL BY PROGRAM
FISCAL YEAR ENDING SEPTEMBER 30, 2013

	<u>Fy2012</u>	<u>Fy2013</u>	<u>Increase/ Decrease</u>
Workforce Development	18.61	26.15	7.54
Area Agency on Aging	12.60	17.85	5.25
Transportation	66.81	64.74	-2.07
911 Division	8.39	7.88	-0.51
Public Safety	3.08	3.37	0.29
Regional Services	5.44	3.13	-2.31
Human Resources	1.75	3.00	1.25
Innovation & Efficiency Division	1.50	0.00	-1.50
Information Technology & Facilities	1.00	3.00	2.00
Shared Services	10.13	11.63	1.50
Total Number of FTE Budgeted	<u><u>129.31</u></u>	<u><u>140.75</u></u>	<u><u>11.44</u></u>

APPENDIX - F

**EAST TEXAS COUNCIL OF GOVERNMENTS
SUMMARY OF REVENUE AND EXPENDITURES BY SERVICE PROGRAM
FOR THE YEAR ENDED SEPTEMBER 30, 2013**

	WORKFORCE & ECONOMIC DEV	AREA AGENCY ON AGING	Public Safety	Transportation	Regional Services	Reporting Entity Direct Charges
REVENUE						
FEDERAL	\$ 23,027,375	\$ 3,473,934	\$ 440,062	\$ 2,011,423	\$ -	\$ 28,952,794
STATE	5,262,567	190,107	2,009,432	1,242,291	718,164	9,422,561
LOCAL	44,400	70,636	-	193,300	-	308,336
OTHER	112,000	19,323	27,223	349,000	52,356	559,902
Total Special Revenue	\$ 28,446,342	\$ 3,754,000	\$ 2,476,717	\$ 3,796,014	\$ 770,520	\$ 39,243,593

EXPENDITURES

SALARIES	\$ 1,017,663	\$ 534,997	\$ 422,751	\$ 1,348,364	\$ 83,973	\$ 3,407,748
FRINGE	483,563	234,450	211,822	400,870	38,925	1,369,630
TRAVEL	84,241	49,368	34,350	21,700	4,700	194,359
PROFESSIONAL SERVICES	90,784	42,700	231,842	160,310	47,650	573,286
COMMUNICATIONS EXPENSES	94,047	48,425	89,242	43,093	22,549	297,356
OTHER DIRECT PROGRAM EXP.	60,981	66,114	406,952	745,815	8,450	1,288,312
EQUIPMENT EXPENSES	-	-	-	524,296	-	524,296
DIRECT INTERNAL SERVICES	212,327	70,749	85,280	178,660	18,330	565,346
SHARED EXPENSES	320,035	164,033	135,280	372,906	26,200	1,018,454
PASS THROUGH EXPENSES	26,082,701	2,543,164	859,198	-	519,743	30,004,806
Total Budgeted Expenditures	\$ 28,446,342	\$ 3,754,000	\$ 2,476,717	\$ 3,796,014	\$ 770,520	\$ 39,243,593

Note: Portions of this schedule may reflect rounding differences.

APPENDIX - G

EAST TEXAS COUNCIL OF GOVERNMENTS DETAILED LISTING OF LINE ITEM EXPENDITURES BY SERVICE PROGRAM FOR THE YEAR ENDED SEPTEMBER 30, 2013

EXPENDITURES			Workforce &		Public		Regional	Reporting Entity
	Indirect	Internal Services	Economic Dev	AAA	Safety	Transp.	Services	Direct Charges
Salaries	\$ 500,983	\$ 209,171	\$ 1,017,663	\$ 534,997	\$ 422,751	\$ 1,348,364	\$ 83,973	\$ 3,407,748
Fringe Benefits	79,428	37,290	181,421	81,729	75,364	119,587	14,970	473,051
Hospitalization	64,067	30,243	145,769	81,807	70,455	167,075	10,791	475,897
Pension	69,405	32,642	156,373	70,914	66,003	114,228	13,164	420,682
Total Personnel	713,883	309,346	1,501,226	769,447	634,573	1,749,234	122,898	4,777,378
Staff In-Region Travel	5,000	200	18,034	18,468	5,550	4,200	1,500	47,752
Staff out-of-Region Travel	25,000	1,000	39,007	20,800	26,000	17,000	3,000	105,807
Committee Travel	13,500	-	27,200	10,100	2,800	500	200	40,800
Total Travel Expenses	43,500	1,200	84,241	49,368	34,350	21,700	4,700	194,359
Contract Services	75,000	-	64,429	35,000	226,542	68,810	47,000	441,781
Insurance & Bonding	3,500	3,900	26,355	7,700	5,300	91,500	650	131,505
Total Professional Services	78,500	3,900	90,784	42,700	231,842	160,310	47,650	573,286
Public Education	7,000	-	64,875	31,700	2,100	7,966	20,000	126,641
Communications	53,000	2,000	7,686	13,700	79,692	33,627	2,449	137,154
Meetings & Conferences	9,000	-	21,486	3,025	7,450	1,500	100	33,561
Total Communications Expenses	69,000	2,000	94,047	48,425	89,242	43,093	22,549	297,356
Supplies	50,000	8,500	16,052	24,289	12,151	5,000	4,100	61,592
Copier Costs	20,000	500	7,800	1,000	725	3,000	-	12,525
Training Costs	10,000	500	23,979	4,800	22,600	4,000	650	56,029
Membership Dues	20,000	500	12,500	3,700	1,000	13,000	200	30,400
Remote Space/Storage Costs	1,500	-	650	25,100	-	-	-	25,750
Computer Maint., Repairs & Software	-	75,000	-	-	370,476	-	3,500	373,976
Repairs & Maintenance	4,000	129,259	-	7,225	-	500	-	7,725
Fuel -Transportation	-	-	-	-	-	585,000	-	585,000
Maintenance -Transportation	-	-	-	-	-	80,000	-	80,000
Vehicle Supplies - Transportation	-	-	-	-	-	5,000	-	5,000
Inspection - Transportation	-	-	-	-	-	500	-	500
Towing - Transportation	-	-	-	-	-	5,000	-	5,000
Tires - Transportation	-	-	-	-	-	19,815	-	19,815
Brakes - Transportation	-	-	-	-	-	15,000	-	15,000
Oil - Transportation	-	-	-	-	-	10,000	-	10,000
Depreciation Expenses	8,071	34,641	-	-	-	-	-	-
Capital Equipment	-	-	-	-	-	524,296	-	524,296
Total Other Direct Prog. Expenses	113,571	248,900	60,981	66,114	406,952	1,270,111	8,450	1,812,608
Human Resource Cost Pool	-	-	46,177	30,477	18,470	85,888	4,618	185,630
Innovation & Efficiency Cost Pool	-	-	-	-	-	-	-	-
Information Technology	-	-	83,900	40,272	33,560	40,272	6,712	204,716
Facilities	-	-	82,250	-	33,250	52,500	7,000	175,000
Total Direct Internal Expenses	-	-	212,327	70,749	85,280	178,660	18,330	565,346
Total Shared Costs	-	-	320,035	164,033	135,280	372,906	26,200	1,018,454
Total Pass Through	-	-	26,082,701	2,543,164	859,198	-	519,743	30,004,806
	(1,018,454)	(565,346)						
TOTAL BUDGETED EXPENDITURES			\$ 28,446,342	\$ 3,754,000	\$ 2,476,717	\$ 3,796,014	\$ 770,520	\$ 39,243,593

Note: Portions of this schedule may reflect rounding differences.

APPENDIX - H
EAST TEXAS COUNCIL OF GOVERNMENTS
SHARED COSTS COMPARISON TO ALLOWABLE EXPENDITURES
FOR THE YEAR ENDED SEPTEMBER 30, 2013

Indirect or shared costs can be allocated in many different ways by entities that appear to be very similar such as regional planning commissions or councils of governments. Based on the unique programs of each entity and whether services are provided within the entity or subcontracted the basis for allocation may vary using different methodologies. One method is not preferable from another, the test is whether or not the methodology properly allocates the costs incurred fairly and equitably among the programs benefited. As a comparison to entities that may distribute indirect costs based on total allowable expenditures, ETCOG presents this percentage for analysis.

DEPARTMENT	SHARED COSTS	PERSONNEL COSTS	ALLOCATION AS PERCENT OF PERSONNEL	ALLOWABLE COSTS LESS CAPITAL OUTLAY	SHARED COSTS AS PERCENT OF TOTAL COSTS
WORKFORCE PROGRAMS	320,035	1,501,226	21.32%	28,446,342	1.13%
AREA AGENCY ON AGING	164,033	769,447	21.32%	3,754,000	4.37%
PUBLIC SAFETY	135,280	634,573	21.32%	2,476,717	5.46%
TRANSPORTATION	372,906	1,749,234	21.32%	3,796,014	9.82%
REGIONAL SERVICES	26,200	122,898	21.32%	770,520	3.40%
TOTAL	1,018,454	4,777,378	21.32%	39,243,593	2.60%