

MINUTES OF THE CENTRAL REGION WORKFORCE INVESTMENT AREA CAUCUS

November 14, 2012

Caucus Chairman Kenneth Kunze called the meeting to order at 2:21 p.m.

The following Commissioners attended Gary Jungermann (Callaway), Marc Ellinger (Cole), Eddie Brickner (Cooper), Lowell Eaton (Howard), Danny Rhoades (Laclede), Ray Schwartze (Maries), Tom Wright (Miller), Kenneth Kunze (Moniteau), Dave Dudenhoeffer (Osage), Randy Verkamp (Phelps), and Marvin Wright (Washington).

Central Region Workforce Investment Board (C-WIB) Chairman Jim Dickerson was present, as were C-WIB staff Alex Blackwell, Alan Galindo, Linda Gray, Jacque Moreland, and Kevin Stadler.

Other attendees included Joyce Davis of Central Missouri Community Action (CMCA), Trish Rogers of Central Ozarks Private Industry Council (COPIC), Paula Curtman of Lake of the Ozarks Employment Services (LOES), John Vaughn, and Mike Oldelehr and Kelly Schwartze of Williams Keepers.

Minutes

Randy Verkamp made a motion to approve the August 2012 minutes, and Marvin Wright seconded; the Caucus approved the minutes.

New Business

RFP's Update

Jim D. reported on the RFP. On our adult and dislocated worker programs we have not requested bids on those for several years. The state had not asked us too. We had the USDOL monitoring and then all of a sudden I think the state got into trouble because some regions had not bid them, including us and Kansas City, both of which were regions that were monitored.

The state came to us and said we have got to request bids for your adult and dislocated worker programs as soon as possible. We did that and they wanted it to be ready to go into operation with whoever the new successful bidders were by September 1, 2012. We were in the position to do that as it turned out.

We received two bids for the Northern eight counties and that was from an organization called GAM, which is actually centered in Northeast Missouri, and from CMCA here in Columbia. We got one bid in the Lake area from Lake of the Ozarks Employment Services (LOES), and we got one bid in the Meramec area from the Central Ozarks Private Industry Council (COPIC).

Our evaluation committee met and made recommendations on bidders. Obviously two of the sub regions had only one bidder, and it wasn't much of an issue. Then they selected CMCA in the Northern eight counties.

We knew going into this the state wanted to review this. One of the things you need to remember is this DOL monitoring that I am referencing was actually more of a monitoring of the state. The state wanted us to send them all of the bids and a description of how we

evaluated the bids and all that type of thing so they could review it before we awarded contracts. We did that about on August 28, when it was sent into them. We still don't have an answer from the state on their review. We have been extending contracts now for the existing contractors on a thirty day basis ever since, and we are doing that now.

Jim D. stated he thinks part of it is the state. His information is that the state didn't come out real well with the DOL on the monitoring so he thinks they are being very cautious on what they are doing. He has answered a lot of questions about how we implemented the thing and we haven't been told that anything's been done wrong but they also haven't made any kind of decisions. That's where we are right now with that RFP.

Randy V. asked Jim D. if the commissioners could help him with that? It is embarrassing. Jim D. stated it is terrible. Randy V. stated it is embarrassing for all of us who are involved in government and asked what is the problem?

Jim D. stated he does not know because he talked with the state on Friday knowing that we would be having these meetings today and he was asking the lady who he has been dealing with it at DWD, where are we on this process? Where are you on this review? She stated well I don't know I was out of the office yesterday due to family illness. Well this has been going on since the end of August. Then she said, and she had told me this before, that everything we are submitting they are sending to their DED legal counsel for their review just because it's part of the process. Jim D. stated he does not know what is going on, but thinks it has something to do with the DOL review, but they haven't told me that it is just him speculating.

Randy V. stated he would not think this would improve their appearance in front of you to have these contracts hanging this long. Jim D. stated he didn't know what was taking this long and the sad part of it is there are three organizations with three different sets of employees who don't know one month from the next whether they are going to have a job or not. He stated they are on a thirty day basis right now.

Randy V. asked how can we help you with this? Jim D. said it probably wouldn't hurt to have some inquiries made with DWD or even with the governor's office about what's going on with it.

Ray S. asked if it was the state or the Fed's who brought this investigation? He said that might not be the right word, but basically on the workforce monitoring response?

Jim D. stated on the RFP it was the state. Ray S. said he has a hard time keeping them apart. Jim D. stated whenever anyone has a question please ask because this stuff confuses me lot.

LWIB Membership Recertification

Jim D. reported on the LWIB recertification and we've talked about this a little bit before, and he will be talking about the Department of Labor (DOL) monitoring report under the Chairman's report but he will go ahead and speak a little about it now.

When the DOL was in the region doing their monitoring, they telephoned, and they did tell us they were going to, some of our board members. They appeared to telephone most all of the private sector board members. Not FSD or something like that.

Their report claims that four of those board members in talking with them, told them that they were retired. You cannot be a private sector board member which means you are involved in a

business and you have hiring and firing authority, and be retired, and so that made it into the report.

They told us that you've got four people who have said they are private sector and they told us on the phone that they are retired. Jim D. stated he only knows of two instances, because they didn't tell us who they called, he had Jan do some work and check into it. Lowell has got one, and he is a good board member, and Ray you have got one. Rick admitted he said that. Ray S. said he would check with Rick on it.

Jim D. stated that what is going to happen with this is first of all these people just kind of up front told DOL that they are retired. We are going to have a problem if we submit them for recertification.

Jim D. stated he was going to reference Kenneth Kunze's letter that he was handed here today by DOL. He was handed a letter wanting copies of all ballots regarding recertification and all that type of thing by DOL. So they are going to be watching this closely. Anybody that falls into that category, I am just giving you a heads up. First of all we are going to have problems with the state and secondly they are going to apparently have a problem with DOL.

Ray S. stated that they have a problem getting people to serve on the board and maybe if we had one per county we could get by with that. Jim D. stated that we couldn't get enough representation of all of our categories if we do that. Jim D. stated it's hard to get a private sector person to serve. Almost all of the counties have private sector slots and we get them on and they see how often we meet and everything and then the next thing we know they are gone because they just can't take off that much. Labor is making it rougher on us because they are going to have to jump through those hoops in order to qualify to serve.

Kenneth K. stated what if the board went to bi-monthly meeting we could keep people on. He could get people on to serve, but when he tells them you've got to go to Rolla well they just shut him off.

Marc E. asked if we could possibly do them by conference call? Jim D. stated that even better than that we could do them by ITV. Marc stated that if they could be done by conference call then everybody could sit in their office and do it and completely eliminates the need to travel. The sunshine law lets you do it I just don't know if you are authorized statute, if so you solve your problem. I can't get private sector people to serve in Cole county. But if they could sit in their office and do an hour long conference call once a month I could get private sector people to serve. Jim D. stated he would mention that to the board. The board will be discussing at their next meeting both the frequency and location of their board meetings.

Jim D. stated that when we formed this new region the main objection that he had from people from the Columbia, Boonville, and Fayette area was having to go to Rolla. I never understood that because they weren't complaining about going to the Lake, just Rolla. Randy V. stated he would like to think it is the highway 63 and not just Rolla. Marvin W. drove about 150 miles today. Jim D. stated that is what he pointed out to the board because yes if you look at the region Jefferson City is a central location, and they were talking about having every meeting in Jefferson City, but for somebody from Potosi you are talking something there, it is a long way, or even somebody from Salem. It is something that they are going to be thrashing through and he will present Marc's idea also. Jim stated he does not have a preference one way or another

but anything we can do to get more people to participate and get more people to agree to serve.

The deadline for the recertification right now is January 15, 2013. We also got written up in the recertification for what they call long term vacancies. Those were in Osage and Moniteau county. They said they have been open for about a year. That is another issue where they are banging on us a little bit.

Linda is going to be working with you and I have got people out trying to talk to people out in the region about serving that you might be able to consider, specifically private sector people. Also Linda had provided you with a report on each board members attendance at the board meetings. There are some counties that the board representative has never attended any of the meetings. The DOL are also looking at how many members are attending the board meetings.

DOL Monitoring and Response

Jim D. reported the first finding was a Lack of a Youth Council. We have had a youth council all along but before the DOL came to the region we had viewed some other reports they had done and saw in the youth council area what they were talking about. The problem was that we didn't have certain categories of people on our youth council that they require. Before they arrived we got to work and we found representative in those categories and put them on the youth council. By the time they arrived we were in compliance with their requirements, but we weren't for the time period they were reviewing.

Jim D. stated that what he pointed out to the board was that the state was aware all along who was on our youth council and they never told us we needed anybody else. So this is one of those deals where the monitoring was of the state and I am sure they got their hands slapped because they didn't tell us we were short in these categories. We went ahead and addressed it and told them we have addressed it when they arrived.

The second finding was Lack of Business Majority on the LWIB and Board Members Not Meeting Criteria For Membership. That pertains to those board members I've referenced who said they have retired and also to those two vacancies that they pin pointed that have been vacant for some time.

The next finding was Lack of Proper Process For Designation of One-Stop Operators. That goes back to that RFP he has already referenced. They felt like that we should have already RFP'd that state hadn't required us to and then the state required us to, and as you see from our response there we have done that RFP and we are waiting on the state to review our process there.

The next find was no Conflict of Interest Disclosure Statements. All of the board members but three have signed Conflict of Interest statements, but at the time DOL arrived none of the staff had signed statements, and that basically is what they were pin pointing. Now that the staff has signed those statements all we need to get is those three board members who have not signed the statement yet and we will comply with their findings. That is just declaring if you have a conflict of interest or not.

The next finding is Delay of WIA Program Exits. That particularly relates to our youth program. The DOL actually went in and looked at what we call the case files on some of these young

people and they found instances where case workers were saying they were delivering services, but also saying they couldn't contact the people.

There is one slim way that could occur but by the same token it leads me to believe that it pin points a problem. What we have done is asked our contractors to review their youth files and any cases of whether they can't locate a youth, or they cannot get the youth to call them back or respond, they are to submit them to me in a list and we are going to review each case and in those cases where they can't find them or they just are unresponsive we will be exiting them from the program. That was the problem, people saying they were serving them and they couldn't find them.

The next finding didn't impress the board members much. Unnecessary Costs Charged to Grant Funds. It sounds bad but what it actually relates to the fact that the DOL felt like when the board met the food being ordered was way too much for the number of people who attended the meeting. In other words there was food being left over. That's kind of a picky one but what we have done there is we have lengthened our time where we establish the number of members who will be attending the meeting. So with that information further ahead of time, three working days prior to the meeting. It's not illegal use of funds, it's actually ordering too much food.

The next finding is Follow Up Services Not Provided to All Youth. Due to our staff cuts some of our operators have cut back on the follow up activities. We are not requiring follow up be done on all youth regardless, because that's our agreement to do that. We have addressed that particular finding and cleared up that issue.

The next finding is Lack of Proof of Eligibility for Youth Services. Jim D. stated this is one specific youth and I happened to be present when DOL was discussing this and the contractor didn't agree and I've consulted several others who don't agree and he doesn't agree with DOL's interpretation of this eligibility. We have responded accordingly back to DWD and we are just waiting to see how that sets out. It had to do with who is living with whom and who is supporting whom and all that type of thing and we just don't agree with the monitors interpretation in that area.

The next find is Objective Youth Assessments are Not Conducted at the Time of Intake. We have changed that and now they are being conducted in all cases at the time of intake.

The final finding is Excessive Use of the 6th Criterion Barrier (Needs Additional Assistance) for Youth Eligibility. A number of years ago the state became concerned that all the regions were not serving enough young people. The encouraged each region to develop what they call a "6th criteria", because there was already 5 criteria, in hopes to open up the gates a little bit more so regions could serve more youth. So we did that and ours was needs additional assistance.

It has to do with lack of work experience, mental and physical challenges and things of that nature. What this finding is saying is that our operators are using this barrier too much. I know the contractors don't agree with that but we are encouraging them to work with us to find ways to use it less. What the DOL is actually saying is the first five areas which are national barriers are not being used enough and this one is being used too much. We are just going to have to try and work on that and make it better.

This response has been accepted by DWD and has now been forwarded on to, along with the entire state response to DOL, and now they are looking at all of them to see what they think. Jim D. asked if there were any questions? There were none.

DOL Gold Standard Evaluation Update

Jim D. reported that this is the study we are involved in. We are one of thirty regions out of six hundred in the nation that are involved in that study. In trying to determine for DOL whether spending Workforce Investment Act money on clients is doing any good, and if so, how much good.

We have been having ongoing discussions with the US Department of Labor consultant, because our enrollments in the two restricted categories, CORE and CORE Intensive category. The numbers were not coming up as quickly to the total that they wanted to see. They were afraid we were not going to reach it in the time frame they had envisioned. On the other hand our subcontractors were concerned because anyone that falls into one of those two categories they cannot for instance send them to school.

As we knew going in, they were getting people who really wanted to go to school and we were having to tell them no and it was also affecting their ability to spend their funding. I had a long ongoing discussion with all of the subcontractors and with the USDOL consultant and asked the consultant if we didn't change the percentage of people we were putting into those categories, how much longer would the study have to run, how much longer would that stretch it out. He projected that it would be extended another year. After hearing that the subcontractors indicated that they would rather go ahead and raise the percentage to get the enrollment thing over and get our part of the study gone.

We did agree to raise those categories by two percent. There is also an agreement that if those numbers all the sudden start jumping up and are much higher, that we will revisit that topic and adjust the percentages again. They were afraid that by our not having enough numbers in those categories we were going to affect the study, which we don't want to do, as we did agreed to do the study.

Monthly Financials

Jacque Moreland presented the budget for PY2012 as of September 30, 2012. The first page is our overall budget this year. The budget is about 7.3 million. We are 36% expended overall. C-WIB Administrative Entity is at 29%, CMCA is at 45%, COPIC 39%, LOES 31%. We will be receiving additional NEG/OJT funds but I do not have the exact amount for that yet. Please note that LOES and COPIC are slightly lower than what they should be right now due to the NEG funds that have been extended until June 30, 2014.

The next couple of pages are the expenditures by month. It is a Statement of Revenues and Expenditures report from October 1, 2012 through October 31, 2012. The first column is just the month of October, the second column is our year to date.

The next pages reflect a comparison from last year to this year so you can see the increase or decrease. The first column shows you what we spent as of October 31, 2012, the middle column is where we were as of October 31, 2011, and the last column shows the percentage of change and it list everything by line item.

We are in the process of moving some OJT funds back to ARRA at the state's request, and all the funds that we spent in NEG/OJT will be freed up to be spent this year. Those funds had to be spent by September 30, 2012. We did DWD a favor by fixing those funds for them. All the money that we have moved we can use for NEG/OJT funds.

Kenneth K. asked if there were any further discussion on the financials? There was none

Tentative PY11 Audit-Williams Keepers, LLC

Mike Oldelehr, CPA, partner with Williams-Keepers, LL presented the C-WIB PY11 Independent Audit Report, which included a summary of the audit results and management letter. Mike stated this report is a "final" not "tentative" audit report.

The independent audit report was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Mike presented an overview summary of the audit to the board members.

Mike Oldelehr stated there were no instances of non-compliance, or other matters that are required to be reported under Government Auditing Standards. All the way around this was a good report and a "clean audit" with no material weaknesses.

Kenneth K. thanked Mike for his presentation of the PY11 audit. He asked if there were any further discussion of the audit? There was none.

Monthly Reports

Chairman Kenneth Kunze asked if there were any questions regarding the monthly reports. There were no questions or concerns.

Chairman's Report

Jim D. stated the next item I have to cover is the letter, or the process that we have been going through with the Missouri Attorney General's office. I received a letter that said they had received several complaints that C-WIB is violating the sunshine law. They asked for a response to those allegations, as well as some specific allegations that we were holding meetings out in the parking lot. I responded to their inquiry and now have received an answer.

The Caucus should have in front of them a copy of the letter and our response.

Jim D. stated the parking lot meetings was not mentioned in that response. The two instances of the potential problem they pointed out centered around the May 21 personnel committee meeting, I wasn't at that meeting and didn't know anything about it, but they say that the meeting was closed and from looking at the minutes shouldn't have been, and Linda and I have got to review those minutes, but from my understanding from the people who were there, was that those raises that were proposed which were never implemented, but were proposed did involve some discussion about people's personnel records. If that was the case, those were individually identifiable personnel records which is an area where you can close a meeting, but if that was the case I am not sure that I agree with that assertion.

Jim D. stated that the second thing they nailed us on was that we did not include that personnel committee report on the meeting notice for the next board meeting. I didn't know

there had been a meeting so I didn't know it needed to be on the notice, and I pointed that out to the Attorney General's office.

Those are the only two areas in that entire letter that I felt like they said we had a potential violation. The rest of the letter I take as constructive criticism. It calls on us to provide more detailed information in particularly our public notices that are posted. So the public has a better idea of exactly what is going to be discussed. One example they used was listing personnel. If you are going to be talking about salary increases you have to list salary increases, and I agree with that. The public is looking at a notice and trying to decide whether to attend a meeting or not, they need as much information as we can give them. I think it's a great suggestion. So you will be seeing changes in both our agenda which will look a lot longer, not that the meeting will be longer, but will have more information on it, and the public notices will be longer. Jim D. stated he just felt like they really found one problem area, and felt like they made some very good suggestions we could use to improve both our agenda and the public notice.

Kenneth Kunze asked if anyone had any questions? Ray S. stated that has a few questions from his own commissioners of his county. The way he understands it is the caucus appoints our board members right? Jim D. stated correct. Ray stated that we have nothing to do with the committees, right? Jim D. stated right and Ray asked if that was really a good idea or not? Jim D. stated correct, the board does.

Ray S. asked how the budget is done, does the caucus vote on the budget or how is it done? Jim D. stated he brings the budget to them once we get it. Ray S. asked about the subcontractors, they bid and then they come back and asked for more money. Did we give that to them or didn't we? Jim D. stated no. They haven't received any more money at this point. The board discussed it but there hasn't been any vote to give any raises there. Ray asked if the C-WIB employees got their raises though. Jim D. stated yes.

Other Business

Kenneth Kunze asked if there were any other business or issues to be addressed? There was none.

Marc Ellinger made a motion to adjourn, and Eddie Brickner seconded; there were no objections. The Caucus adjourned at 3:00 p.m.