

Georgia Association of Training, Employment, and Supports

Board of Directors Meeting

July 17, 2015

President Becky Ketts called the meeting to order at 10:00 a.m. The meeting was held at Bobby Dodd Institute-South, Jonesboro, GA

BOARD members present included:

Anisio Correia
Becky Ketts
Dave Miller
Keith Powell
Paula Phillips
Lynn Smith
Sheila Zipf

Other GATES members and Guests present:

Charles Hall
Shawn Pursley
Angelica Figueroa
Dawn Randolph
Cheryl Cornett

Call to Order/Approval of Agenda:

President Ketts commenced the Board of Directors meeting and reviewed the agenda. A call to approve the agenda was made by Ms. Ketts. Sheila Zipf motioned to approve, Paula Phillips seconded and the agenda was approved by the BOARD.

Ms. Ketts called for the approval of the Minutes. Sheila Zipf made first motion to approve, Anisio Correia seconded, and the Minutes were approved by the BOARD as written.

An e-mail vote occurred among the Board of Directors regarding the extension of ASG contract to the July 17th BOARD meeting. The email ballot was unanimously approved to extend the ASG contract at the current compensation schedule until the BOARD approves the FY16 budget.

Finance Committee Report:

The Finance Committee met via conference call the prior week to discuss the GATES financial report and the proposed budget for FY16. Ms. Zipf advised the BOARD of the contract renewal of Ms. Dawn Randolph included an 8.3% increase and the Finance Committee wanted to specifically ask for approval of this increase. The Board approved this increase in Ms. Randolph's contract. Ms. Zipf also noted the FY16 budget included a 2% increase in management fee for ASG.

Charles Hall presented the full Finance Committee report to the BOARD. Overall FY15 appears to be concluding in the black, although the financials are currently in the process of being audited. The GATES net income of the year is projected to be \$23,911. GISON is in the black for FY15 due to increased revenue and an improved Cost of Sales percentage. GEPS had a successful year with product sales, although service contracts were down from FY14. GEPS product revenue for FY15 is projected to be a 21% increase over FY14 sales. For FY16, a 10% increase in product sales has been budgeted due to an anticipated increase in sales of soap. Regarding service contracts, a 2% increase has been projected in FY16 over the projected FY15 revenue. In general, the GATES FY16 proposed budget calls for the Net

Revenue before expenses to be \$841,290. Anisio Correia motioned to approve the Finance Committee report. Lynn Smith seconded the motion. The financial report and FY16 Budget were approved by the BOARD as written.

Georgia Enterprises:

Mr. Shawn Pursley provided a summary report to the BOARD regarding GEPS. During FY15, GEPS secured 17 new contracts that totaled \$95,620, although GEPS lost contracts totaling over \$200,000 due to cancellations and re-bids. GEPS had a 46% success rate in winning bids in which a total of 37 bids were submitted and 17 were won in FY15. The cost of sales for GEPS Product and Services contracts were computed using the COS average for the past years in which Products' COS was 6.2% and Services' COS was 6.1%. The projected Net Income for GEPS is \$20,823. In addition, GEPS will be receiving a marketing grant from GVRA for FY16 in the amount of \$40,000.

Pursley also presented to the BOARD a summary of the State Use Operational Plan for FY15 and new plan for FY16. Highlights of the report covered several goals which included increasing familiarity with other state use programs by DOAS/State Use Council and GEPS, increasing successful awards to include identifying statewide initiatives, enhancing marketing efforts as well as building capability and capacity of State Use throughout Georgia.

GISN:

Pursley also provided a summary report on GISN to the Board of Directors. GISN implemented a new Cost of Services model in FY15 in which a customer fee was increased by 5 to 10% and interpreter hourly rates were decreased by \$2.00 for most certifications. During FY15, GISN revenue increased to almost \$2.5 million. The Cost of Sales is projected to be at 81.48% in FY15 with the goal being to continue to reduce COS and increase the margins to GISN. The projected Net Income for GISN is \$7,033. Mr. Pursley provided a summary of the completed FY15 strategic marketing plan as well as presented to the BOARD the continuing initiatives that will be executed in FY16. The marketing efforts included actively posting information to its followers via social media accounts (Facebook, Twitter, agency website). Moreover, GISN attended trade shows and marketing expos where several new contacts were established. GISN also analyzed sales data which led to the distribution of newly ordered materials via mass mailing to customers and outreach visitation to client offices. GISN equipped interpreters with "Interpreter Cards" to be given to current customers and potential new clients, began to register GISN with county/city governments and submitted a letter to DOAS making a strategic plea for the state-wide contract to be put out to bid (instead of extending the current contract renewal) as it is harming the market which will end up reducing competition. No reply has been received from DOAS.

Conflict of Interest/Whistleblower Policies:

Mr. Charles Hall reviewed the Conflict of Interest and Whistleblower Policies with the Board of Directors. Mr. Hall distributed the GATES – CONFLICT OF INTEREST POLICY AND DISCLOSURE FORM among the BOARD for signature.

The Whistleblower Policy is utilized by GATES to promote ethical practices and treatment of its members and staff. Mr. Hall discussed the policies and procedures in which members of the BOARD were all in agreement.

Review/Approval of State Use Work Center Certification Guidelines:

In late March staff notified all GATES members the State Use Program Certification Committee (Chaired by Dorothy Cochran) was charged at the January 2015 Council meeting to review the State Use Program Certification process and recommend any changes to that process that Council should consider. Progress on this review process was reported at the March State Use Council meeting.

In early April, staff sent all CRP's a summary of the recommended changes and asked for input. Several CRP's responded with comments and suggestions. Staff compiled the comments and resubmitted the changes to GATES members again in May. The Board discussed the input from GATES members and approved the following recommendations to the State Use Council. (All Page and Section notations are in reference to the State Use Council Policy Manual.)

RECOMMENDATION #1

Page 13 Section 1.3.1 – Requirements for Initial Request to Become Certified as Eligible to participate under the State Use Program

Change to read – Copy of State and IRS letters of approval granting 501(c)3 designation.

RECOMMENDATION #2

Page 14 Section 1.3.1 – Requirements for Initial Request to Become Certified as Eligible to participate under the State Use Program (page 14)

Add copy to read – National accreditation (e.g. CARF, others) is not a requirement for State Use program certification; however, if your organization has been accredited please list. If your organization plans to seek certain accreditations, please list accreditations and your organization's progress in the application process.

RECOMMENDATION #3

Page 14 Section 1.3.1

Add copy to read – Evidence of a prior and current business license(s) showing that your organization has been in operation for at least one year prior to certification.

RECOMMENDATION #4

Page 14 Section 1.3.1

Add copy to read – Evidence of Workman's Comp, Liability, and Automobile insurance at the same standard levels as required by the State of Georgia contracts. (See page 60 of the "Policies and Procedures" document).

RECOMMENDATION #5

Page 14 Section 1.3.1

Add copy to read – Provide list of Board of Directors including name, address, phone and email.

RECOMMENDATION #6

Page 14 Section 1.3.1

Add copy to read – Provide proof of financial stability (CPA Letter, Form 990, tax returns, operating statement, balance sheet, etc.)

RECOMMENDATION #7

Page 14 Section 1.3.1

Add copy to read – Disclosure and explanation of the nature of any pending litigation.

RECOMMENDATION #8

Page 14 Section 1.3.1

Change copy to read - Completed "Quarterly Employment Report" displaying proposed or actual compliance with the provision that at least seventy-five percent of direct labor hours employed in the manufacturing of products and in the provision of services for the State Use Program during the state fiscal year (July 1 - June 30) is completed by persons with disabilities.

Applicants will be permitted to initiate contracts with fifty-one percent direct labor on an individual contract, provided that the applicant includes a specific plan to achieve the seventy-five percent direct labor requirement within twelve months of the start of the contract.

RECOMMENDATION #9

Page 15 Section 1.3.1 – Requirements for Certification

Change copy to read - Completed "Quarterly Employment Report" displaying proposed or actual compliance with the provision that at least seventy-five percent of direct labor hours employed in the manufacturing of products and in the provision of services for the State Use Program during the state fiscal year (July 1 - June 30) is completed by persons with disabilities.

Applicants will be permitted to initiate contracts with fifty-one percent direct labor on an individual contract, provided that the applicant includes a specific plan to achieve the seventy-five percent direct labor requirement within twelve months of the start of the contract.

RECOMMENDATION #10

Page 16 – Section 1.6.2 - Appeal Process for Certification

Change - "Steering Committee" to "Executive Committee" in 3 places.

RECOMMENDATION #11

Page 16-17 – Section 1.8.1 - Maintaining Eligibility

Change - (first paragraph, last sentence) – to state that CRP's current to the program will also be required to provide proof of national accreditation (e.g. CARF) or re-submit the certification packet every 3 years.

Change - (second paragraph) - to state that CRP's with no activity in the program will need to either provide proof of national accreditation (e.g. CARF) or re-submit the certification packet every 3 years.

RECOMMENDATION #12

Pages 17 – Section 1.8.2 - Failure to Comply with State Use Certification Rules

Change – (first paragraph) - "Steering Committee" to "Executive Committee" in 2 places.

RECOMMENDATION #13

Page 18 – Certification Packet Checklist

Item 3 – Proof of Non-Profit Status

Change ITEM 3 to read:

 3. PROOF OF NON-PROFIT STATUS

Change Copy to Include: Copy of State and IRS letters of approval granting 501(c)3 designation

RECOMMENDATION #14

Page 18 – Certification Packet Checklist

Add ITEM 5 to read:

 5. NATIONAL ACCREDITATION

Add copy to read: If held, evidence of national accreditation (e.g. CARF) and how long that certification has been held or information pertaining to any plans on obtaining such accreditation.

RECOMMENDATION #15

Page 18 – Certification Packet Checklist

Add ITEM 6 to read:

 6. BUSINESS LICENSE(S)

Add copy to read: Copy of prior and current business license(s) showing that your organization has been in operation for at least one year prior to certification.

RECOMMENDATION #16

Page 18 – Certification Packet Checklist

 7. CERTIFICATE OF INSURANCE (COI) ACORD FORM

Add copy to read:

Evidence of Workman’s Comp, Liability, and Automobile insurance at the same standard levels as required by the State of Georgia contracts. (See page 60 of the “Policies and Procedures” document).

RECOMMENDATION #17

Page 18 – Certification Packet Checklist

 8. LIST OF BOARD OF DIRECTORS

Add copy to read: List must contain Board of Directors full contact information (i.e. name, address, phone, email, etc.).

RECOMMENDATION #18

Page 19 – Certification Packet Checklist

Add copy to read: Provide proof of financial stability by providing current documentation including (a) CPA Letter (b) Form 990 (c) Tax Returns (d) Operating statement (e) Balance sheet

RECOMMENDATION #19

Page 19 – Certification Packet Checklist

Add copy to read: Disclosure and written explanation of the nature of any pending litigation.

RECOMMENDATION #20**Page 22 – Work Center Industrial Capability**

Remove: Question asking about percentage of clients/employees which have multiple disabilities.

RECOMMENDATION #21**Page 24 – Quarterly Employment Report**

Change Report: Section A of Quarterly Employment Report to clarify Direct Labor Ratio calculation of individuals with Disabilities working on State Use contracts as follows

RECOMMENDATION #22**Page 25 – Quarterly Employment Report**

Remove: Redundant line under Total Sales

RECOMMENDATION #23**Pages 60 and 74**

Change copy to reflect updates: Revised Workman’s Comp, Commercial General Liability, and Business Automobile Policy Sections to reflect current State requirements including the removal of the Malpractice Liability requirement.

GVRA/Old Business:

President Ketts led the discussion about GVRA and asked the BOARD for their thoughts on the ‘Step Payment’ Pilot Program which is in connection with the GRACI system. Ms. Paula Phillips advised the Board members about her CRP’s experience with the new program that started for them on July 1st. Her counselors received training on the program and have obtained a couple of referrals. Ms. Zipf mentioned to the BOARD that the process of utilizing the ‘Step Program’ will soon begin among her CRPs. Mr. Correia also mentioned to the BOARD his organization’s experience since starting the program months ago. Ms. Ketts stated that her organization has received 21 referrals for the month of July, so far, since starting the ‘Step Program’ and finds it now makes the GRACI system easier to use.

Legislative:

Dawn Randolph presented an update to the BOARD on legislative affairs. Ms. Randolph announced Governor Deal released tax revenue figures. In June, tax revenues were up by 3.1% and Georgia ended FY15 up by 6.4% which means that the State budget resulted with an increase of 1.5 billion for the year in comparison to previous year. Most of those collections escalated due to income tax and sales tax. As a result, there is going to be much discussion this year about reducing or eliminating income tax. If this occurs, it could affect the FY17 budget and make a huge impact on State revenue. Discussions on possibly eliminating income tax could be the reason why the Governor has not provided state agencies with directives regarding their FY16 budget plans. In addition, Ms. Randolph mentioned that there is now new legislative leadership and she strongly encourages all of the CRPs to invite these leaders to visit their sites to learn about how people with disabilities are being served in the state of Georgia. She reminded the BOARD that continuing to work on getting full funding from the Governor, which would enable CRPs to assist more individuals in need, remains the top focus.

New business:

The Board of Directors reviewed the FY16-17 GATES calendar which encompasses dates for the State Use Council Meetings and dates for the GATES Board of Directors meetings. Dates and locations are subject to change. President Ketts called for an approval from the BOARD of the GATES MASTER CALENDAR. Sheila Zipf motioned to approve, Paula Phillips seconded and the FY16-17 GATES calendar was approved by the BOARD.

Ms. Ketts asked members of the Board for their viewpoints on whether or not to reactivate ARMS. Ms. Ketts and Ms. Zipf did not find ARMS to be useful in the past, but now think it is. It was determined that the BOARD will take more time to contemplate about ARMS and will discuss further at the next meeting.

Mr. Dave Miller mentioned to the BOARD his thoughts on there being preparations made on successors to the Board of Directors to continue to work in serving people with disabilities throughout the state of Georgia.

Mr. Charles Hal announced to the BOARD that GVRA is going to have its upcoming Board of Directors meeting on September 9th and November 11th. He asked if members of the Board could encourage their CRPs to have some of their clients with disabilities provide success stories, to the GVRA BOARD, on how the CRP and VR have helped them. GVRA appreciates receiving feedback on their mission to serve people with disabilities and would like to know if their services are making an impact. Becky Ketts and Anisio Correia will provide clients to present their success stories at the GVRA Board meetings on September 9th and November 11th, respectively.

Calendar:

There being no other business and announcements to come before the BOARD, the meeting was adjourned at 2 P.M. The next quarterly Board of Directors meeting is scheduled for November 6th at New Ventures in LaGrange, GA.

Respectfully Submitted,

Anisio Correia, Secretary
GATES Board of Directors