

MEETING MINUTES
December 15, 2005

**GOVERNOR'S COMMITTEE FOR THE PURCHASE OF
COMMODITIES AND SERVICES FROM THE HANDICAPPED**

The meeting was called to order by Chairperson Donna Lipscomb at 10:00 a.m. December 15, 2005 at the F. Ray Power Building, located at the West Virginia Division of Rehabilitation Services' office in Institute, West Virginia.

ATTENDANCE:

Committee: Donna Lipscomb (Chairperson), Brenda Morford, Pete Cuffaro; John Liller; Everett Sullivan; Jan Smith, and Evan Williams (Executive Secretary)

WVARF Staff: Glenn McEndree; Chris Miller; Craig Greening, and Ken Kennedy

Chairperson, Ms. Lipscomb, called the meeting to order. The first order of business was approval of minutes.

APPROVAL OF MINUTES:

Ms. Morford asked the minutes of November 17 reflect her comments regarding financial issues; her comment was to provide services on a fee and not need for service. Other changes included capitalization of the word COLA; changing Ms. King to Ms. Morford and correcting the spelling of Mr. Liller's name. There are two changes to the October 20th minutes. Preventative wage should be changed to prevailing wage and HIPAA should be changed to HIPAA.

MOTION#1

Mr. Sullivan moved to approve the October 20th minutes as amended and Mr. Liller seconded. Motion passed.

MOTION#2

Mr. Sullivan moved to approve the November 17th minutes with the changes and Ms. Morford seconded. Motion passed.

COMMITTEE CHAIR:

Chairperson Lipscomb reported that WVARF has Ellis & Ellis doing their audit. She discussed Senate Bill 4006 which requires non-profits receiving funds from the state to have audits. She said rules have not been done for this yet and was not sure if the law would apply to the CAN.

EXECUTIVE SECRETARY REPORT:

\$3,876.60	FY06 annual allocation;
358.59	Outstanding unpaid expenses, travel, hospitality & accounting fees;
<u>285.08</u>	Expenses paid-to-date;
\$3,232.93	Unencumbered balance.

REPORT OF THE CENTRAL NONPROFIT AGENCY:

Mr. McEndree reported that Autism Services in Huntington meet the criteria to participate in the State Use Program.

MOTION#3

Mr. Cuffaro made a motion to accept Autism Services application for participation in the program and Mr. Sullivan seconded. Motion passed.

Mr. McEndree reported they had met with Terradon to look at software which will link state agencies, WVARF and CRPs together. This will allow reports to be filed on-line and quicker exchange of information. They have spent \$150,000 on this project to date. They are going to pilot a project with a couple of agencies to work out the bugs.

Chairperson, Ms. Lipscomb reported one of the things the purchasing reform will do is allow for e-procurement. Agencies will enter what they want to purchase and the system will take them directly to whoever is on the statewide contract. This should help CRPs get more business.

There was discussion of getting items such as brooms and mops on the statewide contract. Mr. Kennedy reported they are working on developing a product to be considered on the contract. There was discussion around the Seeing Hand Association and the Lion's Club providing these items.

Mr. McEndree reported he had visited five (5) CRPs in Brook County, Weirton and two in Wheeling. Mr. Cuffaro accompanied him to some of these visits. He discussed the laundry services being done in that area and the potential for growth.

FINANCIAL REPORT:

Mr. Miller reported there were currently \$1.9 million in account receivables over 60 days. He reported WVARF had to draw on the \$250,000 line of credit to advance payment to CRPs. Although the Department of Highways and the Department of Administration had paid quite a bit on their accounts receivables they still owe \$58,000 and \$148,000 respectively. Other state agencies with high outstanding balances are Fairmont State, \$19,000, and Rehabilitation Services, \$93,000. Remainder, \$29,000, is distributed among other state agencies.

Ms. Morford explained the reason Rehabilitation Services is behind is because 78% of their funding is federal funds and they have not gotten their allocation. Ms. Janice Holland, Interim Director of the Division of Rehabilitation Services, presented to the committee the funding issues facing her agency when there is not an approved federal budget. There was general discussion around why the state is so far behind in paying their bills since revenue projections are so far ahead.

Ms. Smith brought up the question of charging interest on uncontested invoices not paid within 60 days, as allowed for under the Prompt Payment Act of 1990. She stated that as a director of a CRP she is afraid WVARF may soon be in the position of not being in the position of helping out since the investment account keeps going down and the line-of-credit costs money to maintain. Ms. Smith pointed out the CRPs have already spent this money, their workers have been paid and supplies have been purchased. She said if it wasn't for WVARF's 60 day guaranteed program she couldn't take on new work.

Mr. McEnree said the Texas has a \$5 million line-of-credit and the interest they pay is charged to the state as part of their fee for doing business. He said it has been an incentive for them since CRPs get paid within 15 days.

On leave of the committee Mr. Morris reported he had met with Secretary Ferguson and the Secretary was concerned that the state owed WVARF \$2 million. Mr. Morris stated he believes one problem is how many hands the funds have to go through prior to getting to WVARF. Mr. Greening said one problem is state agencies are paying for their services through General Services along with their rent and they do not have an incentive to pay their rent. He suggested going back to the agencies and telling them General Services will no longer contract directly with WVARF for services and each agency is responsible for that itself. Mr. Greening also suggested looking at a direct agency transfer or an inter-agency transfer which may speed up the payment process.

MOTION #4

Mr. Cuffaro moved that a letter be sent to Secretary Ferguson regarding the effects of non-payment by the state on State Use Program purchases and Mr. Sullivan seconded. Motion passed.

MOTION #5

Mr. Cuffaro, moved a letter be sent to West Virginia's federal representatives: Senator Robert C. Byrd; Senator John D. Rockefeller; U. S. Congress: Alan Mollohan; Nick. J. Rahall; and Shelley Moore Capito, regarding the effects that a lack of a budget has on DRS. Right now the state is meeting payroll; however, no services are being provided and somehow try to increase the flow of funds so that our services are not in jeopardy. Mr. Sullivan seconded. Motion passed.

CONTRACT COMPLAINTS:

There were four (4) complaints this month: three janitorial and one on wiping clothes. This was the first complaint on wiping clothes. After investigating WVARF found the

Cultural Center was happy with what they got but they had not gotten what they ordered. The representative is going to meet with them and rectify that order.

CONTRACT PRESENTATION:

There were no contract presentations.

OLD BUSINESS: None

NEW BUSINESS:

Mr. Morris presented the goals developed at a WVARF planning session in October.

GOAL 1: To provide expanded employment opportunities to West Virginians with disabilities through the expansion of existing contracts and the intentional development and pursuit of new ones.

Some ways to do this are additional State Use Program contracts, getting more work from higher education and expanding bottled water sales. There was also discussion of WVARF becoming involved in document destruction/recycling and the issues around that business such as privacy concerns.

There was discussion around the assignment policy Mr. McEndree said WVARF is reviewing the policy and will bring it before the committee at a later time. Mr. Greening pointed out the assignment policy is a legislative rule.

GOAL 2: WVARF will remain fiscally responsible as an association while working to strengthen the bottom line of the individual shops.

Mr. Miller was asked by WVARF to evaluate the reserve account to achieve a 6% return. If CRPs need money for new projects or whatever WVARF may help by establishing a low interest rate. WVARF will review its policy for low-interest loans to CRPs to insure appropriate level of financial risk to the association, as well as ease of assistance to the production/potentially producing CRP. Every six months, monitor and report the viability of all outstanding WVARF loans.

WVARF approved to spend up to \$2,000 for an independent evaluation.

As a safeguard, WVARF Finance Committee members will be provided a copy of the breakdown of investments and be asked to seek the opinion of their own Finance Director/Accountant.

Review all expenses over budget YTD by more than 10% and \$500 and delivery justification and/or plan of correction.

Develop a report showing extenuating circumstances that raise the actual cost of doing business, in case adjustments are needed.

GOAL 3: WVARF will fully review all staff job descriptions. This will not be done simply to adjust descriptions to what staff is currently doing, but to what they need to be doing to fulfill the objectives as outlined in this and upcoming strategic plans.

Create a personnel committee that shall consist of three members.

WVARF will evaluate and adjust staff salaries/benefits through 6/30/06, no raises were given in the past year.

Review contract assignment policy and monitor its implementation. Seek input from all members regarding costing, renewal, and grievance procedures.

GOAL 4: To achieve ever increasing public awareness and education of WVARF successes, accomplishments, and its vital role in the employment of West Virginians with disabilities.

Complete at least three open houses specifically to host and recognize elected officials at geographically diverse areas of the state.

In conjunction with the Governor's Office, develop an ad campaign highlighting the positives of the State Use program.

Produce self-recorded Public Service Announcements (PSAs) for distribution to all radio stations. People with disabilities that are not working now they can call to get information on the program.

The WVARF board has decided to arrange for the annual WVARF awards dinner to be held at the spring quarterly. This will probably be held at the Embassy Suites. This committee will be invited as well as the legislature. Award recipients and their families will be invited.

Mr. Greening reported WVARF's feasibility study is trying to answer three questions:
1) what State Use business is there, if any; 2) collaborative effort, how would that work;
3) provide information.

MOTION#6

Mr. Cuffaro made a motion to send Janice Holland a letter thanking her for the explanation and Mr. Liller seconded. Motion passed.

MOTION #7

Mr. Sullivan made a motion to adjourn and Mr. Sullivan seconded. Motion passed.

**WEST VIRGINIA ASSOCIATION OF
REHABILITATION FACILITIES**

LAST SIX MONTHS' GROSS REVENUES

May '05	Jun '05	Jul '05	Aug '05	Sep '05	Oct '05	FY 2006 Year-to- Date	FY 2005 Total *
\$877,257	\$917,699	\$865,966	\$890,662	\$905,468	\$899,299	\$3,561,395	\$10,465,483

AGED RECEIVABLES AS OF NOV. 30, 2005

Current	31 -60	61-90	90+ Days	Total
\$704,894	\$454,169	\$341,439	\$480,725	\$1,981,228
		\$822,164		
35.58%	22.92%	17.23%	24.26%	100.00%
		41.49%		

Comparative Figures (Acc. Rec Over 60):

	61 +	% of Total
11/30/04	\$262,403	16.65%
11/30/03	\$219,856	17.87%

Advanced Guaranteed Payments made to CRPs:

FY '06 Y-T-
D: \$1,315,011

* - Fiscal Year runs from July 1 - June 30