

COMPLIANCE FINDINGS

Finding 1: Local Plan Missing Required Element (Objective 1.1 Strategic Planning)

The Local Plan does not describe how the 14 Youth Program Elements will be made available.

The regulations at 20 CFR 681.420 (b) require that the local plan describe the design framework for the youth program and how the 14 program elements are to be made available in this framework.

In the absence of official documentation in the Local Plan of this definition and the processes for making the 14 Youth Programs Elements available, it is difficult to ensure that case managers are serving customers consistently and/or that all customers are made aware of the services available.

Required Action: The State must work with Local Area 3 to amend its Local Plan to include a description of how the 14 program elements will be made available. In its response to this report, the State must provide a copy of the amended section of the Local Plan.

Finding 2: Missing Conflict of Interest Forms for Board Members (Objective 1.4 Leadership)

Local Area 3 does not have signed and executed Conflict of Interest forms for all members of the Local Workforce Development Board (WDB). At the time of the review, of the full 31 member WDB, 24 members had completed and signed Conflict of Interest forms.

The Local WDB bylaws Article VIII Section 1 requires that all Board and non-Board Committee members shall sign a Conflict of Interest form.

Required Action: The State must ensure that all local board members sign a Conflict of Interest form as required by local bylaws. All forms must be maintained and kept on file for each WDB member during the duration of their tenure.

Finding 3: No Local Area Incentive Policy (Objective 2.1: Administrative Controls)

Local Area 3 does not have a policy for the provision of incentives for youth program participants.

The regulations, at 20 CFR 681.640, state:

The local program must have written policies and procedures in place governing the award of incentives and must ensure that such incentive payments are tied to the goals of the specific program; outlined in writing before the commencement of the program that may provide incentive payments; align with the local program's organizational policies and are in accordance with the requirements contained in 2 CFR part 200.

State Policy WIOAPL 15-13, p.5, articulates the same requirement, stating, "The local area must have written policies and procedures in place governing the awarding of incentives..."

It is difficult to ensure that the costs associated with the provision of incentives are necessary, reasonable and allowable, in the absence of policies and procedures.

Required Action: The State must ensure that Local Area 3 develops an incentive policy, in accordance with the citations above. The State must submit a copy of the policy in its response to this report.

Finding 4: Incorrect Incentive Policy
(Objective 2.1 Administrative Controls)

Local Area 6 has an incentive policy for the Youth program that is based on participation in an activity as opposed to goal achievement, as required in State and Federal guidance.

The local policy, titled Supportive Services Program Policy and Procedure Letter 13, states, "Incentives are compensation in the form of gift cards provided to a participant for goal achievement and participation." The policy letter goes on to state, "Incentives are a way to encourage workforce participants' participation."

TEGL 21-16, titled Third Workforce Innovation and Opportunity Act (WIOA) Title I Youth Formula Program Guidance, page 10, states:

While DOL recognizes that incentives could be used as motivators for various activities such as recruitment, submitting eligibility documentation and participation in the program, incentives paid for with WIOA funds must be connected to recognition of achievement of milestones in the program tied to work experience, education or training. Such incentives for achievement could include improvements marked by acquisition of a credential or other successful outcomes.

The language in the local policy letter around participation is misleading and could result in case managers providing incentives simply for participation in an activity, which is not allowable.

Required Action: The State must ensure that Local Area 6 corrects its incentive policy to align with the guidelines described above. The State must submit a copy of the revised policy in its response to this report.

Finding 5: Lack of Supporting Documentation and/or Fiscal Monitoring of Sub-Recipient Reimbursements
(Objective 3.5 Allowable Costs)

Local Area 3 did not maintain supporting documentation for sub-recipient reimbursements, nor did it conduct periodic fiscal monitoring of sub-recipient documentation supporting reimbursements, as required, if documentation is not maintained by the local area.

The reviewer selected a sample of transactions from the grantee's general ledger and requested supporting documentation to verify the allowability, allocability and reasonableness of the charges to the grant. The transactions selected were for reimbursement of sub-recipient incurrence of expenditures. The only documentation for the reimbursements was sub-recipient invoices detailing the expenses requested for reimbursement by budget line item. There was no documentation from the sub-recipients' books of record that supported the invoices presented for reimbursement. There was also no evidence that the grantee conducts periodic monitoring of sub-recipient documentation supporting reimbursements.

Section 2 CFR 200.302 (b) (3-4) states, in part:

The financial management system of each non-Federal entity must provide for the following: ...

3.) Records that identify adequately the source and application of funds for federally-funded activities. These records must contain information pertaining to Federal awards, authorizations, obligations, unobligated balances, assets, expenditures, income and interest and be supported by source documentation.

4.) Effective control over, and accountability for, all funds, property, and other assets.

In addition, 2 CFR 200.303 (a) states, "the non-Federal entity must establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award."

Required Action: The State must ensure that Local Area 3 implements a formal process during sub-recipient monitoring that verifies that the expenditures reimbursed by the grant are allowable, allocable and reasonable. In its response to this report, the State should provide a copy of the local area's monitoring plans and tools that will address this issue.

Finding 6: Youth Services Not Available at the One-Stop Center as Required
(Objective 4.1 Operating Systems)

Youth services are not available at the one-stop center as required. There are no staff from any of the five year-round youth service providers co-located at the one-stop. The one-stop center staff that are identified as youth program staff, could not describe how a young person 16-24 years of age, who came into the one-stop center, would be served by the Youth program. Staff reported that young visitors who are 18 or older would simply be enrolled as an adult. There was neither a process plan nor policy that defined how a youth would be comprehensively assessed. Staff reported that youth would be "referred downtown" for the assessment and enrollment functions, although no formal referral policy is in place.

WIOA Section 121 (b)(1)(B)(i) requires that the youth program function as a required one-stop partner and fulfill the roles and responsibilities of a one-stop partner, including providing access to Youth program services. The regulations at 20 CFR 681.700 (c) further define the expectation that local youth staff either be co-located at the one-stop or have staff there who are trained to serve youth and equipped to advise and/or connect to a program that best aligns with their needs.

In the absence of staff at the one-stop center who can conduct youth program intake or assessments and/or a direct linkage to such staff, even making a reasonable referral to the appropriate youth service provider is unlikely to occur. This is not only out of compliance, but it increases the likelihood that young people will not receive the services that are available to them through the WIOA Youth program.

Required Action: The State must work with the One-Stop Operator (OSO) and local board in Local Area 3 to ensure that the WIOA Youth program partner provides appropriate access to WIOA Youth program services in the one-stop center by either co-locating youth provider staff or cross-training other partner program staff to be able to provide an informed overview of available youth services, complete basic intake activities and provide an effective referral. The local board and/or OSO must establish a referral policy that defines the specific steps staff will take to refer a one-stop customer to the program that best aligns with their needs. The State must identify the actions taken to address this issue, including evidence of staff co-location or training and a copy of a referral policy, in its response to this report.

Finding 7: Incorrect and Untimely Data Entry into Local System by Case Managers

(Objective 4.2 Participant Files)

Case managers are not appropriately tracking and/or recording participant activity in the local Management Information System (MIS). The reviewers found two primary issues, as outlined below:

A) A program participant in Local Area 6 was still active in the local area's Management Information System (MIS), but had not received a service for five months. The case notes for the participant indicated the last service engagement was January 18, 2017. Follow-up calls were made monthly, and, according to the case notes, the participant had not responded to follow-up efforts for more than five months after the date of the last service.

B) For two participants, the reviewers identified significant lapses of time between intake dates, and actual dates the file information was entered into the MIS. For one participant, the intake date was August 19, 2016, while the date the file information was entered into the MIS was January 31, 2017. For the other, the date of intake was October 4, 2016; data was entered into the system on June 2, 2017.

TEGL 21-16, titled Third Workforce Innovation and Opportunity Act (WIOA) Title I Youth Formula Program Guidance, states:

The exit date is determined when the participant has not received services in the Youth program or any other DOL-funded program in which the participant is co-enrolled for 90 days and no additional services are scheduled. At that point, the date of exit is applied retroactively to the last date of service. Once 90 days of no services, other than follow-up services, self-service and information-only services and activities, has elapsed and the participant has an official exit date applied retroactively to the last date of service, the program continues to provide follow-up services for the remaining 275 days of the 12-month follow-up requirement. The 12-month follow-up requirement is completed upon one year from the date of exit.

Additionally, 34 CFR 677.160 of the Joint Rule indicates:

....(a) The State performance report required by sec.116 (d)(2) of WIOA must be submitted annually using a template the Departments of Labor and Education will disseminate, and must provide, at minimum, information on the actual performance levels achieved consistent with 677.175 with respect to: (1) the total number of participants served and the total number of participants who exited each of the core programs identified in sec. 116(b)(3)(A)(ii) of WIOA....

And finally, State Policy, found in APM 30 Chapter Rules 5101:9.30.04: Mandated use of the Workforce Case Management System indicates:

(A) The following entities will ensure the timely and accurate reporting of local workforce investment act (WIA) participants, activities, and performance information to the State Department of Workforce Development.

(1) Chief elected officials as defined by section 101(6) of the Workforce Investment Act of 1998, 29 U.S.C. 2801(6), 6301.01(F) of the Revised Code.

(2) The local workforce board, as defined by section 117 of the Workforce Investment Act of 1998.

(3) The workforce policy board as defined by section 6301.06 of the Revised Code.

(B) Boards and chief elected officials referenced in paragraph (A) of this rule must use the "Workforce Case Management System" (WCMS) to report WIA participants, activities, and performance information.

Through discussion with staff in the one-stop center, reviewers learned that the local MIS does not have as many automated features as the State MIS. As a result, case managers have to manually exit participants and there is much more room for errors and delays in entering data. Ultimately, this makes it difficult to ensure that data being reported to the State and Federal levels is accurate.

Required Action: The State must work with Local Area 6 to ensure that all Youth program participants who are identified as active in the local area's MIS are, in fact, legitimately active in accordance with the exit policy cited above. The State and Local Area 6 must also ensure that case managers are entering participant data into the Local MIS in a timely manner. Local Area 6 must make any necessary corrections in its MIS. The State must ensure that all of its local areas are accurately tracking program participation and exit. If local systems are not adequate, the State should recommend that local areas use the State MIS, which automates dates for certain key participant milestones/activities, such as the exit, so that there is less room for human error. In its response to this report, the State must describe the actions taken to address this issue.

Finding 8: No Evidence of Availability of Required Youth Service around Labor Market Information (LMI)

(Objective 4.1 Operating Systems)

There was no evidence that services that provide labor market information on in-demand occupations/industries, such as career exploration services, are made available to youth participants. The reviewers examined eight participant files in Local Area 3 and found no evidence in any of the files that these services are being made available.

20 CFR 681.460(a)(13) requires that local youth programs make services that provide labor market and employment information about in-demand industry sectors or occupations available in the local area. Examples of such services include career awareness, career counseling, and career exploration services.

Providing labor market information to participants helps inform them of their training and employment opportunities in a given local area. LMI is intended to inform and support the participant's Individual Service Strategy (ISS) and help guide that participant on a career pathway. Without this information in the participant files, there is no evidence that such services are being made available to youth participants.

Required Action: The State must ensure that all active youth participants in Local Area 3 are offered labor market information and career exploration opportunities and that documentation of this is maintained in all youth participant files. In its response to this report, the State must indicate what actions it has taken to address this issue.

Finding 9: Lack of Justification for Services Provided – Local Area 3

(Objective 4.1 Operating Systems)

In several participant files, there was no alignment between the information in the Comprehensive Assessment, the Individual Service Strategy (ISS), and the services delivered to the participant.

The ISSs did not appear to respond to the assessment results for many participants, and the services provided to participants were not clearly aligned with the ISS, the assessment results, or the individualized needs of the participant.

For example, the file for one participant indicated that he was made eligible using the pregnant or parenting criterion, but the Barrier Form listed no barriers, and there were no subsequent documents reflecting parenting concerns or supportive services needs for childcare. The assessment document indicated that tutoring was needed, but this was not reflected on the ISS and there was no indication that tutoring or other basic education remediation services were delivered. The participant was placed in a Work Experience but it did not appear to be related to, or on a career path to, his ultimate employment goal of becoming a welder.

Another Out-of-School Youth participant's file contained inconsistent information between various forms and documents. Her initial intake assessment identified her eligibility barrier as pregnant or parenting, but other documents later reported her status as a school dropout and Foster child. The participant received a variety of helpful services and ultimately received an occupational skills certificate, but scattered documentation did not reflect that the delivered services aligned with her multiple individual needs.

In accordance with 20 CFR 681.420, each youth participant must have an objective assessment for the purpose of identifying appropriate services and informing the Individual Service Strategy. It further requires that the Individual Service Strategy (ISS) is to be based on the individual needs and must include education and employment goals which consider the objective assessment and prescribes the achievement objectives and services for the participant. Furthermore, the Uniform Guidance cost principles require that costs be necessary, reasonable and allocable to the grant.

The lack of alignment between a participant's assessment results, ISS, and services provided, as described above, makes it difficult for the reviewers to understand why any given service was provided and/or paid for with WIOA funds. Being able to demonstrate the symmetry between the objective assessment, the ISS and the actual services provided to the participant is not only the primary expectation of good case management, but it also justifies the costs associated with the services as being necessary, reasonable and allocable to the grant.

Required Action: The State must ensure that, in Local Area 3, the objective assessment and ISS of any given participant is aligned in a manner that justifies the services provided to youth participants and the costs of such services. Case managers must be adequately trained in order to accomplish this goal. In its response to this report, the State must describe the actions taken to ensure this issue is addressed. Any training curriculum or other tools that are developed must be included in the State's response.

Finding 10: Local Board Did Not Conduct Program Monitoring of Contracted Youth Providers
(Objective 5.3 Subrecipient Performance)

The local board did not conduct formal program monitoring of its contracted youth service providers, nor did it collect and analyze Monthly Activity Reports, documenting activities and the progress of the services offered, as required in each provider contract.

Despite multiple requests during and following the on-site review, local staff could not produce evidence that subrecipient program monitoring occurred for any Youth Service provider. A former

employee, the Youth Program Manager, reportedly monitored each of the providers but no evidence (report, draft report, monitoring notes/data, or even a monitoring plan/schedule) of this activity was provided. One of the providers indicated no recollection of formal monitoring by the local area during the entire contract period and acknowledged overall less engagement with local area staff since the sudden departure of the former Youth Program Manager. Additionally, the local staff were not able to produce any Monthly Activity Reports as evidence of some method of subrecipient performance appraisal. Staff indicated that, despite the requirement in the signed contract, they decided not to collect such reports because they would be a duplication of future required CCMEP reports.

The Uniform Administrative Requirements at 2 CFR 200.328(a) require that the non-federal entity must monitor its activities under Federal awards to assure compliance with Federal requirements and to ensure performance expectations are being achieved. Section 200.328 (b)(1) clarifies that monitoring intervals must be no less frequent than annually. Furthermore, 20 CFR 679.370 indicates that the local board must conduct oversight of youth workforce investment activities. And finally, each youth provider contract includes a requirement that a Monthly Activity Report be submitted that documents the activities delivered and the progress of the services offered.

In the absence of program monitoring to assess and record youth service provider compliance and performance outcomes, it is difficult to justify the decision to unilaterally extend the youth provider contracts, totaling more than \$5 million dollars.

Required Action: The State must ensure that the local board immediately conduct formal program monitoring of each Youth Service Provider and provide the produced monitoring reports to the Regional Office in its response to this report. To ensure there is a plan in place for program monitoring in PY 2017, the local board must develop an annual monitoring plan/schedule. The State should include a copy of this plan in its response to this report.

Finding 11: State Board Membership is Out of Compliance
(Objective 1.4: Leadership)

The State Workforce Development Board is not in compliance with the WIOA membership requirements. Three recent business/industry member departures left the board with only 50.0% of its members in this category, less than the required 51% majority. Additionally, the current board includes only four of its 24 members, or 16.7%, who represent the workforce or organized labor, less than the required 20% benchmark.

The WIOA at section 101(b)(1) and TEG 27-14 Attachment II describe State Board membership requirements which includes the expectation that the majority of members appointed by the Governor be those representing business, and not less than 20 percent of members are representatives of the workforce. TEG 27-14 further clarifies that the State's WIOA-compliant Board must be in place by July 1, 2015.

Required Action: The State must ensure that vacant member seats are filled to bring the Board into compliance. In its response to this report, the State must submit State Board meeting minutes reflecting the appointment of the required members and an updated membership list, including identification of the required categories that each member represents.

Finding 12: Local Plan Missing Required Element
(Objective 1.1 Strategic Planning)

The local plan does not describe how the 14 youth program elements will be made available.

The plan includes some reference to the design framework, youth eligibility determination and the expected customer service flow between partner programs, but specific reference to how the 14 elements will be made available within the framework is lacking. One section of the local plan outlines strategies for increasing work experiences throughout the local area, but this alone does not meet the local plan requirement, nor satisfy the reviewer's understanding of how these required program elements will be delivered.

The regulations at 20 CFR 681.420 (b) require that the local plan describe the design framework for the youth program and how the 14 program elements are to be made available in this framework.

In the absence of official documentation in the local plan of how Workforce Alliance will make available and deliver the 14 youth programs elements, it is difficult to ensure that case managers and contracted youth service providers are serving customers with the full array of services in mind.

Required Action: The State must work with the local area to amend its local plan to include a description of how the 14 program elements will be made available. In its response to this report, the State must provide a copy of the amended section of the local plan.

Finding 13: Outdated OJT Policy
(Objective 2.1: Administrative Controls)

Local Area IV has an outdated OJT Policy. The policy dates back to April 27, 2010, and references WIA rules and regulations around OJT.

Sections 20 CFR 680.700-740 describe the requirements for on-the-job training under WIOA.

In the absence of up-to-date policies and procedures, it is difficult to ensure that OJT will be provided in compliance with WIOA requirements.

Required Action: The State must ensure that the local board updates its OJT policy in accordance with the regulations cited above. The State must provide a copy of the updated policy in its response to this report.

Finding 14: No Provider for Comprehensive Guidance and Counseling Program Element
(Objective 4.11 Operating Systems)

For Program Year 2017, the local youth program has not made the required comprehensive guidance and counseling youth program element available to participants. While the Local area makes 13 of the 14 required youth program elements available to participants, there is no provider in place for the comprehensive guidance and counseling element.

The regulations at 20 CFR 681.460(a) require that local youth programs make 14 services available to youth participants. The tenth service identified under this section (20 CFR 681.460(a)(10)) is

comprehensive guidance and counseling, which may include drug and alcohol abuse counseling, as well as referrals to counseling as appropriate to the needs of the individual youth.

Further, the Preface of the State WIOA Youth Monitoring Guide indicates the following:

The WIOA funding enables the delivery of a comprehensive array of youth services.... This process is organized and coordinated around 14 WIOA Youth program elements, which must be made available to every participant...Make available means that each Workforce Development Board must ensure that all 14 program elements are available in all areas served. While this does not mean that an individual service provider must deliver all 14 elements, they must identify partnerships to ensure availability by referral....

Required Action: The State must work with the local board to ensure it identifies a provider for the required comprehensive guidance and counseling element. In its response to this report, the State must submit a copy of the contract or MOU with the provider.

Finding 15: Non-Compliant State and Local Board Monitoring – State and Local Area IV
(Objective 5.32: Subrecipient Performance)

Neither the State nor the local board had monitored the 19 contracted youth service providers.

While the State's policy on monitoring appears to meet the monitoring requirements established in WIOA and the Uniform Guidance, the execution of the policy, as reflected in the monitoring reports provided to the reviewers, appears to have failed. None of the 19 youth service providers were monitored by the State and the monitoring that did occur appears to have missed the significant issue around lack of local board monitoring of the youth service providers that is identified here. At the local board level, despite requests during and following the on-site review, local staff were unable to produce evidence that program monitoring of the contracted youth service providers had occurred.

The WIOA regulations at 20 CFR 683.410 clearly identify the State's responsibilities as they relate to oversight and monitoring. Among other things, this section of the regulations indicates that the State, as the grant recipient, must monitor its subrecipients and contractors no less than annually. There is similar language in the WIOA regulations related to local board monitoring at 20 CFR 679.370. This section indicates that the local board must conduct oversight of youth workforce investment activities.

The overarching requirements for both the State and local board are covered in the Uniform Administrative Requirements at 2 CFR 200.328(a) and 2 CFR 200.331(d). These sections require that the non-federal entity monitor its activities under Federal awards to assure compliance with Federal requirements and to ensure performance expectations are being achieved and that the non-federal entity "monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward...."

In the absence of program monitoring to assess and record youth service provider compliance and performance outcomes, there is no way to ensure that funds are being used appropriately, performance goals are being achieved, and participants are receiving the services they need.

Required Action: The State must ensure that its monitoring efforts meet the requirements stated above. The State must also ensure that the local board conducts formal program monitoring of each youth service provider as soon as possible. In its response to this report, the State must describe the steps it will take to ensure it conducts monitoring that is fully-compliant with the requirements above. To address the local board monitoring, the State must provide the local board's plan and schedule for monitoring the current youth providers as soon as possible. Moving forward, the State should ensure that the local board begins each Program Year (PY) with an annual monitoring plan that ensures that all youth providers will be monitored within the given PY.

Finding 16: Youth Program Policy Does Not Include Accommodations for Individuals with Disabilities
(Objective: 2.1 SWDB Functions)

The Local Area's youth program policy does not describe the reasonable accommodations that are available for individuals with disabilities who need a basic skills assessment.

20 CFR 681.290(c) states, "In assessing basic skills, local programs must use assessment instruments that are valid and appropriate for the target population, and must provide reasonable accommodation in the assessment process, if necessary, for individuals with disabilities."

The absence of this policy could result in individuals with disabilities being denied a basic skills assessment. Additionally, a policy on this matter would provide the local area with the information needed to ensure that this service is delivered consistently throughout the local area.

Required Action: The State must ensure that the Local Area revises its youth program policy to address the delivery of basic skills assessment to individuals with disabilities. The State should provide a copy of the updated policy, in order to resolve this Finding.

Finding 17: Incomplete Enrollment in the Youth Program
(Objective: 3.2 LWDB Program Design Policies)

One participant's Career Connect (ICC) file did not include evidence that the participant received an objective assessment. One of the five participant files reviewed did not include an objective assessment. It is possible that the assessment had been conducted, but not uploaded into the ICC system.

The regulations at 20 CFR 681.320(b) state, "In order to be a participant in the WIOA youth program, all of the following must occur: (1) An eligibility determination; (2) The provision of an objective assessment; (3) Development of an individual service strategy; and (4) Participation in any of the 14 WIOA youth program elements."

A potential questionable cost is created when the four eligibility elements are not completed, and the individual receives youth program services.

Required Action: The State must work with the Local Area to determine if this participant received an objective assessment. If the assessment did occur, evidence of such must be maintained in the participant's file and provided to the Regional Office in response to this report. If the assessment did not occur, the State must ensure that an assessment is completed. Evidence should be maintained in the file and provided to the Regional Office.

Finding 18: Program Missing Links to the Appropriate Entities

(Objective: 3.2 LWDB Program Design Policies)

The Local Area's youth program design does not appear to include links to entities that foster participation of eligible youth. The review of the local area's policies and interviews with local staff did not demonstrate that the Local WDB has ensured appropriate links to entities that will facilitate participation of local area youth.

20 CFR 681.420(c) state, "Local WDBs must ensure appropriate links to entities that will foster the participation of eligible local area youth. Such links may include connections to: (1) Local area justice and law enforcement officials; (2) Local public housing authorities; (3) Local education agencies; (4) Local human service agencies; (5) WIOA title II adult education providers; (6) Local disability-serving agencies and providers and health and mental health providers; (7) Job Corps representatives; and (8) Representatives of other area youth initiatives, such as Youth Build, and including those that serve homeless youth and other public and private youth initiatives."

Links to these entities can foster the continuous program participation for those youth with barriers or in need of other services.

Required Action: The State must ensure that the Local WDB establishes connections with the appropriate entities identified in the citation above. The Local WDB should consider revising its youth program directives to address how the appropriate entities are linked to its program. The State must provide a description of the actions taken to address this issue, including copies of any revised policies or procedures.

Finding 19: Adult Mentoring Guidance is Incomplete

(Objective: 3.1 SWDB Program Design Policies)

The Local Area's adult mentoring policy guidance does not include the second and third elements required by federal regulation.

Section 20 CFR 681.490(a) states, "Adult mentoring for youth must: (1) Last at least 12 months and may take place both during the program and following exit from the program; (2) Be a formal relationship between a youth participant and an adult mentor that includes structured activities where the mentor offers guidance, support, and encouragement to develop the competence and character of the mentee; and (3) While group mentoring activities and mentoring through electronic means are allowable as part of the mentoring activities, at a minimum, the local youth program must match the youth with an individual mentor with whom the youth interacts on a face-to-face basis."

Required Action: The State must work with the Local Area to revise its adult mentoring guidance so it includes all federally required elements. In its response to this report, the State must provide a copy of the revised policy guidance.

(Finding) / Area of Concern 20: State and Local Policy Documents Missing Required Information

(Objective: 3.2 LWDB Program Design Policies)

Neither the State Workforce Innovation and Opportunity Act (WIOA) Interim Youth Manual 2018, nor the Local WIOA Youth Guide Policy for the 14 Youth Program Elements include language that addresses the opt-out clause for youth follow-up services.

TEGL 21-16 states: "If at any point in time during the program or during the 12 months following exit the youth requests to opt out of follow-up services, they may do so. The request to opt out or discontinue follow-up services made by the youth must be documented in the case file".

Without this information available to WIOA staff and service providers, youth may not be fully informed of their rights during their participation in the program.

Required Action: The State must ensure that the Local Area updates its Youth Guide 02 policy on follow-up services. Additionally, the State must update its Interim Youth Manual to reflect the same. The State must submit copies of the revised policies in its response to this report.

Finding 21: Incorrect Application of Comprehensive Guidance and Counseling Program Element
(Objective: 3.1 Youth Program Design and Elements)

Based on a review of three participant files, it appears that case managers are incorrectly considering the intake interview to be "Comprehensive Guidance and Counseling" and are using this to meet the enrollment requirement that an individual participate in one of the 14 program elements. In the files that were reviewed, the guidance and counseling program element was the service from the 14 program elements that was delivered to each participant during intake in order to enroll them in the Youth program. The Goodwill Service Provider staff confirmed that they had been instructed to use the element as part of the intake process.

20 CFR 681.510 states, "Comprehensive guidance and counseling provides individualized counseling to participants. This includes drug and alcohol abuse counseling, mental health counseling and referral to partner programs, as appropriate".

Using an intake interview as "counseling" during the intake process is an incorrect usage of the element. Subsequently, the participant is missing a first service that could be more appropriate to his or her needs. Also, participants could be missing the opportunity to link to mental health and/or drug and alcohol counseling if case managers are misunderstanding the meaning and application of this program element.

Required Action: The State must ensure that the Title I Youth Program service providers in the local area are not considering an intake interview to be the provision of guidance and counseling. Youth service providers must understand all of the 14 Youth Program Elements and receive the necessary training to appropriately deliver the program element services to participants. The State must describe the actions taken to address this issue, including verification of any training provided, in its response to this report.

Finding 22: WIOA Youth Program Element Services Not Reported in Case Management System
(Objective 3.6 Internal Controls)

Career planners in WDA 10 are not properly capturing and reporting program element services provided to participants. Staff to the Local Workforce Development Board (WDB) indicated the career planners are confused about how to report the delivery of the 14 youth program element services to participants as a result of a discrepancy between the program element definitions set forth in the regulations; and the presentation/interpretation of that information in the State's MIS system. Despite clear identification and definition of the 14 elements in both 20 CFR 681.440 and TEGL 21-16, Third WIOA

Title I Youth Formula Program Guidance, the reviewers found that the State's Management Information System (MIS) for case management reporting does not clearly identify the 14 Youth program element services.

In accordance with the Uniform Guidance at 2 CFR 200.303 and 200.61, the State Workforce Agency must have effective internal controls in place that provide "reasonable assurance" around the reliability of internal and external reporting.

When case managers are unable to accurately track the services provided to participants, the reliability of the State's reporting is questionable. Without proper reporting, performance outcomes will be impacted; the State/Local Area does not get credit for the services that are being provided to participants; and, if there is an expense associated with the provision of that service, there could be financial impacts as well.

Required Action: The State must clearly define the program element selections in the ASSET system to align with the definitions found in the regulations and in TEGl 21-16. Page 13 of the TEGl also includes a reference chart for reporting those elements in the PIRL (Participant Individual Record Layout) Federal reporting system, which should be considered as the State makes revisions in the MIS system. The State must also provide training to all local areas regarding the recording and reporting of these elements. In its response to this report, the State must verify changes made in the MIS system and describe training provided to address this issue.

AREAS OF CONCERN

Area of Concern 1: Potential Non-Compliant Local Workforce Development Board (Objective 1.2 Strategic Planning)

At the time of the review, the Local WDB in Local Area 3 was just a few days away from seven board members' terms ending without a plan for filling the resulting vacancies. Two of the seven members whose terms were ending represent WIOA-required board members.

Effective June 30, 2017, seven members' terms were set to expire, leaving seven open vacancies. At the time of this review, local staff could not provide an anticipated timeline for when those vacancies would be filled. Of the seven vacancies, one member represents a labor organization and another is the required representative for an eligible training provider administering adult education and literacy activities under WIOA Title II.

20 CFR 679.320(c)(1) states, in part, that at least 20 percent of the members of the Local WDB must be workforce representatives and that such representatives must include one or more representatives of labor organizations where such organizations exist in the local area. Also, 20 CFR 679.320 (d)(1) requires that the Local WDB also include at least one eligible training provider administering adult education and literacy activities under WIOA title II.

Recommendation: The State should ensure that the Local WDB in Local Area 3 includes all of the WIOA-required members. The Local WDB should have processes in place for addressing known vacancies so that those replacements can assume the duties and responsibilities of the vacating board members immediately.

Area of Concern 2: Local One-Stop Memorandums of Understanding (MOUs) Not Yet Executed
(Objective 1.3: Memorandum of Understanding)

At the time of the review, the local boards in Local Areas 3 and 6 had not yet executed MOUs with the one-stop partners in their respective local systems. Discussions in Local Area 6 confirmed that MOUs were developed and that they were just waiting on the signatures.

WIOA section 121(a)(1) states that the local board for a local area, with the agreement of the chief elected official for the local area, shall develop and enter into the memorandum of understanding with one-stop partners. In accordance with 20 CFR 678.500(b)(2), MOUs must include a description of how the partners will fund the costs of shared services, operating costs of the system, and infrastructure costs. The ETA established two deadlines for the required cost components of the MOU. The first deadline of July 1, 2017, applies to the shared costs of services and operation of the One-Stop system, as reflected below:

What is the deadline for entering into a Memorandum of Understanding between the Local Workforce Development Board and one-stop partners?

In order to have a Memorandum of Understanding (MOU) in place for Program Year (PY) 2017, which begins on July 1, 2017, the Local Workforce Development Board (Local WDB) and one-stop partners must enter into a MOU that aligns with the requirements of WIOA- except for the final infrastructure funding agreement (IFA)- by June 30, 2017.

The second deadline ETA established applies to the infrastructure costs component of the MOU as shown below:

What is the deadline for finalizing infrastructure funding agreements for Program Year 2017?

The U.S. Department of Labor is using the transition authority of WIOA sec. 503(b) to provide an extension for the implementation date of the final IFAs for PY 2017. With this extension, final IFAs must be in place no later than January 1, 2018. However, Governors have the discretion to require local areas to enter into final IFAs at any time between July 1, 2017, and January 1, 2018.

Recommendation: The State should work with the local boards to ensure that required MOUs are developed and executed by the deadlines identified above.

Area of Concern 3: Identified Barriers Do Not Always Reflect Service to the Neediest Youth
(Objective 4.1 Participant Files)

The barriers identified on youth participant intake forms, assessment documents and ISSs do not clearly reflect a priority to serve those youth most in need.

It was noted that some case managers documented only a single barrier, the barrier on which the participant was made eligible, on various participant file forms. In several instances, additional barriers were discovered in subsequent conversations/interactions, but the ISS and the official MIS record were not updated to reflect the additional information. For example, one OSY participant was initially made eligible using the "low-income and requires additional assistance" criterion.

Forms completed after the initial assessment, including case notes, revealed that the participant had a disability and was basic skills deficient. Testing indicated math scores at level 1.9 and reading scores at

3.1, but there was no evidence of remediation. Early documentation, under the Employment Impediment section of the intake form, indicated that the participant did not have a disability.

Despite later acknowledgement that the participant had these additional and significant barriers, he was placed in a Work Experience where he struggled for several months. Case notes revealed he had frequent confusion, anxiousness, lack of cooperation, and difficulty engaging and working as a team. At some point in the case notes, counseling was recommended, but there was no evidence that this service was received. Although the participant was not identified as a parent, he was enrolled in a parenting class/workshop for some reason, not made clear in the participant file.

When a participant's individual service strategy does not document every identified barrier (or impediment to employment) in a clear and consistent manner, it is less likely that those barriers will be sufficiently addressed and that the participant will receive the services that align with their individual needs. It was noted that several participant files reviewed (4 of 8) documented only a single barrier and reflected pre-enrollment accomplishments such as high school completion and good employment histories. Although the review included a very small sample of participant files, it was unclear that the local area targeted as a priority, young people with significant barriers.

Recommendation: The State should work with Local Area 3 to ensure that every local area case manager to document, on the official record – and consistently on each form, every barrier discovered and/or reported by the participant. Doing so will improve the opportunity to address every concern that might become a stumbling block on the participant's path to achievement and will demonstrate the local area's full cooperation with the intent of WIOA – to serve the neediest youth.

Area of Concern 4: Inconsistent Participant File Information
(Objective 4.2 Participant Files)

Some of the youth files contained conflicting documentation and forms. The reviewers received a youth participant list in advance of the monitoring visit. The list indicated five participants were co-enrolled with the Temporary Assistance for Needy Families (TANF) program. The Youth team in the local area indicated to reviewers that all Youth program participants were co-enrolled. When the reviewers looked at the participant files, they were unable to discern if any participants were co-enrolled in another program. Two files contained WIOA eligibility forms, but the contents of the files contained only TANF documents. It appeared multiple forms were used across programs.

The inconsistent file information and reports from staff at the one-stop center made it difficult for the reviewers to identify in which program or programs an individual was enrolled. The reviewers are concerned that tracking and reporting at the local level might also be difficult, given the multiple, and sometimes conflicting, forms.

Recommendation: The State should work with Local Area 3 to streamline its participant files and ensure that the appropriate program enrollment is clearly identifiable in each file.

Area of Concern 5: Narrow Use of 14 Youth Program Elements
(Objective 1.2: Service Design)

Case managers referred Youth to only a small subset of the available 14 youth program elements in Program Year 2016. Case managers made multiple (more than five) referrals each to leadership

development; instruction for secondary school completion; supportive services; and paid or unpaid work experiences. Only four youth were referred to occupational skills training and only one each to tutoring and study skills training; comprehensive guidance and counseling; and labor market and employment information services. The remaining six elements, financial literacy education; entrepreneurship skills training; education and workforce preparation; alternative schools and dropout prevention; adult mentoring; and follow-up services received no referrals for the entire year.

A noted pattern suggested that youth participants often received a similar set of activities:

GED/HS completion activities, a work readiness course, and a work-experience, regardless of their individual needs. Although this set of activities typically resulted in a positive outcome, it reflected a very narrow use of the available 14 elements and, consequently, limited referrals to contracted providers poised to provide a full array of services. Local Area program staff acknowledged that they were unclear about some of the newer program elements such as entrepreneurial skills training and financial literacy education, and some youth provider contracts included descriptions of program elements that did not fully align with WIOA, or involved delivery methods that did not support referrals based on individualized needs. Both of these conditions may have contributed to limited referrals to the full array of available youth services.

The intent of the law and its corresponding regulations is to provide youth participants with a full array of services. This design offers the best opportunity to provide wrap-around services and support in response to varied barriers and identified needs. The lack of diversity of assignments, and limited assignments to a majority of the program elements signal program design limitations that result in under-utilization of contracted youth providers and the possibility of a reduced scope of services/assistance for participants.

Recommendation: The State should work with the local board to ensure that all local case managers, youth program staff and all youth providers have a full understanding of each of the 14 youth program elements. The State and/or local board should consider providing training to the entire youth team to clarify each component within each element and to ensure that these components align with program element descriptors in WIOA regulations and guidance. Case managers and youth service providers should jointly discuss and identify the precipitating circumstances in a young participant's life that would merit assignment to each of the program elements. Your State FPO can provide resources to assist in the design and delivery of such training.

Area of Concern 6: Youth Services Not Provided in Outlying Counties

(Objective 1.2: Service Design)

Local Area IV is a six-county area, but services to youth participants are not being effectively delivered in four of the six counties. Program Year 2016 data revealed that the local area served a total of 250 youth. Of those, 219 were S. County residents served at the comprehensive AJC in one city and 28 were B. County residents served at the affiliate AJC in another city. There was only one participant from 2 of the other counties; and 2 counties on the west side of the local area had no youth participants at all. Neither of those Counties house public workforce centers and there is no evidence of any significant outreach to those rural communities.

When asked directly, Local Area staff and a local board member were not able to describe how individuals in those outlying and rural areas are made aware of and provided services. The board member could not recall any prior or current efforts to gather demographics, target resources or even assess the number of youth who could be eligible participants. The board member noted that it is difficult to penetrate rural communities, but could not identify any strategies for, or discussion around, ensuring service delivery to the entire six-county area.

Recommendation: The State should encourage the local board to explore the full service potential for each county that comprises the local area. Specific outreach and service strategies should be put in place to ensure that effective youth services are provided in each of the six counties, including those with large rural communities.

Area of Concern 7: Youth Program files Lack Evidence of Program Element Deliverables
(Objective 4.2: Participant Files)

While youth case files indicated that certain youth program elements were administered by provider A, the reviewers were unable to verify that the services provided by this contracted youth service provider aligned with WIOA definitions or descriptions of those program elements. As an example, several participants were assigned to attend a five-day work readiness class which was recorded as the receipt of a leadership development service, one of the 14 program elements. A discussion with the class instructor and the review of the curriculum revealed that several key components, defined under leadership development in WIOA regulations such as community/service learning projects and civic engagement, were not a part of the instruction.

Under WIOA, it is allowable for providers to offer multiple program elements, and for multiple elements to be delivered concurrently. However, class curriculum, case notes and activity summaries should document/reflect the specific lessons or services to be delivered and articulate the activities involved with the service. With specific elements identified on a participant's objective assessment as an identified need, but no evidence of elements like adult mentoring or leadership development being covered in any depth, it is difficult to ensure each service is being fully delivered and received.

Recommendation: The State should work with the local youth program to establish and adhere to clear requirements for the provision of each program element. Case managers should obtain and retain supporting documentation, via curriculum, case note and activity summary, for each.

Area of Concern 8: State Does Not Disseminate the Eligible Provider List
(Objective: 3.1 SWDB Program Design Policies)

The State Department of Workforce Development does not disseminate a list of the eligible providers of youth workforce investment activities to the local areas. The State does, however, make the list available upon request from the local areas.

In accordance with WIOA Section 129 (b)(1), required Statewide Youth Activities shall include disseminating a list of eligible providers of youth workforce investment activities, as determined under section 123;

Recommendation: The State should disseminate the eligible youth provider list to the local areas or notify the local areas that the list is available upon request.

Area of Concern 9: Documents Missing from Participant Files
(Objective 4.2 Participant Files)

Reviewers looked at five participant files at ABC College, which included a review of digital case notes in the MIS system and a review of hard copy document files. In two instances, supportive service requests appeared in the MIS system that did not appear in the files.

While the State prioritizes the MIS system for participant file management, (i.e. if it is not in MIS, it didn't happen); and while all transactions identified below appeared in that system, the lack of consistency between the information contained in the hard copy files versus what appeared in MIS made it unclear for reviewers to ascertain and verify which supportive services were provided or not. This lack of consistency puts the State at risk for findings if reviewers are unable to follow the path of the participant when looking at files.

Recommendation: The State should work with Local Area 10 to develop requirements for the management of participant file contents, and training for their career planners on file management, covering both hard copy and electronic procedures. The State should also survey all local areas to determine if this support is needed in other areas.