

**WORKFORCE CENTERS**  
— of South Central Kansas —  
**KANSASWORKS.COM**

**Local Workforce Development Board (LWDB)**

**Executive Committee Meeting Agenda**

300 W. Douglas Avenue, Suite 850

Wichita, Kansas

Wednesday, February 13, 2019

11:30 a.m. – 1:00 p.m.

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1. Welcome and Introductions: Gabe Schlickau (11:30)
2. One-Stop Operator Report: Tisha Cannizzo (11:35) (pp. 2-4)  
*Eckerd Connects is the one-stop operator procured by the Workforce Alliance and a report on activities will be provided to the Committee.*  
**Recommended Action:** Receive and file.
3. El Dorado Workforce Center Lease: Chad Pettera (11:50) (p. 5)  
*The lease expires December 2019 and the Workforce Alliance is required to release a Request For Proposal (RFP).*  
**Recommended Action:** Authorize the Board Chair to appoint an evaluation taskforce.
4. Procurement Updates: Chad Pettera (12:00) (pp. 6-8)  
*The Workforce Alliance recently released Request for Proposals (RFPs) for website services and visitor management System for the Wichita Workforce Center.*  
**Recommended Action:** Authorize the President and CEO to enter into contracts with Pen Publishing for Website Services and Waitwhile for a Visitor Check In Management System.
5. Kansas Department of Commerce Monitoring Report: Keith Lawing (12:15) (pp. \_9-41)  
**Recommended Action:** Take appropriate action.
6. Youth Employment Project (YEP) 2019 Update: Keith Lawing (12:30) (pp. 42-43)  
*Staff will provide an update on YEP for 2019.*  
**Recommended Action:** Receive and file.
7. Consent Agenda and Committee Reports: Gabe Schlickau (12:45)
  - A. Approval of Meeting Minutes for September 12, 2018 and November 14, 2018 (pp. 44-47)
  - B. Workforce Center Operations Update (pp. 48-50)
  - C. PY18 Budget Report (p. 51)
  - D. Workforce Innovation and Opportunity Act (WIOA) - Performance (pp. 52-55)
  - E. Actions Taken at the LWDB Meeting on January 23, 2019 (p. 56)
  - F. On-the-Job Training Contracts: Kuhn Mechanical, Martsolf Enterprises and Trinity Precision (pp. 57-59)**Recommended Action:** Approve the consent agenda as presented.
8. Adjourn: Gabe Schlickau (1:00)

*The next LWDB Executive Committee Meeting is scheduled for  
Wednesday, March 13, 2019 at 11:30 a.m.*

February 13, 2019

Submitted By: Tisha Cannizzo, One Stop Operator, Eckerd Connects

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**One Stop Operator Report - Mid-Year Update****A. Administers and oversees the Integrated Service Delivery Plan**

1. George Marko, Director of Integrated Employment Services, and Tisha are reviewing the Integrated Service Delivery Plan to see where edits need to be made and/or adjustments to Center policies. From there they will discuss with Think Tank (the Center supervisors who meet biweekly) and the Center Leadership (Director of Integrated Employment Services, Director of Training and the Dept. of Commerce Regional Operations Manager) to be sure everyone is in agreement before making any changes.

**B. Coordinate partner services and activities to encourage efficiency and customer service**

1. The One Stop Operator coordinates the following meetings:
  - a. One Stop Advisory Committee – Committee of the Board, consisting of required WIOA partners as well as some community partners.
  - b. Partner Collaboration Meetings – standing monthly meeting for service partners to learn about the Workforce Center and to brainstorm ways to better serve our mutual customers.
  - c. Think Tank Meetings – Center supervisors who meet biweekly. This meeting began in late 2018 with the intent to give front line supervisors an opportunity to get to know each other, to improve communication and problem solve together. The One Stop Operator attends as the non-biased liaison representing senior leadership, to take concerns to the Center Leadership meetings.
  - d. Center Leadership Meetings – These meetings occur in the off weeks of Think Tank and include the Director of Integrated Employment Services, Director of Training and the Dept. of Commerce Regional Operations Manager. Overall Center issues are discussed, with a current goal to improve the Career Services workflow to try to decrease wait times and increase customer service.
2. Partner Communication List – The One Stop Operator has developed an email distribution list of over 200 community partners. The list has been used to connect and maintain communications with community organizations by 1) inviting them to events, 2) providing opportunities to share information at Workforce Center staff meetings, Partner Collaboration Meetings and hosting field trips as well as 3) soliciting partner input through surveys.
3. 5<sup>th</sup> Friday Breakfast – Every month with a fifth Friday, we invite community partners to join us for a free breakfast and program. The 11/30/18 program had nearly 60 partner participants that participated in group discussions. The topics of the discussions were determined by a survey sent to partners. This event's objective was to facilitate a productive way for partners to interact and develop relationships with one another. A group facilitator and notetaker staffed each discussion table to gather participant input. Attendees participated in quality discussions and made new contacts. As a result of information from that activity, the Workforce Center will host the next 5<sup>th</sup> Friday Breakfast on March 29 on the topic of "Offender Services".

**C. Developing and providing staff development opportunities for the one stop partners**

1. Friday Morning Meetings – Time is set aside every Friday morning at 8-9 am for the full Center staff to meet, currently following the schedule as planned by the One Stop Operator:
  - a. 1<sup>st</sup> Friday – staff voluntarily attend a field trip of community organizations. There are a variety of opportunities available to staff who take these trips. Those who work with job seekers are able to make better referrals to their clients. Staff who work with businesses can build relationships with the organizations about the Workforce Center's employer services and collaborate on employer connections. And SCSEP staff can share the benefits of being a host agency for that program.

February 13, 2019

Submitted By: Tisha Cannizzo, One Stop Operator, Eckerd Connects

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- b. 2<sup>nd</sup> Friday – An employer partner and a service provider partner are invited to present to the Center staff. This helps staff to better prepare job seekers to apply for positions with those employers and to make referrals for clients to other community organizations.
  - c. 3<sup>rd</sup> Friday – Discussion Groups – These days have been used for varied activities including staff training, team building or to share updates with the staff.
  - d. 4<sup>th</sup> Friday – Workforce Alliance and the Department of Commerce meet with their respective staffs to address agency related concerns.
  - e. This schedule is open to changes, to address the needs of the staff, with the primary concern to improve knowledge and communication of all Center staff.
2. President's Day and Columbus Day In-Service Trainings – These holidays are not paid holidays for staff. However, the Center closes to make time for staff training. On Columbus Day (October) we plan an in-service for Center partners and on President's Day (February) we plan a training to include community partners. In October the Center hired nationally known trainer, Mike Fazio, to work with staff as a whole group as well as smaller groups for leadership, career services and business teams. This month's in-service will include a half-day with Center staff only to learn how to use a decision-making process called "Customer Center Design" while using the process to address communication concerns. The other half-day will be open to partners to participate in trainings on harassment, diversity and a coaching process to help job seekers use the Holland Theory to make decisions about their career development and job search.

**D. Assist in the development of policies and processes to support the LWDB**

1. It was agreed upon by all leaders in mid-2018 that the training experience for new hires was inconsistent. We agreed to work together to develop a consistent "New Hire Training" that would be accessible to all supervisors. The project has proven to be more complicated and time consuming than most realized but we continue to move forward.
2. It has been identified through staff surveys and discussion groups, that there is a need for more consistent training, even beyond the new hires. It is the desire of the One Stop Operator that a plan be developed, possibly by using the Customer Centered Design process, to address this issue. The intent would be to take inventory of current training, conduct a needs assessment and develop a plan to ensure that all staff receive continuous training, regardless of their tenure or team. This would include leadership training for staff as they are considered for promotion.

**E. Ensure Workforce Alliance One Stops are certified as required by the US Department of Labor**

1. The Wichita three affiliate centers were certified in the summer of 2018. There were a few areas where improvements could be made so we will continue to review and address those issues, most of which can be handled with a comprehensive training plan.

**F. Ensure access to career, training and employment services**

1. The One Stop Operator will be making a concerted effort over the next several months to spend time with each team, beginning with check-in and then Career Services, to observe and better understand the processes and challenges faced by each team. After which, a plan for ongoing review will be developed.

**G. Ensure access to data, information and analysis for the local labor market**

1. The One Stop Operator will work with the Workforce Alliance staff to determine ways to share and explain data with staff, partners, customers and other stake-holders to be most useful.

**H. Coordinate with core leadership initiatives and activities**

1. See coordination above with Senior Staff, Leadership, Center Leadership and Think Tank meetings.

February 13, 2019

Submitted By: Tisha Cannizzo, One Stop Operator, Eckerd Connects

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**I. Provide access to Eckerd U and instruction.**

1. Eckerd Connects has a wealth of online training material that has been offered to the Workforce Center for their use. The One Stop Operator will work with the Center Leadership Team to identify material to use and the best way to track staff completion.

**Item**

Lease Space for Butler Workforce Center in El Dorado

**Background**

The office lease for the Butler Workforce Center in El Dorado expires on December 31, 2019 and has no available extensions. The El Dorado Workforce Center has been at its current location at 524 N Main for over four years. Workforce Alliance leases approximately 2,433 square feet and pays \$4,472.66 in rent monthly.

Staff is currently evaluating space needs and is developing an RFP for release. Anticipated time line would be to release the RFP in early March and close in April. A taskforce will need to be appointed by the Board Chair for review of proposals.

**Strategic Goals Supported**

This activity supports the following Strategic goals of the Local Workforce Development Board:

- Expand Youth employment opportunities to help develop the workforce of the future.
- Create and implement a more effective and comprehensive communication plan to increase public awareness about employment and training services, and skills needed for current and future careers in South Central Kansas
- Generate revenue to increase community impact of WIOA and Workforce Centers in South Central Kansas

**Recommended Action**

*Authorize the Board Chair to appoint an evaluation taskforce.*

## **Item**

Request for Proposals (RFP)

## **Background**

The Workforce Alliance has released three RFP's in December that closed on February 1, 2019. Those items are for Website Services, Visitor Management System, and Office Copiers. The Workforce Alliance is also preparing to release two additional RFP's in the coming weeks; one for leased space in El Dorado and one for adaptive equipment.

## **Analysis- Closed RFP's**

### **Website Development, Hosting and Maintenance-**

Website Development, Hosting and Maintenance RFP received six proposals. The request was for a public site and a site accessible only to staff and partners. The proposals were received from:

CivicPlus  
Nye and Associates  
Pen Publishing

High Touch Technologies  
Pat Davis Design Group  
RSM

All proposals meet the initial qualifications and were forwarded to a taskforce consisting of Amanda Duncan, Denise Houston, Erica Ramos, Jamey Regier, and George Marko for evaluation. The taskforce participated in presentations by the proposers on February 8, 2019.

The proposals costs were evaluated as a portion of the review. Costs and rankings of the proposals were as follows:

Proposer	Cost	Evaluation Ranking
Pen Publishing	\$21,500 onetime / \$3,315 annually	267
CivicPlus	\$19,980 onetime /\$4,000 annually	244
Pat Davis Design Group	\$19,950 onetime / \$6,000 annually	226
High Touch Technologies	\$18,000 onetime /\$5,400 annual	195
RSM	\$18,700 onetime / \$6,000 annually	169
Nye and Associates	\$20,000 onetime / \$6,000 annually	160

The taskforce has recommended entering into an agreement with Pen Publishing for Website Design, Hosting, and Maintenance. The timeline for a new website to launch is June 30, 2019.

### **Visitor Management System-**

A RFP was released to procure a Customer Check In Management System. Currently the Workforce Center's have an internal system that was developed and implemented as part of our intranet. The RFP request was for an online system the public can access and request to check-in or setup an appointment and view current wait times for specific services.

The RFP closed on February 1, 2019 and a total of two proposals were received. The proposals were from Waitwhile and High Touch Technologies. A taskforce of staff consisting of George Marko, Matt Roberts, Alex Carlson, Sarah DeLuna, Wendy Inzunza, Kelly Meier, Tonya Carlson, Tisha Cannizzo, and Tiara Hill evaluated the proposals and participated in presentations by the proposers.

Proposer	Cost	Evaluation Ranking
Waitwhile	\$654 month/\$7,848 annually	TBA
High Touch Technologies	\$37,960 onetime / Hosting by WA required estimates by WA staff would be approximately \$1,700 a month	TBA

The taskforce has recommended entering into an agreement with Waitwhile for a Visitor Check In Management System. The timeline for launch is March 29, 2019.

### **Office Copiers-**

A RFP for Office Copiers was released and it closed February 1, 2019 and four proposals were received. The proposals were from:

Proposer
Digital Office Systems
SumnerOne
360 Document Solutions
ImageQUEST

Staff is still evaluation the proposals and will bring a recommendation to the committee in the near future.

### **Upcoming RFP with KAWB**

#### **Adaptive Equipment-**

The Workforce Alliance staff is leading a procurement for the Kansas Association of Workforce Boards (KAWB) to update the adaptive equipment at the Workforce Centers (16) across Kansas. The Kansas Department of Commerce has agreed to cover the cost of the procurement, with the hope that the Kansas Department of Children and Families Vocational Rehabilitation will reimburse the costs as part of their required infrastructure costs. Area I recently updated all their equipment and will not be participating in the KAWB procurement. The RFP will be available in a week or two and will close in March. The RFP will be evaluated by the KAWB members and it is estimated the cost will be \$3,000 to \$4,000 for each location.

#### **Strategic Goals Supported**

This activity supports the following Strategic goals of the Local Workforce Development Board:

- Expand Youth employment opportunities to help develop the workforce of the future.
- Create and implement a more effective and comprehensive communication plan to increase public awareness about employment and training services, and skills needed for current and future careers in South Central Kansas
- Generate revenue to increase community impact of WIOA and Workforce Centers in South Central Kansas

#### **Recommended Action**

*Authorize the President and CEO to enter into contracts with Pen Publishing for Website Services and Waitwhile for a Visitor Check In Management System.*



David C. Toland, Acting Secretary

Laura Kelly, Governor

February 1, 2019

Keith Lawing, Executive Director  
Workforce Alliance of South Central Kansas  
300 W Douglas, Suite 850 • Wichita, KS 67202

Dear Mr. Lawing:

Please find enclosed a report of findings and recommendations pertaining to Commerce Regulatory Compliance's (CRC) Financial and Administrative review of Local Area IV.

Generally, the purpose of our reviews and evaluations are to assist management in identifying strengths and weaknesses in the overall administration and operation of employment and training programs. *However, please note this particular review is mandated under the regulations of the Workforce Investment and Opportunity Act.*

Please review the noted findings and recommendations and provide a written response to this office within twenty-one (21) calendar days of your receipt. If corrective action is warranted, please provide what corrective action will be implemented with a noted timeframe toward completion.

Upon receipt and within 30 days of the Local Area's response, the Workforce Services Technical Assistance Unit will contact you to jointly review the findings, outstanding issues and if warranted, develop a plan for any pending resolution.

In closing, CRC wishes to thank you and your staff for their cooperation and assistance during this review. Should you have any questions, please contact CRC at your convenience (785-368-6643). Thank you.

Sincerely,

A handwritten signature in cursive script that reads "John Bowes".

John Bowes, Director  
Regulatory Compliance - Legal Services  
Kansas Department of Commerce  
1000 SW Jackson Street, Suite 100  
Topeka, KS 66612-1354  
785-296-2122  
785-296-6809 (FAX)

cc: Robert North  
CRC staff  
File: #18-04-01



# **WORKFORCE INNOVATION & OPPORTUNITY ACT MONITORING REPORT**

**FISCAL & ADMINISTRATIVE OPERATIONS**  
*Local Workforce Development Area IV*

*February 2019*

**Report #18-04-01**

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

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# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

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### *EXECUTIVE SUMMARY*

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In September 2018, the Commerce Regulatory Compliance Unit (CRC) of the Kansas Department of Commerce's Legal Division conducted a desk and on-site review of the Local Workforce Development Area IV's (LWDA IV) financial and administrative operations. This monitoring review is in follow-up of the Commerce Correct Action Board's Final Determination of CRC's most recent administrative and financial monitoring report. An overall conclusion is noted below, and details regarding specific observations are addressed throughout the report. This review meets Federal regulation requirements (WIOA §184(a)(4)) the Governor conduct an annual onsite review for local area compliance with United States Department of Labor (USDOL) uniform administrative requirements.

#### **Overall Conclusion**

Below findings primarily relate to governance structure and grant administration topics regarding local transition from WIA to WIOA, **and are unique to LWDA IV**. Although movements have occurred within LWDA IV's overall structure, the resulting effect on previously identified topics perpetuates continued compliance concerns. **Many concerns expressed in the previous monitoring report<sup>1</sup> remain, in addition to significant new findings which have resulted from LWDA IV's recent courses of action.**

#### **Best Practice**

The local website: 1) makes widely accessible current program year LWDB (and standing committee) meeting and agenda information, and 2) houses an archive via active links to PY12 – PY17 meeting agendas and minutes.

#### **Findings & Required Actions**

##### **Local Government Representation**

**Finding #1:** LWDA IV has not reached out to all eligible units of general local government.

**Required Action:** LWDA IV must afford cities opportunity to participate in: CEO Agreement development, CEOB representation, and determination of liability repayment methodology; and maintain supportive documentation to evidence compliance.

**Finding #2:** Councils of local governments are not authorized to appoint CEOB representatives.

**Required Action:** LWDA IV must restructure its CEOB membership to remove non-compliant representation.

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<sup>1</sup> See Commerce Regulatory Compliance LWDA IV Financial and Administrative Operations Review report #16-04-02, dated October 2016.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

**Finding #3:** Some individual CEOB members, under the eligible title of a city CEO, instead represent organizations and associations which do not meet the statutory definition of a general unit of local government.

**Required Action:** LWDA IV must ensure individual CEOB membership represents the eligible unit of local government which appointed him/her, not the interests of outside parties.

### Local Government CEO Agreement

**Finding #4:** The utilized CEO Agreement is a combination of CEO Agreement and joint agreement between the CEOB and WA Inc., and not the proper location for an agreement amongst parties other than units of general local government.

**Required Action:** A compliant CEO Agreement should be developed between the appropriate parties. Should the CEOB choose to enter into agreement with another entity, such as the LWDB or another organization, a separate agreement should be executed for this purpose.

**Finding #5:** The utilized CEO Agreement has many omissions from both WIOA and State Board requirements. LWDA IV has not executed a compliant CEO Agreement:

- Amongst all eligible units of general local government (as signees – each participating CEO, no other parties),
- To agree upon and identify designated CEOB members to act on behalf of all LWDA IV CEOs (must include the name of the individual(s) selected),
- To specify all roles and statutorily assigned responsibilities, including oversight and approval duties over LWDB budgets and activities,
- To establish a compliant nomination and appointment process to fill LWDB memberships,
- To establish how funds will be collected and repaid (for disallowed costs), and
- To establish a time limit of the CEO Agreement (must be 5 years or less).

**Required Action:** LWDA must develop and execute a compliant CEO Agreement according to both WIOA and State Board requirements.

### Designations

**Finding #6:** CEOs have not clearly identified WIOA fiscal agent roles and responsibilities through required written agreement.

**Required Action:** Should the CEOB choose to designate another entity, such as the LWDB or another organization, to perform the WIOA fiscal agent role, then a written agreement which clearly identifies fiscal agent roles and responsibilities, must be executed for this purpose.

**Finding #7:** CEOs have not appointed individual members to the LWDB from among nominees received from entities represented through WIOA. Instead, the CEOs have appointed an external entity's governing body (WA Inc. Board of Directors - as a whole) as the WIOA LWDB.

**Required Action:** WIOA authorizes CEOs to appoint eligible, individual LWDB members; LWDA IV CEOs must adhere to the appointment authority granted to them under WIOA.

### Statutorily Required Duties

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

**Finding #8:** LWDA IV appears to have administratively circumvented operating in compliance with required procurement and conflict of interest requirements by supplanting the LWDB. WIOA reserves unassignable duties for the LWDB, and establishes funding to carry these duties out. LWDA IV has outsourced statutorily-required LWDB duties, which are being carried out by another entity's BOD and direct staff, but through no procurement actions.

**Required Action:** Should the LWDB desire to partner with another entity for assistance in carrying out LWDB required duties, the LWDB must continue to award/expend WIOA grant funds in accordance with uniform guidance requirements.

**Finding #9:** Although not an LWDB member, the utilized WA Inc. bylaws state the WA Inc. President & CEO presides at LWDB meetings and performs LWDB Chair and Vice Chair duties in their absence or inability to act. LWDB's adopted bylaws (WA Inc. bylaws) grant administrative staff authority which is reserved for LWDB members.

**Finding #10:** The LWDB has not established a WIOA-compliant governance structure through adoption of required LWDB bylaws.

**Grouped Required Action(s):** The LWDB must operate under its own governance structure and leadership body, through written LWDB bylaws established under WIOA and State requirements. The LWDB must limit administrative staff's roles to establish appropriate levels of authority.

**Finding #11:** Although a legally separate organization, WA Inc. appears to have grandfathered a tax-exempt status afforded to LWDBs under WIOA.

**Required Action:** WA Inc. must operate under appropriately obtained tax-exempt status awarded by the IRS.

**Finding #12:** The LWDB is currently funded and operating though no subsequent LWDB certification from the State has been achieved within the required 2-year timeframe.

**Required Action:** The LWDB must adhere to State requirements and timeframes regarding LWDB certification requirements. Failure to achieve LWDB certification may lead to appointment of a new LWDB.

**Finding #13:** LWDA IV has not made the following information available to the public, on a regular basis through electronic means and open meetings, according to WIOA Sunshine Requirements:

- LWDB bylaws
- CEOB meeting schedule
- CEOB meeting minutes/materials
- Available RFP/RFQs concerning public funds

**Required Action:** LWDA IV must adhere to WIOA Sunshine requirements.

### Internal Controls

**Finding #14:** In contrast to WA Inc. bylaws, which state "The [WA Inc.] Board shall support the activities of the LWDB, which is organized and operated independently of the Corporation", LWDA IV states WA Inc. and the LWDB are the same entity, however, no written agreement exists to differentiate LWDB required duties from assigned/other WA Inc. organizational duties.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

**Required Action:** When a single entity operates in more than one of the following roles: local fiscal agent, LWDB staff, OSO, or direct provider of career/training/youth services, a written agreement amongst the LWDB/CEOB/entity is required.

**Finding #15:** LWDA IV policy does not address conflict of interest requirements for non-LWDB member standing committee members.

**Finding #16:** No signed Code of Conduct or Conflict of Interest forms from standing committee members were provided.

**Grouped Required Action(s):** LWDA IV must take appropriate action to ensure all current and future agents of the LWDB (including standing committee members) agree to adhere to written local conflict of interest policy via required signature.

**Finding #17:** Although written policy has been established, the LWDB does not appear to be exercising or adhering to local, state, or federal conflict of interest requirements. Should the LWDB have enacted compliant procurement procedures during award of WIOA roles to WA Inc., then no vote for award of services to WA Inc. could have occurred, as all LWDB members would have been required to recuse themselves from voting due to organizational conflict of interest. Dually serving on the BOD for WA Inc. and allowing WA Inc. to operate under the name of the LWDB does not relieve the LWDB from the requirement to adhere to conflict of interest and procurement requirements.

**Required Action:** LWDA IV must implement all local, state, and federal conflict of interest requirements.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

### *REVIEW SCOPE*

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The Kansas Department of Commerce (Commerce), the Governor's designated Workforce Innovation & Opportunity Act (WIOA) grant funds recipient, is responsible for monitoring all Local Workforce Development Areas (LWDAs) for: compliance with WIOA rules and regulations for program service provision, adherence to uniform administrative and audit requirements, and compliance with non-discrimination and equal opportunity requirements.

The Commerce Regulatory Compliance Unit (CRC) fulfills this requirement through regular program and administrative/fiscal reviews. Reviews may include any or all of the program's administrative components. Monitoring results are documented in a report and disseminated for response and referenced during corrective action proceedings, if necessary. CRC monitors use several reference documents to prepare for desk and onsite reviews and are available to answer questions during review activities. Utilized reference documents include, but are not limited to:

- Workforce Innovation & Opportunity Act, including Final Rules & Regulations
- Office of Management and Budget Uniform Guidance and Related Guidance Documents
- Training and Employment Guidance Letters and Training and Employment Notices
- Selected Federal and State Monitoring Guides
- Kansas WIOA Combined State Plan
- KANSASWORKS State Board WIOA Policies and Procedures
- KANSASWORKS State Board Quarterly Performance Reports
- Local Workforce Development Area Integrated Plans
- Local Area Policies and Procedures Manuals
- Local Agreements
- Fiscal Agent & Paymaster Documents
- Sub-recipients' Submitted Monthly and Final Fiscal and Performance Reports
- Previous Monitoring Reports Issued by the USDOL, CRC & other independent entities

The United States Department of Labor (USDOL) published five sets of WIOA Final Rules in the Federal Register on August 19, 2016 at 81 FR 555791; these include Joint (USDOL & United States Department of Education (USDE)) as well as USDOL-Only provisions. WIOA Final Rules and regulations took effect on October 18, 2016 and provide program implementation direction. The USDOL has additionally provided sub-regulatory guidance through the publication of Training and Employment Guidance Letters (TEGLs); available at [www.doleta.gov/WIOA](http://www.doleta.gov/WIOA).

In relation to grant administration and management, WIOA is guided by the federal Office of Management and Budget (OMB), which issued the first consolidation of federal grant management requirements since they were first issued as circulars in the 1980s. The OMB issued a Final Rule titled Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) which became effective on December 19, 2014. This is codified at 2 CFR Part 200 and USDOL exceptions can be found at 2 CFR Part 2900. For more information, go to [www.doleta.gov/grants/pdf/quick\\_reference\\_sheet.pdf](http://www.doleta.gov/grants/pdf/quick_reference_sheet.pdf).



# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

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### *BACKGROUND*

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The Workforce Innovation and Opportunity Act (WIOA) of 2014 is the first legislative reform in 15 years of the public workforce system. The President signed WIOA into law on July 22, 2014 thereby repealing and replacing the Workforce Investment Act of 1998. WIOA amends the Adult Education and Family Literacy Act, Wagner-Peyser Act, and Rehabilitation Act of 1973, and took effect July 1, 2015, the first full program year after enactment.

WIOA coordinates core programs of federal investment in skill development:

- Employment and training services for adults, dislocated workers, and youth, and Wagner-Peyser employment services administered by USDOL through formula grants to states
- Adult education and literacy programs, and Vocational Rehabilitation state grant programs that assist individuals with disabilities in obtaining employment administered by the Department of Education (USDE)
- Programs for specific vulnerable populations, including: Job Corps, YouthBuild, Indian and Native American, Migrant Seasonal Farmworker programs, and other evaluation and multistate projects administered by the USDOL.
- Other programs administered by USDE and the Department of Health and Human Services.

WIOA is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers needed to compete in the global economy. The Act allows the Governor to designate Local Workforce Development Areas (LWDAs) within the State. Each LWDA is overseen by Chief Elected Officials (CEOs) who appoint a Local Workforce Development Board (LWDB) to manage and set policy for the LWDA's portion of the statewide public workforce system.

Highlights of WIOA's public workforce system reform include:

- Requires states to strategically align core workforce development programs
- Promotes accountability and transparency of public employment and training programs
- Fosters regional collaboration of workforce development programs aligned to meet regional economic development strategy needs
- Improves quality and accessibility of services in the American Job Center (AJC) System
- Improves job-driven services to employers, matching employers with skilled individuals, and promotes work-based training opportunities
- Provides access to high quality training leading to industry recognized post-secondary credentials for in-demand jobs
- Enhances workforce services for the unemployed and other job seekers
- Improves services to individuals with disabilities
- Makes key investments in serving disconnected youth and other vulnerable populations
- Enhances the performance outcomes and quality of the Job Corps Program
- Streamlines and strengthens the strategic roles of workforce development boards to meet local and regional employers' workforce needs

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

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### *REVIEW*

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#### ENTRANCE CONFERENCE

CRC conducted an entrance conference on Tuesday, September 18, 2018, at the Workforce Alliance administrative office, which serves as the LWDB's Area Administrative Office (AAO). CRC staff member Jessica Henry conferred with Workforce Alliance Vice President/Chief Operating Officer Chad Pettera to discuss the review's scope, which includes: follow-up from the most recent fiscal/administrative monitoring review, WIOA implementation, and regular aspects of an annual fiscal/administrative monitoring review. CRC utilized the Local WIOA Fiscal Review Guide during desk and onsite portions of this monitoring review.

#### HIGH-LEVEL ORGANIZATION

Local Workforce Development Area IV (LWDA IV) is one of five areas initially designated by the Governor under the WIOA grant, and is comprised of six counties in southcentral Kansas. This designation took into consideration labor market areas and established the geographic areas to be served under funds allotted for this area of the state.

LWDA IV was conditionally approved for initial designation for program years 2015 and 2016 (PY15 and PY16).

At the state level, LWDA IV is guided by the: Governor of the State of Kansas, **KANSASWORKS** State Board, and Commerce's Workforce Services Division.

At the local level, LWDA IV has established the following structures:

- **Chief Elected Officials Board (CEOB)**
- **CEOB Staff** - Workforce Alliance of South Central Kansas, Inc. organization
- **WIOA Fiscal Agent** – Workforce Alliance of South Central Kansas, Inc. organization
- **Local Workforce Development Board (LWDB)** – Workforce Alliance of South Central Kansas, Inc. Board of Directors
- **Administrative Entity** – Workforce Alliance of South Central Kansas, Inc. organization
- **Paymaster** - Allen, Gibbs, and Houlik, LLC (AGH)
- **WIOA One-Stop Operator** – Eckerd Youth Alternatives Inc. (Eckerd)
- **WIOA Adult/Dislocated Worker Program Operator** – Workforce Alliance of South Central Kansas, Inc. organization
- **WIOA Youth Program Operator** - Workforce Alliance of South Central Kansas, Inc. organization
- **WIOA Career Services Provider** – Workforce Alliance of South Central Kansas Inc. organization

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

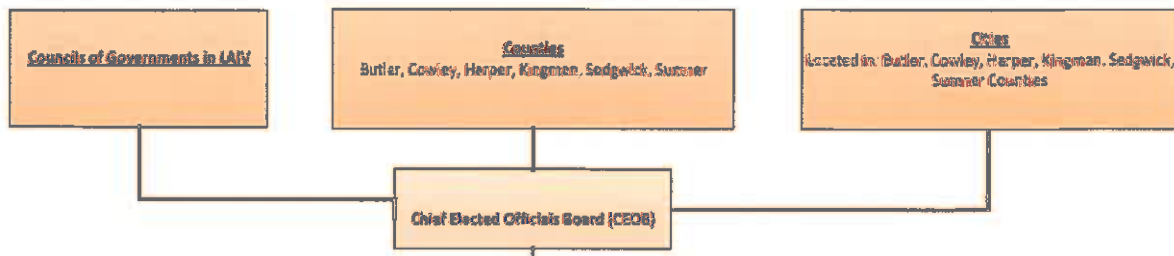
### LOCAL ADMINISTRATION

Since CRC's most recent fiscal and administrative review, LWDA IV has undergone significant reorganization, including restructuring at the CEOB and LWDB levels. CRC offers the following evaluation of LWDA IV's current governance structure and transition from WIA to WIOA.

#### **CHIEF ELECTED OFFICIALS (CEOs) & CHIEF ELECTED OFFICIALS BOARD (CEOB)**

WIOA assigns the highest level of local authority, and names the CEOs or representing CEOB as local grant recipient. The LWDA IV CEOB is the entity responsible for local grant administration, oversight of LWDB budgets, and WIOA public workforce programs. Whether participating on the CEOB or not, all CEOs assume fiscal responsibility for WIOA and other federal/state workforce funds awarded, as well as the responsibility to repay misappropriated WIOA funds.

Since CRC's most recent fiscal/administrative monitoring review, some structural changes have occurred at the CEOB-level. Previously, REAP served as the CEOB; LWDA IV updated a restructure had occurred and this is no longer the case. The below chart depicts LWDA IV's current structure at the CEO level of grant governance.



In addition to units of general local government (counties, cities), LWDA IV has also granted authority for active government councils to appoint members for representation on the CEOB. Government councils with representatives on the CEOB include: REAP (Regional Economic Area Partnership), SCAC (Sedgwick County Association of Cities), and WAMPO (Wichita Area Metropolitan Planning Organization).

#### **Opportunity to Participate**

CRC reviewed provided documents to determine whether:

- Appropriate notification to eligible units of general local government had occurred,
- A reasonable number of CEOs were involved in the initial CEO Agreement process, and
- A reasonable number of CEOs were afforded opportunity to participate in the local expenditure of WIOA funds.

Counties - Documentation showed letters were sent to each of LWDA IV's six county commission offices. The letters document: 1) notification to eligible units of local government, 2) request for approval and adoption of a prewritten CEOB Agreement, and 3) seek to identify a designated representative to serve on the CEOB. Verbiage indicated additional enclosures, including a WA Inc. annual report and a listing of proposed CEOB members. WA Inc. indicated presentations

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

were provided to each county. No documentation was provided to establish resulting formal designation of representatives for CEOB membership.

Cities – Although one county commission board lacks representation on the CEOB, LWDA IV did not provide documentation to show cities were provided notification of fiscal responsibility and repayment liability, involved in the CEO agreement development process, or afforded opportunity to participate in the expenditure of WIOA funds through designation of a representative on the CEOB. Therefore, no documentation was provided to establish resulting designation of representatives for CEOB membership.

### **Finding(s):**

- LWDA IV must afford all eligible units of general local government (including cities) opportunity to participate in: CEO Agreement development, CEOB representation, and determination of liability repayment methodology. Supportive documentation must be maintained to evidence compliance.

### Membership

CRC viewed the LWDA's public website, which states each county in LWDA IV may appoint up to two members on the CEOB, who must be an elected official in the county which they are appointed to represent. In contrast to the stated CEOB structure, city units of local government memberships are not addressed. The website further states "active councils of local governments are invited to appoint a member". CRC notes, in comparison to other provided documents, the website CEOB roster appears outdated.

Five of the six counties in LWDA IV have representation on the CEOB. CRC reviewed the provided listing of current CEOB members, which include the following representations:

- Butler County Board of Commissioners (1)
- Cowley County Board of Commissioners (1)
- Harper County Board of Commissioners (1)
- Sedgwick County Board of Commissioners (2)
- **Sumner County: City of Wellington Mayor (1)**
- **Regional Economic Area Partnership (REAP): City of Wichita Mayor (1)**
- **Sedgwick County Association of Counties: City of Sedgwick Mayor (1)**
- **Wichita Area Metropolitan Planning Organization: Wichita City Council Member (1)**

CRC notes the city of Wichita is located in Sedgwick county. The city of Sedgwick is located in Harvey and Sedgwick counties. Harvey county is not located in LWDA IV; therefore, in contrast to established membership compositions, Sedgwick county has been afforded 4:9 memberships on the CEOB, although the Sedgwick County Board of Commissioners has reportedly only appointed two members.

Although the individuals representing organizations and associations are chief elected officials in LWDA IV, these entities do not meet the WIOA-established definition of a unit of local government and have not been granted authority for WIOA oversight and fund expenditure. CRC

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

is not aware of any authority (local or State) to create additional membership on the CEOB. Furthermore, should a unit of local government designate a CEOB member to act on its behalf, the CEOB member must represent the interests of the unit of local government which appointed him/her, as opposed to those of an external organization and/or association.

**CRC referred this topic for legal opinion, which reaffirmed organizations/associations are not units of general local government under WIOA's statutory definition.** Cities may qualify as units of general local government, and their mayors could serve on the CEOB as representatives of those cities - but not as representatives of organizations/association. WIOA does not allow representatives other than those defined as CEOs, and as party to the CEO Agreement, to sit on the CEOB.

### **Finding(s):**

- Councils of local governments are not authorized to appoint CEOB representatives; LWDA IV must restructure its CEOB membership to remove non-compliant representation.
- LWDA IV must ensure individual CEOB membership represents the unit of local government which appointed him/her, not the interests of outside parties.

### **CEO Agreement**

A CEO Agreement is the foundational vehicle established to specify and inform CEOs of their responsibilities under WIOA, including liability for any misuse of grant funds. Local areas which include more than one unit of general local government are required to execute a CEO Agreement which specifies the rights and roles of each individual CEO in the administration of the WIOA grant. Eligible parties to a CEO Agreement include all units of general local government within the designated LWDA. Commonly, Kansas CEO Agreements contain verbiage to establish a CEOB to act as a representative body on behalf of all LWDA CEOs in the local administration of WIOA. As required, the WIOA State Board has established policy to guide LWDA CEOs in establishment of WIOA CEO Agreements. Required CEO Agreement elements include: identification of individual CEOs selected to act on behalf of each group of CEOs and agreement to determined responsibilities.

Locally, there appears to be confusion regarding which document is currently in operation as the CEO Agreement. Upon CRC's initial documentation request, multiple agreements dating back to 2016 were presented. Each agreement contains two signatures – one for LWDB Chair and one for an individual CEOB member. In consideration of these documents, there appears to be one agreement or resolution per county, each with no stated termination date. During the course of the review, CRC became aware that when seeking LWDB certification, LWDA IV presented a more recent, joint agreement between the LWDB and the Chief Elected Officials Board (CEOB) as the local CEO Agreement. **For the purposes of this monitoring review, CRC later verified with both WA Inc. and Commerce parties, this newer document is the local CEO Agreement.** The newer, joint CEO Agreement contains WIOA verbiage and references, however also contains verbiage which states the purpose of the agreement is to provide governing principles of the partnership between the CEOB and WA Inc. for the effective planning, coordination, and

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

implementation of WIOA within LWDA IV. The newer agreement only contains signature lines for LWDB Chair and CEOB Vice Chair.

Because the older documents originally provided to CRC as the CEO Agreements contained more appropriate signees, CRC determined these agreements appear more closely aligned with WIOA's intended CEO Agreement. If these multiple CEO Agreements were the previously utilized versions, CRC has not been presented with any indication of CEO approval of modification or replacement to the original agreements (dates on the county notification letters are in 2016), nor signature of the same parties on the newer document additionally presented as the CEO Agreement.

The older, multiple agreements: 1) designate WA Inc. as the LWDB for LWDA IV, 2) set functions and responsibilities of the CEOB, 3) set functions and responsibilities of WA Inc. as the One-Stop Operator (OSO), 4) establish methodology for misappropriated fund repayment amount calculations, and 5) establish requirements for modification or termination of the agreement. Limited individual CEOB member responsibilities are listed, and the following statutory responsibilities are omitted:

- Approve budgets for carrying out the responsibilities of the LWDB (WA Inc.)
- Provide comprehensive oversight of the activities of the LWDB (WA Inc.)
- Ensure LWDA partnerships are functioning effectively

The older, multiple agreements state responsibilities include attendance at biannual meetings in May and November, and special meetings may be called as needed. The LWDA IV website does not list a CEOB meeting schedule or accessible minutes/materials from those meetings; therefore, CRC was unable to verify CEOB meeting frequency or activities. CRC questions whether biannual meetings are frequent enough to provide the proper levels of oversight necessary.

The older, multiple agreements do not establish a compliant nomination process to fill memberships on the LWDB. Verbiage only requires "the support of a local business organization", and no process has been established to solicit or manage nominations received from organizations and entities as the proposed member would represent. Additionally, without accessible CEOB meeting minutes, CRC was unable to determine whether the CEOB has implemented a compliant appointment process to fill LWDB memberships in accordance with State Board policy and WIOA requirements.

Overall, the older, multiple CEO Agreements are neither fully developed, nor fully executed. As no documentation was provided to indicate CEO designations for representation on the CEOB, and no presented CEO Agreements contain verbiage to identify these individuals, CRC cannot ascertain whether or not the signatures on the signature line are those of agreed upon individuals selected by the CEOs to represent each unit of local government as a whole.

Missing essential elements and discrepancies include:

- Signature dates (some not dated)
- Differences in signatures from provided CEOB roster listing
  - Not all county commission boards/selected representatives have signed

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

- No signatures of city units of local government
- No signatures of councils of government

As related to the newer agreement presented, CRC notes WIOA requires a joint agreement between CEOB and LWDB in some instances, however, the CEO Agreement is the establishment from which the LWDA is foundationally structured. WIOA intends the CEO Agreement as an agreement amongst statutorily defined and fiscally liable units of general local government and the units of local governments are the intended parties to enter into CEO Agreement; therefore, the correct parties do not appear to have entered into this CEO Agreement.

Overall, none of the presented agreements satisfy the requirements of a compliant CEO Agreement.

### **Finding(s):**

- LWDA IV has not executed a compliant CEO Agreement amongst the correct parties.
- The utilized CEO Agreement is a combination of CEO Agreement and joint agreement between the CEOB and WA Inc., and not the proper location for an agreement amongst other parties (i.e. by signing the presented CEO Agreement, signees simultaneously executed an agreement with WA Inc., who is also a signing party to the agreement)
- The utilized CEO Agreement omits statutorily assigned responsibilities, including oversight and approval duties over LWDB budgets and activities.
- The utilized CEO Agreement does not establish a compliant nomination and appointment process to fill LWDB memberships.

### **FISCAL AGENT**

In order to assist in the administration of grant funds, WIOA allows the CEOB to designate an entity to serve as a local fiscal agent with clearly defined roles and responsibilities. Should Kansas CEOs determine to designate a local fiscal agent, State Board policy requires CEOs clearly identify fiscal agent roles and responsibilities, and include identification of fiscal agent designation in the CEO Agreement.

The utilized CEO Agreement between the CEOB and LWDB formally designates the WA Inc. as the Fiscal Agent for WIOA Title 1 funds; however, the agreement lacks any identification of fiscal agent roles and responsibilities<sup>2</sup>. In contrast to the CEO Agreement, financial documents produced by the local Paymaster (AGH) identify AGH as the Fiscal Agent. CRC reviewed other agreements for identification of fiscal agent roles and responsibilities and found no verbiage related to this role.

As previously noted, WA Inc. simultaneously performs the roles of: CEOB staff, Fiscal Agent, LWDB, Administrative Entity, WIOA Program Operator, and WIOA Service Provider. Where multiple functions are performed by a single entity, WIOA requires a written agreement to clarify

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<sup>2</sup> See USDOL Only WIOA Final Rules §679.420.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

responsibilities, be in line with state conflict of interest policies, and demonstrate compliance with WIOA, regulations, and OMB's Uniform Guidance<sup>3</sup>.

### **Finding(s):**

- The CEOs have not clearly identified WIOA Fiscal Agent roles and responsibilities through required written agreement.

### **LOCAL WORKFORCE DEVELOPMENT BOARD (LWDB)**

WIOA establishes LWDBs, and the CEOB appoints individual members to the LWDB. Under WIOA, LWDBs perform strategic functions and local planning, system capacity building, and system alignment and effective operations roles. To reserve these LWDB roles, WIOA Sec 107 lists and defines specific functions, which cannot be reassigned. "For purposes of carrying out [WIOA] duties", the Act allows LWDBs to incorporate and operate as tax-exempt, non-profit 501(c)3 entities of Internal Revenue Code of 1986. Therefore, the Act allows LWDBs to hire a highly qualified director and other staff to carry out LWDB functions; staff functions are limited to carrying out the statutorily required LWDB required functions. WIOA prohibits LWDBs from performing certain functions, which are intended to be carried out by local providers, and extends LWDB limitations to LWDB staff. Certain designations additionally require approval of both the CEOB and Governor.

WIOA permits CEOBs and LWDBs to be funded by WIOA funding streams, and local boards additionally may utilize available non-Federal funds which are appropriate and available for this use. WIOA establishes LWDB membership eligibility and composition requirements, allows for standing committees, establishes bi-annual LWDB certification requirements, applies a Sunshine Provision, establishes minimum conflict of interest requirements, and requires agreement of the CEOB/Governor for the LWDB to directly provide career services or be designated as OSO. In accordance with WIOA requirements, the State Board issued policy regarding the establishment of WIOA LWDBs. WIOA requires LWDBs and CEOBs to adhere to transparency, Uniform Guidance, conflict of interest, and procurement requirements. WIOA places increased emphasis on local establishment of internal controls. When a single entity operates in more than one of the following roles: local fiscal agent, LWDB staff, OSO, or direct provider of career/training/youth services, a written agreement amongst the LWDB/CEOB/entity is required.

Previously, CRC noted discrepancies when attempting to identify the entity serving as the LWDB. Local naming conventions intermixed both "LWDB" and "WA Inc." terminology, which appeared to be locally interchangeable, although two separate governing bodies existed. Both LWDA IV and Commerce agreed WA Inc. and the LWDB were two legally separate entities (each assigned a unique Federal Employee Identification Number), and the LWDB was not WA Inc.

In response to Commerce Corrective Action Board communications, WA Inc. reported changes have occurred at the LWDB level. LWDA IV now states "WA Inc. is the LWDB", and the two are now "one and the same". **As the two entities previously operated independently, through**

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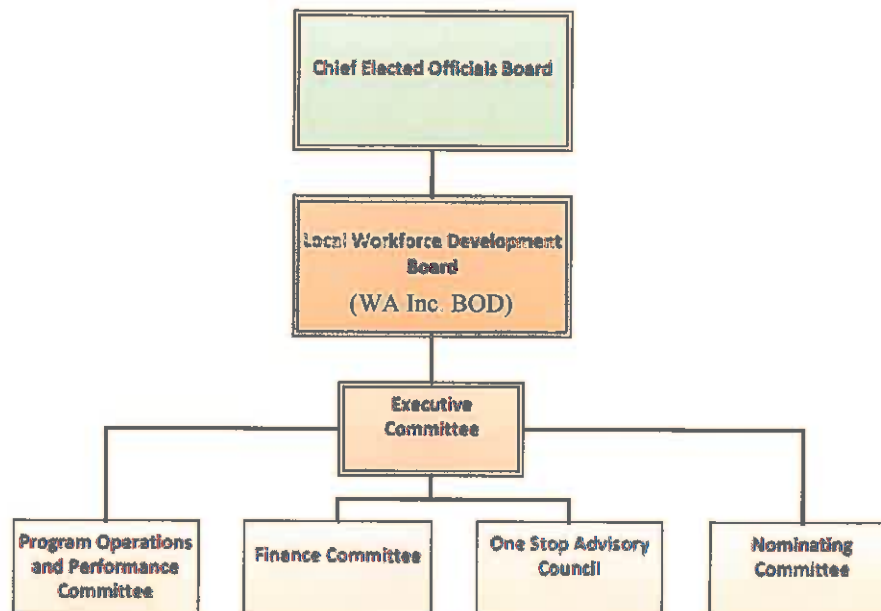
<sup>3</sup> See USDOL Only WIOA Final Rules §679.430.



# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

unique governance structures, board memberships, and executed agreements, CRC reviewed for organizational dissolution, consolidation, or merger documents, but found none. Instead, Local Area IV presented revised WA Inc. documents, including: articles of incorporation, bylaws, organizational charts, and executed agreements. CRC notes the official documents conflict with what is verbally relayed by LWDA IV – these foundational documents perpetuate the existence of two legally separate entities. The following chart depicts LWDA IV’s current structure at the LWDB level of grant governance.



In summary, LWDA IV CEOs have delegated a third party, WA Inc., to serve as WIOA LWDB. It’s also important to note another agreement (seemingly the joint agreement between the CEOB/LWDB) separately designates WA Inc. as the WIOA Fiscal Agent, WIOA Administrative Entity, and WIOA Career Service Provider.

### LWDB Establishment

The 2016 CEO Agreement, upon execution, states the CEOB has appointed members to WA Inc. board of directors in accordance with WIOA. Seeing as execution of the CEO Agreement is intended to initially establish the CEOB amongst units of general local government and identify representative CEOB members, it appears foundational steps have been skipped – the CEO Agreement simultaneously establishes the CEOB and designates WA Inc. as the LWDB under WIOA. It does not seem likely this same agreement could both establish the CEOB and identify its members, while simultaneously establishing and carrying out a compliant LWDB member nomination and appointment process amongst CEOB members.

Through execution of the newer CEO Agreement, it appears the CEOs have appointed the WA Inc. BODs to serve as the LWDB. This language conflicts with WIOA-granted CEO authority, as WIOA authorizes local CEOs to appoint individuals as opposed to an established governing body

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

as a whole. As noted in CRC's previous report, the continued utilization of both "LWDB" and "Board of Directors for the Workforce Alliance of South Central Kansas, Inc." terminology in legal documents perpetuates the existence of two legally separate entities.

LWDBs are established by federal statute. CRC questions whether the CEOB has authority to supplant the WIOA-established LWDB with a third-party organization/board of directors (to serve as the LWDB or in the name of the LWDB). CRC further questions whether the CEOB, a federal grant recipient, has authority or approval to circumvent federal procurement requirements through administrative designation of WIOA roles without required procurement activities.

**Finding(s):** The CEOB has appointed an established, external entity's governing body (WA Inc. Board of Directors - as a whole) as the WIOA LWDB, as opposed to appointing eligible individuals.

### LWDB Bylaws

WIOA and the State Board require LWDBs establish a set of bylaws to establish governance policies. It's important to note LWDA IV governance documents remain vastly different from other Kansas LWDB governance documents and WA Inc. governance documents are most similar to those of an independent organization which is not established through federal legislation and public law. As previous paragraphs have mentioned, the WIOA-established LWDB bypassed development and adoption of its own required bylaws, and instead voted to approve and adopt amended WA Inc. articles of incorporation and bylaws.

LWDA IV reports it provided the WA Inc. bylaws to Commerce's legal department for review and approval; and approval was communicated via e-mail from Commerce. CRC followed up with Commerce's legal department, which relayed the bylaws alone are not sufficient to represent a compliance structure, and Commerce did not indicate as such. Legal staff indicated a request for additional information regarding organizational structure, proposed conflict of interest policy, and firewalls; however, additional information was never provided. It appears Commerce's indication to "continue to proceed" in establishment of a compliant governance structure has been locally misinterpreted and applied as an overarching stamp of approval.

CRC offers the following known chronological listing of events, resulting in LWDA IV's current utilization of WA Inc. bylaws as LWDB bylaws.

- April 2017 – Upon Commerce Corrective Action Board request, CRC issued a Final Determination on the most recent Financial and Administrative Monitoring Report. CRC was unable to reach resolution on two foundational issues: 1) competitive procurements, and 2) LWDA IV organizational structure and governance. CRC noted it was unable to give the State reasonable assurance LWDA IV is operating within the parameters of legal compliance with federal regulations.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

- June 2017 – LWDB Executive Committee Special Meeting minutes<sup>4</sup> summarize WA Inc. changed its governance structure in 2013, resulting in LWDB members no longer serving on the Board of Directors for WA Inc. corporation. These minutes acknowledge the LWDB retained its authority under federal legislation for employment and training funds and the One-Stop system. The minutes acknowledge compliance requirements for the LWDB to adopt and operate under its own set of bylaws. Minutes indicate LWDB bylaws based on templates from other LWDBs were drafted and reviewed by local legal counsel. Minutes indicate the LWDB Executive Committee voted to approve the LWDB bylaws as presented. CRC notes these bylaws depicted the LWDB and WA Inc. as two separate entities, with WA Inc. serving as: LWDB staff, WIOA Fiscal Agent, and LWDB Secretary (officer position). The one signature line on the LWDB bylaws is for the LWDB Chair and the bylaws are stated to “become effective immediately upon adoption by the LWDB, and shall remain in continuous effect from that date until otherwise amended.” CRC was not provided with an executed version of this draft document.

LWDB meeting minutes<sup>5</sup> show the full LWDB did not vote on LWDB bylaws; documents do not indicate LWDB bylaws were addressed or presented to the full LWDB for approval or acknowledgement.

- December 2017 – LWDB Executive Committee meeting materials<sup>6</sup> indicate acknowledgement of competitive procurement requirements concerning the award of multiple WIOA roles (both administrative and operational) to WA Inc. Therefore, LWDA IV took actions which the LWDA believes eliminate procurement issues for WA Inc. to serve as LWDB staff, and are sufficient to meet WIOA requirements. Meeting minutes summarize a change in courses of action regarding LWDB establishment: 1) modify WA Inc. articles of incorporation and bylaws to name the LWDB as the governing body of the WA Inc., and 2) re-designate then-current WA Inc. board of directors as Community Impact Committee (CIC) members. Meeting minutes indicate the LWDB Executive Committee voted to approve the proposed amendments to the WA Inc. articles of incorporation and bylaws pending final legal review, and the documents were scheduled for presentation to the full LWDB in January.

Revised LWDB bylaws renamed the LWDB as the WA Inc. LWDB. Bylaw changes omit verbiage stating the LWDB was created by the WIOA and serves as the Local Workforce Development Board for the area. New verbiage names the WA Inc. President and CEO as LWDB Secretary (officer position). The bylaws state the WA Inc. President & CEO presides at LWDB meetings and performs LWDB Chair and LWDB Vice Chair duties in their absence or inability to act. The bylaws name WA Inc. as the custodian of LWDB records and corporate records.

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<sup>4</sup> See LWDA IV LWDB Executive Committee Special Meeting Minutes via conference call dated 6/22/17.

<sup>5</sup> The LWDB meeting scheduled for 7/26/17 was cancelled and not rescheduled. See LWDB meeting minutes dated 10/18/17.

<sup>6</sup> See LWDA IV LWDB Executive Committee Meeting Minutes dated 12/13/17.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

CRC notes WIOA established LWDBs to carry out statutorily required duties, and allows optional and elective duties in accordance with internal controls, firewalls, and conflict of interest requirements. In serving as both the LWDB and WA Inc. board of directors, both parties must limit participation in procurement activities due to conflict of interest considerations.

- January 2018 – LWDB meeting minutes indicate the revised WA Inc. bylaws and articles of incorporation were reviewed by Commerce and WA Inc. local legal counsel, and both have indicated compliance with WIOA and Kansas state statutes. Minutes show the Committees section was revised, and the full LWDB voted to approve the revised WA Inc. articles of incorporation and bylaws.

**Finding:** Although WIOA allows LWDBs to carry out optional and elective duties (in compliance with internal controls, firewalls, and conflict of interest requirements), the statutorily-required LWDB duties are being carried out by another entity's BOD under the name of the LWDB.

**Finding:** Although not an LWDB member, bylaws state the WA Inc. President & CEO presides at LWDB meetings and performs LWDB Chair and Vice Chair duties in their absence or inability to act.

**Finding:** In the LWDB's elective decision to dually serve as the WA Inc. BOD, the LWDB failed to establish its own governance structure through adoption of required LWDB bylaws.

**Finding:** In the LWDB's elective decision to dually serve as the WA Inc. BOD, the LWDB appears to have administratively circumvented operating in compliance with required procurement and conflict of interest requirements.

### LWDB Membership

WA Inc.'s amended governance documents require WA Inc. BOD membership to be consistent with WIOA and state "the members of the LWDB in Kansas Local Area IV shall serve ex-officio as the Corporation's Board of Directors". This dual-role for LWDB members creates new considerations related to internal controls and conflict of interest. Should the LWDB desire to award contracts to WA Inc., then all LWDB members who dually serve on the WA Inc. BOD are required to identify and recuse themselves from any relevant procurement activities. Seeing as all LWDB members should have identified and recused themselves, no voting could have occurred on this topic.

**Finding:** In the LWDB's elective decision to dually serve as the WA Inc. BOD, the LWDB appears to have administratively circumvented operating in compliance with required procurement and conflict of interest requirements.

### LWDB Incorporation

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

WIOA affords LWDBs the option to incorporate and states “for purposes of carrying out duties under this Act, local boards may incorporate, and may operate as entities described in section 501(c)3 of the Internal Revenue Code of 1986 that are exempt from taxation...”.<sup>7</sup>

In LWDA IV, the LWDB has not incorporated. Instead, the CEOB has designated a legally separate entity (which has already incorporated to pursue non-WIOA interests) to serve as the LWDB. WIOA did not allow WIA LWIBs to be grandfathered as new WIOA LWDBs, as WIOA established new eligibility and composition requirements. In accordance with WIOA requirements, the State Board has issued policy regarding the establishment of WIOA-compliant LWDBs. Therefore, CRC questions the seemingly grandfathered designation of WA Inc. BOD as the LWDB, and the grandfathered utilization of the LWDB’s tax-exempt offering to the WA Inc. organization.

Additionally, WA Inc. articles of incorporation state non-WIOA organizational purposes, such as providing support to organizations (as opposed to the LWDA IV public workforce system, general public, and businesses) and promotion of other 501(c)3 charitable and educational endeavors. No agreements between the CEOB, LWDB, and WA Inc. exist. Should the LWDB select an entity to staff the LWDB which also provides additional workforce functions beyond LWDB required functions described in WIOA Sec. 107(d), then WIOA requires such an entity is required to enter into a written agreement with the LWDB and CEOB to clarify its roles and responsibilities<sup>8</sup>.

**Finding:** Although a legally separate organization, WA Inc. appears to have grandfathered a tax-exempt status afforded to LWDBs under WIOA.

**Finding:** No written agreement between the CEOB, LWDB, and WA Inc. exists to identify or assign LWDB required duties from other WA Inc. organizational duties.

### Conflict of Interest Requirements

Recipients and subrecipients of federal award under WIOA Title 1 and the Wagner-Peyser Act must follow conflict of interest requirements, including the following Uniform Guidance<sup>9</sup> requirements. A LWDB member or standing committee member must neither cast a vote on, nor participating in any decision-making capacity, on the provision of services by such member (or organization which that member directly represents), nor on any matter which would provide any direct financial benefit to that member or that member’s immediate family. Subrecipients must disclose in writing any potential conflict of interest to the recipient of grant funds, and recipients of federal awards must disclose in writing any potential conflict of interest to USDOL<sup>10</sup>.

<sup>7</sup> See WIOA Sec. 107(d)12(B): Administration.

<sup>8</sup> See WIOA §679.430.

<sup>9</sup> See 20 CFR §683.200 and §200.318.

<sup>10</sup> See 2 CFR 200.112

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

WIOA additionally specifies LWDB members may not engage in any other activity determined by the Governor to constitute a conflict of interest<sup>11</sup>. The State Board adopted the Workforce Services Fiscal Manual as policy guidance for WIOA subrecipients. The State Board Fiscal Manual establishes ethical standards, additional requirements, and raises considerations for each subrecipient (including members, officers, standing committee members, and employee/agent) around conflict of interest. It requires a signed Code of Conduct for each previously identified entity/individual engaged in the award and administration of contracts, and for every reasonable course of action to be taken in order to maintain the integrity of the expenditure of public funds, and to avoid any favoritism or questionable conduct.

CRC reviewed for adherence to WIOA and State conflict of interest requirements. WA Inc. bylaws contain conflict of interest verbiage; however, verbiage is limited to one paragraph and only addresses actual or potential conflict of interest between any officer or director. No other requirements are stated or referenced. WA Inc. bylaws do not require standing committee members adhere to a conflict of interest policy, and therefore no signed COI forms from standing committee participants, who are not LWDB members, were provided for review.

Additionally, LWDA IV has adopted a written job description for LWDB members, which includes a code of conduct and conflict of interest policy. This policy requires LWDB members to pursue every reasonable course of action in order to maintain the integrity of the expenditure of public funds and to avoid any favoritism or questionable conduct. In order to avoid conflicts of interest, if an individual has a conflict of interest, whether real or perceived, they must declare a conflict on the official record, remove themselves from the discussion, and abstain from voting on and participating in procurement. The policy includes a listing of specific conflicts of interest to be avoided by all Board members and organizational staff in procuring goods or services with federal/state funds. This policy is not required to be signed, nor is a procedural form for reporting conflict of interest provided.

WA Inc. BOD has adopted a Code of Business Conduct and Ethics Handbook which addresses staff conflict of interest topics, including definitions and examples. Although language primarily directs employees, the handbook additionally applies to all officers of the Board. The handbook includes a sign-off page attesting to acknowledgement, receipt, and understanding of the handbook and all contained policies and practices. CRC was provided with signed conflict of interest forms from LWDB members and WA Inc. staff.

**Finding:** No signed Code of Conduct or Conflict of Interest forms from non-LWDB member standing committee members were provided.

**Finding:** LWDA IV has not addressed conflict of interest requirements for non-LWDB members and employees, such as standing committee members.

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<sup>11</sup> See WIOA 107(h): Conflict of Interest

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

**Finding:** Although written requirements have been established, the LWDA IV agents do not appear to be exercising or adhering to local, state, or federal requirements regarding conflict of interest.

### LWDB Standing Committees

WIOA allows LWDBs to designate and direct the activities of standing committees for the purpose of providing information and assisting the LWDB in carrying out its responsibilities under WIOA Sec. 107. WIOA requires all standing committees to be chaired by a member of the LWDB<sup>12</sup>.

WA Inc. bylaws establish an Executive Committee and empowers the executive committee to act on behalf of the entire Board in lieu of a special meeting of the Board, in circumstances unanimously considered in good faith by the Executive Committee, or as delegated by an approved motion from the Board. The Executive Committee is additionally responsible for tasking and evaluating the President, tasking the committees of the Board, setting the agenda for Board meetings, as well as tasks assigned to it by the Board Chair. Executive Committee membership consists of the Board Chair, Vice-Chair, CEOB Chair, Chairs of other Standing Committees, other Board members, and appointed at large members.

WA Inc. bylaws additionally allow the BOD to appoint standing or temporary committees. As observed through meeting minutes posted on the website, WA Inc. has established the following standing committees to expand the capacity of the LWDB in meeting required functions and increase opportunities for stakeholders to participate in LWDB decision-making:

- Finance Committee
- One-Stop Advisory Council – includes LWDB members & partners
- Program Operations & Performance Committee - includes LWDB members & partners
- Community Impact Committee – includes LWDB members & partners
- LWDB Officer Nominating Committee

CRC reviewed bylaws and local website content to determine compliance with standing committee structure. WA Inc. bylaw verbiage states committee membership may include persons who are not BOD members; however, the bylaws do not require a LWDB member to chair each committee. The local website does not list standing committee membership rosters, nor do standing committee meeting minutes record meeting attendance. CRC requested and was provided with LWDB standing committee membership rosters, which reflected the WIOA requirement for a LWDB-member to chair of each standing committee.

CRC reviewed bylaws and local website content to determine compliance with standing committee roles. The entire LWDB meets quarterly. The Executive Committee meets monthly and routinely makes decisions – including local policy revisions, AJC operations and performance updates, budget reports, procurement activities, review and approval of training provider and youth service provider contracts - on behalf of the entire Board, which meets quarterly. As WIOA intends standing committees to assist the LWDB in carrying out its required responsibilities, CRC

<sup>12</sup> See WIOA §107(b)(4): Standing Committees and 20 CFR 679.360.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

questions whether the LWDB is appropriately carrying out its required duties through the current utilization of standing committees.

### Certification Requirements

Commerce is responsible for issuing initial certification and subsequent recertification of each LWDB every two program years, in accordance with WIOA. The State Board has established policy<sup>13</sup> regarding the certification process and minimum documents required to accompany a LWDB certification request, which include:

- Comprehensive membership and affiliation list
- CEO's adopted and documented nomination/appointment process
- CEO Agreement
- LWDB Bylaws with conflict of interest clause
- Information concerning the extent to which the LWDB carried out its workforce activities

Each LWDB was required to submit a written request for initial certification no later than July 30, 2015. Initial certification lasts for a time period not to exceed two years, and a subsequent re-certification request is required at least 60 days before the beginning of the program year for which required re-certification is being requested (May 30, 2017).

CRC reviewed a formal communication indicating Commerce certified the LWDA IV LWDB through June 30, 2017. This communication referenced State Board policy and timeframe requirements concerning subsequent re-certification. As of July 1, 2017, the LWDB's certification status expired. During October 2017, LWDA IV submitted documentation for the LWDB's subsequent recertification; to-date, LWDA IV's request has not been approved due to questions and concerns relating to the submitted CEO Agreement and governance structure documents.

**Finding:** The LWDB did not achieve LWDB certification within the 2-year timeframe, and continues to operate although no re-certification has been achieved to-date.

### Sunshine Provision Adherence

WIOA regulations include Sunshine Provisions<sup>14</sup> to ensure transparency and accountability for all states and LWDBs. The Sunshine Provisions require the WIOA State Plan and Local Plans are available for public inspection and board meetings are open to the public in accordance with state law. Regulations require the State Board and LWDBs make information about the activities of the boards available to the public, on a regular basis through electronic means and open meetings. The intent is for boards to conduct business<sup>15</sup> in an open, transparent, and accessible manner and for stakeholders to have the opportunity to get the same, regularly updated information.

The State of Kansas has established the Kansas Open Meeting Act (KOMA) and Kansas Open Records Act (KORA) as the two main state laws to guarantee the business of government is

<sup>13</sup> See State Policy #5-01-00: Establishment of Local Workforce Development Boards, issued January 23, 2015.

<sup>14</sup> See WIOA §679.390, WIOA Section 101(g), and TEGL 24-14.

<sup>15</sup> See WIOA Sec. 107(e).



# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

conducted in the “sunshine”. Both the State Board and the LWDB are subject to KOMA and KORA requirements.

Per WIOA Sunshine Provisions<sup>16</sup>, the State Board has established a publicly accessible website at [www.ksworksstateboard.org/](http://www.ksworksstateboard.org/), which is regularly updated to contain current information about the functions and activities of the State Board. The website lists:

- Current WIOA Combined State Plan for Kansas
- State Board membership listings & member affiliations
- State Board bylaws
- State Board Committees – Executive, Performance & Accountability, & Work Alignment
- 2018 State Board meeting schedule
- Archived State Board meeting minutes (current – 2015 listed, prior years’ minutes available upon request to provided e-mail address), agendas, and informational packets

Full audio versions of State Board meetings are listed as available upon request. The State Board has designated a page on the website specifically for posting publicly accessible information, informing of items the State Board is currently accepting public comment on and several One-Stop Operator (OSO) competitive procurement announcements.

CRC notes the State Plan has recently been revised. Per WIOA requirements, the State Board posted the proposed modified Combined State Plan for public comment during February 2018 on the website. During April 2018, the State Board approved the modification to the WIOA Combined State Plan for Kansas. This updated State Plan has been submitted to the USDOL and USDE and is electronically accessible to the public on the State Board website.

In accordance with KOMA and WIOA Sunshine Provisions, the LWDA IV LWDB holds regular, quarterly meetings open to the public. In accordance with WIOA Sunshine Provisions<sup>17</sup>, LWDA IV has established a publicly accessible website at <http://workforce-ks.com/community-outreach/local-workforce-development-board/> for official public notification of all LWDB meetings, annual meeting schedules, informational agenda packets, approved meeting minutes, and communicate the option to participate via auxiliary aids and services upon request. The website additionally lists:

- Current LWDA IV WIOA Local Plan 2016-2020 and attachments
- CEOB and LWDB membership listings and affiliations
- WIOA partner programs & organizations (via Local Plan)
- Linkage to a searchable spreadsheet for approved eligible training providers
- Applicability of KOMA and a process for requesting public information

***Best Practice:*** The local website: 1) makes widely accessible current program year LWDB (and standing committee) meeting and agenda information, and 2) houses an archive via active links to PY17 – PY12 meeting agendas and minutes.

<sup>16</sup> See WIOA USDOL-Only Final Rule § 679.140.

<sup>17</sup> See WIOA USDOL-Only Final Rule § 679.390.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

Items addressed by WIOA regulations<sup>18</sup>, but not currently accessible through the website include:

- LWDB bylaws
- CEOB meeting schedule
- CEOB meeting minutes/materials
- Available RFP/RFQs

### **Finding:**

- LWDA IV has not made the following information available to the public, on a regular basis through electronic means and open meetings, according to WIOA Sunshine Requirements:
  - LWDB bylaws
  - CEOB meeting schedule
  - CEOB meeting minutes/materials
  - Available RFP/RFQs concerning public funds

### **ADMINISTRATIVE ENTITY**

WIOA local boards are voluntary boards; therefore, WIOA grants LWDBs authority to directly hire a director and other staff. LWDB staff roles are limited to assisting the LWDB in carrying out LWDB required functions<sup>19</sup> and LWDB prohibitions extend to its staff. WIOA additionally allows a LWDB to incorporate and be recognized as a 501(c)3 tax-exempt non-profit organization for the purpose of carrying out WIOA. Many Kansas LWDBs have opted to incorporate in order to directly fund LWDB staff, meet IRS and state employer requirements, and carry out WIOA duties. Commonly LWDB staff is directly hired as employees of the LWDB, with certain positions reporting directly to the LWDB.

Through a joint agreement between the LWDA IV CEOB and LWDB, the CEOB authorized the LWDB to engage WA Inc. Corporation **as its agent** providing staff support consistent with the duties assigned to a LWDB by WIOA. This agreement is executed by the LWDB Chair and CEOB Vice Chair.

WA Inc. is a separate, non-profit organization which has incorporated and is governed by the organization's BOD (which simultaneously performs the role of the WIOA LWDB). WA Inc. employs a President/CEO, Vice Presidents/COOs, Directors, Managers, Program Supervisors, Coordinators, Programmatic Team Members, and operating/programmatic support assistants. WA Inc. provided an organizational chart depicting organizational reporting structure. All staff eventually report to the President/CEO, who is the only direct report to the WA Inc. BOD (LWDB). In total, WA Inc. corporation employs approximately 60 staff whose job titles reflect both WIOA and non-WIOA roles. WA Inc. activities are primarily funded through WIOA funds

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<sup>18</sup> WIOA Sec. 107(e), WIOA §679.390, and Kansas requirements.

<sup>19</sup> See WIOA 679.400, WIOA Sec. 107(f)

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

passed through Commerce on a cost reimbursement basis; however, the organization additionally receives other funding.

WA Inc. staff are guided by written local policies and procedures including, but not limited to:

- Code of Business Conduct and Ethics Handbook
- Financial Management Systems Policy
- Inventory and Capitalization Policy
- Procurement Policy
- Compensation Policy
- Grievance Policy
- Monitoring Policy
- Handling and Protection of Personally Identifiable Information Policy
- LWDA IV Certification Policy
- Other Various Free-Standing Administrative and Programmatic Policies

Previously, WA Inc. administered WIOA funds in LWDA IV and carried out duties through a written contract; however, a current document clarifying administrative entity roles and responsibilities does not currently exist. CRC notes the joint agreement delineates LWDB responsibilities, however, does not identify a predetermined number or titles of required staff roles agreed upon to be funded under WIOA. No procurement files with a statement of work or approved budgets with ceiling limits exist for the WIOA administrative entity role. CRC was not provided any additional agreements regarding WA Inc. support services; it does not appear a separate contract or pre-determined grant dollar amounts exist for payment of the WIOA administrative entity role. Similar to concerns raised in the previous monitoring review, WA Inc. staff appears to remain providing services for the LWDB although no contract or agreement exists to define the scope of work, establish a budget, or evaluate effectiveness of services for the administrative expenditure of WIOA grant funds.

CRC identified conflict of interest concerns regarding the LWDB's dual role as WA Inc. BOD members and the award of WIOA roles to WA Inc. as an agent of the LWDB. Sub-recipients of federal funds are bound by federal, state, and local procurement requirements. OMB Uniform Guidance identifies several situations which restrict open and free competition, including: noncompetitive pricing practices between firms or affiliated companies and organizational conflicts of interest including related party transactions. In application of OMB Uniform Guidance in LWDA IV, the LWDB continues to administratively circumvent federal, state, and local minimum procurement restrictions and requirements (i.e. arms-length negotiations, abstaining from voting due to organizational conflict of interest), resulting in unfair advantage in the award of federal grant funds.

CRC reviewed an independent audit report on LWDA IV's PY16 financial statements as reported in Wipfli's report dated March 8, 2018. The report contained a schedule of expenditures of federal awards to include the federal grant activity of WA Inc. under programs of the federal government for PY16 (see below listing of federal programs).

- U.S. Dept. of Agriculture - GOALS

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

- U.S. Dept. of Defense - WSU Robotics Initiative
- U.S. Dept. of Labor – DEI, SCSEP, WIA/WIOA Adult/Dislocated Worker/Youth Programs, H-1B Job Training Grants (KAMP), REO, TAA, KanTrain, WIF, Apprenticeship USA)
- U.S. Dept. of Health & Human Services – ACA Health Profession Opportunity Grants, KHPOP Impact Study, CSBG)

Financial statement notes indicate the schedule presents only a selected portion of the operations of WA Inc. The audit report indicated WA Inc. maintains its cash in a bank account which houses WIOA and non-WIOA funds; funds held for others includes the REAP organization. The audit report's financial statements also indicate a large amount of program income revenue.

CRC reviewed LWDA IV budget reports as reported via the State Board's website. According to the PY16 year-end State Board report, LWDA IV's WIOA expenditures:

- Were incurred below the 10% administrative cost limitation (8.4% WIOA Admin)
- Met the 20% youth work experience expenditure requirement (20%)
- Did not meet the State Board's 40% expenditure requirement regarding the minimum percentage that must be spent on direct participant training costs (32.9%)

WA Inc. prepares annual budgets at the beginning of each fiscal year or at the beginning of each grant for presentation to the Finance and Executive Committees, and to the CEOB for review and action. Local budget reports track planned expenditure of WIOA, non-WIOA, and cumulative funds through the program year. Budget formatting allows for tracking of annual budget amount, monthly expenditure, year-to-date expenditure, and percent of budget remaining for each general ledger line item. The local budget report does not track expenditures for individual funding streams, nor does it track administrative vs. programmatic expenditures. WFP staff present budget reports to the Executive Committee monthly, and to the entire LWDB membership for approval at regular, quarterly meetings.

CRC is not aware how individual grant activity, program income generation, and carryover amounts are tracked by the LWDB or LWDB staff – the LWDA with the highest amount of program income and non-WIOA grant funds. This duty does not appear to be assigned via written agreement or local policy.

### **PAYMASTER**

The LWDA IV has outsourced accounting, and required filing and reporting services to independent accounting firm Allen, Gibbs, and Houlik, LLC (AGH). Under the LWDB's management and oversight, AGH contracted services are limited to specified accounting and advisory activities. AGH provides monthly budget expenditure reports, trial balances, general ledger updates, and other financial reporting. The WA Inc. Finance Committee has the primary task of reviewing all financial documents and reports.

Upon LWDB adoption, budgets are given to the Paymaster for data entry into the financial management program maintained by the Paymaster. These earmarked amounts are charged against throughout the fiscal year. WA Inc. authorizes amounts to be allocated against each line item and funding stream according to a written cost allocation plan. The Paymaster issues WA

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

Inc. authorized payments up to twice per week, and prepares and submits to Commerce monthly draw-down requests on behalf of WA Inc.

AGH conducts monthly bank reconciliation activities; reporting adjusted bank balance against the general ledger's ending balance. Included in these activities is the compilation of an outstanding checks listing, which lists outstanding checks by age.

AGH, the Paymaster in four Kansas LWDAs, has been awarded multiple individual contracts and received contract extensions through a competitive procurement process. Additional information about AGH is available at [www.aghlc.com](http://www.aghlc.com).

### EXIT CONFERENCE

The exit conference was conducted Friday, January 25 via conference call. The following individuals participated:

- CRC Director John Bowes
- CRC Monitor Jessica Henry
- WA Inc. President & CEO Keith Lawing
- WA Inc. Vice President & COO Chad Pettera

CRC briefly summarized findings noted during the review and offered exit conference attendees the opportunity to pose questions and raise any issues or concerns related to these topics. WA Inc. staff updated that following USDOL's in-person training session on internal controls, LWDA IV is currently taking steps to modify its CEO Agreement. WA Inc. staff relayed disagreement with some foundational findings, and stated they would review the written monitoring report once issued. CRC extended the opportunity for LWDA IV to disagree and to provide explanation and other supportive documents, which could influence the outcome of the report. CRC shared the monitoring report had been internally circulated to Commerce staff for comments prior to the conference call.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

### APPENDIX

**TABLE 1**

**WA Inc. Articles of Incorporation**

CRC viewed the revised WA Inc. articles of incorporation, which appear to support the continued existence of both the LWDB and WA Inc. as legally separate entities. CRC notes the below observations:

1. The organizational purpose section does not reference WIOA. The stated the purposes of the corporation are to:
  - “Identify, coordinate, improve, and provide support to organizations involved with workforce training, development, and education in a manner which is exempt from tax under Section 501(c)3...” (seems to support LWDB staff purposes, as opposed to serving the public as identified under federal legislation)
  - Promote such other charitable and educational endeavors as may be permitted (i) under Section 501(c)3... or (ii) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code.” (WIOA only permits tax-free incorporation in order to carry out required WIOA duties)
2. The Board of Directors section states the business and affairs of the Corporation shall be managed and conducted by its BOD. Although verbiage states the membership of the BOD will be consistent with the requirements of the WIOA, the immediately following language state the members of the LWDB in Kansas LA IV shall serve ex-officio as the Corporation’s BOD. In other words, by nature of their LWDB status, LWDB members additionally serve as WA Inc. BOD members.
  - Nothing prevents an organization from mimicking composition requirements of a LWDB established under WIOA. Neither does WIOA limit LWDB members’ additional membership on other boards. However, WIOA does not require dual roles such as this.
  - More importantly, WIOA requires LWDB members adhere to all federal, state, and local conflict of interest requirements and procurement requirements which may limit levels of participation on multiple boards.
3. The distribution of assets upon dissolution section does not reference WIOA. Instead, verbiage directs disposal authority to the corporation (following payment of liabilities), with any remaining assets disposed of per the identified district court.
  - Although ownership of assets is generally attributed to subrecipients, USDOL and the State of Kansas retain a vested interest in assets purchased with WIOA federal funds.
  - Additionally, LWDBs and subrecipients are bound by WIOA and State Board established retention and disposal requirements and procedures.

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

**TABLE 2**

**WA Inc. Bylaws**

CRC viewed the revised WA Inc. bylaws, which expressly support the continued existence of both the LWDB and WA Inc. as legally separate entities. CRC notes the below observations:

1. The composition of board section states WA Inc. BOD composition requirements mirror WIOA's LWDB composition requirements. This section also states "the members of the Local Workforce Development Board in Kansas Local Area IV shall serve ex-officio, as the corporation's BOD. Verbiage indicates two boards; CRC concerns have been addressed in the previous paragraphs.
2. The conduct of meetings section identifies a Chairperson, Vice Chair, President, and Director. Verbiage states "The President shall act in the absence, refusal or inability of the Chairperson or the Vice Chair to act." CRC notes, the WA Inc. President is not a LWDB member and WIOA does not afford the President authority to act on behalf of a LWDB member.
3. The Local Workforce Development Board (LWDB) section states, **"The [WA Inc.] Board shall support the activities of the LWDB, which is organized and operated independently of the Corporation."**
4. The officers section identifies the officers of the Corporation as: Chairperson, Vice Chair, President/CEO, Secretary/Treasurer, and such other officers and assistant officers as the Board may from time to time deem necessary or advisable. No verbiage exists regarding WIOA requirements the LWDB is chaired by a business representative. Additionally, "any number of offices may be held by the same person." The Chairperson is stated to convene and lead Board meetings and provide oversight and counsel to the President. The Vice Chair is stated to convene and lead Board meetings in the absence, refusal, or inability of the Chairperson to act and chair a finance committee (not previously identified). As the President is overseen by the Chairperson, yet allowed to act on the Chairperson's behalf, and nothing prohibits the President from additionally serving as the Chairperson and other roles, sufficient internal controls do not appear to be adequately developed.
  - Section 8.1 grants any officer of the Corporation the power and authority to transfer, endorse for transfer, vote, consent, or take any other action with respect to any securities of another issuer which may be held or owned by the Corporation, and to make, execute, and deliver any waiver, proxy, or consent with respect to any such securities.

WA Inc. bylaws address the following: offices, membership, directors, officers, fiscal year, amendments, and miscellaneous provisions. WA Inc. bylaws and supportive documents demonstrated compliance with WIOA composition requirements, including:

- Chaired by a LWDB business representative
- Minimum 51% business representation is achieved
- Minimum 20% workforce representation is achieved
- No individual is appointed as a representative of more than one required category
- Bylaws include a conflict of interest provision (but is only signed by Chairperson)

# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

### TABLE 3

WIOA Section 107 establishes a LWDB in each local area of a State to carry out an increased number or statutorily required functions. LWDB membership is locally nominated and subsequently appointed by CEOs. LWDBs represent a wide variety of individuals, businesses, and organizations throughout the LWDA. The LWDB serves as a strategic convener to promote and broker effective relationships between the CEOB and economic, education, and workforce partners throughout the LWDA. LWDBs work to develop a comprehensive and high-quality workforce development system by collaborating with its local partners to improve and align employment, training, and education programs under WIOA.

WIOA requires appointment of LWDB members, establishes membership eligibility and composition requirements, assigns required LWDB functions and responsibilities, allows for standing committees, allows a LWDB to hire a director and other staff to assist in carrying out its required functions, establishes LWDB certification requirements, applies a Sunshine Provision, establishes minimum conflict of interest requirements, and requires agreement of the CEOB/Governor for the LWDB to directly provide career services or be designated as OSO.

In CRC's most recent fiscal/administrative monitoring review, WA Inc. served multiple roles, including: REAP/CEOB Staff, WIOA Fiscal Agent, LWDB Administrative Entity, WIOA OSO, WIOA Program Operator, and WIOA Service Provider. CRC questioned the circular management authority of WA Inc.'s roles at all levels of grant governance, as well as how those roles were obtained.

To offer a brief historical summary, during 2001 the LWIA IV WIA CEOB and LWIB incorporated, and the corporation's governing membership included members of both the CEOB and LWIB, as allowed under WIA. During 2013, the corporation restructured resulting in the WIA LWIB's removal from WA Inc.'s governing body and membership. At this point, WA Inc. became a legally separate entity from the LWIB, with its own BOD and governing bylaws. The LWIB continued to operate under WIA establishment. It was said the organization operated under two boards – the LWIB (for WIA functions) and WA Inc. BOD (for non-WIA functions). Agreements between parties were executed, and WA Inc. continued to directly receive WIOA funding. It appears the separate legal status was optionally utilized to benefit WA Inc. as related to eligibility for non-WIOA funding streams.

During CRC's most recent fiscal/administrative monitoring review, WA Inc. staff repeatedly stated the LWDB and WA Inc. "are not the same" entity, which was reflected in reviewed governance documents. CRC questioned the circular management authority of WA Inc.'s roles at all levels of grant governance, as well as how those roles were obtained. CRC notes WIOA does not allow local boards previously serving under WIA to be grandfathered in as the new WIOA LWDB. LWDA IV and Commerce agreed WA Inc. is a separate organization established under State of Kansas non-profit laws, and no procurement activities had taken place in assigning WA Inc. multiple WIOA roles.



# WIOA MONITORING REPORT

## LWDA IV FISCAL & ADMINISTRATIVE OPERATIONS

Following CRC's most recent admin/fiscal monitoring review, LWDA IV agreed WA Inc. is a separate organization established under State of Kansas non-profit laws, and no procurement activities have taken place in assigning WA Inc. multiple WIOA roles.

Since CRC's most recent fiscal/administrative monitoring review, WA Inc. reports changes have occurred at the LWDB level. LWDA IV now states "WA Inc. is the LWDB", and the two are now "one and the same". As the two previously operated independently of each other, through unique governance structures, CRC reviewed for business dissolution or merger documents, but found none. Instead, WA Inc. presented revised WA Inc. articles of incorporation, bylaws, organizational charts, and executed agreements.

As previously mentioned, the utilized CEO Agreement designates WA Inc. as the LWDB upon execution, and states the CEOB has appointed members to WA Inc. in accordance with WIOA. Seeing as execution of the CEO Agreement is intended to initially establish the CEOB amongst units of general local government and identify representative CEOB members, it appears foundational steps have been skipped – it does not seem likely this same agreement could both establish the CEOB and identify its members while simultaneously establishing and carrying out a compliant LWDB member nomination and appointment process amongst CEOB members. Furthermore, CRC questions whether or not the CEOB has authority to: 1) substitute the WIOA-established LWDB with a third-party organization (to serve as the LWDB), and 2) circumvent federal procurement requirements through administrative designation of WIOA roles without required procurement activities.

WIOA states "for purposes of carrying out duties under this Act, local boards may incorporate, and may operate as entities described in section 501(c)3 of the Internal Revenue Code of 1986 that are exempt from taxation...".<sup>20</sup>

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<sup>20</sup> See WIOA Sec. 107(d)12(B): Administration.

**Item:**

Youth Employment Project (YEP) 2019 Update

**Background:**

The Youth Employment Project (YEP) is an opportunity to assist young adults in finding a first job or work experience opportunity. Services through YEP include assistance in resume creation, job search, preparing for interviews as well as education on soft skills, customer service and financial literacy. YEP is a program run by the Workforce Alliance (WA) under the Helping Youth Prepare for Employment (HYPE) Network, a collaboration of community partners including the WA, the City of Wichita, the Greater Wichita YMCA, Wichita State University, USD 259 and other school districts throughout the region. These partners all have well established youth employment programs and are working together to achieve significant community impact.

**Analysis:**

YEP 2019 goals and Year-to-Date measures as of 2/4/2019 are below, as well as a list of planned events.

Measure	2019 YTD	2019 Goal	2018 Actual
Total Young Adults Served	1,197	2,000	1,791
Workshop Participation	177	1,000	727
Badges Awarded	531	2,000	1,630
ESC Certificates Earned	60	500	348
Total Employment	21	1,000	687
Participating Employers	93	175	160
Job Fairs	0	6	5
Job Fair Attendance by Young Adults	0	600	529
Job Fair Attendance by Employers	0	100	80
Outreach Sessions	6	60	47
School Engaged	25 schools in 15 districts	25 schools in 15 districts	13 high schools in 6 school districts
Counties Engaged	7	6	5

Summary of YEP Events -

Event	Planned	Completed	Total Attendance
Outreach	16 events	6 events	1,020 Attendance
ESC Workshop	26 events	10 events	177 Attendance
Job Fairs	10 events	0	0

YEP Employment Outcomes as of 2/4/2019

Employment Type	Total
WIOA	11
Pre-ETS	8
YEP Employer Funded	1
YEP Subsidized	0
Self-Reported	1
<b>Total</b>	<b>21</b>

**Strategic Goals Supported:**

This activity supports the following Strategic goals of the Local Workforce Development Board:

- Expand Youth employment opportunities to help develop the workforce of the future.
- Strengthen relationships with WIOA partners, community organizations and educational/training institutions to leverage resources and align services through the one-stop workforce centers (American Job Centers)

**Recommended Action:** Receive and file.

# **WORKFORCE CENTERS**

of South Central Kansas

## **KANSASWORKS.COM**

### **Local Workforce Development Board (LWDB)**

#### **Executive Committee Meeting Minutes**

September 12, 2018 – 11:30 AM

#### **1. Welcome and Introductions**

Gabe Schlickau welcomed Committee Members, confirmed attendance and called the meeting to order.

#### **2. Trade Adjustment Assistance (TAA) Program Presentation**

Phyllis Gish and Ed Gray with TAA for the Kansas Department of Commerce gave a presentation regarding the TAA program in regard to eligibility, requirements and services provided. TAA is an important tool in assisting laid off workers to update skills and a long-time operating partner to the Workforce Alliance (WA). WA staff and LWDB members are encouraged to contact TAA regarding possible eligible cases. TAA eligible individuals are asked to contact their closest TAA facility for assistance. In order to maintain funding levels, TAA staff would like to assist more customers and are motivated to serve as many clients as possible and use as much of their funding as possible to maintain their annual funding levels.

#### **3. Program Operations & Performance (POP) Committee Report**

The POP Committee met on September 6 and approved recommendations to the Executive Committee in order to assist in ongoing operations.

The recommendations provide for additional language to the LWDB Committee policy that authorizes the POP Committee to review and approve applications for the Eligible Training Provider (ETP) List in Local Area IV. Notice will be given to the LWDB in advance of such review and approvals.

The POP Committee also recommended the following training program additions to the ETP List: Mobile Crane Operations for the Heavy Equipment College of America-Oklahoma, CE CPC Medical Billing and Coding for Wichita State University and Commercial Drivers License (CDL) for the Kansas Truck Driving School.

Under WIOA the Oversight Committee and Youth Council became the POP Committee as a result the Committee will continue to focus on youth issues. The POP Committee recommended the additions of committee members LWDB members Rod Blackburn and Andrew Chance with proposed new members from Big Brothers Big Sisters and Real Men Real Heroes.

*Tony Naylor (Kathy Jewett) moved to approve the policy addition, applications to the ETP List and POP Committee Membership as presented. Motion adopted.*

#### **4. Registered Apprenticeship Proposal**

The WA is proposing a strategy to increase the number of employers utilizing the Registered Apprenticeship model, grow the number of participants in RA programs, and to develop a sustainable LWDB led operational strategy to meet these goals and to support the State office of Registered Apprenticeship and the State Council of Apprenticeship by leveraging available RA Expansion Grant funds from the State of Kansas. The WA will create a RA Specialist position assigned to the Business Services Team that will be partially funded through a grant from the State of Kansas for two years. The RA specialist would be the lead on working with companies in Local Area IV to develop new apprenticeships and or expand existing programs and would also be responsible for coordinating outreach to employers and business groups based on a strategy designed and approved by the LWDB. The State Office of Apprenticeship has limited resources; therefore, it has been challenging to increase the role and usage of RA as an effective employment and training strategy; under this strategy the

office can provide technical assistance to the RA Specialist as requested and conduct oversight and monitoring of the RA projects in Local Area IV. Goals of this strategy include increasing the number of employers utilizing the RA model, creating 160 new RAs, increasing the number of existing RA enrollments (126 RA enrollments in PY17) and conducting targeted outreach to employers in such key employment sectors such as technology, manufacturing, construction, healthcare and other sectors and employers that could benefit from the RA model. Mayor Longwell asked if there was a cost to the employer associated with the program. Lawing explained that there is no cost initially other than wages, which could be partially offset with funding from the grant. Matt Peterson asked if all of the Local Areas in Kansas are involved in the program and Lawing confirmed that is the case.

*Mayor Jeff Longwell (Tony Naylor) moved to approve the creation of RA Specialist position for the Workforce Alliance. Motion adopted.*

#### **5. Youth Employment Project (YEP) Update**

Staff provided an update on this year's progress and outcomes for 2017 for the Youth Employment Project (YEP). The program assists young adults in finding a first job or work experience opportunity and provides assistance in resume creation, job search, preparing for interviews as well as education on soft skills, customer service and financial literacy. YEP is a collaboration of community partners including the Workforce Alliance of South Central Kansas, the City of Wichita, the Greater Wichita YMCA and school districts. Preliminary numbers indicate that 1,420 young adults were served with 83 employers participating in the program. Outcomes of YEP have significantly increased from last year with more youth served and more employers funding work experience opportunities. The City of Wichita and Sedgwick County are working on a possible matching of funds for next year's project. Former WA staff, Katie Givens is now working with Wichita State University on their contract with the City of Wichita to analyze youth employment in the region. Final numbers including demographic information will be reported at a later date.

#### **6. Consent Agenda and Committee Reports**

Minutes from the August 8, 2018 conference call meeting, Workforce Center Operations Update for July, PY18 Budget Report, A-133 Audit Procurement, WIOA Programs and core partner performance reports, On-the-Job Training Contracts for Five Star Call Centers and Hi-Tech Interiors and Youth Program Service Provider Contract for New Horizons Learning Center were presented to the Committee for review and/or approval.

The Program Year 2018 (PY18) Budget reporting is from July 1<sup>st</sup> through July 31<sup>st</sup> and as a result does not reflect a great deal of activity at this time.

The current contract for A-133 Audit Services with WIPFLI has one annual extension available. This would be the final year available under the procurement completed in 2013. The Kansas Association of Workforce Boards (KAWB) partnered to release a joint request for proposals (RFP) for A-133 Audit Services for services beginning with an audit of fiscal year end June 30, 2019 in order to reduce costs for the LWDBs. Three proposals were received from CMA Group, Cochran Head & Vick & Co, and Wipfli. All local areas participated in the procurement and independently evaluated the proposals. As of the end of August, Areas I, II, and V have recommended Wipfli with Area III recommending CMA Group. The new contract for audit services would be for three years with two annual extensions available.

Under the Workforce Innovation and Opportunity Act (WIOA), performance measures for Title I and Title IV programs were revised to improve the alignment of services and increase referrals and cooperation between programs. Performance results for Program Year 2017 (PY17), beginning July 1, 2017 and ending June 30, 2018 were reported for WA programs in Local Area IV and that of its core partners Adult Education, Wagner-Peyser and Vocational Rehabilitation. The POP Committee

# WORKFORCE CENTERS

of South Central Kansas

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reviewed these reports in detail at its September 6<sup>th</sup> meeting. The only measure that Local Area IV is not meeting is that of Youth Program Credential Attainment due to changes introduced by WIOA that require the participant be employed upon earning the credential. There are several reason for this and the WA is working to improve the attainment measure and receiving technical assistance from the state.

*Pat Jonas (Kathy Jewett) moved to approve the Consent Agenda as presented. Motion adopted.*

### 7. Other Business

- The annual Get Hired! Job Fair was held at Intrust Bank arena on September 6<sup>th</sup>. 1,023 job seekers attended. Feedback received from employers indicate that there was a very large number of highly qualified people in attendance.
- A representative from Google will be at the Workforce Center on September 18<sup>th</sup> to discuss their free online tools with staff and partners.
- The Fair Chance Forum Series continues to address barriers faced by job seekers with criminal backgrounds. The next program is scheduled for October 5<sup>th</sup> and will focus on transportation issues.
- WSU will facilitate a focus group of LWDB members and employers on October 24<sup>th</sup> in order to determine how to better serve the needs of employers. Additional information will be distributed to LWDB members.
- The Workforce Innovation and Opportunity Conference is scheduled for October 8<sup>th</sup> and 9<sup>th</sup>. LWDB Chair Gabe Schlickau and Keith Lawing will participate in panels during the event. Board members are encouraged to attend and their registration will be paid by the WA. Contact Shirley Lindhorst, [slindhorst@workforce-ks.com](mailto:slindhorst@workforce-ks.com) if interested.

### 8. Adjourn (12:49)

#### LWDB Executive Committee Members

Gabe Schlickau, Chair  
Kathy Jewett  
Pat Jonas via phone  
Mayor Jeff Longwell  
Tony Naylor  
John Weber via phone

#### Staff/Guests

Keith Lawing  
Matt Peterson, LWDB  
Marla Canfield  
Tisha Cannizzo  
Denise Houston  
Wendy Inzunza  
Shirley Lindhorst  
George Marko  
Alex Munoz  
Alicyn Kidd  
Chad Pettera  
Aaron Plume  
Erica Ramos

Phyllis Gish, TAA, Kansas Dept. of Commerce  
Ed Gray, TAA, Kansas Dept. of Commerce

# **WORKFORCE CENTERS**

of South Central Kansas

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### **Local Workforce Development Board (LWDB) Executive Committee Call Meeting Minutes November 14, 2018 – 11:30 AM**

#### **1. Welcome and Introductions**

Gabe Schlickau welcomed Committee Members, confirmed attendance and called the meeting to order.

#### **2. On-the-Job Training (OJT) Contract for the Eligible Training Provider (ETP) List**

BG Products in El Dorado, Kansas submitted an application to be added to the OJT ETP List for production operators and material handlers. These positions have an average wage of \$13.00 an hour and BG Products is projecting growth of 30 to 60 positions over the next two years. They will be participating in a multi-employer job fair at the Butler Workforce Center on November 29<sup>th</sup>. The recommended action was to approve the addition of BG Products, Inc. to the OJT ETP list.

*Jennifer Hughes (Pat Jonas) moved to approve the addition of BG Products to the OJT ETP list. Motion adopted.*

#### **3. Adjourn (11:40)**

##### *LWDB Executive Committee Members on the Call*

Gabe Schlickau, Chair  
Jennifer Hughes, Vice Chair  
Rod Blackburn  
Mark Conway  
Kathy Jewett  
Pat Jonas  
Tony Naylor  
John Weber

##### *Staff/Guests*

Matt Peterson, LWDB  
Tisha Cannizzo  
Shirley Lindhorst  
George Marko

**Item**

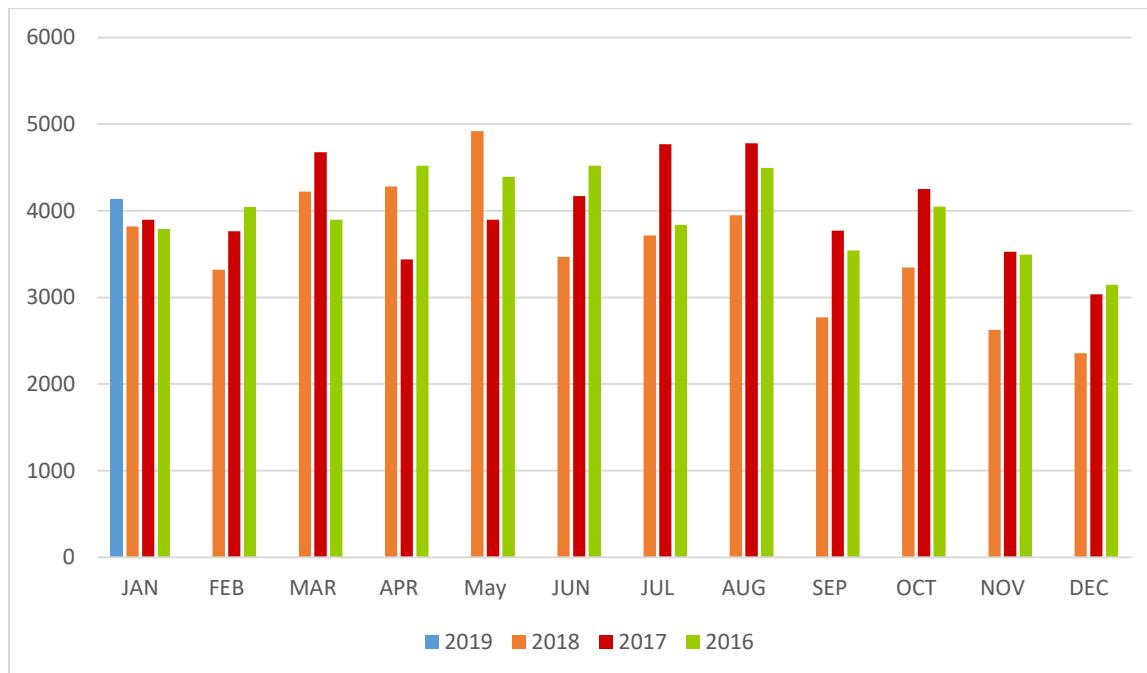
Consent Agenda

**Background**

Workforce Centers Operations Update

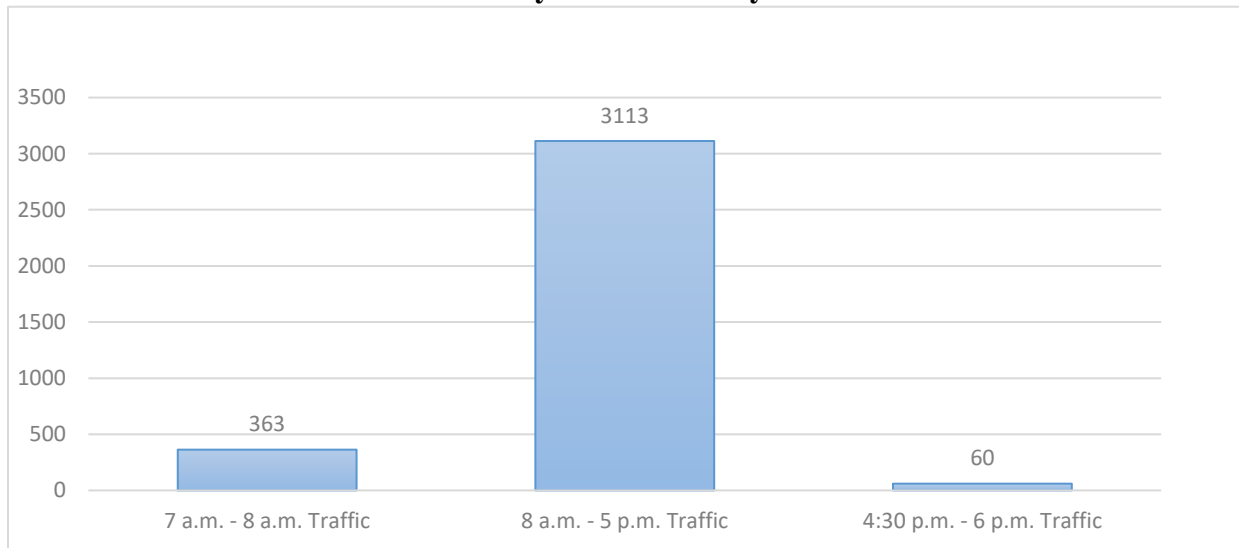
**Analysis****Business Services –**

In 2019 the Workforce Centers will continue coordination of two annual events. First, the Sixth Annual Construction Careers Job Fair will be held on Saturday February 23<sup>rd</sup> from 9-11 am here at the Wichita Workforce Center. We will also be having the Fourth Annual Statewide Job Fair. It will be held on March 7<sup>th</sup> from 2-6 pm at two locations in our local area. Once again we will be having the event at the Wichita Workforce Center and a new location in El Dorado at the Train Depot located at 430 N. Main Street. Other the 28<sup>th</sup> of February we will also be coordinating and helping manage the Augusta Job Fair and the Annual Cowley Works Job Fair. Overall, for the month of January the Business Services team conducted 4 job fairs that served 39 employers and provided opportunities to 407 jobseekers.

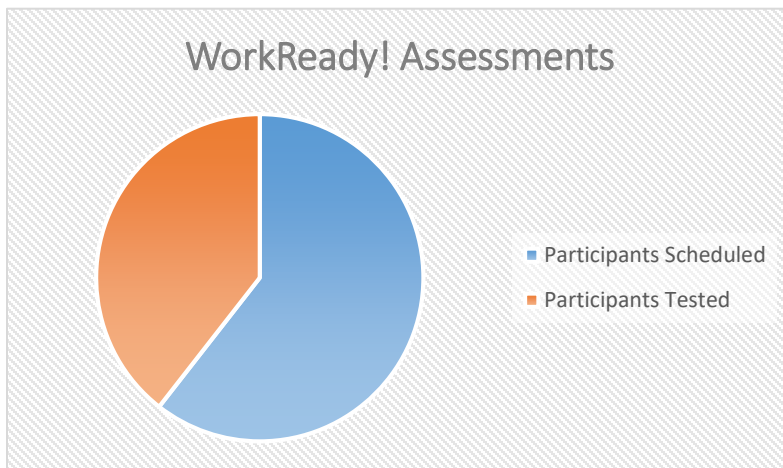
**Total Traffic January 2019**



### Traffic by Hours January 2019



### Business Report January 2019



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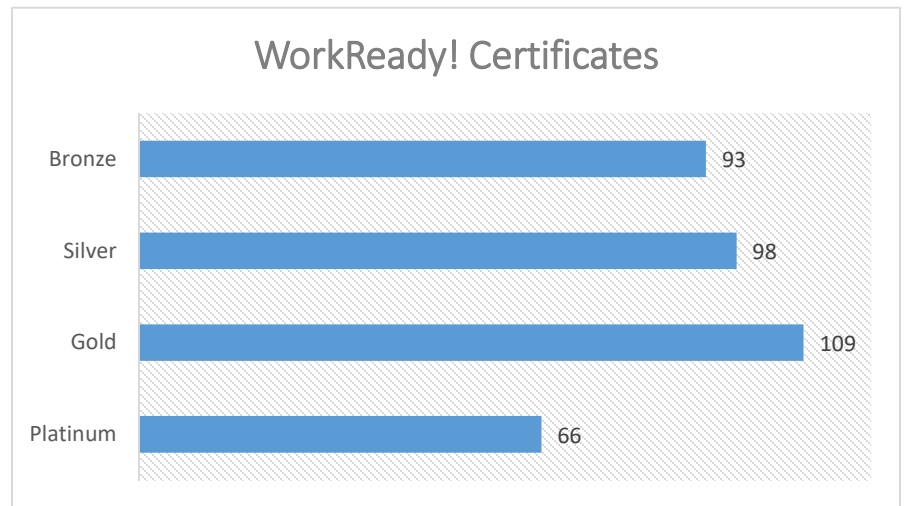
*WorkReady! Testing January 2019*  
*39 - Testing Sessions*  
*65.2% - % Attendance Rate*

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*WorkReady! Certificates January 2019*  
*366 - Certificates Awarded*  
*91.0% - % Award Rate*

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January 2019  
*143 – Pre-Employment Skills Assessments Administered*  
*282 - Prescreens & Applications Received*  
*187 - Services to Employers*  
*572 - Job Postings*

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**Recommended Action**  
*Receive and File.*

## Workforce Alliance Consolidated Budget PY18

July 2018 - June 2019

Category	WIOA				Community Impact Funds				Consolidated			
	December		YTD		December		YTD		December		YTD	
	Budget	Expenditures	Expenditures	% Budget Remaining	Budget	Expenditures	Expenditures	% Budget Remaining	Budget	Expenditures	Expenditures	% Budget Remaining
Wages	\$1,352,690	\$ 130,349	\$ 656,025	52%	\$ 815,604	\$ 65,838	\$ 602,053	26%	\$ 2,168,294	\$ 196,187	\$ 1,258,078	42%
Fringe	\$ 417,986	\$ 2,787	\$ 142,343	66%	\$ 205,012	\$ 5,427	\$ 142,510	30%	\$ 622,998	\$ 8,214	\$ 284,853	54%
Facilities	\$ 236,556	\$ (10,152)	\$ 113,794	52%	\$ 131,470	\$ 18,096	\$ 127,521	3%	\$ 368,026	\$ 7,944	\$ 241,315	34%
Contract/Pro Fees	\$ 330,143	\$ 24,299	\$ 117,179	65%	\$ 121,213	\$ 16,895	\$ 112,198	7%	\$ 451,356	\$ 41,194	\$ 229,377	49%
Supplies/Equipment	\$ 56,599	\$ (2,470)	\$ 1,574	97%	\$ 27,531	\$ 5,034	\$ 19,620	29%	\$ 84,130	\$ 2,564	\$ 21,194	75%
Outreach/Cap Building	\$ 42,356	\$ 1,856	\$ 24,464	42%	\$ 42,444	\$ 7,608	\$ 42,475	0%	\$ 84,800	\$ 9,464	\$ 66,939	21%
Travel/Conferences	\$ 39,832	\$ 4,377	\$ 23,267	42%	\$ 43,363	\$ 1,691	\$ 27,078	38%	\$ 83,195	\$ 6,068	\$ 50,345	39%
Grants Awarded	\$ -	\$ -	\$ -		\$ -	\$ 7,625	\$ 11,625		\$ -	\$ 7,625	\$ 11,625	
Staff Development	\$ 14,624	\$ 910	\$ 10,957	25%	\$ 513	\$ 837	\$ 10,686	-1983%	\$ 15,137	\$ 1,747	\$ 21,643	-43%
Misc	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ -	0%
Work Experience	\$ 893,255	\$ 55,479	\$ 350,836	61%	\$ 281,000	\$ -	\$ 18,215	94%	\$ 1,174,255	\$ 55,479	\$ 369,051	69%
On The Job Training	\$ 125,000	\$ -	\$ -		\$ 231,000	\$ -	\$ 110,083	52%	\$ 356,000	\$ -	\$ 110,083	69%
Incentives	\$ 11,500	\$ 400	\$ 3,000	74%	\$ 22,500	\$ 75	\$ 1,755		\$ 34,000	\$ 475	\$ 4,755	86%
Occupational Training	\$ 498,385	\$ 15,597	\$ 112,412	77%	\$ 1,401,337	\$ 107,535	\$ 388,339	72%	\$ 1,899,722	\$ 123,132	\$ 500,751	74%
Supportive Services	\$ 89,489	\$ 3,320	\$ 32,966	63%	\$ 388,784	\$ 3,985	\$ 31,758	92%	\$ 478,273	\$ 7,305	\$ 64,724	86%
<b>Total</b>	<b>\$4,108,415</b>	<b>\$ 226,752</b>	<b>\$ 1,588,817</b>	<b>61%</b>	<b>\$ 3,711,771</b>	<b>\$ 240,646</b>	<b>\$ 1,645,916</b>	<b>56%</b>	<b>\$ 7,820,186</b>	<b>\$ 467,398</b>	<b>\$ 3,234,733</b>	<b>59%</b>

### Analysis

Budget: The PY18 budget with expenditures through the end of the December 2018. The budget includes a breakdown between WIOA (LWDB budget) and non-WIOA Funding (Community Impact Funds) and combined totals.

The PY18 budget allocates 47% on direct client spending including classroom training, work experience, on-the-job training and supportive services. Through December 31, 2018, direct client spending for WIOA is \$499,214, CIF \$550,150 for a total of \$1,049,364 which equates to 32% of total expenditures. The budget has 59% remaining which is slightly better than expected.

Wages and Fringe are low in CIF funds, a budget modification for KAMP is in process with U.S. Department of Labor to adjust to reflect case load counts and the allocation plan.

### Strategic Goals Supported

This activity supports the following Strategic goals of the Local Workforce Development Board:

- Expand Youth Employment Opportunities to help develop the workforce of the future
- Strengthen relationships with WIOA partners, community organizations and educational/training institutions to leverage resources and align services through the one-stop workforce centers (American Job Centers)
- Create and implement a more effective and comprehensive communication plan to increase public awareness about employment and training services, and skills needed for current and future careers in South Central Kansas
- Generate revenue to increase community impact of WIOA and Workforce Centers

### Recommended Action

Receive and file.

## **Item**

### **Staff Reports**

## **Background**

### WIOA Adult, Dislocated Worker, and Youth (PY18)

Program Year 2018 began on July 1, 2018 and we are partially through the third quarter.

The Adult Program projected third quarter performance for LAIV is to meet the goal Entered Employment 4<sup>th</sup> Quarter. LA IV is projected to exceed the goal for Credential Rate. LAIV is currently not meeting the sanction level for Entered Employment 2<sup>nd</sup> Quarter and Median Earnings.

The Dislocated Worker Program projected third quarter performance is to meet the goal for Entered Employment 2<sup>nd</sup> Quarter. LAIV is projected to exceed the goal for and Entered Employment 4<sup>th</sup> Quarter, Credential Rate, and Median Earnings.

The Youth Program projected third quarter performance is to meet the goal for Placement in Employment, Education, or Training 2nd Quarter. LAIV is projected to exceed the goal for Placement in Employment, Education, or Training 4th Quarter. LAIV is currently not meeting the sanction level for Credential Rate. Median Earnings for the third quarter is currently \$2,234.80.

Information on Measureable Skills Gains will begin to be entered in the next couple of months.

Local Area IV is looking fairly good for annual PY18 performance and is very close with overall State performance. Local Area IV is projected to meet the goal on 5 measures, exceed the goal on 4 measures, and not meet the sanction level on 2 measures. The State is projected to meet the goal for 6 measures, exceed the goal on 3 measures, and not meet the sanction level on 2 measures.

### Wagner Peyser (PY18)

Local Area IV is projected to exceed the goal for all three measures in the third quarter.

## **Strategic Goals Supported**

This activity supports the following Strategic goals of the Local Workforce Development Board:

- Strengthen relationships with WIOA partners, community organizations and educational/training institutions to leverage resources and align services through the one-stop workforce centers (American Job Centers)

## **Recommended Action**

Receive and file.

**WIOA Programs  
Program Year 2018  
Performance Report of LA IV  
as of 02/05/2019**

Adult	Goal		PY18 1st Qtr July 18 - Sept 18		PY18 2nd Qtr Oct 18 - Dec 18		PY18 3rd Qtr Jan 19 - Mar 19		PY18 4th Qtr Apr 19 - June 19		PY18 Annual Report July 18 - June 19		PY18 State / Annual Report July 18 - June 19		*Reporting Period
	Sanction														
Employment Rate (2nd Qtr. after Exit)	78.7%		217	148		212					843		1889		3rd Qtr= 01/01/18 to 03/31/18
	70.83%		78.62	75.90		70.67					71.81		2617	72.18	Annual= 07/01/17 to 06/30/18
	76.6%		130	200							678		2058		3rd Qtr= 07/01/17 to 09/30/17
	68.94%		69.52	74.07		71.01					70.92		2821	72.95	Annual= 01/01/17 to 12/31/17
Earnings (Median Earnings 2nd Qtr. after Exit)	\$6,225.00														3rd Qtr= 01/01/18 to 03/31/18
	\$5,602.50		\$4,494.00	\$5,313.25		\$4,881.01					\$4,859.44		N/A	\$5,377.88	Annual= 07/01/17 to 06/30/18
Credential Attainment (Within 4 Qtrs. after Exit)	67.4%		4	26		10					40		391		3rd Qtr= 07/01/17 to 09/30/17
	60.66%		80.00	74.29		83.33					71.43		590	66.27	Annual= 01/01/17 to 12/31/17
Measurable Skills Gain (Real Time Measure)	N/A		0	1		0					1		155		3rd Qtr= 01/01/19 to 03/31/19
	N/A		0.00	3.03		0.00					3.03		943	16.44	Annual= 07/01/18 to 06/30/19

**Dislocated Workers**

Employment Rate (2nd Qtr. after Exit)	81.7%		28	33		26					102		247		3rd Qtr= 01/01/18 to 03/31/18
	73.53%		75.68	84.62		76.47					79.07		317	77.92	Annual= 07/01/17 to 06/30/18
	80.2%		37	41		30					137		343		3rd Qtr= 07/01/17 to 09/30/17
	72.18%		67.27	77.36		81.08					74.46		438	78.31	Annual= 01/01/17 to 12/31/17
Earnings (Median Earnings 2nd Qtr. after Exit)	\$9,084.00														3rd Qtr= 01/01/18 to 03/31/18
	\$7,275.60		\$9,270.73	\$10,506.09		\$8,677.70					\$10,373.95		N/A	\$10,022.28	Annual= 07/01/17 to 06/30/18
Credential Attainment (Within 4 Qtrs. after Exit)	69.0%		6	4		9					21		117		3rd Qtr= 07/01/17 to 09/30/17
	62.10%		100.00	66.67		90.00					77.78		141	82.98	Annual= 01/01/17 to 12/31/17
Measurable Skills Gain (Real Time Measure)	N/A		0	0		0					0		26		3rd Qtr= 01/01/19 to 03/31/19
	N/A		0.00	0.00		0.00					0.00		132	19.70	Annual= 07/01/18 to 06/30/19

**Youth**

Education and Employment Rate (2nd Qtr. after Exit)	72.6%		18	18		12					56		299		3rd Qtr= 01/01/18 to 03/31/18
	65.34%		75.00	75.00		66.67					72.73		427	70.02	Annual= 07/01/17 to 06/30/18
	67.4%		19	25		17					75		342		3rd Qtr= 07/01/17 to 09/30/17
	60.66%		57.58	73.53		70.83					65.22		478	71.55	Annual= 01/01/17 to 12/31/17
Earnings (Median Earnings 2nd Qtr. after Exit)	N/A														3rd Qtr= 01/01/18 to 03/31/18
	N/A		\$2,782.80	\$3,974.85		\$2,234.80					\$2,599.88		N/A	\$3,314.09	Annual= 07/01/17 to 06/30/18
Credential Attainment (Within 4 Qtrs. after Exit)	63.3%		5	6		6					23		155		3rd Qtr= 07/01/17 to 09/30/17
	56.97%		21.74	23.08		35.29					28.05		314	49.36	Annual= 01/01/17 to 12/31/17
Measurable Skills Gain (Real Time Measure)	N/A		6	0		0					6		59		3rd Qtr= 01/01/19 to 03/31/19
	N/A		7.89	0.00		0.00					7.41		448	13.17	Annual= 07/01/18 to 06/30/19

**Summary LA IV**

	1st Qtr			2nd Qtr			3rd Qtr			4th Qtr		
	Adult	DW	Youth	Adult	DW	Youth	Adult	DW	Youth	Adult	DW	Youth
Met Goal	1	2	1	1	2	2	1	3	1			
Met Sanction	2	1		2	2		1	1	1			
Did Not Meet Sanction	1	1	2	1		1	2		1			

**Summary Annual LA IV / State**

	Program to Date		
	Adult	Youth	State
Met Goal	1	1	3
Met Sanction	2	1	6
Did Not Meet Sanction	1	1	2

The KS Dept. of Commerce accesses confidential data to obtain additional wage info; therefore, the actual performance rating cannot be released, only whether the rating met, exceeded, or was below the goal or sanction level.

\*\*\* No data showing in the quarter yet even though it is within the current reporting period.

\* Reporting Period = Participants who exited during the time frame indicated will count in performance measures

A full year of data will not be available for Employment Rate (4th Qtr.) and Credential Rate until the 2nd Qtr. of PY2018

**WIOA Programs**  
**Program Year 2018**  
**3rd Quarter Performance Report**  
**Comparison of Local Areas as of 02/05/2019**

Adults	Report Period*	Goal	LA IV South Central Kansas 6 Counties	LA I Western Kansas 62 Counties	LA II North East Kansas 17 Counties	LA III Kansas City Area 3 Counties	LA V South East Kansas 17 Counties	State
		Sanction						
<b>Employment Rate</b> (2nd Qtr. after Exit)	01/01/18 to 03/31/18	78.7%						
		70.83%	70.67	82.14	71.79	67.86	71.82	70.58
<b>Employment Rate</b> (4th Qtr. after Exit)	07/01/17 to 09/30/17	76.6%						
		68.94%	71.01	87.10	70.27	73.94	71.74	72.79
<b>Earnings</b> (Median Earnings 2nd Qtr. after Exit)	01/01/18 to 03/31/18	\$6,225.00						
		\$5,602.50	\$4,881.01	\$5,903.83	\$6,932.14	\$5,062.27	\$4,916.25	\$5,062.27
<b>Credential Attainment</b> (Within 4 Qtrs. after Exit)	07/01/17 to 09/30/17	67.4%						
		60.66%	83.33	68.42	58.82	100.00	60.00	68.42
<b>Measurable Skills Gain</b> (Real Time Measure)	01/01/19 to 03/31/19	N/A						
		N/A	0.00	1.28	0.00	8.21	0.00	1.83

**Dislocated Workers**

<b>Employment Rate</b> (2nd Qtr. after Exit)	01/01/18 to 03/31/18	81.7%						
		73.53%	76.47	80.00	0.00	66.67	81.82	73.75
<b>Employment Rate</b> (4th Qtr. after Exit)	07/01/17 to 09/30/17	80.2%						
		72.18%	81.08	92.86	100.00	69.57	50.00	78.48
<b>Earnings</b> (Median Earnings 2nd Qtr. after Exit)	01/01/18 to 03/31/18	\$8,084.00						
		\$7,275.60	\$8,677.70	\$9,939.62	\$0.00	\$13,709.86	\$8,970.37	\$9,879.21
<b>Credential Attainment</b> (Within 4 Qtrs. after Exit)	07/01/17 to 09/30/17	69.0%						
		62.10%	90.00	83.33	0.00	100.00	50.00	84.85
<b>Measurable Skills Gain</b> (Real Time Measure)	01/01/19 to 03/31/19	N/A						
		N/A	0.00	0.00	0.00	0.00	0.00	0.00

**Youth**

<b>Education and Employment Rate</b> (2nd Qtr. after Exit)	01/01/18 to 03/31/18	72.6%						
		65.34%	66.67	61.54	63.64	75.00	44.00	63.96
<b>Education and Employment Rate</b> (4th Qtr. after Exit)	07/01/17 to 09/30/17	67.4%						
		60.66%	70.83	71.43	92.00	92.31	62.50	76.64
<b>Earnings</b> (Median Earnings 2nd Qtr. after Exit)	01/01/18 to 03/31/18	N/A						
		N/A	\$2,234.80	\$6,655.54	\$2,718.00	\$2,445.65	\$4,964.65	\$2,718.00
<b>Credential Attainment</b> (Within 4 Qtrs. after Exit)	07/01/17 to 09/30/17	63.3%						
		56.97%	35.29	33.33	50.00	85.71	86.67	54.29
<b>Measurable Skills Gain</b> (Real Time Measure)	01/01/19 to 03/31/19	N/A						
		N/A	0.00	5.08	0.00	0.00	0.00	0.85

**Quarterly Summary - All 5 Local Areas / State**

	LA IV			LA I			LA II		
	Adult	DW	Youth	Adult	DW	Youth	Adult	DW	Youth
Met Goal	1	3	1	4	3	1	1	1	1
Met Sanction	1	1	1		1		2		
Did Not Meet Sanction	2		1			2	1	3	2

	LA III			LA V			State		
	Adult	DW	Youth	Adult	DW	Youth	Adult	DW	Youth
Met Goal	1	2	3		2	1	1	2	1
Met Sanction	1			2		1	1	2	
Did Not Meet Sanction	2	2		2	2	1	2		2

The Kansas Department of Commerce accesses confidential databases to obtain additional wage data; therefore, the actual performance rating cannot be released, only whether the rating met,exceeded, or was below the goal or sanction level.

^^^ No data showing in the quarter yet even though it is within the current reporting period.

\* Reporting Period = Participants who exited during the time frame indicated will count in performance measures

**Wagner-Peyser  
Program Year 2018  
Performance Report of LAIV  
as of 02/05/2019**

Job Service	Goal		PY18 1st Qtr July 18 - Sept 18		PY18 2nd Qtr Oct 18 - Dec 18		PY18 3rd Qtr Jan 19 - Mar 19		PY18 4th Qtr Apr 19 - June 19		*Reporting Period
	Sanction										
<b>Employment Rate</b> (2nd Qtr. after Exit)	67.9%		3046		2251		2172				3rd Qtr= 01/01/18 to 03/31/18
	61.11%	76.00%	4008	74.17%	3035	75.60%	2873				Annual= 07/01/17 to 06/30/18
	68.2%		2254		2212		3050				3rd Qtr= 07/01/17 to 09/30/17
	61.38%	72.38%	3114	71.19%	3107	74.99%	4067				Annual= 01/01/17 to 12/31/17
<b>Earnings</b> (Median Earnings 2nd Qtr. after Exit)	\$4,701.00										3rd Qtr= 01/01/18 to 03/31/18
	\$4,230.90	\$5,525.71	N/A	\$5,386.39	N/A	\$6,281.01	N/A	N/A	N/A		Annual= 07/01/17 to 06/30/18

Wagner-Peyser	Goal		PY18 Annual Report July 18 - June 19		PY18 State / Annual Report July 18 - June 19		PY18 *Reporting Period	
	Sanction							
<b>Employment Rate</b> (2nd Qtr. after Exit)	67.9%		9203		20357		3rd Qtr= 01/01/18 to 03/31/18	
	61.11%	72.37%	12717	68.58%	29685	Annual= 07/01/17 to 06/30/18		
	68.2%		9518		22294	3rd Qtr= 07/01/17 to 09/30/17		
	61.38%	70.89%	13426	67.59%	32982	Annual= 01/01/17 to 12/31/17		
<b>Earnings</b> (Median Earnings 2nd Qtr. after Exit)	\$4,701.00						3rd Qtr= 01/01/18 to 03/31/18	
	\$4,230.90	\$5,679.03	N/A	\$5,425.79	N/A	Annual= 07/01/17 to 06/30/18		

Summary LA IV	Quarterly Local Area IV			
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Met Goal	3	3	3	
Met Sanction				
Did Not Meet Sanction				

Summary Annual LA IV / State	Program to Date	
	LAIV	State
Met Goal	3	2
Met Sanction		1
Did Not Meet Sanction		

\*\*\*\*\* The Kansas Department of Commerce accesses confidential databases to obtain additional wage data; therefore, the actual performance rating cannot be released, only whether the rating met, exceeded, or was below the goal or sanction level

\* Reporting Period = Participants who exited during the time frame indicated will count in performance measures

A full year of data will not be available for Employment Rate (4th Qtr.) until the 2nd Qtr. of PY2018

**Item**

Action Items from Local Workforce Development Board (LWDB) Meeting on January 23, 2019

**Background**

On January 23, the LWDB met and took action on the following items:

- Approved a Registered Apprenticeship (RA) policy modification
- Approved a proposal for a new volunteer program, Practice Makes Progress, whereby employers and board members would assist job seekers with mock interviews and resume reviews
- Approved a Workforce Alliance cafeteria plan document
- Approved the minutes from the October 17, 2018 LWDB meeting.

**Analysis:**

Following the meeting, staff noted a quorum was not present. To make these actions taken by the Local Workforce Development Board official, the Executive Committee should vote to approve the decisions made at the LWDB meeting that took place on January 23<sup>rd</sup>.

**Recommended Action:**

Approve the actions taken at the LWDB meeting on January 23, 2019.



**Item**

On-the-Job Training (OJT) Contracts for the Eligible Training Provider List (ETP)

**Background**

*1. Approval of Addition to the ETP List for OJT*

The following employer has submitted an application to be added to the ETP list for OJT.

Employer:	<b>Kuhn Mechanical, Inc.</b>
Company Description:	Plumbing, heating and air conditioning service company.
Location:	Arkansas City, Cowley County
Occupation(s):	Licensed HVAC, Licensed Plumber, Mechanical Laborer
Training Length:	Up to 6 months
Average Wage Range:	\$13.00 average wage
Benefits:	Incentive Pay
Comments:	Based in Arkansas City for 20 years, Kuhn Mechanical currently employs 13 people with a projected growth of 3-7 positions over the next two years.
OJT Funding Streams <i>subject to availability</i>	<input checked="" type="checkbox"/> WIOA Adult/Dislocated Worker – \$4,500 per trainee max <input checked="" type="checkbox"/> WIOA Youth – \$4,500 per trainee max <input type="checkbox"/> KAMP– \$3,000 per trainee max

**Recommended Action:**

Approve the addition of Kuhn Mechanical, Inc. to the OJT ETP list.

**Item**

On-the-Job Training (OJT) Contracts for the Eligible Training Provider List (ETP)

**Background**

*1. Approval of Addition to the ETP List for OJT*

The following employer has submitted an application to be added to the ETP list for OJT.

Employer:	<b>Martsolf Enterprises LLC</b>
Company Description:	Provider of commercial construction, maintenance and remodeling services.
Location:	Andover, Butler County
Occupation(s):	Laborers and Leads
Training Length:	Up to 6 months
Average Wage Range:	\$12.02 average wage
Benefits:	Incentive bonuses
Comments:	Founded in 2000 and based in Andover KS, Martsolf Enterprises currently employs 12 full time people with a projected growth of 18-27 positions over the next two years. They are working on a future registered apprenticeship as well. Martsolf Enterprises is also a WorkReady preferred employer.
OJT Funding Streams <i>subject to availability</i>	<input checked="" type="checkbox"/> WIOA Adult/Dislocated Worker – \$4,500 per trainee max <input checked="" type="checkbox"/> WIOA Youth – \$4,500 per trainee max <input checked="" type="checkbox"/> KAMP– \$3,000 per trainee max

**Recommended Action**

Approve the addition of Martsolf Enterprises LLC to the OJT ETP list.

**Item**

On-the-Job Training (OJT) Contracts for the Eligible Training Provider List (ETP)

**Background**

*1. Approval of Addition to the ETP List for OJT*

The following employer has submitted an application to be added to the ETP list for OJT.

Employer:	<b>Trinity Precision, Inc.</b>
Company Description:	Producer of precision aerospace machined parts and assemblies.
Location:	Wichita, Sedgwick County
Occupation(s):	CNC Machinists, Assembly, Receiving Clerk, Shipping/Receiving
Training Length:	Up to 6 months
Average Wage Range:	\$12.00 to \$15.00 average entry wage
Benefits:	<ul style="list-style-type: none"><li>• Medical insurance, dental insurance and FSAs</li><li>• Long-term and short-term disability</li><li>• 10 paid holidays each year and generous PTO</li><li>• Parental and bereavement policies</li><li>• 401K plan and profit-sharing</li></ul>
Comments:	Founded in 2014 in Wichita KS, Trinity Precision currently employs 71 full time employees with a projected growth of 14 positions in the next two years.
OJT Funding Streams <i>subject to availability</i>	<input checked="" type="checkbox"/> WIOA Adult/Dislocated Worker – \$4,500 per trainee max <input checked="" type="checkbox"/> WIOA Youth – \$4,500 per trainee max <input checked="" type="checkbox"/> KAMP– \$3,000 per trainee max

**Recommended Action:**

Approve the addition of Trinity Precision, Inc. to the OJT ETP list.