

Department of Labor Compliance Findings to State of Iowa-November 2017

- 1) Local Areas not Appropriately Aligned-State issue
 - a. Have a study group assigned by state board to review.
 - b. Asked to have a local representative on this board. So far haven't heard back from state.
 - c. Should study labor shed areas to determine regions. Referenced by DOL and is a key component of WIOA law.
 - d. State will work with local CEOs to establish new boards as appropriate.
- 2) Improper Disbursement of Local WIOA Funds-State
 - a. Currently state issues funds directly to the Title 1 provider(s) which are selected by CEO/RWDB. Feds report that these funds must go to the CEO who disburses to the Title 1 providers(s).
 - b. Local CEO boards are not incorporated or a non-profit. May need to set up a "fiscal agent" to receive funds on behalf of the CEO board.
 - c. **Board Feedback:**
 - i. How would the governor appoint people to an incorporated or a non-profit board?
 - ii. Can the fiscal agent be an outside entity or third party?
 - iii. We are going to ask the state to give us a copy of their response to DOL and then use that to give them our feedback.
- 3) Non-compliant State Monitoring and Oversight of Local System-State
 - a. Expect some very "tough" monitoring activities after this finding.
- 4) Local CEO Agreements-State
 - a. CEO Agreements completed long ago, back to 1998. Local areas unable to find these agreements today. Came up in a state monitoring a few years back but said it's ok.
 - b. Appears that DOL would like these to be done with each new CEO board member, not just an overall agreement. Will wait for guidance from state on how these should move forward.
- 5) Non-compliant State Workforce Board-State
- 6) Non-compliant Local Workforce Board-Local
 - a. State strongly encouraged all boards to move to new structure, as DOL will want this eventually. Informed that we had time to do this.
 - b. About ½ have transitioned to new board.
 - c. Region 10 in process of transferring to new board structure.
- 7) Local Workforce Development Boards Are Not Performing Required Functions-State
 - a. Most regions in the nation hire a full time board director. This person just manages the work of the board with coordinating meetings and subcommittees, releasing and managing requests for proposals, developing the Customer Service Plan, coordinating strategic planning activities, etc.
 - b. In Iowa, only one region's board (Des Moines) has a paid full time director. They developed this position about 6 years ago.

- c. Many regions do not have the funds to support a full time board staff member. Des Moines, and based up on my knowledge, this positions costs come out of the local WIOA Title 1 funds, which can limit the ability to provide services locally.
 - d. Title 1 staff sometimes provides staff time to complete these activities for the local boards.
 - e. **Board Feedback:**
 - i. What is the allocation for each region?
 - ii. Can it be a shared cost among Title 1, 2, 3 and 4 providers?
 - iii. Can the full-time director be the fiscal agent?
- 8) Nominal Funding Levels in One-Stop Operator Request for Proposals-State
- a. This is typically something a local board would be responsible for completing (selecting a one-stop operator).
 - b. In June state asked the local boards to give them permission to run this process.
 - c. State issued between \$32,000-\$37,500 per 'district' which typically include 3-4 regions. DOL says this isn't enough funding to support the work of a one-stop operator.
 - d. Due to this issue, and the DOL stating that they want regions to be studied, this is on hold.
- 9) Non-compliant MOUs-Local
- a. MOU signature pages for some state programs were obtained after the initial CSP was uploaded and saved to the board website. I did not go back and upload those pages onto the site.
 - b. Goodwill of the Heartland has a DOL grant. Did not realize this needed to be an MOU until this summer (prior to this monitoring). Received MOU update in September 2017 and board added it in during September board meeting.
 - c. Title 1 and Title 3 staff have been partnering with Goodwill grant staff, co-enrolling participants, and regularly attending meetings related to this grant, even though an MOU was not been in place until recently.
 - d. **Board Feedback:**
 - i. Might consider utilizing an external tracking/compliance system
- 10) State Along Wagner – Peyser Offices not allowable-State
- 11) One-Stop Certification Not Completed-State
- a. Title 1, 2, 3 and 4 managers have spent an estimated 15 hours together (and additional hours individually) to complete the one-stop certification pre-assessment and assessment forms.
 - b. Thought state of Iowa got an extension from DOL to complete by 12/31/17.
 - c. This is on hold until the state evaluates regions.