

A decorative border consisting of thick black lines with ornate scrollwork at the corners and midpoints of each side, framing the central text.

**West Central Arkansas Workforce
Development Board**

**Thursday, August 13, 2020
10:30 a.m.
Teleconference**

West Central Arkansas Workforce Development Board
Thursday, August 13, 2020 10:30 a.m.
Teleconference

Roll Call.....Margaret Dearmon

ADHOC Committee (Officers).....Kathryn Baxter

Call to Order.....Larry Carr, Chair

Invocation

Agenda Item 1 – Action

Chair Comments.....Larry Carr, Chair

- Approval of June’s Unofficial Minutes
- Approval of Excused Absences
- PY-19 Final Budgets
- Disclosure Statements

Agenda Item 2 – Action

Committee Reports

- ADHOC Committee (One Stop Certification).....Margot McLeod

New Business.....Larry Carr, Chair

- Business Engagement Coordinator Report
- Update by Board Staff
- Discussion of Workforce Development in local Communities
- Open floor for any new business

Adjournment

Future meeting dates will depend on COVID-19:

October 8, 2020

December 10, 2020

West Central Workforce Development Board Minutes (Unofficial)
June 11, 2020
Teleconference

WDB members present: Kathryn Baxter, Greg Black, Karen Breashears, Clayton Caldwell, Larry Carr, Louisa Daniels, Aleah Davis, Bridget Glover, Neil Golden, Jimmy Hart, Karen Hofford, Margot McLeod, Tammy Passafiume, Dr. Louis Shepherd, Jr., and Bill Weston

WDB members absent: Jonathan Bibb, Kevin Bingham, Kelli Embry, Amy Ford, Allen Goines, Steve Hubbard, Michael Irwin, Alan Nolan, Barry Owens, Ron Parker, Scott White

WCAPDD staff present: Margaret Dearmon, Haley Kesterson, David Moore, Dwayne Pratt and Joyellen Rosamond

Guests: Kim Darling, Denise Hamby, Mason Robinson, Jessica Rohlman and Cindy White-Hamilton

Dearmon took a roll call of those on the teleconference.

Mr. Carr declared a quorum and called the meeting to order at 10:35 a.m.

Mr. Carr gave the invocation.

Agenda Item 1 – Chair Comments - ACTION

Mr. Carr stated that the first agenda item was to approve the April 2020 Unofficial minutes. He asked if there were any additions or changes to the minutes. **Hearing none, a motion to accept the April 11, 2020 minutes, as presented, was made by Ms. Baxter, seconded by Mr. Weston, Ms. Dearmon took roll call from each member the motion carried unanimously with none opposed.**

Mr. Carr stated that the next agenda item was the approval of excused absence. Mr. Carr said the following people have requested an excused absence for the meeting today: Kelli Embry, Michael Irwin, Steve Hubbard, Barry Owens and Scott White. Mr. Carr asked for motion to approve the excused absences as presented. **Mr. Weston motioned, seconded by Ms. Daniels to approve excused absences as presented, Ms. Dearmon took roll call from each member the motion carried unanimously with none opposed.**

Mr. Carr stated that he needed to appoint an ADHOC committee to elect for the next new at the next meeting. He would like to appoint the following members to the ADHOC committee: Ms. Baxter, as the chairperson, Clayton Caldwell and Margot McLeod to the ADHOC committee meeting.

Mr. Carr mentioned that Ms. Dearmon will be sending out new Disclosure Forms by email. It is imperative that each member complete this for and send it back by email or by mail.

Mr. Carr went over the PY-19 budgets and listed off the following percentage changes: Admin Budget had program budget usage of 77%, Training/Supportive Services the adults program had 70% usage and dislocated workers had 12% usage. West Central Program Budget usage was 60% through April.

Agenda Item 2 – Committee Reports

There was a problem with the call-in meeting. Mr. Carr asked everyone to hang up and call back and he would reconvene the meeting. Mr. Carr reconvened the meeting.

One Stop: Mr. Weston provided an update to the one stop report mentioning page 12 of the report. They last met May 28 and discussed two agenda items. This was designation of One Stop Operator through Dept of Workforce Services with a consortium by National Park College. They have done a great job thus far. Mr. Weston stated that Mr. Moore reported that it was a good experience and they have agreed to continue for another year. The vote of the One Stop Committee was to recommend continuing that service for the next year. We do not have to do an RFP but every four years. Mr. Moore reported in that meeting that the budget had not yet been received. The board allowed the negotiation of the budget once received.

The second item was the approval of the budgets for next year. Mr. Weston reported that the committee was recommending approving all the budgets. Mr. Carr went over the three budgets that the committee recommended for approval: Administration, Service Provider, and Program Budgets. Mr. Carr made asked for a motion to approve the committee's recommendations. **Ms. Baxter motioned, seconded by Mr. Caldwell to approve the committee's recommendations.** Mr. Carr asked if there any questions. Discussion followed. **Ms. Dearmon took roll call from each member, the motion carried unanimously with none opposed.**

Planning and Performance: Teleconference held May 27, 2020, Ms. Baxter stated that the committee had a teleconference and after review, the committee approved or disapproved the following programs and is recommending it to the board:

Approved: AR Coding Academy, AR Tech Cyber Security, and AR Tech- Ozark Campus.

Disapproved: Aha! Interpreting Solutions; Arkansas College of Health; Arkansas Tech University Ozark Campus – Cosmetology, Cosmetic Science/GT; Level One Driving Academy; Missouri Welding Institute, Inc.; NetScript Coding School Institute; University of Arkansas Global Campus.

Ms. Baxter also mentioned that Ms. Dearmon talked about each local area is allowed five programs that are in demand in their area, but not on the Projected Employment Opportunity List that could be added and they must how a need for the training. UACCM has made application for Diesel Technology (AD, TC, CP levels) and the state has it flagged to be approved as an eligible provider due to it being a new program and no performance data available. Ms. Baxter said that the committee's recommendation is to approve this program.

Ms. Baxter said the next item the committee reviewed was to discuss an amendment to the Individual Training Account (ITA) Policy. We reviewed this as outlined in the packet. The

addition to the policy is in red. Ms. Dearmon went over the changes in the policy due to Pell Grant and scholarships having to be used first. Mr. Carr asked for a motion to approve the committee's recommendations. **Mr. Weston motioned, seconded by Ms. Daniels to approve the committee's recommendations. Ms. Dearmon took a roll call from each member, the motion carried unanimously with none opposed.**

Youth Standing: Mr. Carr stated that the committee chair was not at the meeting, however, it was discussed that the 14 Program Elements must be accessible by all interested parties and to ADWS. This will also be on WCAPDD's website. The committee voted on the Memorandum of Understanding (MOU) that is included in the packet. Ms. Dearmon mentioned that that a sample MOU was also in the packet was received during the Director's TEAM meeting that Ms. Dearmon and Mr. Moore attended. This is a MOU from another area. Ms. Dearmon stated that she shared it with Mr. Nolan, and he agreed that it would be easier to use the sample MOU in place of the one that the committee approved. Mr. Carr asked if there were any questions, and there were none. Mr. Carr made asked for a motion to approve the sample MOU. **Ms. McLeod motioned, seconded by Ms. Breashears to approve the draft as submitted. Ms. Dearmon took a roll call from each member, the motion carried unanimously with none opposed.**

New Business – Informational

Mr. Carr turned the meeting over the Business Engagement Coordinator, Ms. Kesterson, who gave a brief report regarding the creation of COVID resource guide which has been a great resource for area businesses. She talked about how the Clarksville Chamber had put out a survey to evaluate the needs of businesses due to COVID. The communities are coming together, but more businesses need financial resources and health planning due to COVID related issues. The Work Opportunity Tax Credit will be available to businesses who hire people who have had consistent unemployment for 27 weeks.

Mr. Carr then turned the attention to the Department of Labor report that was given by Mr. Moore. He stated that there were four different waivers that the State had applied for and had been approved by DOL. This information came out after we had the Youth Standing committee. When WIOA was implemented, there was a mandate that a minimum of 70% of all youth funds had to be expended on out of school youth. Mr. Moore stated that at that time, the Board dedicate 100% of our efforts toward out of school youth, for that reason. This waiver applied by the State and approved, would reduce this amount to only 50% and may only last through 2021. We are not sure. This will allow us to enroll some in school youth as well. Mr. Moore said that what we are asking for is a vote from you to approve using this waiver on a conditional basis that will open the door to serve some in school youth as well as serving some out of school youth, Mr. Carr asked if there were any questions, and there were none. **Ms. McLeod motioned, seconded by Mr. Weston to approve this recommendation. Ms. Dearmon took a roll call from each member, the motion carried unanimously with none opposed.**

Mr. Carr then asked if there were any new business in regard to Local Community Workforce Development, no one made any reports; however, Mr. Carr made the statement that all members should make an active effort to get involved with the committees and meetings as often as possible. The committees are very important and greatly impact policy making.

Mr. Carr then opened the floor to any new business not on the agenda. Ms. Dearmon made an update regarding the negotiated performance measures that have changed by the state. This report will be sent out via email and put on the website with the local plans.

Mr. Carr is hopeful that the next meeting in August will be in person. Also mentioned that the Hot Springs Workforce Center will be moving on July 31st from their current location to the Landmark Building in Hot Springs.

Mr. Carr adjourned the meeting at 11:25 a.m., **on a motion made by Ms. Baxter, seconded by Mr. Weston, and carried unanimously with none opposed.**

Larry Carr, Chairman

Date

**WCAPDD 2019 -2020
ADMINISTRATION BUDGET**

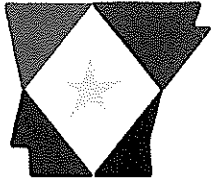
BUDGET	\$130,322.00	
July Expenditure	<u>-\$7,944.10</u>	
BALANCE	\$122,377.90	6.09%
August Expenditure	<u>-\$8,998.07</u>	
BALANCE	\$113,379.83	13.00%
September Expenditure	<u>-\$4,622.59</u>	
BALANCE	\$108,757.24	16.54%
October Expenditure	<u>-\$3,263.29</u>	
BALANCE	\$105,493.95	19.05%
November Expenditure	<u>-\$6,202.73</u>	
BALANCE	\$99,291.22	23.81%
December Expenditure	<u>-\$7,631.83</u>	
BALANCE	\$91,659.39	29.67%
January Expenditure	<u>-\$16,405.56</u>	
BALANCE	\$75,253.83	42.26%
February Expenditure	<u>-\$7,535.46</u>	
BALANCE	\$67,718.37	48.04%
March Expenditure	<u>-\$19,167.08</u>	
BALANCE	\$48,551.29	62.75%
April Expenditure	<u>-\$9,019.19</u>	
BALANCE	\$39,532.10	69.67%
May Expenditure	<u>-\$6,995.51</u>	
BALANCE	\$32,536.59	75.03%
June Expenditure	<u>-\$7,822.90</u>	
BALANCE	\$24,713.69	81.04%

**TRAINING and SUPPORTIVE SERVICE 2019 -2020
PROGRAM BUDGET**

	ADULT		DLW	
BUDGET	\$130,000.00		\$200,000.00	
July Expenditure	-\$3,426.58		-\$247.46	
BALANCE	\$126,573.42	2.63%	\$199,752.54	0.12%
August Expenditure	\$0.00		\$0.00	
BALANCE	\$126,573.42	2.63%	\$199,752.54	0.12%
September Expenditure	-\$3,605.58		-\$2,204.85	
BALANCE	\$122,967.84	5.40%	\$197,547.69	1.22%
October Expenditure	-\$41,093.96		-\$7,689.16	
BALANCE	\$81,873.88	37.02%	\$189,858.53	5.07%
November Expenditure	-\$10,228.11		-\$12,678.47	
BALANCE	\$71,645.77	44.89%	\$177,180.06	11.41%
December Expenditure	\$0.00		-\$267.39	
BALANCE	\$71,645.77	44.89%	\$176,912.67	11.55%
January Expenditure	\$0.00		\$0.00	
BALANCE	\$71,645.77	44.89%	\$176,912.67	11.55%
February Expenditure	-\$18,635.89		-\$374.93	
BALANCE	\$53,009.88	59.23%	\$176,537.74	11.74%
March Expenditure	-\$14,377.98		\$0.00	
BALANCE	\$38,631.90	70.29%	\$176,537.74	11.74%
April Expenditure	-\$8,000.00		\$0.00	
BALANCE	\$30,631.90	76.44%	\$176,537.74	11.74%
May Expenditure	\$0.00		\$0.00	
BALANCE	\$30,631.90	76.44%	\$176,537.74	11.74%
June Expenditure	\$0.00		\$0.00	
BALANCE	\$30,631.90	76.44%	\$176,537.74	11.74%

WCAPDD 2019 -2020 PROGRAM BUDGET

BUDGET	\$200,000.00	
July Expenditure	<u>-\$21,949.56</u>	
BALANCE	\$178,050.44	10.90%
August Expenditure	<u>-\$17,244.68</u>	
BALANCE	\$160,805.76	19.59%
September Expenditure	<u>-\$10,823.15</u>	
BALANCE	\$149,982.61	25.00%
October Expenditure	<u>-\$17,259.51</u>	
BALANCE	\$132,723.10	33.63%
November Expenditure	<u>-\$16,292.32</u>	
BALANCE	\$116,430.78	41.79%
December Expenditure	<u>-\$14,057.94</u>	
BALANCE	\$102,372.84	48.82%
January Expenditure	<u>-\$13,034.76</u>	
BALANCE	\$89,338.08	55.33%
February Expenditure	<u>-\$14,283.17</u>	
BALANCE	\$75,054.91	62.48%
March Expenditure	<u>-\$13,740.20</u>	
BALANCE	\$61,314.71	69.35%
April Expenditure	<u>-\$15,133.15</u>	
BALANCE	\$46,181.56	76.91%
May Expenditure	<u>-\$13,883.60</u>	
BALANCE	\$32,297.96	83.85%
June Expenditure	<u>-\$14,423.53</u>	
BALANCE	\$17,874.43	91.07%



Arkansas Division of
Workforce Services



Michael Preston
SECRETARY OF COMMERCE

Charisse Childers, Ph.D.
DIRECTOR,
DIVISION OF WORKFORCE SERVICES

August 5, 2020

Dwayne Pratt, Executive Director
West Central Arkansas Planning and Development District
P.O. Box 6409
Hot Springs, AR 71902-6409

Dear Mr. Pratt:

Representatives of the Arkansas Division of Workforce Services conducted a PY 2019 Workforce Innovation Opportunity Act program and financial monitoring review of the West Central Arkansas Planning and Development District (WCAPDD) on November 12-15, 2019. You have seven calendar days from the date of this letter to review the attached report for accuracy. If we are not made aware of information that may have a significant impact on the findings reported within the seven-day period, the report will be considered as final. Responses are due within thirty calendar days of the date of this letter.

We appreciate the cooperation and courtesy of the WCAPDD staff during the monitoring process. If you have any questions or need additional information regarding the monitoring report, please contact Shenaye Johns at (501) 683-5328.

Sincerely,

A handwritten signature in cursive script that reads 'Charisse Childers'.

Charisse Childers, Ph.D.
Director

cc: Mr. Larry Carr, Chair
West Central Arkansas Workforce Development Board

The Honorable Jimmy Hart, Judge – Conway County Judge
Chief Elected Official

Arkansas Department of Commerce
Division of Workforce Services
P.O. Box 2981 • Little Rock, AR 72203
dws.arkansas.gov

Equal opportunity employer/ program. Auxiliary aids and services are available upon request to individuals with disabilities.

**West Central Arkansas Local Workforce Development Area
Workforce Innovation and Opportunity Act
Monitoring Report for Program Year 2019**

Team Members: Joyce Akidi, Shenaye Johns, Juan Loaiza, Thomas Pittman, Angela Cook and Bernardo Corcolis.

The Arkansas Division of Workforce Services (ADWS) is required to conduct program and financial compliance reviews of its Workforce Innovation and Opportunity Act (WIOA) sub-recipients. This review encompassed the PY 2019 programs and services administered by West Central Arkansas Planning and Development District, Inc. (WCAPDD).

Reviews are conducted to verify compliance with the Workforce Innovation and Opportunity Act of 2014 and the Workforce Innovation and Opportunity Act Public Law 113-128, (A.C.A §15-4-3701), United States Department of Labor (U.S. DOL) guidance, state and local plans, relevant federal and state local policies and procedures and guidelines.

The general process of the reviews is to examine a random sample of program and financial elements for any incidence of non-compliance or concern and to provide technical assistance, if warranted. Therefore, problems may exist which are not reported here. The report is not intended to be an evaluation of the overall effectiveness of programs and operations.

The report consists of two Parts. Part A covers program operations and activities. Part B covers financial operations and activities.

Overview

In preparation for the PY 2019 review, previous monitoring reports and local plans were reviewed. Local policies and procedures, contracts and other documents were reviewed on location.

An entrance meeting was held on Tuesday, November 12, 2019 at the WCAPDD office in Hot Springs, Arkansas. Attendees were David Moore, Joyellen Rosamond, Marty Parker, Ravonna Nichols of WCAPDD; Joyce Akidi, Shenaye Johns, Juan Loaiza, Thomas Pittman, Angela Cook and Bernardo Corcolis of ADWS.

Local area staff was informed of the program and financial elements to be covered during the review and appropriate contacts for the various program and financial elements were identified. A general timeline for the review process was provided and general questions were answered.

Source documents were reviewed with the staff of WCAPDD, Inc. A comprehensive list of source documents is available in Section A of the official monitoring instrument. The questions in Section A were used as a guide for the review and interviewing the appropriate WCAPDD, Inc. program staff.

The funding sources review included:

- WIOA Formula Grants for PY 2019
 - Youth
 - Adults
 - Dislocated Worker

- Disaster Worker Grant (DWG)– AR-30

Participant File Review

Using the Arkansas JobLink management information system, a list of 40 Youth, 29 Adults, 20 Dislocated Workers and 17 DWG participants were generated. Names and participant identification numbers are included on the Participant File Review Checklists of the Title I-B Monitoring Instrument and are on file at the ADWS Central Office. The following participant files were reviewed:

Youth

Alvey, Alecia	Haney, Frederick	Klo, Aaron	Owens, Barry
Eubanks, Zachary	Harding, Johnathon	Newman, Sean	Rowton, Stephen
Garcia Montes Jr, Jose	Jasper, Jordan	Newton, Jonathan	Schatzman, Danielle

Adult

Beard, Mitchell	Chiolino, Madison	Heaton, Hans	Mooney, Kathryn
Beck, Georganne	Fackler, Edward	Jester, Denby	West, Katera
Bostian, Katie			

Dislocated Workers

Bailey, Larnell	Bruce, Alfonso	Vogt, Matthew	Watkins, Thomas
Bizzell, Betty	Mitchell, Marcus		

Disaster Worker Grant (DWG)

Bryant, Luke	Kent, Martin	Massingill, Dustin	Thomas, Travis
Brewer, Joey	Ligon, Robbie	Parks, Travis	Watson, Stefan
Harris, Ferinanda	Luscombe, Elizabeth	Ruff, Charles	Wilson, James
Hardiman, Bryant	Marshall, Heidi	Smith, Christopher	Winters, Debra
Howell, Austin			

Worksites Visited

Location	Worksite	# of Participants at worksite interviewed
Hot Springs	The Doggie Dude Ranch	1
Hot Springs	Fancy Paws Pet Salon	1
Hot Springs	The Floor Store Perry	1
Morrilton	Conway County Road Department	11
Perryville	County Road Department	4

The exit meeting was held on Friday, November 15, 2019 at the West Central Arkansas Planning & Development District office in Hot Springs, Arkansas. Attendees were David Moore, Margaret Dearmon, Joyellen Rosamond, Marty Parker, Ravonna Nichols of WCAPDD Inc.; and Joyce Akidi, Shenaye Johns, Juan Loaiza, Thomas Pittman, Angela Cook and Bernardo Corcolis of ADWS, and via teleconference Sharon Bogard and Tanya Plunkett of ADWS.

Follow-up on the 2018 Findings

Follow-up was conducted during PY19 monitoring review. There are still unresolved program findings from PY18.

PART A: PROGRAM OPERATIONS AND ACTIVITIES

Program Finding 1:

The academic and occupational skills components are not being readily identified for all youth participants who are participating in program element three, paid and unpaid work experience.

Requirements:

20 CFR § 681.600(b)

Work experience must include academic and occupational education. The educational component may occur concurrently or sequentially with the work experience. Further academic and occupational education may occur inside or outside the work site.

Corrective Action(s) Required:

West Central Arkansas Planning and Development District must include and demonstrate how the academic and occupational skills component will be identified for participants in work experience.

Program Finding 2:

Transactional Services such as supportive service, comprehensive assessments, objective assessment etc., are being held open on the S&T. This may result in incorrect exit dates, incorrect service reporting on the Participant Individual Record Layout (PIRL), and after exit reporting of wages. Additionally, incorrect exit dates may negatively affect performance measure outcomes. The following participants are examples of those with open Transactional Services;

Adult

- Chiolino Madison - Supportive services and Case Management Service
- Hans Heaton - Supportive service, individual Case and Case Management Service
- Beard Mitchell - Supportive services
- Kathryn Mooney – Workforce information service
- West Katera - Case Management Services, Individual Counseling/Career Planning

DLW

- Bailey Larnell Madison - Supportive services and Case Management Service
- Bruce Alfonso - Supportive service
- Betty Bizzell – Comprehensive Assessment
- Matthew Vogt – Referrals to partner services

Youth

- Mitchell Marcus - Supportive service
- Eubanks Zachary - Objective Assessment
- Aaron Kio - Career Development Assistance, Financial Literacy, Information on in demand industry, and Objective Assessment
- Barry Owens - Financial Literacy, Leadership Development Opportunity and Career Development Assistance

Requirements:

Issuance Number PY 19-07 Transactional services are services that will be opened and closed on the same date. For example, if a Transactional Service such as "Job Referrals" is provided 5 times during a month, then it must be entered 5 separate times on the S&T.

To further clarify:

- Job Placement Services, a Transactional Service, provided on January 8, 2019 must be ended January 8, 2019.

If that same service is provided on January 9, 2019 then a new entry must be made on the S&T with a start and end date of January 9, 2019. Each time a Transactional Service is provided there must be a new entry on the S&T.

Most of these services are one day services. However, services such as Financial Literacy, Job Club Workshop, or Citizenship Training may last two days depending on program design. In that case, enter the actual end date using the second day.

Corrective Action(s) Required:

West Central Arkansas Planning and Development District must complete a 100% participant file review to ensure all Transactional Services are entered and closed timely. Most Transactional Services are "one day" services that should be opened and closed as appropriate or when they occur.

Program Finding 3:

Participant file reviews revealed that file folders were not structured in a 6-Tab format.

Requirement:

WIOA Title I-B Policy Manual – 4.2, Case Management and Participant Files:

Original paper notes and documentation must be placed in a 6-tab folder in the order below. The categories of each tab are given, along with examples of what goes in that file. The name of the documents and the determination of which information is kept electronically, and which is kept on paper is at the discretion of the local area.

- TAB 1 (Front left): Data Validation & Enrollment & Eligibility Information
Information in tab: Data Validation Checklist on top, with other information in the number order on the checklist AND all documents collected related to enrollment for eligibility information
Examples: Application, eligibility documentation, barrier information, low-income documentation, dislocated worker documentation
- TAB 2 (Front right): Notes, if printed
Information in tab: Program notes, and enrollment notes in chronological order with most recent on top
- TAB 3 (Middle left): Case Management Information
Information in tab: ISS/IEP on top, followed by assessments, testing, and other case management information in chronological order with most recent on top
- TAB 4 (Middle right): Miscellaneous Documents and AJL Printouts not in another Tab
Examples: Referral forms, Photo & Story Release Form, Exit Form, Partner Provided Form
- TAB 5 (Back Left): Training Information
Information in tab: All training information, including occupational skills training, RA (educational component), high school, and Youth occupational training accompanying work experience

Examples: ITA, transcripts, degree plans, financial aid information, class schedule, attendance documents, and supportive services related to training

- TAB 6 (Back right): Work Experience and Workforce Training Information

Information in tab: All information related to work experience or workforce training, including OJT and work component of RA

Examples: Contract for work, work permit, work evaluations, I-9, job description, time sheets, supportive services relating to work

Corrective Action(s) Required:

WCAPDD must train the Case Managers on how to structure the participant files in a 6-tab format as outlined in the WIOA Title I-B Policy Manual (4.2 – Case Management and Participant), and correct all the active participant files that are not structured in this format.

Program Finding 4:

The West Central Arkansas Local Board has not monitored WIOA activities in the local area. There was no evidence provided of monitoring of grant supported activities, subrecipients or contractors.

Requirement:

20 CFR 683.410(a) (1-4)

Each subrecipient of funds under WIOA title I must conduct regular oversight and monitoring of its WIOA program and the programs of its subrecipients and contractors, as required under WIOA title I, as well as under 2 CFR part 200, in order to:

- 1) Determine that expenditures have been made against the proper cost categories and within the cost limitations specified in WIOA;
- 2) Determine whether there is compliance with other provisions of WIOA, WIOA regulations, and other applicable laws and regulations;
- 3) Assurance compliance with 2 CFR part 200; and
- 4) Determine compliance with the nondiscrimination, disability, and equal opportunity requirements of sec. 188 of WIOA, including the Assistive Technology Act of 1998 (29 U.S.C. 3003).

Corrective Action(s) Required:

The West Central Arkansas Local Workforce Development Board must immediately implement a plan to ensure grant supported activities, subrecipients and contractors are monitored in the local areas. It should be understood that each recipient under WIOA title I must conduct regular oversight and monitoring of its WIOA program activities. Documentation of monitoring, including monitoring reports and audit work papers, along with corrective actions, must be made available for review upon request.

PART B: FINANCIAL OPERATIONS AND ACTIVITIES RESULTS

The following information provides specific requirements of the WIOA Laws, Federal Regulations, Uniform Guidance, State and Local two-year plans, and other guidelines relative to findings or concerns detected during the PY 2019 monitoring review of the Federal grants financial and procurement operations and activities in the West Central Arkansas Local Workforce Development Area.

Financial Monitoring Findings for PY 2019

Financial Finding #1:

The solicitation for the One-Stop Operator procurement released on March 20, 2019 included the following monetary specifications which restricted the competition for the award:

The One-Stop Operator funding is anticipated to be no more than \$15,000 to \$20,000 annually shared among the region's workforce partners as outlined in the agreed upon MOU/IFA. (page 4)

The Workforce Development Board has set aside approximately \$15,000 to \$20,000 for the One-Stop Operator award. (page 9)

In addition, under Quote Content and Scoring (3) Approach on Page 12, a geographical preference was included in the evaluation for the "Local Hiring of Management".

Also, the Evaluation Tool contained a requirement under the Budget section that the cost must include "at least a half time staff person and associated costs." However, the only response received included a budget that only included 46 hours/month for personnel costs.

Subsequently, a Consortium of entities was selected as the One-Stop Operator and the effective date of the resulting contract was July 1, 2018. However, the contract had a clause stating that the consortium would be developed through a consortium agreement at a later time. The consortium agreement was not signed until October 23, 2019 although the effective date of the agreement was October 1, 2019. Thus, there was a period of time for which there was not a valid One-Stop Operator for the area. In addition, the consortium agreement was signed by representatives who did not necessarily have signatory authority for their respective agencies.

The following additional concerns were noted:

- (1) ADWS was also a member of the One-Stop Operator Consortium; however, the Arkansas Rehabilitation Services (ARS) representative on the WCAWDB voted on the approval of the One-Stop Operator contract on June 13, 2019 with the knowledge that ARS would become part of ADWS on July 1, 2019. This could create a real or apparent conflict of interest.
- (2) The One-Stop Operator contract did not contain all of the required terms and conditions.
- (3) The sole response to the solicitation only referenced ADWS and did not address the qualifications or value of the other consortium member, National Park Community College.
- (4) Even though the elements of a Request for Proposal (RFP) were present, the solicitation used was labeled as a Request for Quotes (RFQ) instead of an RFP.
- (5) A bidder's list of pre-qualified applicants was not developed as required.

Requirement:

2 CFR 200.319 states:

(a) All procurement transactions must be conducted in a manner providing full and open competition consistent with the standards of this section. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.

(3) Noncompetitive pricing practices between firms or between affiliated companies.

(b) The non-Federal entity must conduct procurements in a manner that prohibits the use of statutorily or administratively imposed state, local, or tribal geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts state licensing laws.

(d) The non-Federal entity must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the non-Federal entity must not preclude potential bidders from qualifying during the solicitation period.

2 CFR 200.318 states:

(c) (1) The non-Federal entity must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer, or agent may participate in the selection, award, or administration of a contract supported by a Federal award if he or she has a real or apparent conflict of interest.

Excerpts from TEGL 15-16 state:

8. As subrecipients of Federal funds, one-stop operators must follow the Uniform Guidance at 2 CFR part 200, including the contractual provisions in 2 CFR 200.326 and 2 CFR part 2900. Once the Local WDB has competitively selected a one-stop operator, the Local WDB and the operator must execute a legally binding agreement which may take the form of a written contract or other type of agreement, such as an MOU.

10. All contracts, agreements, or MOUs between the one-stop operator and Local WDB, State WDB, or State must include the essential elements of a legally executed and binding written agreement, and contain at a minimum the following:

Additional contractual terms and conditions. Contracts, agreements, and MOUs must include such standard terms and conditions that are either required by the State, Local Area, or the Federal agency as national, State, or local policy requirements. The contract, agreement, or MOU must identify that one-stop operators are subrecipients of Federal funds, as set forth in section 8 of this TEGL.

Corrective Action(s) Required:

WCAWDB must provide documentation to support that a new Request for Proposal (RFP) has been conducted that does not include the restrictions referenced above as well as documentation to support the mitigation of all real or apparent conflicts of interest. In addition, WCAWDB must provide documentation to support that the required contract elements have been included in the resulting One-Stop Operator agreement.

Financial Finding #2:

There was no agreement between the WCAWDB, the Chief Elected Officials (CEOs) of the local area, and WCAPDD outlining how WCAPDD would carry out the associated responsibilities of functioning in multiple roles as the fiscal agent, local WDB staff, and Title I service provider.

Requirement:

20 CFR §679.430 states:

Local organizations often function simultaneously in a variety of roles, including local fiscal agent, Local WDB staff, one-stop operator, and direct provider of services. Any organization that has been selected or otherwise designated to perform more than one of these functions must develop a written agreement with the Local WDB and CEO to clarify how the organization will carry out its responsibilities while demonstrating compliance with WIOA and corresponding regulations, relevant Office of Management and Budget circulars, and the State's conflict of interest policy.

Corrective Action(s) Required:

WCAPDD must provide documentation to support that the required agreement between WCAPDD, WCAWDB, and the CEOs of the local area has been established.

Financial Finding #3:

The written agreement among the chief elected officials did not specify the liability of the individual jurisdictions.

Requirement:

20 FR §683.710 states:

- (b) (2) When a local workforce area or region is composed of more than one unit of general local government, the liability of the individual jurisdictions must be specified in a written agreement between the chief elected officials.

Corrective Action(s) Required:

WCAPDD must provide documentation to support that the written agreement between the chief elected officials has been updated to include the required provision as detailed above and approved by the appropriate parties.

Financial Finding #4:

Costs charged to the one-stop partners at the Russellville and Hot Springs one-stop centers under the Infrastructure Funding Agreement (IFA) were not proportionate to the use of the one-stop center and relative to the benefit received by the one-stop partners and their respective programs or activities.

Requirement:

20 CFR §678.715 states:

- (a) In the local funding mechanism, the Local WDB, chief elected officials, and one-stop partners agree to amounts and methods of calculating amounts each partner will contribute for one-stop infrastructure funding, include the infrastructure funding terms in the MOU, and sign the MOU. The local funding mechanism must meet all of the following requirements:
 - (4) Partner shares must be periodically reviewed and reconciled against actual costs incurred, and adjusted to ensure that actual costs charged to any one-stop partners are proportionate to the use of the one-stop center and relative to the

benefit received by the one-stop partners and their respective programs or activities.

Corrective Action(s) Required:

WCAPDD must provide documentation that the one-stop operating IFA has been periodically reconciled against actual costs incurred and adjusted accordingly. This reconciliation ensures that the IFA reflects a cost allocation methodology that demonstrates how infrastructure costs are charged to each partner in proportion to each partner's use of the one-stop center and relative benefit received.

Financial Finding #5:

A review of expenditures revealed that WCACDCS leased a water cooler at the cost of \$20.76 per month. Documentation was not provided to support the necessity of the water cooler or how it benefitted the grant. This results in a questioned cost in the amount of \$20.76.

Requirement:

2 CFR §200.403 states:

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles
- (g) Be adequately documented.

Corrective Action(s) Required:

WCAPDD must identify any additional expenditures for water and provide documentation to support the allowability of the expenditures or that financial adjustments have been made to the accounting records and the questioned cost has been refunded to the grant.

Financial Finding #6:

A review of an invoice for auditing services provided by Jordan, Woosley, Crone, and Keaton, LLD for WCACDCS revealed that costs were allocated 75% to the WIOA Youth funding stream and the remaining 25% was split equally between the WIOA Dislocated Worker and Adult funding streams. There were several other payments identified that had identical percentages for the Adult and Dislocated Worker funding streams. This results in questioned costs in the amount of \$10,255.00.

Requirement:

2 CFR §200.405 states:

- (a) A cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:
 - (1) Is incurred specifically for the Federal award;
 - (2) Benefits both the Federal award and other work of the non-Federal entity and can be distributed in proportions that may be approximated using reasonable methods; and
 - (3) Is necessary to the overall operation of the non-Federal entity and is assignable in part to the Federal award in accordance with the principles in this subpart.

2 CFR §200 Appendix IV B. 4. states:

- (a) Some nonprofit organizations treat all costs as direct costs except general administration and general expenses. These organizations generally separate their costs into three basic categories: (i) General administration and general expenses, (ii) fundraising, and (iii) other direct functions (including projects performed under Federal awards). Joint costs, such as depreciation, rental costs, operation and maintenance of facilities, telephone expenses, and the like are prorated individually as direct costs to each category and to each Federal award or other activity using a base most appropriate to the particular cost being prorated.
- (b) This method is acceptable, provided each joint cost is prorated using a base which accurately measures the benefits provided to each Federal award or other activity. The bases must be established in accordance with reasonable criteria, and be supported by current data.

Corrective Action(s) Required:

WCAPDD must provide documentation to support the allocation of the expenditure detailed above or that financial adjustments have been made to the accounting records and the questioned cost has been refunded to the grant. WCAPDD must also identify all other instances in which expenditures were allocated in this manner and provide documentation to support that the appropriate corrections have been made.

Financial Finding #7:

Two meals were paid on the WCAPDD Capital One Visa for local travel on January 22, 2019 and January 23, 2019; however, the entity's travel policy requires at least ten hours of travel in order to qualify for per diem. This results in questioned costs in the amount of \$47.41 as reflected in the table below.

Vendor	Employee ID #	Transaction Description	Fund	Amount
Capital One Visa	1	Meetings/Workshops	100	\$ 26.00
Capital One Visa	1	Meetings/Workshops	100	21.41
Total Questioned Costs				\$ 47.41

Requirement:

2 CFR §200.403 states:

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (a) Be necessary and reasonable for the performance of the Federal award and be allocable thereto under these principles.
- (c) Be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the non-Federal entity.

Excerpts from WCAPDD, INC. Personnel Policies and Procedures state:

No per diem shall be allowed when the entire period of travel is ten (10) hours or less during the same calendar day, except when the travel period required lodging for the immediately preceding night. In that case, the per diem rate shall be the authorized rate allowed for each (6) hour period or fraction thereof.

Corrective Action(s) Required:

WCAPDD must provide documentation to support the allowability of the expenditures reflected above or that adjustments have been made to financial records and the questioned costs have been refunded to the grant.

Financial Finding #8:

There were two expenditure samples involving payments for meals, refreshments, etc. for WCAPDD board meetings held at the Hot Springs Country Club on December 6, 2018 and at Lake DeGray Resort on May 30, 2019. Adequate documentation was not provided to support the expenditures, such as an agenda with approximate start/stop times, sign-in sheets to verify attendance, and justification to support having a meal associated with the meetings. In both instances, it appeared to be a brief meeting followed by a meal based on the meeting minutes. This results in questioned costs of \$3,173.00 as reflected in the table below:

Vendor	Transaction Description	Fund	Amount
HS Country Club	Meetings/Workshops	100	\$ 2,151.40
Degray Lake Resort Lodge	Meetings/Workshops	100	1,021.60
Total Questioned Costs			\$ 3,173.00

Requirement:

2 CFR §200.403 states:

Except where otherwise authorized by statute, costs must meet the following general criteria in order to be allowable under Federal awards:

- (g) Be adequately documented.

Corrective Action(s) Required:

WCAPDD must provide documentation to support the allowability of the expenditures or that adjustments have been made to financial records and the questioned costs have been refunded to the grant.

Management Concern #1:

Under WIOA, the Chief Elected Officials (CEOs) of the Local Workforce Development Area (LWDA) are responsible for the appointment of the Local Workforce Development Board (LWDB). In turn, the LWDB is responsible for selecting the Title I service provider. In the West Central Arkansas LWDA, there is one CEO that is also on the LWDB. In addition, the CEOs are also on the Board of Directors for WCAPDD, which was the entity selected by the LWDB as the Title I service provider. As such, it appears there would be a potential conflict of interest for the CEOs to be involved with any LWDB voting decisions concerning WCAPDD.

Corrective Action(s) Required:

WCAWDB must provide documentation to support how these potential conflicts of interest were mitigated.

Management Concern #2:

A review of the subaward budgets revealed that Full-Time Equivalent (FTE) positions were not reasonably allocated in the budgets. For example, one position was reflected in eight overlapping subaward budgets as 1.00 FTE in each subaward, which is the equivalent of 8.00 FTEs in the combined budgets.

Corrective Action(s) Required:

WCAPDD must provide documentation to support that the methodology used to prepare the subaward budgets has been updated to account for a closer approximation of actual FTEs per subaward.

Management Concern #3:

The references to the "Commerce Travel Regulations" should be replaced with "U.S. General Services Administration (GSA) Travel Regulations" and the Internal Revenue Service (IRS) mileage rate. A more restrictive mileage rate can be adopted if approved by the WCAPDD board. Also, a procedure should be established and implemented for approving lodging costs that exceed the GSA maximum rates. Differences in the travel sections between the Cost Policy Statement, Financial Policy Manual and the Labor Handbook should be reconciled for consistency.

Corrective Action(s) Required:

WCAPDD must provide documentation to support that the financial policies and procedures detailed above have been updated to include the aforementioned items and approved by the appropriate parties.

Management Concern #4:

The Infrastructure Funding Agreement (IFA) did not include the required applicable career services costs in accordance with 20 CFR 678.760 (a).

Corrective Action(s) Required:

WCAPDD must provide documentation to support that the required costs for the applicable career services has been included in the next revision of the IFA.

Management Concern #5:

The business purpose of travel was not clear on all travel documents. Documentation should be sufficient to show that the travel is necessary, reasonable, and allocable to the Federal award being charged.

Corrective Action(s) Required:

WCAPDD should ensure that all travel charged directly or indirectly clearly documents the business purpose and allowability of the travel expenditures.

Management Concern #6:

An employee of WCACDCS was identified as doing contract work for WCACDCS in addition to the employee's regular duties with the organization; however, there was no disclosure statement on file.

Corrective Action(s) Required:

Disclosure statements should be completed for any employees in this situation to identify any potential conflicts of interest.

Note:

Monitoring reports and related correspondence are to be presented to auditors prior to their Initiating A-133 reviews. Problems identified in a monitoring report may be identified as administrative findings or questioned costs in subsequent reviews. Findings and corrective actions may also be used to assist in resolving findings and could be used as part of the justification for requesting a waiver of repayment of disallowed costs, if appropriate.

Closing a monitoring report, or portions thereof, does not absolve subsequent findings that may arise from the same issue(s) identified in the monitoring report. Appeals of the State's monitoring reviews and investigations will be processed by the Arkansas Appeals Tribunal.