

Dr. Mardy Leathers, DMgt, Director

Office of Workforce Development

May 20, 2020

The Honorable Glenn Eagan  
Presiding Commissioner  
Shelby County Courthouse  
Post Office Box 186  
Shelbyville, Missouri 63469

Corey Mehaffy  
GSG Growth Services Group, LLC  
124 El Rancho Drive  
Hannibal, Missouri 63401

Dear Commissioner Eagan and Mr. Mehaffy:

The Office of Workforce Development (OWD) Compliance Team conducted a Monitoring Review of the Northeast Local Workforce Development Area for review period July 1, 2019-Present.

The Compliance Team examined the Northeast Local Workforce Development Board's program operations to ensure established policies achieve program quality and outcomes meet the objectives of the Workforce Innovation and Opportunity Act and comply with federal and state regulations and OWD policy and procedure. This Report serves as the official notification of the conclusions from the review. For the areas reviewed, one (1) Compliance Finding and six (6) Areas of Concern were identified. A corrective action plan for one (1) Finding is due within 30 days of the date of this report. Should you have questions, please contact Rebecca Fletcher at (573) 751-2374 or my office at (573) 751-3349.

Sincerely,



Mardy Leathers, DMgt  
Director

c: Diane Simbro  
OWD Senior Staff

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COMPLIANCE MONITORING REPORT  
PROGRAM YEAR 2019  
Northeast Workforce Development Board

111 E. Monroe St.  
Paris, Missouri, 65301

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**Review Period: July 1, 2019-June 30, 2020**

**Grant/Programs Reviewed:**

PY19 WIOA Formula Programs: Adult, Dislocated Worker, Youth  
PY19 Wagner-Peyser Program  
PY19 Unemployment Insurance Programs: RJS/RESEA  
PY19 Trade

Compliance Monitor: Donna Brake

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**I. EXECUTIVE SUMMARY**

The Office of Workforce Development (OWD) Regulatory Compliance Team conducted a Monitoring Review of the Northeast Workforce Development Board (NEWDB) in fulfillment of monitoring requirements of the regulatory mandate established by 20 CFR (Code of Federal Regulations) Part 683.410 requiring the state's monitoring system to provide annual monitoring reviews of the Local Workforce Development Areas. The purpose of the review was to evaluate the management and administration of the workforce programs under Board auspices, implemented by the Board subrecipient, for the quality of services and the performance of the programs in order to determine if the Board is operating in compliance with current agreements and in a manner that will ensure achievement of program goals and outcomes.

This report contains all issues identified by the Compliance Team during the monitoring, but does not assure that other problems do not exist. The Review is not an audit and due to its limited scope, may not disclose all program deficiencies. The opinions expressed in this report are based on the areas reviewed by the Regulatory Compliance Team. The United States Department of Labor, the Comptroller General of the United States, the Missouri State Auditor's Office, or any other appropriate Federal or State body, or any of these agencies' designated representatives, may conduct reviews and have different conclusions or opinions.

The Regulatory Compliance Team's initial phase of examining program participant records was conducted via desktop monitoring using various State of Missouri databases, followed by the on-site review. During the on-site review, a conference was conducted with NEWDB management and staff personnel, which focused on desktop results, gaining clarification of local processes and policies, alerting local staff to problems, resolving as many issues as possible, and discussing the scope of the review.

The review resulted in one (1) Findings and six (6) Areas of Concern.

## **II. REPORT STRUCTURE**

**Compliance Findings** – Compliance findings (Findings) are Workforce Development notations that disclose material non-compliance with WIOA, federal regulations, Workforce Development Issuances or guidance, material weaknesses in internal controls. Findings require written corrective action plans by either accepting OWD’s recommendation or proposing and receiving approval for an alternate course of action. Regulatory Compliance monitors will provide citations from WIOA, federal regulations, or OWD Issuances and procedures to identify specific area of non-compliance and will explain the corrective measures necessary for resolution.

**Areas of Concern** – Areas of Concern are Workforce Development notations that may or may not be compliance-based, but may impede effectiveness and efficiency of providing services to individual and business customers. Concerns are suggestions to management and do not generally require a response unless specifically indicated. Resolved Findings and accompanying corrective actions may be included in this category. Areas of Concern, although resolved, may rise to a level of severity that is subject to follow-up during subsequent review. Regulatory Compliance monitors may offer suggestions or guidance to assist the WDB in making improvements, or may make a referral for further technical assistance.

**Promising Practices:** Promising Practices are new, unique, significant, or innovative initiatives and results, and/or notable or exemplary practices.

## **III. ANAYLSIS**

Information within this section summarizes OWD’s overall evaluation of the LWDB relative to the Review Areas described herein.

The Compliance Team examined system-generated and randomly selected sample files throughout the Program Year. Desktop reviews and onsite reviews were utilized to evaluate overall compliance with applicable SOW, as well as regulations and policies.

### **FINDINGS**

#### **Finding #1: Performance**

(OWD Issuance 28-2017: Credential Attainment Policy)

(OWD Issuance 19-2017: Measurable Skills Gains Policy)

(TEGL 10-16, Change 1: Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III, and Title IV Core Programs)

WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of local areas in achieving positive outcomes for individuals served by the WIOA programs: Adult, Dislocated Worker, and Youth. OWD calculates the indicators of performance using information entered into the statewide electronic case management system. During the PY19 monitoring review, there were two Areas of Concern regarding performance, both a direct result of incorrectly recording credentials and measurable skill gains.

Through its re-entry program, the NEWDB provided a weeklong soft skills training to assist 15 individuals that have barriers to employment. As a result, these services were recorded as a 300-Classroom Occupational Training code and a credential and measurable skill gain was recorded for each participant who completed. However, TEGL 10-16, Change 1, reiterated in OWD Issuance 28-2017, states “work readiness certificates are not included in this definition because neither type of certificate is recognized industry-wide, nor documents the measurable technical or industry/occupational skills necessary to gain employment or advancement within an occupation.”

Additionally, monitoring identified that measurable skill gains were recorded for WIOA Youth participants who were successfully participating in work experience opportunities. Following guidance in TEGL 10-16, Change 1, “the Measurable Skill Gains indicator is the percentage of participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment...” Work experience activity does not meet the definition of an education or training program and therefore staff must not record such gains, as it would be incorrectly reporting performance.

The NEWDB Dislocated Worker Quarter 4 measure only has one record. If this record is not a positive outcome, it will cause the NEWDB to be short of the negotiated performance measure for employment. Having such low numbers of participation can cause negotiated measures to fail. The NEWDB will begin to co-enroll all RESEA participants into WIOA Dislocated Worker.

### **Corrective Action:**

The NEWDB has worked with OWD and its WIOA service providers to remove incorrect service code postings, credentials, and measurable skill gains. During the exit call, the NEWDB stated that they will provide Job Center staff with a full copy of the Participant Individual Record Layout (PIRL) and will begin weekly training sessions that will include performance measures to help improve performance awareness and knowledge. However, due to the number of occurrences and the severity of the issue, OWD is requiring a corrective action plan from the NEWDB outlining all of the measures it will take to address performance training and provide supporting documentation of the delivery of this training within **30 days** of this report.

## **AREAS OF CONCERN**

### **Concern # 1: Training Justification Documentation Not To Policy**

(OWD Issuance 08-2018 WIOA Adult and Dislocated Worker Programs Eligibility and Documentation Technical Assistance Guidance)

WIOA participants receiving training level services must be determined eligible for such services before placement. OWD Issuance 08-2019, (Attachment 1) indicates that eligibility requirements for training services must be met and documented prior to the commencement of training. Multiple files in the Classroom Occupational Training (COT) program and the On-the-Job Training (OJT) programs did not accurately document two components of this eligibility. (20 CFR 680.210(a)(3)(b) and (a)(3)(c))

### **Corrective Action:**

The NEWDB worked with its WIOA service providers in each local job center to address and provide additional information to document all eligibility to resolve the issues found. Additionally, the NEWDB provided information to support that a majority of the participants were involved in its re-entry services, making it difficult to know what labor market information would be appropriate. OWD provided various options on how to document this information accordingly.

### **Concern # 2: Youth Individual Service Strategies and Objective Assessments**

(OWD Issuance 13-2019: Statewide Workforce Innovation and Opportunity Act (WIOA) Youth Program Framework and Design Policy)

(OWD Issuance 18-2017: Statewide Individual Employment Plan Development Policy)

OWD Issuance 13-2019 (previously 03-2015) states that each Youth must receive an Objective Assessment (OA), which is a point in time assessment of the Youth's strengths, goals, and barriers. The OA should identify the strengths, talents, and abilities of a Youth, while uncovering any barriers to their active participation in the Youth program and the workforce. The OA should inform the case manager of the category of services the Youth will need, and it is utilized to develop the Individual Service Strategy (ISS). Additionally, all goals, needs, and barriers identified in the OA must be addressed on the ISS.

OAs reviewed during the program year did not adequately assess for developmental needs. Additionally, the ISSs reviewed were not to policy, as outlined in OWD Issuance 18-2017 and 13-2019 (previously 03-2015) as they did not address all barriers identified during the OA process, did not contain long-term employment goals, and objectives listed did not provide steps needed to take in order for the Youth to achieve the listed goals.

### **Corrective Action:**

The NEWDB worked with its WIOA service providers in each local job center to correct these deficiencies where possible. Over the course of the quarterly monitoring performed by OWD, this monitor has seen some improvement; however, not enough samples from later enrollments were obtained to verify this with accuracy. The NEWDB will begin weekly staff training and a component will include Employment Plan training. Training will also cover the fourteen youth elements under WIOA to help staff understand all services that can and should be offered to participants because of the needs and barriers identified on the OA. OWD applauds the NEWDB for taking this approach to improve its service delivery to the Youth. In conjunction with this internal training, OWD is recommending a focused monitoring of new Youth enrollments moving forward in next program year (PY) PY20. This does not require a corrective action response, but if OAs and ISSs do not improve satisfactorily over the next year, the NEWDB may be placed on corrective action monitoring.

### **Concern # 3: Data Entry and Case Management Issues**

(OWD Issuance 04-2018: Participant Activity Codes, Durations, and Definitions)

Federal Data Element Validation guidelines established under Training and Employment Guidance Letter (TEGL) 22-15, mandate that Activity Codes must be posted on the date the service occurs or the date training commences. Additionally, OWD Issuance 04-2018 states that staff should only post Activity Codes when the participant is actually participating in the activity or service. Additionally, there have been multiple issues with service codes that includes incorrect start dates and incorrect activity codes.

**Corrective Action:**

The NEWDB worked with its WIOA service providers to fix all service entry errors that could be addressed to prevent inaccurately reporting credentials and measurable skills.

**Concern # 4: Sub-State Monitoring**

(OWD Issuance 12-2019: Statewide Sub-State Monitoring Policy)

Sub-state monitoring was determined to have appropriate sample sizes but it did not monitor for samples outside of COT, OJT, and Youth programs and failed to review programs such as work experience, apprenticeship, and supportive services. OWD Issuance 12-2019 states “every Program Year, the LWDB must monitor a separate statistically valid sample of Adult and Dislocated Worker participants enrolled in each of the following services: Classroom Training; On-the-Job Training; Work experience/Internship/Apprenticeship; Supportive Services/Needs-related payments; and any other services that result in a direct payment to, or on behalf of, a participant.”

**Corrective Action:**

The sub-state monitoring sample was large enough that it captured participants who were served in work experience and apprenticeship through its review of the COT sample; therefore, it appears that these services were not missed in this oversight. The OWD has reviewed this information with the NEWDB local monitor. Moving forward, a separate sample and review will be conducted and provided in the local reporting formats.

**Concern # 5: Data Element Validation**

(OWD Issuance 12-2019: Statewide Sub-State Monitoring Policy)

(TEGL 07-18: Guidance for Validating Jointly Required Performance Data Submitted under the Workforce Innovation and Opportunity Act)

Of the 21 participant files reviewed for data element validation (DEV), there were four data element fails. Data elements affected involved credential attainment dates (data element 1801), and documentation to support enrollments in postsecondary education or training after exit (data elements 1406, 1900, and 1901).

**Corrective Action:**

This information was reviewed in the beginning of the year to bring awareness to the most common DEV failures. Per OWD Issuance 12-2019, “the LWDB must conduct quarterly ...

DEV reviews to ensure the integrity of performance outcomes.” DEV is now incorporated into sub-state monitoring, which will be in effect for PY20. Additionally, the local monitor will be required to attend an annual DEV training.

#### **IV. ADDITIONAL ANALYSIS**

##### **Equal Opportunity and Nondiscrimination**

The Compliance monitor conducted desktop and an onsite file review to ensure compliance with EO and Nondiscrimination regulations. There were no findings or areas of concerns to note.

##### **Additional Workforce Programs**

###### **Concern # 6: Non-WIOA Program Management Issues**

(OWD Issuance 10-2019: Wagner-Peyser/Labor Exchange Policy)

(OWD Issuance 18-2017: Statewide Individual Employment Plan Development Policy)

(OWD Issuance 02-2017: Statewide Case Note Policy)

Programs reviewed included Wagner-Peyser, Required Job Services (RJS), Reemployment Services and Eligibility Assessment (RESEA), Trade, and Employer/Business Services. Staff that oversee these programs include OWD staff and sub-recipient staff. Throughout the year, there were common case management and data-entry issues evident. Services were posted without a case note describing the activity; EPs were not developed following requirements listed at OWD Issuance 18-2017, resumes were not posted at time of enrollment per OWD Issuance 10-2019; and there were multiple inappropriate referrals to employer job orders. Additionally, special project indicators were not being recorded for the RJS and RESEA programs as required.

##### **Corrective Action:**

The NEWDB worked with staff, both OWD and sub-recipient, to address all issues discovered during the monitoring process. The concern with the special project flag did not improve over the quarters of review, therefore OWD is recommending training over the RESEA program at the local level.

#### **V. REPORT CARD**

In addition to the annual monitoring report, the region is receiving quarterly report cards. The most recent report card was distributed to the NEWDB on February 20, 2020 outlining the NEWDB’s top three issues and any promising practices. After reviewing obligations and predictive outcomes, it appears the NEWDB will meet expenditures and performance identified as issues. The NEWDB should continue to monitor these areas to ensure compliance and positive performance.

## **VI. Promising Practices**

Northeast has an easy to navigate website. It allows for quick access to local policies. In addition, the website is user friendly for all customers.