

**Department of Workforce Development
Employment and Training Division**

Bureau of Workforce Training

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ENCLOSURE 10



**State of Wisconsin
Department of Workforce Development**
Jim Doyle, Governor
Roberta Gassman, Secretary
Ron Danowski, Division Administrator

October 19, 2010

Dr. Robert T. Borremans, Executive Director
Southwest Wisconsin Workforce Development Board
P.O. Box 656
Platteville, WI 53818

Dear Dr. Borremans:

I would like to thank you and your staff for your cooperation and assistance shown to Division of Employment and Training (DET) staff during Program Year 2009 Workforce Investment Act (WIA) monitoring. Monitoring results from each Workforce Development Board (WDB) will be summarized and used to identify best practices to be shared with others in the workforce development system and to identify system wide issues requiring policy or program review and resolution.

DET's report of the results of this monitoring is enclosed. It consists of an Executive Summary and the Program Year 2009 Southwest Wisconsin Workforce Development Board Monitoring Report. The report reflects conditions that existed at the close of our review and may not reflect subsequent changes in your WDA. A total of five Findings and eleven Observations were identified as a result of the review. You are required to respond to the Findings within 30 calendar days of the date of this letter. You are not required to respond to the Observations unless specifically mentioned in the recommendation or your WDB intends to make a change or follow DET's recommendation. If you believe the monitoring report contains any factual inaccuracies, please include this in your response also. Your response to findings and observations should be sent directly to me.

If you have any questions or comments, please contact me.

Sincerely,

A handwritten signature in black ink that reads 'Karen Pfeil'. The signature is written in a cursive, flowing style.

Karen Pfeil, Local Program Liaison
Bureau of Workforce Training
(608) 266-9663
[e-mail: karen.pfeil@dwd.wisconsin.gov](mailto:karen.pfeil@dwd.wisconsin.gov)

Enclosure

cc: Scott Stocker, WDB Chair
Art Carter, Chief Local Elected Official

EXECUTIVE SUMMARY — Southwest Wisconsin Workforce Development Board

Annual onsite monitoring is an important activity in the overall management of Wisconsin's Workforce Investment Act (WIA). Through this review, the Division of Employment and Training (DET) determines the grantee's and providers' compliance with relevant federal and state laws and regulations; identifies administrative or program areas that need attention; assesses the quality of services provided to trainees and employers; and notes any technical assistance needs and model programs in the Workforce Development Area (WDA). The monitoring process consists of a desk review, an on-site review of documents, interviews with staff, an exit conference and issuance of this monitoring report.

On May 4-6, 2010 DET staff conducted a review of the WIA programs operating in the Southwest Wisconsin WDA. The exit conference was conducted on May 6, 2010. The Program Year 2009 monitoring included a review of the WDB's program implementation and service delivery practices in the WDA. Issues identified during the onsite review are described in the *Workforce Development Board PY 2009 Monitoring Report*. The following terms are used depending on the nature and seriousness of the issue and the response required of the WDB:

A Finding is an identification of a specific federal or state policy or procedure with which the agency has failed to comply, and is significant enough to require action. Findings are followed by Required Actions to be taken by the WDB. A date is provided by which action or a written response by the WDB is expected.

Observations are defined as areas needing improvement in administrative or management practices that do not represent instances of non-compliance, but if not addressed, could become compliance problems in the future. Observations are followed by Recommendations which are suggested action steps for the WDB's consideration that in DET's opinion would improve the program or practice. The WDB is not required to adopt DET's specific recommendation. However, if you intend to make a change or follow DET's recommendation, please provide a response to the Observation.

Comments may be used to highlight positive aspects of programs or to identify areas needing improvement in administrative or management practices unrelated to compliance, but if corrected could improve efficiency or effectiveness. The WDB is not required to provide any response to Comments.

The following areas were monitored during this visit:

1. Assurances and Certifications - *One Finding; No Observations*
2. Customized Training - *No Findings; No Observations*
3. Desk Review Survey - *No Findings; No Observations*
4. Discretionary Grants — *No Findings; No Observations*
5. Dislocated Worker Program — *No Findings; No Observations*
6. On-the-Job Training — *Three Findings; Five Observations*
7. PY'08 Data Element Validation Results — *No Findings; One Observation*
8. Selective Service — *One Finding; One Observation*
9. Veterans Services — *No Findings; No Observations*
10. Adult/Dislocated Worker File Review — *No Findings; One Observation*
11. Youth File Review - *No Findings; Three Observations*

Program Year 2009
Southwest Wisconsin Workforce Development Board Monitoring Report

Assurances and Certifications

Finding #1: The current WIA Local Plan contained an assurance that the WDB Administrative Entity would develop a Continuity of Operations Plan (COOP) which outlines the methods by which the Board will function and services will be provided during a critical incident or pandemic. The WDB has not yet developed this plan.

Required Action: Subsequent to the on-site monitoring, the Local Program Liaison provided WDB staff with sample plans and outlines, and other resource materials to assist in the development of a COOP. Within 30 days of receipt of this report, the WDB must submit their Continuity of Operations Plan to DWI. The WDB should also participate in COOP drills such as call trees, tabletop exercises and other plan reviews as scheduled.

Customized Training

Comment: The WDB has not provided customized training using either the required employer contribution rate of 50%, or the sliding scale contribution rate. In the event the WDB decides to offer customized training, local policies and procedures must be developed.

Discretionary Grants

Comment: The WDB does not have any Industry Partnership grants. The recently completed Manufacturing Skills Standard Certification grant was operated by the AFL-CIO and technical college. The WDB's service providers encountered difficulty in finding eligible participants for the Opportunity Grant. Staff felt that service providers did not have a good network in place for reaching working adults.

Dislocated Worker Program

Comment: Expedient and rapid response activities are being implemented in accordance with the provisions of the Act, Regulations, State policies and appropriate provisions of the WDB's WIA Plan. Various requirements are being met, such as:

- State staff is invited to all initial employer meetings and worker orientations if the dislocation affects 50 or more employees.
- Appropriate union representatives are notified if the dislocation involves union covered employees.
- Unemployment Insurance (UI) staff is invited to layoffs of 50 or more.. If they cannot attend, other team members will collect questions and UI will follow-up.
- A folder of layoff related information is provided to the employers during the initial meeting and to the workers during the worker orientation meeting.
- Special accommodations for attendees with special needs are provided.

On-the-Job Training

Several of the below observations were also noted during onsite monitoring conducted in December 2008.

Finding #2: An OJT participant (PIN 467715 — Schnell) purchased work boots prior to WIA registration and was then reimbursed \$84.39 for this purchase. Reimbursements to a participant for supportive services purchased prior to a determination of their eligibility and program registration may not be paid for with WIA funds.

Required Action: The WIA funds (\$84.39) spent on the work boots must be reimbursed to the program with non-federal funds. Within 30 days of this report, provide documentation to DET that these costs were charged to non-federal funding. In addition, the WDB should take actions as needed (e.g., training, technical assistance and additional monitoring) to ensure case managers are not expending WIA funds on participants prior to their eligibility and program enrollment.

Finding #3: The WDB's local policy states that case managers will meet with the participant on-site at the mid-point of the OJT to monitor and case manage the participant to ensure that the training is proceeding according to the training outline. The policy also states that the WDB will complete one on-site monitoring visit mid-point through the OJT and document the visit using the On-Site Observation Form. A summary will also be noted on the ASSET Case Management Notes. In addition, upon completion of the OJT Contract, the WDB will complete an On-Site Observation Form and place it in the participant file. DWD Administrator's Memo 10-07 also specifies monitoring requirements, including on-site visits and other monitoring to determine compliance with WIA requirements, including section 188, progress toward completion of the training plan and to resolve issues for the employer and/or participant. There was no evidence of evaluating the trainees' skill acquisition, or monitoring of the worksites. There also seemed to be confusion between the case manager and Business Services Representative regarding the role of each individual in case managing and monitoring the OJT position.

Required Action: Within 30 days of receipt of this report, the WDB must submit a corrective action plan outlining specific activities that will be undertaken to address this Finding (e.g. revision of local policies, provider training, monitoring, quality controls, etc.) and a timetable for these activities. DET staff is available to assist in developing this plan and also to provide technical assistance.

Finding #4: The case notes for PIN 196946 (Roehl) indicate that the OJT contract was scheduled to end 12/31/09. However, an email, additional case notes and the individual training account screen in ASSET indicate that the OJT would be completed by 2/28/10.. The OJT contract was not modified to reflect this change. The WDB's local policy states that extensions to the original OJT contract must be fully executed by all parties before the participant can continue on the OJT job site. There was no documentation in the file that the OJT contract had been extended.

Required Action: The WDB must determine if the employer was reimbursed for wages after the scheduled 12/31/09 OJT contract end date. The WIA funds reimbursed to the employer after 12/31/09, when it appears there was no OJT contract in place with the employer, must be reimbursed to the program with non-federal funds. Within 30 days of this report, provide documentation to DET that these costs were charged to non-federal funding. In addition, the WDB should take actions as needed (e.g., training, technical assistance and additional monitoring) to ensure case managers are accurately completing OJT contracts and contract modifications.

Observation #1: From the participant file review, it was unclear how OJT sites are developed, and especially how participants are selected for the OJT position. It appears that the case manager has little involvement in developing the OJT, recommending appropriate participants and following up with the participant and employer. The WDB's Employer Relations Representative and other WDB staff appear to be more involved in the development of the OJT position. The case manager does not seem aware of any issues at the worksite or status in completing the OJT. The WDB policy states that the case manager will be directly responsible for the following: a) case management notes; b) OJT contract; c) OJT training plan; and d) OJT On-Site Observation Form. This apparent misunderstanding between case managers and WDB staff regarding their roles and responsibilities then affects other aspects of the OJT program as noted by additional Findings (#3 and #4) and Observation 2.

Recommendation: The WDB should review their local policies and procedures to determine if clarification in the roles and responsibilities of individuals involved in the OJT process is needed. In addition, case management staff should be made aware of the issues identified.

Observation #2: Case notes (1112/09) for participant Schnell (PIN 467715) state that he was approved for an OJT position by WDB staff. WIA registration and assessment was then conducted on 1/13/09. Thus, it appears that the individual had already been hired by the employer. DWD Administrator's Memo 10-07 states that an individual referred by an employer may be considered for OJT if several conditions are met, two of which are: (1) the individual has not already been offered the job; and (2) the individual has met eligibility requirements for intensive services and has received an assessment, and for whom an individual employment plan has been developed. In addition, the WDB's local policy states that only participants who have completed the assessment process, have been enrolled in a WIA program and for whom OJT has been determined as an appropriate activity, as documented in the participant's individual employment plan, will be referred to an employer for participation in OJT.

Lastly, the participant started the OJT 1119/09. Case notes (2/19/09) indicate the case manager learned that the participant left the OJT as of 1/30/09. While the case notes indicate the OJT ended, the ASSET Manage Services screen indicates that the participant started the OJT on 1/19/09 and is still active in OJT. Lastly, there is a gap in case notes from 8/4/09 until 5/3/10.

Recommendation: The case manager should review the participant file to determine the current status of the OJT position. Actions, such as staff training and updating ASSET entries, should be taken by the WDB staff and case managers to prevent them from occurring in the future. We also suggest that the WDB review their internal assessment/enrollment procedures to ensure that quality assessment occurs. In addition, detailed case notes could substantiate this situation and/or indicate contact with the participant prior to enrollment and assessment.

Observation #3: The participant files which were reviewed did not contain documentation to support the number of training hours. WIA regulations (663.700(c)) state that length of an OJT contract is to be based on the skill requirements of the occupation, the academic and occupational skill levels of the participant, prior work experience and the participant's employability plan. The Board's local policy states that the length of the OJT is primarily based on the assessment, O'Net assessment, the employer's training plan, and the skills and ability of the participant. However, the local policy does not explain how the O'Net assessment is used.

Recommendation: The WDB must revise their local policy to describe how the O'Net assessment is used to assist in determining the number of training hours. The WDB should also provide guidance to service providers to assist in determining the appropriate length of training. See Administrator's Memo 10-07 and OJT Toolkit <http://oittoolkit.workforce3one.org> for guidance in developing training plans and determining the length of training.

Observation #4: The OJT contract boilerplate contains an "other training costs" line item which appears to be an addition to the contract (PINs 467715 — Schnell and 196946 — Roehl). It is unclear what these "other training costs" are, and the OJT policy does not explain this item. The purpose of OJT is to reimburse the employer up to half the wage rate to compensate the employer for the extraordinary costs of training the participant.

The contract boilerplate also contains several questions (1-5) which are more appropriate for a pre-contract checklist (i.e., answered prior to development of the training plan and contract).

Recommendation: The WDB should determine the purpose and appropriateness of the "other training costs" line item and questions 1-5 on the OJT contract. If the "other training costs" line item is to reflect supportive services, it should be removed from the contract since it's not part of the employer's reimbursement. The five questions (upward mobility, job security, fringe benefits, etc.) are more appropriate for the pre-contract checklist.

Observation #5: Three OJT participant files were reviewed. The following are areas in which deficiencies in participant case files were observed:

- PIN 1195770 (Dallman) — The contract is not clear. The details indicate \$13.75/hr. for 5 days of training, total wages during training is \$550 and 50% reimbursement rate equals \$275. However, the maximum amount indicated on the OJT contract is \$6,000. Per case notes, the OJT started 6/29/09 and ended 12/31/09. It also appears that the OJT was arranged by WDB staff and the case manager was only involved in eligibility determination and ASSET entry. There was a gap in case notes (9/1/09 — 1/25/10). The case manager was determining OJT status, etc. from WDB staff and case notes indicated that monthly contact was not done due to misunderstanding that WDB staff was doing on-site reports.

Recommendation: In all cases, the issues should be reviewed with staff responsible for case management and processes put into place to ensure all participant records are complete and accurate.

PY08 Data Element Validation

Observation #6: Results of the PY08 data element validation conducted by the Division of Employment and Training were shared with WDB staff. The following concerns were identified:

- Youth files — Thirty-six youth files were validated. The validation process reflected a large number (14) of failures in documenting the sixth eligibility criterion (Needs Additional Assistance); lack of documentation for receipt of high school diploma and date (10); weak skill attainment goals and no documentation of attainment or attainment date (13); and no documentation of placement and retention (4).
- Adult/Dislocated Worker/National Emergency Grant files — Seventy-two files were validated. Two files did not contain documentation of veteran status; eighteen files contained either discrepancies in the dislocation date (recording WIA registration date rather than dislocation date) or no documentation; and a large number (34) of failures in training start and end dates (entering date training was approved rather than actual start date and no documentation of training end date).

Recommendation: In all cases, the issues should be reviewed with staff responsible for case management and processes put into place to ensure all participant records are complete and accurate.

Selective Service

Finding #5: Subsequent to the onsite monitoring review, WDB staff was provided (8/6/10 email) with a list of male participants who were not registered for the selective service at the time of program enrollment. The WIA regulations (section 667.250) require a determination of selective service registration status prior to enrollment in any WIA-funded activities and services. Following is the status of selective service registrations:

PIN	Last Name	Birthdate	WIA Regis.	Comments
598208	Galvan	4/8/65	2/5/09	Not registered for SS and no documentation for non-registration. Questioned costs — Classroom training and transportation assistance from 2/5/09 to present. Must be exited from WIA immediately.
907205	Howell	8/3/74	6/4/09	Not registered for SS and no documentation for non-registration. Questioned costs — Classroom training from and transportation assistance from 6/4/09 to present. Must be exited from WIA immediately. Work authorization expired 10/1/09.
1179036	Lichtfuss	6/13/76	8/10/09	Not registered for SS and no documentation for non-registration. Questioned costs — classroom training and transportation assistance from 8/10/09 to present. Must be exited from WIA immediately.
1181402	Marquez	9/29/76	7/2/09	Not registered for SS and no documentation for non-registration. Questioned costs — classroom training and transportation assistance from 7/2/09 to present. Must be exited from WIA immediately.
899514	McDonald	11/11/66	8/9/10	Not registered for SS and no documentation for non-registration. No training or support services provided. Must be exited immediately.
1166949	Phillips	9/11/65	7/20/09	WIA registration 7/20/09 with pseudo SSN — thus, no documentation of selective service registration. Questioned costs — classroom training from 7/20/09 to present. Must be exited immediately.

Required Action: The WDB must determine the amount of training and supportive services funds spent on these individuals. The WIA funds spent on these individuals must be reimbursed to the program with non-federal funds. Within 30 days of this report, provide documentation to DET that these costs were charged to non-federal funding. In addition, the WDB should take actions as needed (e.g., training, technical assistance and additional monitoring) to ensure case managers are not enrolling male participants in the WIA programs without appropriate documentation of selective service registration.

Observation #8: Participant Salinas (PIN 313047) did not register for Selective Service during the required time period (prior to age 26). For those males who failed to register for the Selective Service, the WDB must make a determination, based on the evidence presented by the individual, regarding whether or not the applicant's failure to register when he was required to register was "not a knowing and willful failure to register." While the file did contain a copy of the letter from Selective Service confirming his non-registration, the participant did not provide evidence explaining why he failed to register with the Selective Service.

Recommendation: The WDB should ensure that case managers are aware of the requirement that males who failed to register for the Selective Service must provide evidence explaining their reason for not registering. See WIA Policy 08-06 for further guidance.

Veterans Services

Comment: The WDB has an adequate process in place to ensure veterans and eligible spouses are aware of the priority of service to veterans.

Comment: A General Information Form is completed by all individuals entering the Job Center. This form requests the individual's veteran status so that appropriate referrals can be made. Benefits available to veterans are also mentioned during orientation sessions. The local technical colleges also identify federal and state assistance, including the GI Bill, on their Financial Aid Award letter.

Adult/Dislocated Worker File Review

Observation #9: The following are areas in which deficiencies in participant case files were observed:

- PIN 850788 (Pearsall) - Unable to determine if two estimates were obtained for car repairs (per WDB policy).
- PIN 292830 (Lange) — no documentation of financial aid application.
- PIN 1211649 (Munson) — dislocation date is 6/30/09, not 8/19/09 which was the registration date.
- **PIN** 172413 (Burrow) — appears dislocation date is 8/10/09, not 2/11/10.
- PIN 358869 (Hall) — dislocation date is 8/14/09, not 9/28/09. File contained two estimates for car repairs — one estimate stated "wants estimates for repairs on everything wrong with vehicle." The WDB's local policy states that payment for vehicle repairs must be limited to essential repairs that result in a safe mode of transportation.
- PIN 196946 (Roehl) — discrepancy with dislocation date.
- 1191929 (Phillips) — No local application form in file. However, Manage Customers form is signed and dated. No Release of Information form (blank form in file); no documentation of financial aid application, and dislocation date is 1/10/09, not 6/22/09.
- PIN 682141 (Rose) — discrepancy with dislocation date; no local application form in file; no participant rights/complaint form; no documentation of financial aid application.
- PIN 313047 (Salinas) — Discrepancy in dislocation date.

Recommendation: In all cases, the issues should be reviewed with staff responsible for case management and processes put into place to ensure all participant records are complete and accurate.

Youth File Review

Observation #10: The following are areas in which deficiencies in participant case files were observed:

- PIN 1196774 (Calvert) — Since the youth is disabled, it's not necessary to count family income, It is also unclear how income was calculated (application = \$5,800/month and income verification = \$30,000/six months).
- PIN 942376 (Groom) — Since disabled, not necessary to count family income.
- PIN 1200889 (Watson) — Registered 7/16/09. However, TABE test was administered 2/12/08 which is more than one year prior to registration. Tests should be no more than 6 months old.
- PIN 1141513 (Edwards) — The registration indicates family size of 2. However, there was no documentation of other family member's income.
- PIN 1227463 (Crawford) — Unclear documentation of Needs Additional Assistance barrier.

Recommendation: In all cases, the issues should be reviewed with staff responsible for case management and processes put into place to ensure all participant records are complete and accurate.

Observation #11: The application form utilized by CESA #2 collects information on receipt of Free or Reduced Lunch. Per the WIA regulations (Sections 663.600 and 664.240), receipt of Free or Reduced lunch cannot be used to determine a youth'S low income status.

Recommendation: The WDB must ensure that youth service providers are not using receipt of Free or Reduced Lunch to determine a youth's low income status.

Observation #12: The CESA #2 Fresh Start project provided stipends (VISA gift card) to youth. There was good documentation in place for receipt of the stipend. However, it was not evident that the youth were provided with clear instructions/guidance on how to earn the stipend, including measurable activities to earn the stipend.

Recommendation: If service providers continue to provide stipends to youth participants, the WDB should ensure that appropriate procedures are in place to document attainment of and receipt of stipend payments.