



UNDERSTANDING AND SECURING WIOA FINANCIAL LIABILITY



WELCOME & OPENING REMARKS



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WELCOME & OPENING REMARKS



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TRAINING OBJECTIVE



- ▶ Support LEOs' understanding of their financial liability as required by the Workforce Innovation and Opportunity Act and how to safeguard that liability through agreements, monitoring, and compliance.

AGENDA



1. Recap of LEO Responsibilities
2. LEOs Financial Liability & Strategies to Mitigate Risk
3. Questions and Answers



RECAP OF LEO RESPONSIBILITIES

LEO ROLES AND RESPONSIBILITIES

Appointment/
Selection

Review and
Approve

High-Level
Oversight

Strategic
Planning



LOCAL ELECTED OFFICIALS' FINANCIAL LIABILITY

LEO FINANCIAL LIABILITY

- ▶ LEOs bear financial liability for funds with or without a designated grant sub-recipient or fiscal agent.
 - The law does not provide opportunity for a LEO to waive this responsibility.
- ▶ In most cases, liability for costs which are determined to be disallowed and require repayment, rest with the entity responsible for incurring the cost.
 - This should be clearly stated in contracts and other legal documents of the LWDB.



FINANCIAL LIABILITY OPPORTUNITY

- ▶ Liability for the WIOA funding is not without the opportunity to oversee and approve how and by whom the funds are spent.

SHARED LIABILITY AGREEMENT

- ▶ If the LWDA is multi-jurisdictional, a written agreement is required which outlines how LEOs will apportion liability in the event costs are determined as disallowed and require repayment to USDOL or the state agency.
 - A repayment must occur with non-federal dollars.
 - It is critical to have consensus on this issue.



COMMON METHODS FOR SHARING LIABILITY

Equal distribution based on number of counties

Population based formula

Expenditure rates per county

MONITORING

USDOL

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graph TD; USDOL[USDOL] --> DWD[Wisconsin DWD]; DWD --> LWDA[LWDA's]; LWDA --> SP[Service Providers, One-Stop Operator, Fiscal Agent];
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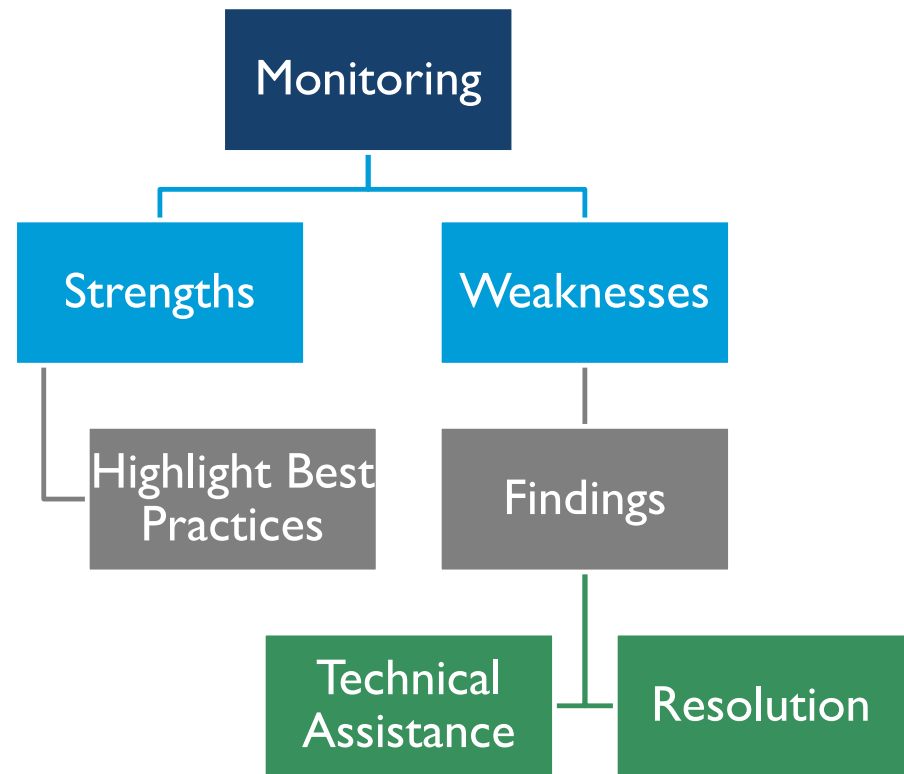
Wisconsin DWD

LWDA's

Service Providers, One-Stop Operator,
Fiscal Agent

MONITORING PROCESS

- ▶ Monitoring identifies areas of strength and weakness in operations.
- ▶ DWD uses on-site monitoring, at least one annual visit and desk reviews.
- ▶ Monitoring may also occur at the discretion of DWD or the LWDA.
- ▶ To effectively monitor the LWDA, DWD reviews practices and work of the Fiscal Agent, Service Provider(s), and LWDB staff.



DISALLOWED COST

Those charges to a Federal award that the Federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable Federal statutes, regulations, or the terms and conditions of the Federal award.

2 CFR 200.1

DETERMINATION OF DISALLOWED COSTS

- ▶ Monitoring by US Dept. of Labor, Wisconsin Dept. of Workforce Development, or the Local Workforce Development Area
- ▶ Audits
- ▶ Typically includes a process to resolve issue before determination of repayment
 - Questioned costs
 - Disallowed costs

EXAMPLE SCENARIO

- ▶ A customer is sent to training, and it was later determined through monitoring that the individual was not eligible for WIOA services. The total cost spent (\$1500) was determined to be disallowed and a repayment to DWD is necessary.

Entity responsible
for cost

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graph TD; A[Entity responsible for cost] --> B[Non-federal funds or errors/omissions insurance]; B --> C[If unable to pay, goes to LEOs.];
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Non-federal funds
or errors/
omissions insurance

If unable to pay,
goes to LEOs.

TASKS WITH IMPACT ON FINANCIAL LIABILITY



Designation of a grant sub recipient or fiscal agent



Appoint Local Workforce Development Board Members



Review and Approve for Key WIOA provisions

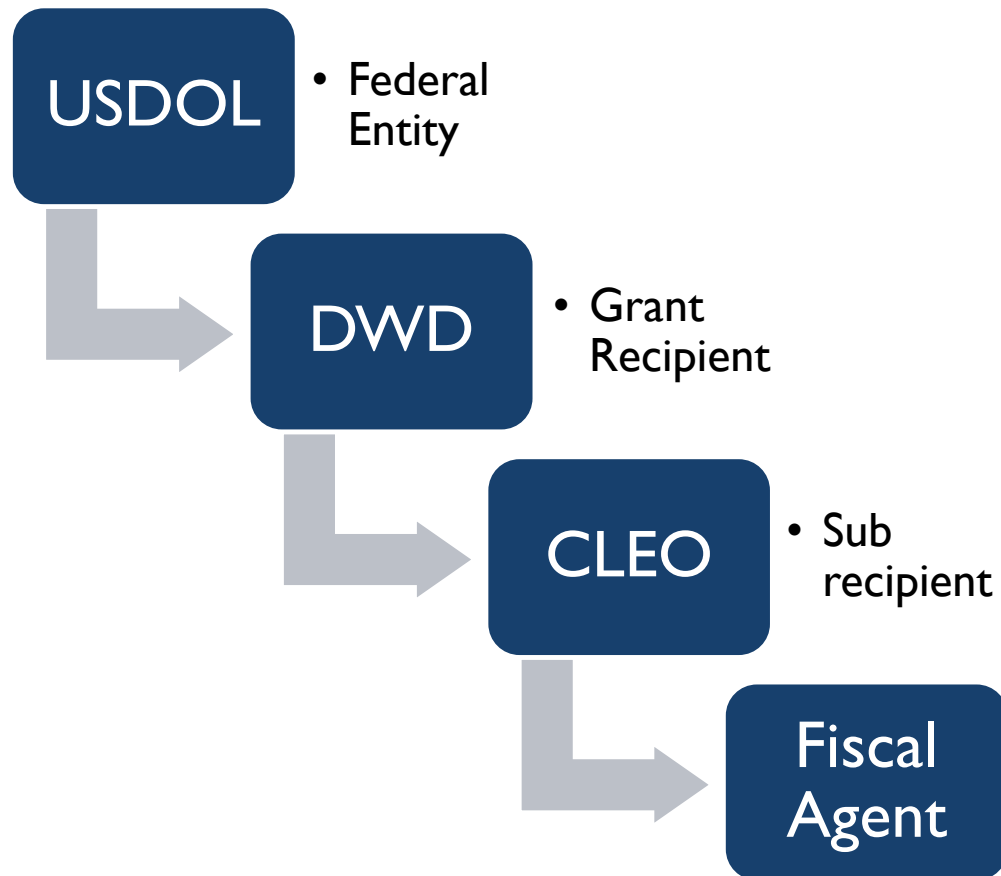


Conduct High-Level Oversight

DESIGNATION OF GRANT SUB RECIPIENT OR FISCAL AGENT



CLEO AS GRANT SUB-RECIPIENT



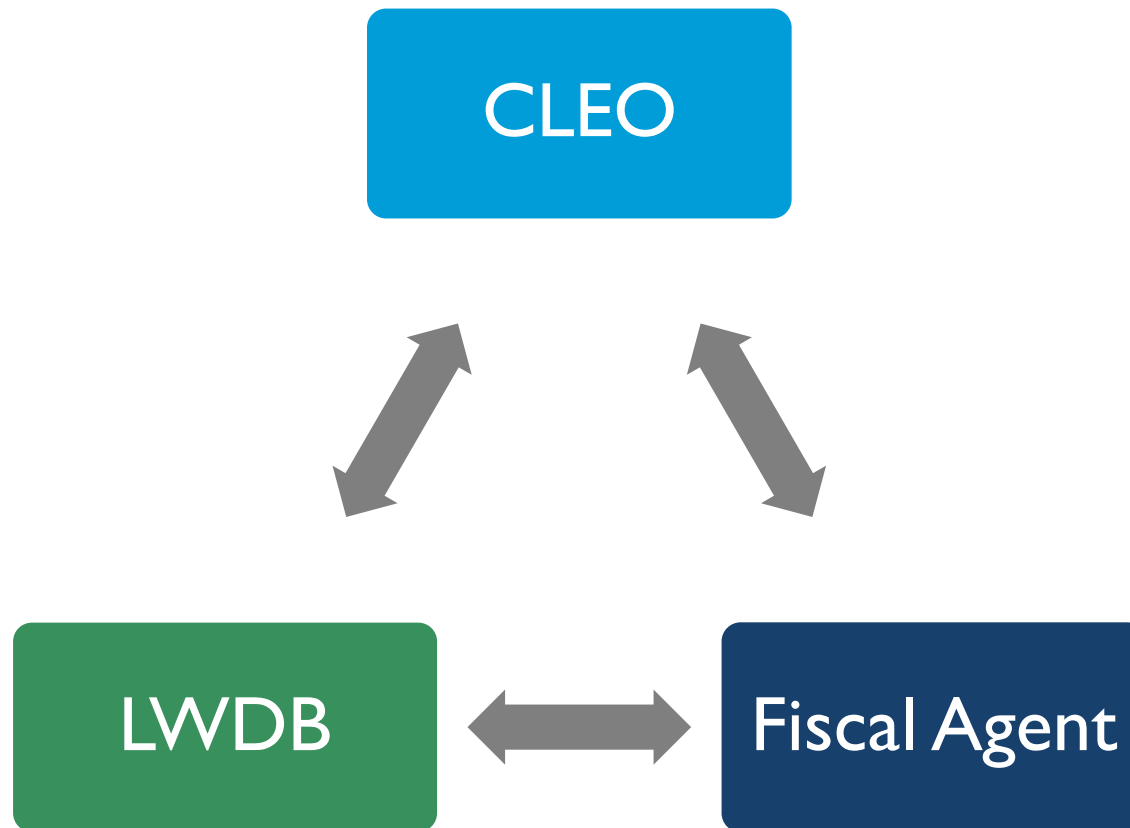
BY DESIGNATING A GRANT SUB RECIPIENT OR FISCAL AGENT...

The CLEO agrees the entity has reliable internal controls and ability to perform role.

The CLEO ensures the designated entity has clearly defined roles and responsibilities.

The designated grant sub-recipient / fiscal agent disburses funds at direction of LWDB.

FISCAL AGENT AGREEMENT



ADDITIONAL NOTE



- ▶ The designated grant sub recipient/ fiscal agent does not have decision making authority for WIOA funds other than what is given by the Local Workforce Development Board.
- ▶ Should an entity not be designated, the CLEO's unit of government shall fulfill the role.
- ▶ Designation of a fiscal agent/ sub-recipient does not relieve the chief elected officials of liability for the misuse of grant funds.

APPROVE KEY ACTIONS OF LWDB



- I. Approve LWDB budget
- II. Approve One-Stop Operator Selection
- III. Approve Memorandum of Understanding and Infrastructure Funding Agreement

I. LWDB BUDGET

- ▶ All funds awarded to the LWDB must be budgeted.
 - Adult, dislocated worker, youth
- ▶ LWDB will develop a budget based on needs of the workforce system customers (business and individual) in the local area.
 - Budget must be consistent with local plan
 - Document which outlines what services will be provided and how.
 - Budget must include Infrastructure Funding Agreements (IFAs) for the local system.
 - Document which outlines how partners will share costs within the local system.

II. ONE-STOP OPERATOR SELECTION

- ▶ Must be competitively procured every four years
- ▶ The role of the One-Stop Operator must be clearly articulated in the procurement process as well as in the legal agreement between the LWDB and the selected operator.
- ▶ LWDBs with the approval of the CLEO and Governor may be selected as the One-Stop Operator.
 - This does not waive the requirement for competitive procurement
 - LWDBs must prepare written documentation outlining the competitive process to be used.

ROLE OF THE ONE-STOP OPERATOR

- ▶ Primary responsibility of One-Stop Operator is to coordinate the service delivery of required one-stop partners and service providers
- ▶ Optional roles:
 - Primary service provider in the center
 - Provide some of the services in the center
 - Coordinate service providers across the system

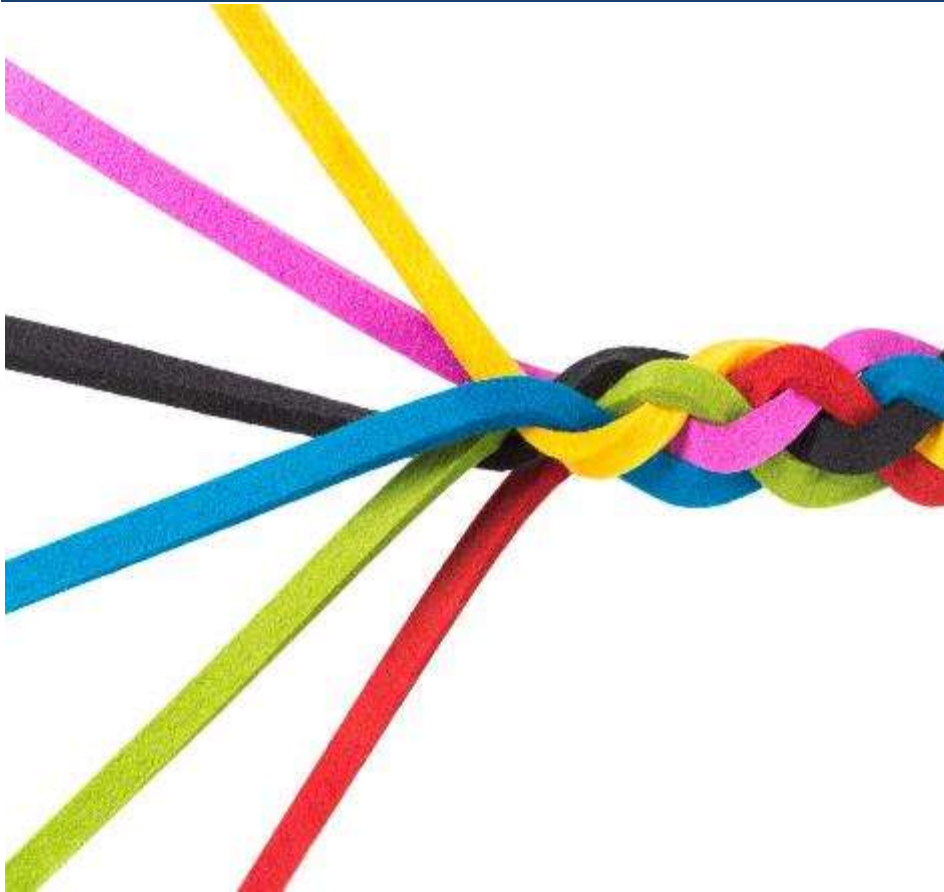
III. MEMORANDUM OF UNDERSTANDING

- ▶ The agreement which outlines the operation of the one-stop delivery system and identifies the role each partner will play.
 - Must be renewed, at a minimum, every three years
 - Must include Infrastructure Funding Agreement which outlines how each Partner will fund the services of the local workforce system.

INFRASTRUCTURE FUNDING AGREEMENT (IFA)

- ▶ Financial plan to fund the services and operating costs of the one-stop delivery system
 - Joint funding is an essential foundation for an integrated service delivery system and necessary to develop and maintain high standards of service.
- ▶ Requires the active participation and good faith effort of all partners
- ▶ Partners are required to pay their proportionate share of infrastructure costs based on their relative benefit

CONDUCT OVERSIGHT



- ▶ In partnership with the LWDB, the LEOs are tasked with providing oversight of the one-stop system in the local area ensuring the system is accomplishing the vision set forth by WIOA and its corresponding regulations.

HOW DO YOU PROVIDE OVERSIGHT?

- ▶ **Completely executing all LEO responsibilities:**
 - Selecting an appropriate fiscal agent
 - Appointing the best members to the LWDB
 - Reviewing and approving, but not being a rubber stamp
 - Ensuring an appropriate and sound budget
 - Ensuring compliance with the law, regulations, and policy
 - Hold appropriate entities accountable for performance

BEST PRACTICES

- ▶ Develop robust procurement processes for each workforce system contract awarded
- ▶ Ensure grant sub-recipient or fiscal agent has proper fiscal controls and auditing procedures
- ▶ Do not use service providers who produce subpar results
- ▶ Use data to make decisions which are in the best interest of the system
- ▶ Partnership Agreement between CEOs and LWDB.
- ▶ Be engaged. Ask questions. Read materials.



QUESTIONS?



TRAINING EVALUATION

- ▶ Please complete the online evaluation for today's training:

https://www.surveymonkey.com/r/WI_Governance_May_5

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THANK YOU!



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