

# **Southwestern Area Workforce Development Board**

## **Special Monitoring Committee Meeting Agenda**

Workforce Connection Center/Gardner Learning Center

601 Sunset

Truth or Consequences, NM

**August 15, 2019 at 9:00 a.m.**

*Kim Skinner—Chair  
Anton Salome—Vice Chair*

- I. Call to Order**
- II. Welcome and Introductions**
- III. Roll Call and Abstentions**
- IV. Public Comments** (Limited to 3 Minutes)
- V. Approval of Agenda**
- VI. Approval of Summary for June 17, 2019**
- VII. Reports and Discussion**
  - a) USDOL Monitoring Review Responses
  - b) PY18 State Monitoring Review Closeout
- VIII. Member Input**
- IX. The next meeting is scheduled for Monday, September 16, 2019 at 1:30 p.m.**
- X. Adjournment**

## Steve Duran

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**From:** Pacheco, Julie Ann, NMDWS <JulieAnn.Pacheco@state.nm.us>  
**Sent:** Friday, July 19, 2019 9:33 AM  
**To:** Michael Olguin Jr  
**Cc:** Steve Duran; Jaquette, Camilla, NMDWS; Aragon, Margarito, NMDWS; Cordova, Yolanda M, NMDWS; Carol Craft  
**Subject:** SALWDB PY18 Monitoring Close-out  
**Attachments:** SALWDB Closeout PY18 Letter.pdf; NMDWS Final Response SALWDB PY18 Closeout 7.19.19.pdf

Dear Chair Olguin,

Thank you for your second response to our monitoring report of the Southwestern Area Local Workforce Development Board (SALWDB) PY18 Adult, Dislocated Worker, & Youth programs and fiscal activities. After examination of the required actions taken as stated in the SALWDB responses, we find the action(s) and supporting documentation provided to this office are adequate to resolve the findings. For your convenience, the initial finding and required actions, the SALWDB's response, State Responses (in italics) to the findings and a reference chart indicating the status of each finding are enclosed.

We appreciate your continued commitment to improving the effectiveness and accountability of the Workforce Innovations Opportunity Act (WIOA) system. If you have any questions, please contact Camilla Jaquette at (505) 841-8076 or Julie Ann Pacheco (505) 827-2517.

Thank you for your cooperation.

Sincerely,

*Camilla Jaquette*

Camilla Jaquette  
WIOA Fiscal Grant Monitor

*Julie Ann Pacheco*

Julie Ann Pacheco  
WIOA Program Grant Monitor

MICHELLE LUJAN GRISHAM  
GOVERNOR



BILL McCAMLEY  
SECRETARY

HOWIE MORALES  
LT. GOVERNOR

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DEPARTMENT OF WORKFORCE SOLUTIONS  
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(505) 841-8405/ FAX (505) 841-8491

July 19, 2019

Michael Olguin Jr., Board Chair  
Southwestern Area Local Workforce Development Board  
(SALWDB)  
P.O. Box 1072  
Elephant Butte, NM 87935

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Sincerely,

*Camilla Jaquette*

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WIOA Fiscal Grant Monitor

*Julie Ann Pacheco*

Julie Ann Pacheco  
WIOA Program Grant Monitor

cc: Steve Duran, WIOA Administrator, SALWDB  
Margarito Aragon, WIOA Operations and Performance Manager, NMDWS

AN EQUAL OPPORTUNITY EMPLOYER



## DWS Second and Final Response to SALWDB July 19, 2019

### EXECUTIVE SUMMARY

The New Mexico Department of Workforce Solutions, State Administrative Entity, conducted a review of Workforce Innovation and Opportunity Act (WIOA) Adult, Dislocated Worker, Youth programs and Fiscal Operations. The local area covered in this review was the Southwestern Area Workforce Development Board (SALWDB). The purpose of the review was to evaluate the management and administration of the program; the quality of the services and performance; compliance with the federal, state and local policies/procedures and plans; and ensure achievement of the negotiated performance levels and outcomes. A finding is a significant issue identified during the monitoring review (such as non-compliance with Terms and Conditions in an award or grant). Findings result in required action that should resolve the issue and are helpful to management. Areas of Concern/observations are issues such as difficulties or under achievement, that affect the program objectives, and sanctions or corrective actions are not posed. The findings and required actions identified, as well as Areas of Concern, during the review are summarized as follows:

Governance Area of Concern	
1	Organizational Structure
2	Spending & Implementation
Administrative and Financial Systems Findings	
1	Financial Policies
Administrative and Financial Areas of Concern	
1	Oversight of One Stop Operator
2	Signing of Contracts
3	Implementation of Grievance & EO Policy
Program Services and Delivery Systems Findings	
1	Outdated Incentive Policy
2	Missing information and/or documentation
Program Services and Delivery Systems Area of Concern	
1	Incorrect Document Name and/or Tag
2	Activities not entered in NMWCOS
3	Required Employer Posters
4	WE Participants not Paid
Performance Accountability Area of Concern	
1	Performance 7/1/2018 to 12/31/2018

Please note that the review did not cover any areas outside the defined scope. Although no material issues came to the reviewers' attention other than those contained in this report, there is no assurance that other issues may not exist.

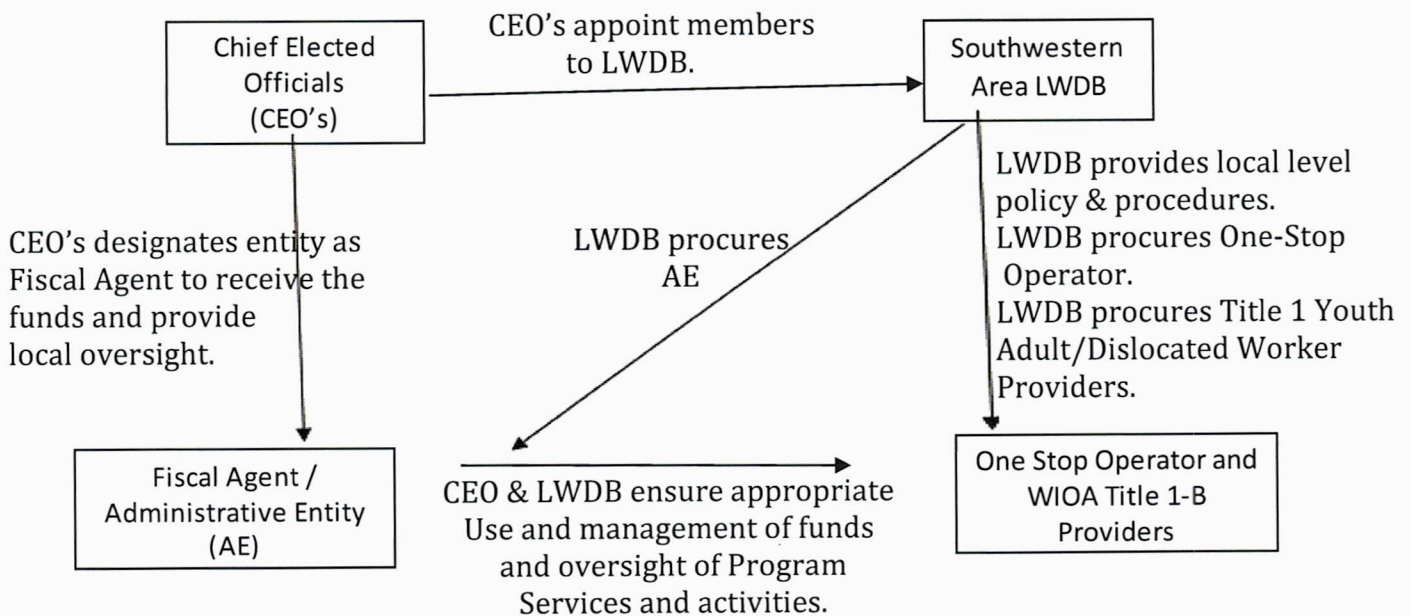
**Governance Area of Concern**

**Area of Concern #1: Organizational Structure**

*(1.c. Evaluation of Local Board Plan Process, Completion, and Implementation)*

The Organizational Chart provided by the SALWDB by the AE, shows the CEO's, procuring the AE and Fiscal Agent, and appointing the LWDB. The SALWDB then procures for the One Stop Operator and the Youth, Adult/Dislocated Worker Providers. The Organizational Chart of the SALWDB needs to be altered to reflect the SALWDB procuring the AE, not the CEO. Per WIOA 107(f) and 20 CFR 679.400, the Local WDB has authority to hire a director and other staff to assist in only carrying out the functions of the Local WDB under WIOA sec 107(d). The CEO designates an entity as the Fiscal Agent per WIOA 107(12)(B)(i)(II) and 20 CFR 679.420.

Recommended Structure:



**Area of Concern #2: Spending and Implementation**

*(1.c. Evaluation of Local Board Plan Process, Completion, and Implementation)*

The SALWDB has not developed a method for spending and implementation goals, and to continually monitor progress towards these goals with the sub-providers. The spending of Youth PY17 grant funds, which are effective July 1, 2017 through June 30, 2019, were not exhausted until December 20, 2018, the goal is to spend 40% and obligate 80% by March 30, 2018, while PY18 Youth funds began to be expended in January 2019, two quarters into the grant. There has been a reallocation of funds from Dislocated Worker Funds to the Adult Funding stream which would indicate Dislocated workers may be underserved.

**Recommended Action #2:**

The SALWDB should implement strategies outlined in the training on March 14, 2019, by the SAE Trainer to

SALWDB. This strategic plan should implemented July 1, 2019 for PY19.

## Administrative and Financial Systems Findings

### FINDING #1: Financial Policies

#### *(2.c. Adequacy of Internal Financial Controls)*

The SALWDB has not updated the financial policies to be compliant with The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) of 2 CFR Part 200 which became applicable on December 26, 2014.

2 CFR 200 requirements for written policies:

- Allowable Costs: 2 CFR 200.302 (7)
- Financial Management: 2 CFR 200.302
- Payments: 2 CFR 200.302 (6) and 305
- Internal Controls: 2 CFR 200.303
- Program Income: 2 CFR 200.307
- Equipment: 2 CFR 200.313
- Procurement: 2 CFR 200.317 and 318
- Competition: 2 CFR 200.319
- Methods of Procurement to be followed: 2 CFR 200.320
- Requirements for pass-through entities: 2 CFR 200.331
- Cost Principles: 2 CFR 400-475

2 CFR §200.303 (a) requires the non-Federal entity to establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and related terms and conditions.

TEGL No. 15-14, Section 5, Implementation of the Uniform Guidance, requires grantees to review and update all financial and administrative policies and procedures

**Required Action:** The SALWDB must establish, implement and submit financial and administrative policies and procedures to comply with the Uniform Guidance requirements. In addition, the SALWDB must provide those policies and procedures to NMDWS.

**SAWDB Response:** Attached is the approved final policy requested Program Income Policy.

*DWS Response: The attached Financial Policies were received by DWS, no further action required, this finding is closed.*

## Administrative and Financial Areas of Concern

### AREA OF CONCERN #1: Oversight of One Stop Operator

#### *(2.d. Evaluation of Contract Oversight Process)*

The MOU's issued by the SALWDB identifies one of the roles of the LWDB is stated to. "Determine the role and day-to-day duties of the One-Stop Operator." WIOA 107 (d) Functions of Local Board, and 20 CFR 679.370 (l) select the following providers in the local area, and where appropriate terminate such providers in accordance with 2 CFR part 200: (4) One Stop operators in accordance with 20 CFR 678.600 through 678.635 the LWDB is responsible for Selection of One Stop Operator, not day-to-day role of One Stop Operator. The Administrative Staff of the LWDB have oversight of the operations of the sub-recipients.

**Recommended Action #1:** Relinquish day-to-day oversight of One Stop Operator. Update MOU to reflect no day-to-day oversight of the One Stop Operator. Provide updated MOUs to NMDWS.

## **AREA OF CONCERN #2: Signing of Contracts**

### *(2.d. Evaluation of Contract Oversight Process)*

Contract PY18-WIOA-1, effective July 1, 2018 – June 30, 2019, between the Southwestern Area Workforce Development Board (LWDB) and ResCare Workforce Services, to provide Adult and Dislocated Worker Services, was signed by the LWDB on 9/30/2018 and the sub-grantee on 9/27/2018.

Contract PY18-WIOA-OSO-04, effective July 1, 2018 – June 30, 2019, between the Southwestern Area Workforce Development Board (LWDB) and ResCare Workforce Services, to provide One Stop Operator Services, was signed by the LWDB on 9/30/2018 and the sub-grantee on 9/27/2018.

Best practice for both parties executing a contract is to show that both parties entered into agreement on the terms of the contract, prior to implementation of the contract.

**Recommended Action #2:** Have contracts prepared to be signed by Authorized signatory prior to execution of services. Put a provision into contracts providing the contract is not binding unless signed by both parties.

## **AREA OF CONCERN #3: Implementation of EO and Grievance Policies**

### *(2.e. Assessment of Appropriate Administrative Policies and Procedures)*

The required EO policy and Grievance Policy are in place and a training was provided by the State EO officer in July 2018. The training provided to the two representatives from the SALWDB were not implemented in the region. When inquiring of the process, neither the front desk staff, site manager, nor One Stop Operator were aware of the process.

**Recommended Action #3:** Perform a partner wide training at each center to provide clear direction to staff as to the correct processes and procedures. Equal Opportunity Training materials have been forwarded to the current One Stop Operator.

## **Program Services and Delivery Systems Findings**

### **FINDING #1: Outdated Incentive Policy**

#### *(2.e. Assessment of Appropriate Administrative Policies and Procedures)*

The SALWDB Incentive and Sanction Policy 12-07 does not meet current WIOA federal and state requirements. The implementation of current policies is essential to ensuring its service providers adhere to the current WIOA regulations. The NMDWS Local Governance DWS 16-003 policy indicates the vision for the LWDB is to serve as a strategic leader and convener to the local workforce development system stakeholders. The LWDB partners with employers and the workforce development system to develop policies and investments that support public workforce system strategies that support regional economies, the development

of effective approaches including local and regional sector partnerships and career pathways, and high quality, customer centered service delivery and service delivery approaches.

The SALWDB is in the process of developing this policy and expect to have it ready for approval by the board by April 2019.

**Required Action #1:** The board must submit a draft incentive policy to DWS. Once the policy has been approved by the board, an approved policy must be submitted for review. Due to the board not having an updated incentive policy, the board cannot issue additional incentive payments to participants until the policy has been updated. All PY18 incentives provided to participants are questioned.

**SAWDB Response:** Attached is the approved Incentive Policy.

*DWS Response: The attached Incentive Policy was received by DWS, no further action required, this finding is closed.*

## **FINDING #2: Missing information and/or documentation in NMWCOS.**

### *(3.h. Adequacy and Integrity of Case Files)*

The following documents were missing information and/or did not have the supporting documentation in NMWCOS:

- Document Name and Tag in NMWCOS indicate participant (ID# 1101819) received a credential. Supporting documentation was not located for review.
- The participant (ID#1537933) Objective Assessment noted the participant was basic skills deficient and is reading below 9<sup>th</sup> grade. No TABE was located to verify.
- Participant (#1524094) objective assessment indicates the participant was basic skills deficient and Math and Reading were below 9<sup>th</sup> grade level. The TABE assessment was not located in NMWCOS for review.
- Case notes for participant (#745792) indicate the participant began an On-the-Job Training (OJT) activity on 1/3/19 but the activity was not entered, nor documentation located in NMWCOS.

SALWDB Electronic Files Content Management Policy 17-19 indicates, Authorized personnel are required to scan, import, and save all verification documents at the time they are being reviewed during the application process in NMWCOS per distinct program requirements. Furthermore, the policy indicates the program application, related activities, case notes, and all other relevant individual/entity information are captured and stored solely in NMWCOS, and all documentation and eligibility verifications specific to each applicant are scanned and stored in the NMWCOS.

**Required Action #2:** The SALWDB must provide the documents listed above and provide training to their service providers on making certain all supporting documentation is scanned into the NMWCOS.

**SAWDB Response:** Attached are the documents requested for this finding.

*DWS First Response: Three (3) out of the four (4) documents received by the board to resolve the findings noted above for Participants ID# 1101819, 1524094, and 745792, have been approved and the findings have been closed; however, the finding for Youth Participant ID#1537933 remains open.*

*A "Student Progress Report" submitted by the board for participant ID# 1537933, to verify if the participant was Basic Skills Deficient (BSD), is insufficient. The SALWDB Priority of Service, Basic Skills Deficiency Definitions Policy indicates, a Test for Adult Basic Education (TABE) is the **only** assessment that can be used to calculate BSD for Youth in the Southwestern Region.*



*The SALWDB must submit a TABE test for this participant to DWS for review on or before July 15, 2019.*

*There may be questioned costs related to this finding.*

**SAWDB Response:** There is no TABE documentation for #1537933 as Alamo did not have access to TABE at the time. This is why the MAP Student Progress Report was used in place of the TABE.

The scores show that anything in the 200's is below the 9<sup>th</sup> grade level.

***DWS Second Response:** DWS advises the board to ensure their service provider follows the Basic Skills Deficiency Definitions Policy which indicates, a Test for Adult Basic Education (TABE) is the **only** assessment that can be used to calculate BSD for Youth in the Southwestern Region. No further action required. This finding is closed.*

## Program Services and Delivery Systems Area of Concern

### AREA OF CONCERN #1: Incorrect Document Name and/or Document Tag in NMWCOS

#### *(3. j. Assessment of Case Manager/Career Counselor Input)*

The Case Manager incorrectly entered document name and/or tag for participant (#1537933). The document name and tag labeled Public Assistance (High Poverty Area) but the actual document located in NMWCOS was the participant's Identification Card.

**Recommended Action #1:** The Service Provider should correct the above tags. The board should ensure providers are aware actual scanned documents should match the document name and tag information entered in NMWCOS.

### AREA OF CONCERN#2: Activities not reported in NMWCOS

#### *(3. j. Assessment of Case Manager/Career Counselor Input)*

- Participant activities not reported in NMWCOS for participant (#745792). Case notes indicate participant began On-the-Job Training (OJT) activity on 1/3/19 but the activity was not entered, nor documentation located in NMWCOS.
- Participant #1524094 completed TABE test but an (203 code) comprehensive assessment activity was not entered in the system.

**Recommended Action #2:** The SALWDB should ensure all services provided to participants are entered NMWCOS. The SALWDB should training their service providers on ensuring all activities are entered into NMWCOS.

### AREA OF CONCERN #3: Employer Posters

The employer providing Work Experience to a Youth participant did not have any of the Posters posted in their location which are required by State and Federal Regulation. The employer providing On the Job Training did not have all required State and Federal Posters. As recipients of WIOA funds and services, it is imperative that participants are placed in work sites that are safe and inform employees of their rights. It is also imperative that employers are compliant with all State and Federal regulations.

**Recommended Action #3:** While the Case Managers make the site visit to the employer, prior to placement of WIOA participants, part of their responsibility is to ensure employer is meeting State and Federal Regulations. Case



Managers can pre-print the required posters and provide them to the employer if the employer does not have current information. Adult, Dislocated Worker, and Youth Sub-Recipients should include this as part of their training.

**AREA OF CONCERN #4: WE payments not issued**

Three (3) Youth Participants (ID#s: 1523086, 1535133, 1437851, and 1311913) had not received their Work Experience checks timely. The SALWDB provided documentation and a monitoring report to support the board was currently working to resolve the issue.

**Recommended Action #4:** The SALWDB should ensure participants are paid immediately after the Work Experience timesheets are processed.

**Performance Accountability Area of Concern**

**AREA OF CONCERN #1: Performance Measures Not Met**

The SALWDB has not met the 1st year negotiated levels of performance for PY17. In accordance with 20 CFR 677.155, local boards are subject to local performance indicators for Adult, Dislocated Worker, and Youth programs authorized under WIOA Title I. The SALWDB and the NMDWS 18-004-PY17 Grant Agreement 2.3 –B. Program indicates the LWDB shall be required to meet all identified performance measures, as negotiated with the SAE, as well as the goals and benchmarks identified within each local plan, federal and state directives and the scope of work contained in the Grant Agreement. Based on the charts below, the SAWDB is on track to fail five (5) measures with one (1) additions measure being at risk. The SAE provided Performance training to the SAWDB February 5, 2019 for Adult/Dislocated Worker measures and February 6, 2019 for Youth measures.

Exceeds: 99%-100%, Meets: 90%-98%: Fails: 89% and below. Please note:

	PY17 Negotiated			PY17 Actual		
	Adult	DW	Youth	Adult	DW	Youth
Employment, Education or Training Placement Rate (Q2)	84.2%	69.7%	44.4%	79.2%	66.7%	54.7%
				Meets	Meets	Exceeds
Employment, Education or Training Placement (Q4)	66.2%	53.7%	52.6%	75.0%	50.0%	80.0%
				Exceeds	Meets	Exceeds
Q2 Median Earnings	N/A	N/A	N/A	N/A	N/A	N/A
Credential Rate * (Up to 1 Year after Exit)	76.4%	58.1%	46.5%	47.1%	66.7%	0.0%
				Fails	Exceeds	Fails

	PY18 Negotiated			PY18 Q1 Actual		
	Adult	DW	Youth	Adult	DW	Youth
Employment, Education or Training Placement Rate (Q2)	77.0%	72.0%	65.0%	61.2%	69.0%	55.1%
				Fails	Exceeds	Fails
Employment, Education or Training Placement (Q4)	78.0%	59.0%	81.0%	74.2%	78.8%	68.1%
				Meets	Exceeds	Fails
Q2 Median Earnings	\$7,500	\$7,100	N/A	\$6,566	\$7,214	N/A
				Fails	Exceeds	N/A
				54.9%	52.1%	28.6%



Credential Rate * (Up to 1 Year after Exit)	60.0%	67.0%	58.3%	Meets	Fails	Fails
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	PY18 Negotiated			PY18 Q2 Actual		
	Adult	DW	Youth	Adult	DW	Youth
Employment, Education or Training Placement Rate (Q2)	77.0%	72.0%	65.0%	72.5%	72.5%	58.3%
				Meets	Exceeds	Fails
Employment, Education or Training Placement (Q4)	78.0%	59.0%	81.0%	77.8%	62.9%	59.5%
				Exceeds	Meets	Fails
Q2 Median Earnings	\$7,500	\$7,100	N/A	\$5,940	\$8,024	
				Fails	Exceeds	N/A
Credential Rate * (Up to 1 Year after Exit)	60.0%	67.0%	58.3%	52.7%	55.6%	26.9%
				Fails	Fails	Fails

Recommended Action #1: The SAWDB will review data to track progress and report bi-weekly to the SAE for review.

TEGL 26-15 states determinations of financial sanctions will occur when at least 2 full years of outcome data has been reported.

**Recommended #1:** The SALWDB must provide NMDWS with documentation the board has developed and implemented a plan on how they will track their service providers' performance numbers to ensure they meet all negotiated goals by the end of each program year.

Administrative and Financial System Findings		Status	Timeline for Completion
1	Financial Policies	Resolved	Closed
Program Services and Delivery Systems Findings		Status	Timeline for Completion
2	Outdated Incentive Policy	Resolved	Closed
3	Missing information and/or documentation -Participant ID# 1101819, 1524094, and 745792 Resolved -Participant ID# 1537933 - Resolved	Resolved	Closed