

AGENDA

April 13, 2023 • 3:00 – 4:30
Virtual via Zoom

- Welcome 3:00 – 3:05
- Public Comment 3:05 – 3:10
- Consent Agenda (*Board Vote*) 3:10 – 3:15
 - February 2023 Minutes
 - Finance Report February 2023
- Reporting Incidents of Fraud, Program Abuse, and Criminal Misconduct Policy – Karen Downing 3:15 – 3:25
- Budget Draft & Progress – Steve Grimstad 3:25 – 3:40
- Formula Funding Overview – Katie Condit 3:40 – 3:55
- Behavioral Health Workforce Consortium – Katie Condit & Board 3:55 – 4:05
- Lens of Equity Summit – Tamar Jackson 4:05 – 4:15
- NAWB Takeaways – Board Members 4:15 – 4:25
- Good of the Order & Adjourn 4:25 – 4:30

Attachments

February 2023 Minutes

Finance Report February 2023

PY23/FY24 Budget Draft #1 Narrative

PY23 vs PY22 Budget Comparison Draft #1 4-5-23

PY23/FY24 Budget Draft #1 4-5-23

Reporting Incidents of Fraud, Program Abuse, and Criminal Misconduct Policy

MINUTES

February 16, 2023 • 3:00 – 4:30
WorkSource One-Stop Center 2121 S. State St. Suite 300

Attendees: Bruce Kendall, Nathe Lawver, Patty Rose, Dale King, April Lynne, Ann Medalia, Norton Sweet, Dave Shaw, Lin Zhou, Dona Ponepinto, Lynn Strickland, Deb Tuggle

Via Zoom: Deanna Keller, Blaine Wolfe, Jolita Perez, Taliesha Garrett, Irene Reyes

Staff: Katie Condit, Karen Downing, Jan Adams, Steve Grimstad, Deborah Howell, Josh Stovall

Guests: Alex Jones, Alexander, Heather,

- **Welcome**
April called the meeting called to order at 3:05 p.m. Introductions were done.
- **Public Comment**
None
- **Consent Agenda (*Board Vote*)**
 - **November 2022 Minutes**
 - **Finance Report December 2022**Motion to approve the Consent Agenda made by Dale; seconded by Nathe. Approved.
- **Strategic Plan Finalize (*Board Vote*)**
April noted that a copy of the plan is in the packets and said we had had a lot of input and feedback developing the plan. Katie gave a brief overview of the plan noting it has an actionable focus. Motion to approve the strategic plan made by Dave; seconded by Dale. Dave praised the process and all those involved in developing the plan. Approved.

- **Immigrant and Refugee Workforce Strategy- Katie Condit, Deb Tuggle, Career TEAM**

Katie discussed the influx of immigrants we have had and introduced the team, which included Alex Jones and Alexander, who presented on services needed and what's currently available. They also shared some success stories. Alexander, a Ukrainian refugee, shared his experience since arriving in this country and how he now helps other refugees. Discussion continued around the refugees in the program and how others can be helped. Deb and Heather discussed this issue from an employer's perspective.

- **Data Driven: Geographic overview- Josh Stovall & Katie Condit**

- **Homelessness-workforce integration**

Josh shared a poverty overlay map of our area. He noted we hope to expand this data and map to our outcomes. Katie discussed the map and shared the map can be found on our website and noted it is interactive.

- **Equity & Access Timeline – Karen Downing**

Tabled until next meeting.

- **Workforce Board knowledge and language- Katie Condit & Board**

Katie discussed the acronyms and asked for input on the language or jargon translation requests. Discussion continued around this topic. April suggested that presenters share how they fit in the system. Dave suggested having something on our website that spells these things out. List of board members, their organizations and partner organizations on our agendas for reference.

- **Good of the Order**

- **2023 Lens of Equity Summit**

Katie gave an overview of the upcoming summit.

Motion to adjourn made by Nathe; seconded by Dale. Meeting adjourned at 4:29 p.m.

WorkForce Central
Program Year 2022/Fiscal Year 2023
Budget vs. Actual through February 28, 2023

Budget Line Item	Final PY22 Approved Budget	Year to Date Actual Expenditures	Budget Remaining
Direct Services and Contracts	\$ 6,853,470	\$ 3,397,806	\$ 3,455,664
New Cohort Training/Reskill-Upskill Initiatives	1,860,250	276,781	1,583,469
Incumbent Worker Training	100,000	14,175	85,825
System and Internal Professional Development (Priority DEAI)	50,000	16,486	33,514
Workforce System Navigators	167,250	20,224	147,026
Workforce System Connection Site	50,000	25,046	24,954
Service Delivery via Technology	230,000	109,774	120,226
Communications	61,000	18,431	42,569
Data and Research	55,500	27,700	27,800
Workforce Summits	75,000	5,285	69,715
WorkForce Central Staff	3,866,149	2,556,298	1,309,851
WorkForce Central Operational Expenses	738,000	338,684	399,316
Administrative Reserve	460,636	-	460,636 (1)
Total	<u>\$ 14,567,255</u>	<u>\$ 6,806,691</u>	<u>\$ 7,760,564</u>

Notes:

(1) - Administrative reserve represents WIOA annual formula funding available for PY22 that will be used to maintain services such as when a continuing resolution is delayed, there is a government shutdown, or there is a delay in the awarding of PY23 WIOA annual formula funding. This allows for a period of time for continuation of services while the budget is negotiated and finalized. The administrative reserve can also be used to leverage WIOA formula funding as other funding opportunities or initiatives come up during PY22.

WorkForce Central
Program Year 2022/Fiscal Year 2023
Direct Services and Contracts through February 28, 2023

Contract	Final PY22 Approved Budget	Year to Date Actual Expenditures	Budget Remaining	Obligation Remaining
PY2021 WIOA Adult Annual Formula	\$ 219,000	\$ -	\$ 219,000	\$ -
PY2022 WIOA Adult Annual Formula	1,235,000	457,864	777,136	777,136
PY2021 WIOA Dislocated Worker Annual Formula	181,000	-	181,000	-
PY2022 WIOA Dislocated Worker Annual Formula	1,325,000	579,327	745,673	745,673
PY2021 WIOA Youth Annual Formula	155,000	150,263	4,737	-
PY2022 WIOA Youth Annual Formula	1,551,075	598,676	952,399	952,399
Economic Security for All	940,060	739,479	200,581	277,780
Pre-Employment Transition Services	200,000	52,146	147,854	-
Pierce County Youth Work Program	424,000	418,327	5,673	-
CDBG COVID Hunger Relief Staffing and Services	570,000	365,457	204,543	226,238
Strategic Planning	26,000	14,707	11,293	-
Community Engagement Services	27,335	21,560	5,775	-
Total	\$ 6,853,470	\$ 3,397,806	\$ 3,455,664	\$ 2,979,226

WorkForce Central Program Year 2023/Fiscal Year 2024 BUDGET DRAFT #1

- The April meeting packet includes a comparison of the first draft of the PY23 budget to the PY22 budget approved by the Workforce Development Board and Executive Board and the first draft of the PY23 budget.
- The first draft of the PY23 budget presents an overall decrease of approximately \$1,194,000 compared to the PY22 approved budget.
- The first draft of the budget is presented assuming an increase in Workforce Innovation and Opportunity Act (WIOA) annual formula funding from the prior program year. This assumption is based on a model built by Josh Stovall to estimate the specific impact on funding levels for WorkForce Central based on the expected Washington State funding level from the Department of Labor, and data used by Employment Security Department and outlined in State policy.
- The first draft of the budget reflects a decrease of approximately \$2,000,000 in projected carry in of WIOA annual formula funding awarded in the current year available to expend in the next program year.
- Other funding represents funding awarded or expected to be awarded that will continue into the next program year. Other funding primarily includes Economic Security for All, Disaster Recovery National Dislocated Worker Grant, funding from Pierce County for the Stabilization Training and Employment Program and cohorts, and funding from City of Tacoma for cohorts and healthcare career mapping tool.
- Investment in direct services to fund contract and performance responsibilities required of our service providers for WIOA annual formula funding and other funding awarded or will be awarded that will continue into the next program year.
- WorkForce Central staff for Business Solutions budgeted at 6 FTEs in PY23, no increase in FTEs from the PY22 budget.
- Investment in common referral system to fund an additional workforce system navigator utilizing Disaster Recovery National Dislocated Worker Grant funding.
- Other investments due to evaluation of priorities, staff capacity, and strategic initiatives currently planned for PY23. Prioritized investing in initiatives with direct impact for job seekers and businesses.
- WorkForce Central staff (not including Business Solutions) budgeted for PY23 at 22.5 FTEs compared to 21.5 FTEs budgeted in PY22.
 - a. Current WFC staff at 21.5 FTEs that include all WFC management, fiscal, and program staff.
 - b. Plan to hire a data analyst in PY23 to support WorkForce Central's strategic initiatives and to continue to move WorkForce Central work forward.
- Administrative reserve represents WIOA annual formula funding available for PY23 that will be used to maintain services such as when a continuing resolution is delayed, there is a government shutdown, or there is a delay in the awarding of PY24 WIOA annual formula funding. This allows for a period of time for continuation of services while the budget is negotiated and finalized. The administrative reserve can also be used to leverage WIOA formula funding as other funding opportunities or initiatives come up during PY23.
- WorkForce Central has accumulated unencumbered cash reserves from prior years due to performance-based contracts that allowed for revenues that exceeded actual costs. These funds are used for unexpected expenses such as litigation fees, unexpected invoices from previous funding sources that have closed, or other unanticipated occurrences that require payment to reconcile.

- The Workforce Development Board and Executive Board will receive a second draft of the budget to review and provide feedback in May.
- Goal to have a final budget to present for the Workforce Development Board and Executive Board to approve at their June meetings.

**WorkForce Central
Program Year 2023 Draft Budget vs.
Approved Program Year 2022 Budget**

Budget Line Item	Draft PY23 Budget	Approved PY22 Budget	Difference
Revenue:			
WIOA Annual Formula Funding	7,002,488	6,476,056	526,432
Projected Carry-In WIOA Annual Formula Funds	3,055,915	5,078,599	(2,022,684)
Other Funding	3,314,680	3,012,600	302,080
Total Funds Available	<u>13,373,083</u>	<u>14,567,255</u>	<u>(1,194,172)</u>
Investment Areas:			
Projected Carry-In Obligation	511,000	608,335	(97,335)
Direct Services - WIOA Annual Formula Contracts	3,448,000	3,930,000	(482,000)
Direct Services - Other Funding Contracts	2,102,580	2,134,060	(31,480)
Direct Services - Business Solutions WorkForce Central Staff	828,723	780,228	48,495
Industry Cohort Trainings	1,191,500	1,860,250	(668,750)
Employer Reskill Upskill Fund	100,000	100,000	-
Job Fairs and Events	50,000	50,000	-
System and Internal Professional Development	85,000	118,000	(33,000)
Common Referral System	305,000	197,750	107,250
Pierce WorkSource One-Stop Center	321,075	321,075	-
Workforce System Connection Site	50,000	50,000	-
Service Delivery via Technology	199,500	199,500	-
Communications	61,000	61,000	-
Data and Research	55,500	55,500	-
Communiy Engagement	50,000	25,000	25,000
Total Investments	<u>9,358,878</u>	<u>10,490,698</u>	<u>(1,131,820)</u>
WorkForce Central Staff	3,243,151	3,085,921	157,230
WorkForce Central Operational Expenses	560,000	530,000	30,000
Administrative Reserve	211,055	460,636	(249,581)
Total Budget Need	<u>13,373,083</u>	<u>14,567,255</u>	<u>(1,194,172)</u>
Surplus/(Deficit)	<u>-</u>	<u>-</u>	<u>-</u>

Notes:

Certain amounts in the Approved PY22 Budget column have been reclassified to be consistent with the presentation in the draft PY23 Budget. These reclassifications had no effect on the amount of Total Funds Available or Total Budget Need presented in the approved PY22 budget.

		ADULT	DW	YOUTH	OTHER FUNDING	ADMIN	Total
REVENUE							
WIOA Annual Formula Funding		\$ 2,049,340	\$ 2,102,040	\$ 2,150,860		\$ 700,248	\$ 7,002,488
Projected PY22/FY23 WIOA Annual Formula Carry-in Funds		\$ 979,709	\$ 935,063	\$ 852,638		\$ 288,505	\$ 3,055,915
Other Funding					\$ 3,314,680	\$ -	\$ 3,314,680
Total Funds Available		\$ 3,029,049	\$ 3,037,103	\$ 3,003,498	\$ 3,314,680	\$ 988,753	\$ 13,373,083
INVESTMENT AREAS							
PY22/FY23 Carry-in Obligations - Projected (Detail Below)		\$ 180,000	\$ 134,000	\$ 197,000		-	\$ 511,000
Direct Services							
WIOA Adult Annual Formula		\$ 1,017,700					\$ 1,017,700
WIOA Dislocated Worker Annual Formula			\$ 1,048,000				\$ 1,048,000
WIOA Youth Annual Formula				\$ 1,382,300			\$ 1,382,300
Economic Security for All					\$ 1,262,580		\$ 1,262,580
QUEST Disaster Recovery National Dislocated Worker Grant					\$ 840,000		\$ 840,000
Business Solutions							
WorkForce Central Staff	6 FTEs	\$ 261,155	\$ 310,794	\$ 177,485	\$ 79,289		\$ 828,723
Industry Cohort Trainings		\$ 358,606	\$ 230,040	\$ 130,554	\$ 472,300		\$ 1,191,500
Employer Reskill Upskill Fund		\$ 50,000	\$ 50,000	\$ -			\$ 100,000
Job Fairs and Events		\$ -	\$ -	\$ 50,000			\$ 50,000
System and Internal Professional Development		\$ 28,429	\$ 31,649	\$ 24,922			\$ 85,000
Common Referral System		\$ 71,909	\$ 80,054	\$ 63,037	\$ 90,000		\$ 305,000
Pierce WorkSource One-Stop Center		\$ 101,790	\$ 105,958	\$ 83,327	\$ 30,000		\$ 321,075
Workforce System Connection Site		\$ 16,723	\$ 18,617	\$ 14,660			\$ 50,000
Service Delivery via Technology		\$ 66,725	\$ 74,283	\$ 58,493			\$ 199,500
Communications		\$ 20,402	\$ 22,713	\$ 17,885			\$ 61,000
Data and Research		\$ 18,562	\$ 20,665	\$ 16,272			\$ 55,500
Communiy Engagement		\$ 8,361	\$ 9,309	\$ 7,330	\$ 25,000		\$ 50,000
WorkForce Central Staff (not including Business Solutions)	22.5 FTEs	\$ 717,288	\$ 778,483	\$ 680,246	\$ 432,420	634,715	\$ 3,243,151
WorkForce Central Operational Expenses		\$ 111,398	\$ 122,539	\$ 99,989	\$ 83,092	\$ 142,983	\$ 560,000
Administrative Reserve		\$ -	\$ -	\$ -	\$ -	\$ 211,055	\$ 211,055
Total Budget Need		\$ 3,029,049	\$ 3,037,103	\$ 3,003,498	\$ 3,314,680	\$ 988,753	\$ 13,373,083

DETAIL CARRY-IN OBLIGATIONS - PROJECTED

Career Team PY22 WIOA Youth Annual Formula	-	-	153,000	153,000
Palmer Scholars PY22 WIOA Youth Annual Formula	-	-	44,000	44,000
Career Team PY22 WIOA Adult Annual Formula	180,000	-	-	180,000
Career Team PY22 WIOA Dislocated Worker Annual Formula	-	134,000	-	134,000
TOTAL	180,000	134,000	197,000	511,000



Reporting Incidents of Fraud, Program Abuse, and Criminal Misconduct

POLICY NUMBER: 3005, Rev. 1

EFFECTIVE DATE: 10-14-20

Supersedes: Reporting Incidents of Fraud, Program Abuse and Criminal Misconduct Involving WIOA Funding, Policy #3005, Released July 1, 2015

PURPOSE

To establish expectations and procedures for reporting alleged, suspected, or known fraud, program abuse and criminal misconduct to the Washington State Employment Security Department (ESD) and the Department of Labor's (DOL) Office of Inspector General (OIG). This guidance corresponds to the requirements contained in:

- [20 CFR 683.620](#) – *How are complaints and reports of criminal fraud and abuse addressed under WIOA?*
- DOL [TEGL 2-12](#) – *ETA Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct*
- [ESD WIOA Policy 5412, Rev. 2](#) – *Reporting Incidents Involving WIOA Funding*

BACKGROUND

[20 CFR 683.620](#) and [TEGL 2-12](#) provide expectations and requirements for immediately reporting information and complaints involving criminal fraud, waste, abuse, or other criminal activity that must be reported to OIG.

POLICY

[ESD Policy 5412, Rev. 2](#) requires Local Workforce Development Boards (LWDBs) to establish appropriate internal expectations or procedures for all subrecipients, including WorkForce Central (WFC), to prevent and detect fraud, abuse, gross mismanagement or misuse of program funds and criminal activity and to follow the procedures set forth herein for documenting, immediately reporting, and following-up on instances of alleged, suspected or known fraud, program abuse and criminal misconduct involving recipients or subrecipients of federal funds under the Workforce Innovation and Opportunity Act (WIOA).

The [Incident Report \(IR\) form, Office of Inspector General \(OIG\) 1-156](#) is the official form to be used for reporting allegations of criminal and other illegal or improper activities in WIOA funded programs. When the OIG receives an IR, they determine whether the allegations have merit and, when appropriate, conduct or arrange for an investigation and/or audit. If the OIG determines that the case does not have investigative or audit merit, the case is referred back to ETA for resolution.

No action will be taken against any individual who discloses information concerning criminal or improper activities or makes a valid complaint to proper authorities. These individuals may remain anonymous. If an individual believes that his/her position will be compromised by reporting information through the IR system, he/she may send the report directly to the OIG (see contact information below).

Reporting procedures do not supersede the responsibility for subrecipients, including WFC, to safeguard WIOA funds by taking prompt and appropriate corrective action when any evidence of a violation of WIOA or its implementing regulations is found. Whenever the entity reporting the

allegation of an incident believes that immediate action to prevent further financial loss or other damage is necessary, or recovery of funds or property may be impeded if immediate action is not taken, the reporting entity has the responsibility to take any action it deems appropriate, including contacting the local law enforcement agency. Any immediate action taken or planned by the reporting entity must be reported to ESD (see contact information below) when the incident report is submitted.

PROCEDURES

All incident reports, emergency or other, must be sent to ESD **and** the OIG using the contact information provided below. WFC and their subrecipients must use the [IR form](#) to immediately document and report suspicions, allegations or complaints involving:

- WIOA-related fraud,
- Misfeasance, nonfeasance or malfeasance,
- Misapplication of funds,
- Gross mismanagement,
- Employee/participant misconduct, or
- Other potential or suspected criminal actions.

Situations involving imminent health or safety concerns, or the imminent loss of funds exceeding \$50,000 are considered emergencies and must immediately be reported to ESD and the OIG.

WFCs and its subrecipients must submit incident reports to the following entities:

<p>Employment Security Department (ESD) <i>(Choose one method)</i></p> <ul style="list-style-type: none"> • Phone: 360-902-9500 • ESDGPCommissionerRequests@esd.wa.gov • Mail: Office of the Commissioner Employment Security Department Attention: WIOA Incident Reporting P.O. Box 9046 Olympia, WA 98507-9046 	<p>AND*</p>	<p>Office of Inspector General: (Choose one method)</p> <ul style="list-style-type: none"> • Hotline Online Complaint Form: https://www.oig.dol.gov/hotline.htm • FAX: (202) 693-7020 • Mail: Attention: Hotline Office of Inspector General U.S. Department of Labor 200 Constitution Avenue, N.W. Room S-5514 Washington, D.C., 20210 • Hotline for emergency situations: 1-800-347-3756 or 202-693-6999 <p>COPY:</p> <p>Employment and Training Administration <i>(Choose one method)</i></p> <ul style="list-style-type: none"> • Email: RO6-RA-SF@dol.gov Attention: Regional Administrator U.S. Department of Labor Employment and Training Administration San Francisco Regional Office 90 7th Street, Suite 17300 San Francisco CA 94103 • Phone: 414-624-7977
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Per requirements at 20 CFR 683.620 to copy Department of Labor Employment and Training Administration (DOLETA) on incident reports, ESD will forward any incident reports it receives to DOLETA on behalf of the reporting agency.

*If ESD is the subject of the incident report, the incident should only be reported to the OIG with a copy provided directly to DOLETA by the reporting entity.

DEFINITIONS

The definitions of employee/participant misconduct; fraud, misfeasance or malfeasance; gross mismanagement; and misapplication of funds included below were developed to provide guidance for the purpose of implementing TEGL 2-12 and State WIOA Policy 5412, Rev. 1. These definitions are illustrative and are not intended to be either fully inclusive or restrictive.

Emergency - A situation involving imminent health or safety concerns or the imminent loss of funds exceeding \$50,000.

Employee/Participant Misconduct – LWDB, subrecipient, partner, contractor, or participant actions occurring during or outside work hours that reflect negatively on WFC and/or the U.S. Department of Labor or its mission including, but not limited to: conflict of interest or the appearance of conflict of interest involving outside employment, business and professional activities; the receipt or giving of gifts, fees, entertainment, and favors; misuse of federal property; and/or misuse of official information and such other activities as might adversely affect the confidence of the public in the integrity of the government.

Fraud, Misfeasance, Nonfeasance or Malfeasance – Any alleged deliberate action which may be in violation of federal statutes and regulations. This category includes, but is not limited to: indications of bribery, forgery, extortion, embezzlement, theft of participant checks, kickbacks from participants or contractors, intentional payments to a contractor without the expectation of receiving services, payments to ghost enrollees, misuse of appropriated funds, and misrepresenting information in official reports.

Gross Mismanagement – Actions or situations arising out of management ineptitude or oversight and leading to a major violation of the legislative process, regulations, or contract/grant provisions. Such actions or situations have the potential to severely hamper accomplishment of program goals, waste government resources, and jeopardize future support for a particular project. This category includes, but is not limited to un-auditable records, unsupported costs, highly inaccurate fiscal reports or program reports, payroll discrepancies, payroll deductions not paid to the Internal Revenue Service (IRS), and lack of good internal control procedures.

Incident Report (IR) (OIG 1-156) – This is the form for reporting instances of fraud, misapplication of funds, gross mismanagement, and any other incidents of known or suspected criminal or other serious activities. The IR OIG 1-156 may also be used to provide interim and final reports.

Misapplication of Funds – Any alleged deliberate use of funds, assets or property not authorized or provided for by legislation or regulations, grants, or contracts. This category includes, but is not limited to: nepotism, political patronage, use of participants for political activity, ineligible enrollees, conflict of interest, failure to report income from federal funds, violation of contract/grant procedures, and the use of federal funds for other than specified purposes. An incident report should be filed when there appears to be an intent to misapply funds rather than merely for a case of minor mismanagement.

Subrecipient – An entity, that receives federal assistance passed through from a prime recipient or another subrecipient to carry out or administer a WIOA program. Distinguishing characteristics of a subrecipient include:

- Determining eligibility for assistance,
- Performance measured against meeting the objectives of the program
- Responsibility for programmatic decision making
- Responsibility for applicable program compliance requirements

REFERENCES

- [20 CFR 683.620](#)
- [DOL ETA TEGL 2-12](#) – *ETA Grant Recipient Responsibilities for Reporting Instances of Suspected Fraud, Program Abuse and Criminal Conduct*
- [ESD WIOA Policy 5412, Rev. 2](#) – *Reporting Incidents Involving WIOA Funding*

ATTACHMENT via HYPERLINK:

- [Incident Report \(IR\) \(OIG 1-156\) Form](#)

Revision Approved

Katie Condit
Katie Condit (Oct 14, 2020 15:06 PDT)

10/14/20

WFC CEO

Date