

**Workforce Investment Board
Executive Committee
1880 Wardrobe Ave.
October 25, 2004 7:30 – 9:00 a.m.
Meeting Agenda**



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- I. Call to Order/Roll Call.....
 - II. Approval of Agenda
 - III. Approval of September 20, 2004 Minutes.....
 - IV. Public Opportunity to Speak.....
 - V. Action Agenda
 - a. Board of Supervisors Resolution for California Performance Review..... Joanne Presnell
 - b. Strategic Scorecard (Discussion and Action) Elaine Craig
 - VI. Information Agenda
 - a. WIB Retreat – January 13, 2005..... John Headding
 - b. Quarterly Fiscal Report..... Jackie Walther-Parnell
 - c. Teleconference Survey Summary Elaine Craig
 - d. EDD: Notice of Final Determination on Incident Report - JCG Jackie Walther-Parnell
 - VII. Director’s Comments(5 min)
 - VIII. Chair Comments(5 min)
 - IX. Other
 - X. Next Meeting – November 29, 2004.....
 - XI. Adjourn.....

**Workforce Investment Board
Executive Committee
1880 Wardrobe Ave.
September 20, 2004, 7:30 – 9:00 a.m.
Meeting Notes**



Members Present:

John Heading	Albert Montejano	Rick Osorio
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Members Absent:

Kathleen Crookham	Nellie McGarry	Mike Smith
Mike Sullivan		

Others Present:

Andrea Baker	Elaine Craig	Dave Davis
Donna Ornelas	Joanne Presnell	Jackie Walther-Parnell

- I. Call to Order/Roll Call – Roll was taken by Donna Ornelas. Quorum was not reached. A workgroup was convened. (Please list those in attendance)

- II. Meeting of the Minds Conference – John Heading gave an overview of the CWA Conference that he and Andrea attended in September. There were seven attendees from Merced County, which included representation from Merced College, the WIB, Merced County BEO and MCOE. Mr. Heading shared a copy of a brochure that was used at the conference to develop suggestions to policy makers for the future of California. It was titled “Building Communities with a Competitive Workforce Advantage” which includes seven key characteristics. Mr. Heading noted that his intention is to meet with the committee chairs to review and discuss this document.
 - a. Forward Thinking Community Leaders – This characteristic suggests that WIB members inform and engage the Board of Supervisors, City Council members, Mayors, etc. It was suggested that the message be tailored to the specific areas (cities or county). It was recommended that a special work session be scheduled with the Merced City Council to discuss workforce issues and policy. Ms. Baker noted the message from CWA in response to the CPR is that local control is important and regionalization would be acceptable as long as it was business driven from the local level.
 - b. Business Investment in Human Capital – The P-16 Council, which is a collaboration between education and businesses, will begin to convene meetings this fall after a summer break and is working on this issue.
 - c. Strong and Diverse Economy – This characteristic addresses partnering with our Economic Development entities such as MCEDCO and BEO to work toward business retention and expansion to impact long range change to the economy. The collaboration between workforce and economic development is important on local and regional levels. It was recommend that the WIB continue to review and support the Merced County Economic Development Strategic Plan developed by the Chabin Concept group.
 - d. Integrated Infrastructure – The WIB should continue participating in dialogue and policy setting that impact community planning efforts and advocate for changes in public policy and administrative procedure.

- e. Effective, Articulated Education System – It was noted the Governor is in favor of vocational education. Currently there is a debate over academic standards versus vocational education. There should be a set of core academic skills taught for students in the vocational track.
- f. Clearly Defined and Accessible Career Pathways – Currently there are no clearly defined career pathways in Merced County. Ms. Baker shared information from the conference and suggested that the WIB look at career pathways within an industry and across industries. Developing and providing career pathway information to employers and job seekers has been effective in other areas. Mr. Heading stated that it is the responsibility of the WIB to provide employers information about career pathways.
- g. Ready, Willing, and Able Workforce – The WIB should ensure that quality services and training are provided through the One-Stop System. Creating a move up strategy to open up entry-level positions would be beneficial to businesses and job seekers.

III. Next Meeting – October 25, 2004

IV. Adjourn – Meeting adjourned at 8:40 a.m.

TO: Executive Committee

DATE: 10/25/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: BOS Resolution

PROPOSED MOTION(S): To request the BOS approve a resolution in support of Merced County's Workforce Investment Board's continued designation as a Workforce Investment Area and opposing the California Performance Review Section GG23.

DISCUSSION: During the September 28, 2004 Workforce Investment Board meeting, the Board took action to have individual WIB members send letters to elected officials advocating local control of Workforce Development. Additionally, staff was directed to take appropriate action to promote and enhance WIB advocacy.

One such step is a request from the WIB to the BOS to sign a resolution in support of the WIB's continued designation as a Workforce Investment Area and opposing the California Performance Review Section GG23, a recommendation to realign and consolidate Workforce Investment Areas and Boards.

ATTACHMENT(S): Resolution

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF MERCED, STATE OF CALIFORNIA**

In the Matter of

RESOLUTION NO. 2004 -

**A RESOLUTION IN SUPPORT OF MERCED
COUNTY WORKFORCE INVESTMENT
BOARD'S CONTINUED DESIGNATION AS A
WORKFORCE INVESTMENT AREA AND
OPPOSING THE CALIFORNIA PERFORMANCE
REVIEW SECTION GG23, A
RECOMMENDATION TO REALIGN AND
CONSOLIDATE WORKFORCE INVESTMENT
AREAS AND BOARDS.**

WHEREAS, the County of Merced has a "temporary" designation as a workforce investment area as defined under the Workforce Investment Act (WIA) of 1998 due to the county's population base of under 500,000 residents; and

WHEREAS, Merced County Board of Supervisors is the chief elected local official (CLEO) under the WIA legislation; and

WHEREAS, Merced County receives WIA formula and discretionary funding directly from the state and has its own Workforce Investment Board appointed by the Merced County Board of Supervisors to oversee programs and set local policies for the use of WIA funds in Merced County; and

WHEREAS, a consolidation of areas would result in significant loss of local control and autonomy for Merced County workforce development programs and services; and

WHEREAS, the design and delivery of business and local workforce systems-systems that are genuinely responsive to business demands and economic development needs-must occur at the local level, and not driven from the State Capitol; now, therefore be it

RESOLVED: that the Merced County Workforce Investment Board supports its continued designation as a Workforce Investment Area and opposes the California Performance Review recommendation to realign and consolidate Workforce Investment Areas and Boards; and be it

FURTHER RESOLVED: that the Merced County Board of Supervisors declares as follows:

The County of Merced shall submit letters to the Governor and the State Legislature and will actively express to State officials the County's opposition to said recommendation.

I, **Demitrios O. Tatum**, Clerk of the Board of Supervisors of the County of Merced, do hereby certify that the foregoing resolution was regularly introduced, passed and adopted by said Board at a regular meeting thereof held on _____, 2004 by the following vote:

Supervisors

Ayes:

Noes:

Not Present:

Witness my hand and the Seal of this Board this _____ day of _____ 2004.

DEMITRIOS O. TATUM, Clerk

By _____
Deputy

TO: WIB Executive Committee

DATE: 10/25/04

FROM: Quality Assurance Committee

For Action

For Information

For Discussion

SUBJECT: WIB Strategic Scorecard /Goals

PROPOSED MOTION(S): Approve the WIB Strategic Scorecard and discuss progress on the WIB Goals.

DISCUSSION: The WIB has three major goals and has chosen to develop a balanced strategic scorecard to monitor progress in the achievement of those goals. During July and August the Quality Assurance Committee met as an Ad Hoc Committee and during regular Committee meetings to create a scorecard that will evaluate fundamental performance areas vital to WIB success, and to create a set of measures for each of the areas. The draft scorecard was completed and then presented to each of the WIB's committees for approval and/or modification. The completed plan is now presented to the Workforce Investment Board Executive Committee for approval.

Goal #1 Train and attract adaptable workers to fill industry needs.

Goal #2 Influence the K-12 education system to design and implement strategies that provide students knowledge of employee skills and attitudes and develop metrics to assure success.

Goal #3 Become an active advocacy voice and take political action on workforce development issues at the local, state, and national levels.

ATTACHMENT(S): Strategic Scorecard

<p>2. Job Seeker Customer Satisfaction</p> <p>a. Job Seeker Needs Are Being Met</p> <p>b. Input from Customers Is Used To Improve Services</p>	<p>90%</p> <p>Rating to meet or exceed</p>	<p>Worknet Day Pass</p> <p>Benchmark to similar service organizations</p>	<p>Monthly</p> <p>Biannually</p>	<p>QA</p> <p>QA</p>
<p>3. Workforce Development Advocacy/Awareness</p>	<p># Of Face to Face Meetings compared to previous year</p> <p># Of Written Communications compared to previous year</p> <p>Voting record of Legislators</p> <p>Positive impact to Support Local Control</p> <p>Stable or increased WIA Funding</p>	<p>Meetings with Legislators</p> <p>Written Communication with Legislators (requesting a response from them)</p> <p>Invitations to WIB Meetings</p> <p>Invitations to Worknet, i.e., for a tour, Chamber Mixer, etc.</p>	<p>Biannually</p>	<p>Executive</p>

Measurement Category: Internal Operations/Organizational Effectiveness

Measure/Indicator	Metrics	Method	How Often Review	Responsible WIB Committee
<p>1. Program Accountability:</p> <p>a. Plan vs. Actual Participant Activity</p> <ul style="list-style-type: none"> • Numbers • Demographics • Performance Measures <p>b. Report Results:</p> <ul style="list-style-type: none"> • Audits • Monitoring • Youth Quarterly Program Reports <ul style="list-style-type: none"> Out-of-School Youth Younger Youth <p>c. Resources are Allocated Appropriately:</p>	<p>Planned vs. Actual</p> <p>Participants vs. Merced Co. Demographics</p> <p>Attain 80% level on Goals</p> <p>Zero Findings</p> <p>Zero Findings</p> <p>Acceptable Progress based on contract timeline</p> <p>Acceptable Progress based on contract timeline</p>	<p>Participant Reports</p> <p>Participant Reports</p> <p>Performance Reports</p> <p>County Audit</p> <p>EDD Monitoring WI Monitoring</p> <p>Report from MCOE Contract Compliance</p> <p>Report from MCOE Contract Compliance</p>	<p>Monthly</p> <p>Biannually</p> <p>Quarterly</p> <p>Annually</p> <p>Annually Biannually</p> <p>Quarterly</p> <p>Quarterly</p>	<p>QA</p> <p>QA</p> <p>QA</p> <p>QA</p> <p>QA</p> <p>QA</p> <p>YC</p> <p>YC</p>

<ul style="list-style-type: none"> • Pilot Program in a specific Industry cluster (offering career ladders or move up strategy) • Quality Controls • Productivity 	Review results of training job and placements in the industry	Identify and select an Industry cluster	Biannually	PP&D
	Improved Scores	Customer Satisfaction Data	Yearly	QA
	Attainment	Performance Measures	Yearly	QA

Measurement Category: Financial/Market Perspective

Measure/Indicator	Metric	Method	How Often Review	Responsible WIB Committee
1. Expenditures including: <ul style="list-style-type: none"> • Obligations • Accruals (Expenses) • Encumbrances • By funding source • By service • Plan vs. Actual 	80% of Current Year Allocation Obligated by End of the Year 70% Expended of Available Funds (Carryover plus Allocation) by the End of the Year	Fiscal Reports	Monthly	Finance

2. Revenue & Resources:				
a. Grants	#s Applied for and Source	WI Report	Quarterly	Finance
	#s Received and \$\$ Amounts	WI Report	Quarterly	Finance
b. Revenue Generation	# of Sources and Amount of \$\$	WI Report	Quarterly	Finance

Measurement Category: Learning and Innovation

Measure/Indicator	Metric	Method	How Often Review	Responsible WIB Committee
1. Progress in Preparation for Worknet Recertification	On Schedule	Report from Worknet LT on Time Line	Bimonthly	QA
2. Influence the Workforce Investment System				
a. Education	Report on Activity	Participate on the P-16 Council	Quarterly	PP&D
b. Economic Development/Castle Development	New Jobs Created	Reports by MCEDCO, BEO and EDAC.	Quarterly	PP&D
	Jobs Lost	Reports on Rapid Response activity		

c. Workforce Housing	# of New Units Built # of building permits issued for workforce housing	Support the WIB Policy on Workforce Housing	Yearly	Executive
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Glossary

BSU - Dept. of WI Business Services Unit

Executive - WIB Executive Committee

Finance - WIB Finance Committee

PP&D - WIB Program Planning & Development Committee

QA - WIB Quality Assurance Committee

YC - Youth Council

TO: WIB Executive Committee

DATE: 10/25/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Combined WIB Meeting / Retreat

PROPOSED MOTION(S): Information with possible discussion.

DISCUSSION: The January 2005 WIB meeting will be a combined WIB meeting and retreat. To enrich the retreat, all members of the Youth Council will be invited to participate.

The retreat will be used to develop and recommend WIB policies concerning Education, Economic Development, and Workforce Housing. The format will include initial presentations of WIB accomplishments pertaining to these three (3) regional strategic issues, followed by workgroups to draft future WIB goals and policy development for these critical workforce development issues.

The goal of this retreat is to create firm policy statements, to be presented to political and educational leaders at local, state and national levels through a State of the Workforce report to be published in early Spring 2005.

The combined meeting/retreat will be held on Thursday, January 13, 2005, from 8:00am - 1:00pm at a Merced location to be announced.

ATTACHMENT(S): N/A

TO: Executive Committee

DATE: 10/25/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Fiscal Report for FY2004/05 – First Quarter

PROPOSED MOTION(S): Information Only.

DISCUSSION: First Quarter (July 2004 through September 2004) Fiscal Report for Fiscal Year 2004/05. Staff will be present at meeting to answer questions.

ATTACHMENT(S): Fiscal Report 2004-2005 First Quarter

**MERCED COUNTY DEPARTMENT OF WORKFORCE INVESTMENT
FISCAL REPORT FOR FINANCE COMMITTEE
For Fiscal Year 2004/05
July 1, 2004 - June 30, 2005
Through 9/30/04**

Target 25.00%

AVAILABLE FUNDS			BUDGET			ACTUAL			OBLIGATIONS	AVAILABLE	
	Carryover Funds From 03/04	Appropriation FY 04/05	Planned for New Funds Based on Plan Mod 7/1/04 to 6/30/05		Budget for Available Funds	Accrued Expenditures FY to Date	Available	Percent Expended to Date	Total Obligated Funds	Available after Obligations	Percent Spent + Obligated
ADULT			Core A	\$ 648,203	\$ 891,197	\$ 162,956	\$ 728,241	18.29%	\$ 35,785	\$ 692,456	22.30%
04/05 Allocation		\$ 1,710,129	Core B	\$ 375,384	\$ 516,105	\$ 151,430	\$ 364,675	29.34%	\$ 43,824	\$ 320,851	37.83%
Universal Access Grant		\$ 76,247	Intensive	\$ 62,341	\$ 85,711	\$ 31,689	\$ 54,021	36.97%	\$ 7,784	\$ 46,237	46.05%
PY Cash Balances 6/30/04			Training	\$ 453,188	\$ 623,076	\$ 145,234	\$ 477,842	23.31%	\$ 232,651	\$ 245,191	60.65%
Adult Funds	\$ 641,081		Admin	\$ 171,013	\$ 235,121	\$ 31,485	\$ 203,636	13.39%	\$ 6,376	\$ 197,261	16.10%
Incentive Funds	\$ 21,157		Other	\$ 76,247	\$ 97,404	\$ 341	\$ 97,063	0.35%	\$ 185	\$ 96,878	0.54%
	\$ 662,238	\$ 1,786,376	Total	\$ 1,786,376	\$ 2,448,614	\$ 523,135	\$ 1,925,478	21.36%	\$ 326,605	\$ 1,598,874	34.70%
DISPLACED WORKER			Core A	\$ 451,648	\$ 627,156	\$ 157,184	\$ 469,973	25.06%	\$ 29,857	\$ 440,116	29.82%
04/05 Allocation		\$ 1,445,485	Core B	\$ 428,172	\$ 594,558	\$ 116,061	\$ 478,497	19.52%	\$ 26,851	\$ 451,646	24.04%
PY Cash Balances 6/30/04	\$ 561,709		Intensive	\$ 180,836	\$ 251,108	\$ 48,116	\$ 202,992	19.16%	\$ 10,857	\$ 192,134	23.49%
			Training	\$ 240,281	\$ 333,653	\$ 86,999	\$ 246,654	26.07%	\$ 102,166	\$ 144,488	56.70%
			Admin	\$ 144,548	\$ 200,719	\$ 32,159	\$ 168,560	16.02%	\$ 5,310	\$ 163,250	18.67%
	\$ 561,709	\$ 1,445,485	Total	\$ 1,445,485	\$ 2,007,194	\$ 440,518	\$ 1,566,676	21.95%	\$ 175,042	\$ 1,391,634	30.67%
YOUTH			* In School	\$ 1,203,220	\$ 2,341,345	\$ 415,147	\$ 1,926,198	17.73%	\$ 1,323,625	\$ 602,573	74.26%
04/05 Allocation		\$ 1,909,873	* Out of School	\$ 515,666	\$ 1,003,434	\$ 253,202	\$ 750,232	25.23%	\$ 736,331	\$ 13,901	98.61%
PY Cash Balances 6/30/04	\$ 1,806,548		Admin	\$ 190,987	\$ 371,642	\$ 26,633	\$ 345,009	7.17%	\$ 4,308	\$ 340,701	8.33%
	\$ 1,806,548	\$ 1,909,873	Total	\$ 1,909,873	\$ 3,716,421	\$ 694,981	\$ 3,021,440	18.70%	\$ 2,064,264	\$ 957,175	74.24%
All Programs	\$ 3,030,495	\$ 5,141,734		\$ 5,141,734	\$ 8,172,229	\$ 1,658,635	\$ 6,513,594	20.30%	\$ 2,565,911	\$ 3,947,683	51.69%
* RAPID RESPONSE			Rapid Response	\$ 91,901	\$ 298,198	\$ 95,035	\$ 203,163	31.87%	\$ 13,820	\$ 189,343	36.50%
04/05 Allocation		\$ 91,901									
PY Cash Balances 6/30/04	\$ 206,297		Total	\$ 91,901	\$ 298,198	\$ 95,035	\$ 203,163	31.87%	\$ 13,820	\$ 189,343	36.50%
	\$ 206,297	\$ 91,901									

* RAPID RESPONSE: All funding available thru 9/30/2005

BUDGET: Includes all funds available for fiscal year based on Plan submitted to EDD
Does NOT include projected \$95,892 Rapid Response Installment C due in November 2004.

OBLIGATIONS: Includes funds obligated in contracts and ITA's
Does NOT include funds committed for operations.

AVAILABLE: Balance after expenditures and obligations

Youth Expenditures %'s to date
In-School Youth 62.12%
Out-of-School Youth 37.88%

TO: WIB Executive Committee

DATE: 10/25/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Teleconference: Aligning for Action and Achievement

PROPOSED MOTION(S): Information only. Summary of Participant Critiques.

DISCUSSION: On September 28, 2004, members of the WIB participated in a National Teleconference, presented by Greg Newton Associates, titled Aligning for Action and Achievement. A compilation of the WIB member critiques of the session is attached.

ATTACHMENT(S): Critique Summary

**WDN/NAWB Workforce Board Leadership
Teleconference Series Attendee
Debrief and Evaluation**

September 28, 2004

Respondent Breakdown:

WIB members responded:	9	Survey sent to:	27
Dept. of WI staff responded:	5	Survey opened by:	25

WIB Responses (All responses recorded verbatim)

Teleconference Debrief:

What new idea(s) did you gain from the session?

- ◆ Not many. Much of what was discussed are things we are already involved in or aware of.
- ◆ Value of reexamining WIB role, goals and activities.
- ◆ Community audit ideas.
- ◆ Had to leave early
- ◆ None, did not stay long enough (1 hour)
- ◆ Don't remember
- ◆ Don't focus too much on program compliance--keep thinking about the big picture
- ◆ Strategizing, setting agendas to meet those strategies, especially for the workforce and business partners.
- ◆ None

How can the information from the session be applied to your work / the work of your Board?

- ◆ I think it validates much of what we are doing now in targeting industries.
Can be basis for discussion at WIB meeting.
- ◆ WIB membership. Improve WIB meetings. Gives potential direction to work for the WIB.
- ◆ Unknown?
- ◆ Not sure
- ◆ It seems as though the Board is on the right track--we need to keep our eye on achievable objectives.
- ◆ Provided "food for thought" for determining the purpose of our organization and how to meet the needs of the employee/employer clients.
- ◆ I believe our WIB is fairly proactive and has taken many of the steps suggested in the teleconference training. However, I believe we can do a better job at aligning the community resources with the economic needs of our community.

Teleconference Evaluation:

The session content was appropriate and understandable.

	% Responses	Number Responses
Agree Strongly	22%	2
Agree Moderately	44%	4
Neither Agree or Disagree	22%	2
Disagree Moderately	11%	1
Disagree Strongly	0%	0
Not Applicable	0%	0
Total	100%	9

The knowledge and/or skills gained from this session will help me perform my work more effectively.

	% Responses	Number Responses
Agree Strongly	22%	2
Agree Moderately	11%	1
Neither Agree or Disagree	44%	4
Disagree Moderately	0%	0
Disagree Strongly	11%	1
Not Applicable	11%	1
Total	100%	9

The presenter was knowledgeable about the content.

	% Responses	Number Responses
Agree Strongly	78%	7
Agree Moderately	11%	1
Neither Agree or Disagree	11%	1
Disagree Moderately	0%	0
Disagree Strongly	0%	0
Not Applicable	0%	0
Total	100%	9

The presenter demonstrated excellent communication skills.

	% Responses	Number Responses
Agree Strongly	33%	3
Agree Moderately	33%	3
Neither Agree or Disagree	22%	2
Disagree Moderately	11%	1
Disagree Strongly	0%	0
Not Applicable	0%	0
Total	100%	9

The materials were very helpful.

	% Responses	Number Responses
Agree Strongly	22%	2
Agree Moderately	44%	4
Neither Agree or Disagree	11%	1
Disagree Moderately	11%	1
Disagree Strongly	0%	0
Not Applicable	11%	1
Total	100%	9

The audio was of overall high quality.

	% Responses	Number Responses
Agree Strongly	44%	4
Agree Moderately	33%	3
Neither Agree or Disagree	22%	2
Disagree Moderately	0%	0
Disagree Strongly	0%	0
Not Applicable	0%	0
Total	100%	9

The visuals were of high quality.

	% Responses	Number Responses
Agree Strongly	33%	3
Agree Moderately	22%	2
Neither Agree or Disagree	33%	3
Disagree Moderately	0%	0
Disagree Strongly	0%	0
Not Applicable	11%	1
Total	100%	9

The meeting space was comfortable.

	% Responses	Number Responses
Agree Strongly	11%	1
Agree Moderately	67%	6
Neither Agree or Disagree	11%	1
Disagree Moderately	0%	0
Disagree Strongly	0%	0
Not Applicable	11%	1
Total	100%	9

The teleconference was of overall high quality.

	% Responses	Number Responses
Agree Strongly	33%	3
Agree Moderately	22%	2
Neither Agree or Disagree	33%	3
Disagree Moderately	11%	1
Disagree Strongly	0%	0
Not Applicable	0%	0
Total	100%	9

I would like to see further training in a teleconference setting.

	% Responses	Number Responses
Agree Strongly	33%	3
Agree Moderately	22%	2
Neither Agree or Disagree	22%	2
Disagree Moderately	11%	1
Disagree Strongly	11%	1
Not Applicable	0%	0
Total	100%	9

If you would like to see additional training, please specify:

- ◆ Strategies on bringing private sector business together to work on sector solutions. How to do a full sector analysis, what should it look like.
- ◆ to

Please make additional comments/or recommendations. Please feel free to include suggestions for future topics.

- ◆ I think this type of training vehicle should be used somewhat sparingly and the subject/presenter chosen with great care if we want to insure attendance and full attention to the presentation.
- ◆ Would like to see the training but as long as it needs to be to cover the subject matter. The last part of the training was rushed.
- ◆ I am not sure if I like this venue. From my perspective, it did not seem real outdated. And the people seemed like they did not want to be there. Now I only stayed an hour maybe it pickd up. I could not get into the discussion that is why I left!
- ◆ Only problem with the setting was the flucuation of temperature - mostly too cold!

TO: EXECUTIVE COMMITTEE

DATE: October 25, 2004

FROM: STAFF

For Action

For Information

For Discussion

SUBJECT: Notice of Final Determination - JCG

PROPOSED MOTION(S): None. Information Only.

DISCUSSION: After the closure of Jobs for California Graduates, Merced County, Inc. (JCG) in September 2003, Merced County Department of Workforce Investment filed an incident report as required by State and Federal regulations. Merced County has received from the State of California Employment Development Department a Notice of Final Determination regarding this incident report.

ATTACHMENT(S): Letter from State of California Employment Development Department.



Arnold Schwarzenegger
Governor

September 27, 2004
22M:188:jc:2004-CA-010

Ms. Deidre F. Kelsey, Chair
Merced County Board of Supervisors
2222 M Street
Merced, CA 95340

Dear Ms. Kelsey:

**NOTICE OF FINAL DETERMINATION
INCIDENT REPORT 2004-CA-010
MERCED COUNTY/JOBS FOR CALIFORNIA GRADUATES, MERCED
COUNTY, INCORPORATED**

On October 15, 2003, the Employment Development Department's Compliance Review Division (CRD) received from the Merced County Department of Workforce Investment (MCDWI) the above-captioned Incident Report (IR). This IR relates to allegations of program violations by Jobs for California Graduates Merced County, Incorporated (JCG). On October 16, 2003, CRD referred this IR to the U.S. Department of Labor (USDOL).

Specifically, the IR contains allegations that JCG failed to provide required single audit reports to MCDWI. In addition, between August 28, 2003 and September 16, 2003 MCDWI was contacted by several of JCG's subcontractors regarding non-payment. MCDWI made several attempts to obtain the audit reports, including a formal written demand on September 19, 2003 for fiscal information. JCG shut down its business operations and closed its office the same day. The Merced County Auditor/Controller's Office (MCACO) investigated to determine whether amounts billed to MCDWI by JCG had been actually paid to the subcontractors.

On May 20, 2004, CRD issued a Notice of Initial Determination (NID) to MCDWI as part of the process to formally resolve the IR. In said NID, CRD requested that MCDWI submit additional documentation to demonstrate that adequate oversight processes are in place to ensure the timely completion and submission of subrecipients audits. CRD further requested that MCDWI submit additional documentation to demonstrate that adequate internal controls exist for the verification and substantiation of reimbursable accountings to ensure proper reimbursement of allowable items to prevent duplicate payments or payments of unallowable items. Finally, CRD requested that MCDWI submit a copy of the

MCACO findings and conclusions regarding the limited scope review of JCG.

In that same NID, CRD provided MCDWI with a 60-day window period to present documentation, arguments, and/or explanations to demonstrate that it has implemented an adequate corrective action plan.

On July 15, 2004, MCDWI provided CRD with its written response to the referenced NID. This package contains copies of MCDWI's July 1, 2004 procedures on:

- Internal management procedures for preventing and detecting fraud.
- Debt collection.
- Audit requirements and resolution procedures for subrecipients.
- Invoice handling and prevention of duplicate payments.

Three letters were also submitted from the MCACO, dated November 14, 2003, May 25, 2004 and June 22, 2004. These letters demonstrated that MCACO found that after offsetting MCDWI's payment of \$24,783.98 to five subcontractors for services rendered, MCDWI owed JCG a sum of \$3,314.97 which was paid to Ms. Mae Irene Ayers, fiduciary of the now defunct JCG.

In its response to the NID, MCDWI states that it has reviewed all invoices that had been received from JCG during the period of the contract and compared those invoices to bank records for proof of payment. These invoices were also reviewed to ensure duplicate expenses were not billed, all expenses were allowable and that adequate documentation was provided. MCDWI also contacted subcontractors to ensure payments had been received. Additionally, a final inventory was completed and all equipment and supplies purchased by JCG with contract funds were returned MCDWI.

It is CRD's final determination that MCDWI has provided additional documentation to demonstrate that adequate oversight processes are in place to ensure the timely completion and submission of subrecipients audits. It is also CRD's final determination that the referenced IR has resulted in no disallowed costs.

Deidre F. Kelsey

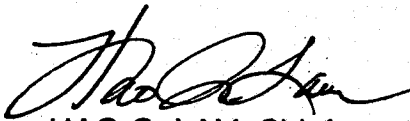
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September 27, 2004

Detailed information relating to this finding is provided in the attached NID of May 20, 2004. This Notice of Final Determination is subject to a review by the USDOL and any part, or all of it, may be overruled.

Please direct questions to me at (916) 654-1137 or to Mr. Harold Velasquez, Manager of the Compliance Resolution Unit at (916) 657-2056.

Sincerely,



HAO Q. LAM, Chief
Compliance Review Division
Program Review Branch

Attachment

cc: Ms. Andrea T. Baker, Director, Merced County Department of Workforce/
Investment
Mr. Stephen Jones, Auditor/Controller, Merced County