

**Workforce Investment Board of Merced County
Finance Committee**

**Dept of Workforce Investment Small Conference Room
1880 W. Wardrobe Ave, Merced, CA**

October 27, 2004, 7:30-9:00 a.m.

Meeting Agenda



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1. Call to Order
 2. Approve Agenda
 3. Approve Minutes (September 29, 2004)
 4. Public Opportunity to Speak
 5. Discussion/Action
 - a. Oversight of Youth Contracts/Contractors
 6. Information Agenda
 - a. Fiscal Report/Contracts Status Report
 - b. Status of National Emergency Grant w/San Jose
 - c. Enterprise Zone LAMBRA Update
 - d. Notice of Final Determination of Incident
 7. Chair Comments
 8. Next Meeting Date – November 24, 2004
 9. Adjourn

Workforce Investment Board of Merced County
Finance Committee
Department of Workforce Investment (Small Conf Rm)
1880 W. Wardrobe Ave, Merced, CA
Wednesday, September 29, 2004, 7:30–9:00 a.m.
Meeting Minutes



Members Present: Lee Andersen, Ed Anderson, Andrea Baker, Alfonse Peterson (Vice Chair)

Members Absent: John Fowler, Vann (Mike) Smith (Chair)

Staff Present: Dave Davis, Dee Knight, Joanne Presnell, Jackie Walther-Parnell

1. Call to Order: The Vice Chair called the meeting to order at 7:35 a.m. A sign-in sheet was used in lieu of roll call.

2. Approve Agenda: It was *M/S/C Baker/Andersen* to approve the agenda as published.

3. Approve Minutes (June 30, 2004): It was *M/S/C Andersen/Baker* to approve the June 30, 2004 minutes.

4. Public Opportunity to Speak: None.

5. Discussion/Action:

a. WIB Strategic Scorecard: Staff gave an overview of the WIB Strategic Scorecard, and noted the Quality Assurance Committee developed it. Each WIB committee is reviewing its applicable Measurement categories for clarification. The Finance Committee made the following changes:

1) Financial/Market Perspective – Item 1 Metric, change to 70% of available funds (carryover plus current year allocation) to be expended by the end of the fiscal year, and 80% of current year allocation to be obligated by the end of the fiscal year.

2) Financial/Market Perspective – Item 2.a. and b. How Often, change to quarterly.

It was asked if there is a means to compare our success rate of generating funds with that of other WIBs. Staff will put together an anecdotal report of the kinds of funds received by local WIBs.

It was *M/S/C Andersen/Baker* to approve the applicable Measurement categories of the Finance Committee with the above-cited changes.

6. Information Agenda:

a. Meeting Notes (August 25, 2004): No comments.

b. Fiscal Report: Staff provided handouts of the Allocations, Obligations and Expenses for FY 2004/05 (July 1, 2004-June 30, 2005) through August 31, 2004, gave a brief description of each program category and overview of the report, and answered specific questions.

Staff noted the fiscal report provided to the WIB on September 28, 2004, was the year-end report. The WIB receives a quarterly report, and the Finance Committee receives a monthly report. All programs are on track.

c. National Emergency Grant: This grant is a collaborative agreement with San Jose to provide training to up to 50 individuals living in Merced County who had worked in the technology field, and were laid off in Santa Clara County.

7. Vice Chair Comments: None.

8. Next Meeting Date: The next meeting is October 27, 2004, 7:30-9:00 a.m., in the Wardrobe Large Conference Room.

9. Adjourn: The meeting adjourned at 8:17 a.m.

Minutes prepared by Devilla D. Knight.

TO: Finance Committee

DATE: 10/27/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Oversight of Youth Contracts/Contractors

PROPOSED MOTION(S): None.

DISCUSSION: Mike Smith, Finance Committee Chair, has requested a discussion regarding monitoring of Youth Contracts/Contractors. Staff will be available at the meeting to answer questions.

ATTACHMENT(S): None

TO: Finance Committee

DATE: 10/27/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Fiscal Report/Contracts Status Report

PROPOSED MOTION(S): None. Information Only.

DISCUSSION: Attached is the Fiscal Report for the first quarter of 2004/05 (July 2004 through September 2004). Also attached is a Status Report of Contracts. Staff will be present at the meeting to answer questions.

ATTACHMENT(S):

Fiscal Report

Contracts Status Report

**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%

**MERCED COUNTY DEPARTMENT OF WORKFORCE INVESTMENT
WIA CONTRACTS**

Contract/Vendor Name	Contract Number	Total Contract Amt	Start Date	End Date	Contract Balance	Budget 2004/05 Only	* Expenditures To-Date	** Inv's Rec'd Not Yet Pd	*** Inv Through	**** % Billed	Comments
Merced Adult School, PLATO Lab (ERC)	2004157	\$ 44,844	07/01/04	06/30/05	\$ 39,486.47	\$ 44,844.00	\$5,357.32	\$ -	Aug '04	12%	
Merced College-LB Campus PLATO Lab	2002236	\$ 127,820	07/01/02	06/30/04	\$ 9,580.43	\$ 60,019.00	\$ 118,239.57	\$ -	June '04	93%	
Merced College-LB Campus PLATO Lab	2004126	\$ 59,855	07/01/04	06/30/05	\$ 48,086.09	\$ 59,855.00	\$11,768.91	\$ -	Sept '04	20%	
Merced College-LVN	2003264	\$ 101,822	01/01/04	06/30/05	\$ 63,639.50	\$ 33,942.00	\$38,182.50		May '04	37%	
Merced College-RN	2004127	\$ 131,376	07/01/04	06/30/05	\$ 131,376.00	\$ 131,376.00	\$0.00	\$ -		0%	
Merced College-CA Wellness Foundation	2003190	\$ 85,428	04/01/03	03/31/06	\$ 55,412.81	\$ 29,569.00	\$30,015.19		Aug '04	35%	
Merced County Office of Education-ISY	2004135	\$ 1,625,000	07/01/04	06/30/05	\$ 1,216,952.90	\$ 1,625,000.00	\$408,047.10		Aug '04	25%	
Merced County Office of Education-ISY	2003122	\$ 1,428,324	07/01/03	06/30/04	\$ 770.42	\$ 1,322,726.00	\$1,131,889.44	\$ 295,664.14	June '04	100%	Pending corr to inv/addl b/u docs
Merced County Office of Education-OSY	2003266	\$ 498,025	09/22/03	06/30/04	\$ 52,558.42	\$ 603,623.00	\$432,253.73	\$ 13,212.85	June '04	89%	Pending corr to inv/addl b/u docs
Merced County Office of Education-OSY	2003266	\$ 246,246	07/01/03	09/19/03	\$ 44,523.15	\$ 246,246.00	\$201,722.85		Feb '04	82%	
Merced County Office of Education-OSY	2004132	\$ 875,000	07/01/04	06/30/05	\$ 746,344.46	\$ 875,000.00	\$128,655.54		Aug '04	15%	
Yosemite Community College	10503	\$ 6,090.00	11/01/02	06/30/05	\$ 5,338.00	\$ 2,484.00	\$ 752.00		Dec '03	12%	
		\$ 5,229,829.79			\$ 2,414,068.65	\$ 5,034,684.00	\$ 2,506,884.15	\$ 308,876.99			

* Expenditures To-Date include entire contract period.

** Inv's Rec'd Not Yet Pd include invoices recently received and invoices requiring corrections/backup.

*** Invoiced Through shows latest dates of service covered by invoices.

**** % Billed is of entire contract, not just current year.

TO: WIB Finance Committee

DATE: 10/27/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: National Emergency Grant Contract

PROPOSED MOTION(S): Information Only

DISCUSSION: The Department of Workforce Investment has negotiated a contract with the City of San Jose to provide Workforce Investment Act services for up to 50 individuals who live in or near Merced County, but who previously worked and were laid off in Santa Clara County. Funds to support the training of these individuals are provided by a Technology and Transportation National Emergency Grant (NEG) administered through the San Jose Silicon Valley Workforce Investment Area (City of San Jose).

This collaborative agreement requires the Merced County Department of Workforce Investment to enroll the displaced workers and provide case management services. The San Jose Silicon Valley Workforce Investment Area (City of San Jose), through the Technology and Transportation NEG, will pay for the participants' training. The contract provides up to \$257,500 in revenue to the Department of Workforce Investment for training these participants. We have received word from the City of San Jose that the ending date for these funds has been extended and that participants can continue to be enrolled through March 31, 2005, with funds for training available through September 30, 2005. Merced County Department of Workforce Investment has 14 participants enrolled in this program, and it is anticipated that additional participants will be enrolled.

ATTACHMENT(S): None

TO: Finance Committee

DATE: 10/27/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Enterprise Zone Vouchers

PROPOSED MOTION(S): None. Information Only.

DISCUSSION: On August 17, 2004, the Merced County Board of Supervisors adopted a fee ordinance effective September 17, 2004 establishing a fee of \$40 per Enterprise Zone/LAMBRA Voucher submitted to the Merced County Department of Workforce Investment. The purpose of this fee is to offset costs incurred by the Department to process these vouchers. From September 17th through October 15th, a total of \$440 has been collected.

The Department will be tracking these fees and the costs of providing the services to determine whether the fees collected cover the cost of providing the service.

ATTACHMENT(S): None

TO: Finance Committee

DATE: 10/27/04

FROM: WIB Staff

For Action

For Information

For Discussion

SUBJECT: Notice of Final Determination – Jobs for California Graduates

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):

State of CA Employment Development Dept Letter



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/JOBES 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

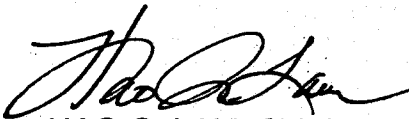
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September 27, 2004

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