

July 27, 2022

Marie Kurose, Executive Director
Workforce Development Council of Seattle-King County
Market Place One, Suite 250
2300 Western Avenue
Seattle, WA 98121-2162

RE: PY21 WIOA Management Letter

Dear Ms. Kurose:

Employment Security Department's Workforce Monitoring Unit (ESD's Monitoring Unit) completed the compliance review of Workforce Development Council of Seattle-King County (Sea-King WDC) regarding the oversight and administration of the Workforce Innovation and Opportunity Act (WIOA) for Federal Program Year 2021 (PY21). The purpose of this letter is to describe the scope of the review and communicate any items to address, questioned or disallowed costs, if applicable, in the administrative/fiscal and programmatic operations of Sea-King WDC.

The review included the following:

WIOA Title I Formula Program Review

WIOA Program Policies

- Eligibility Guidelines and Documentation Requirements (ESD Policy 1019, Rev. 5)
- Supportive Services and Needs-Related Payments (ESD Policy 5602, Rev. 3)
- All other policies and/or procedures, memos, technical assistance guides, etc. developed for the implementation of your WIOA formula and/or discretionary grants edited or published since the last state review

WIOA Adult and Dislocated Worker Program

- Eligibility
- Priority of Service (Adult Program Only)
- Supportive Services
- MIS/ETO – Data Element Validation

WIOA Youth Program

- Eligibility
- Supportive Services
- MIS/ETO – Data Element Validation

Economic Security for All (EcSA)

- Eligibility
- Program Enrollment

- Basic and Individualized Services
- Supportive Services
- Training Services
- Outcomes
- Program Completion
- Follow-up Services
- Self-Attestation
- MIS/ETO
- Case Notes

COVID-19 Disaster Recovery Dislocated Worker Grant; and COVID-19 Employment Recovery Dislocated Worker Grant

- Data Element Validation

WIOA Title I Formula Administrative and Fiscal Review

- Design and governance of the LWDB including sunshine provisions
- MOU/IFA/RSA
- One-Stop Operator, if applicable
- Policies/Procedures
- Administrative controls and monitoring (Subrecipient/Contractor and Pass-Through Entity)
- Internal controls
- Cash and financial management
- Procurements & Contracts
- Cost allocation plan or rate
- Property & Inventory
- Single audit
- Personnel
- Grievance and complaint
- Support services & needs related payments
- Incumbent Worker, if applicable

Statewide Discretionary Contracts Compliance Review

Economic Security for All (EcSA); Increased Employment (Rapid Response); COVID-19 Disaster Recovery Dislocated Worker Grant & COVID-19 Employment Recovery Dislocated Worker Grant

Administrative and Fiscal

- Cash and financial management/A19 reimbursements
- Administrative controls (Sub-recipient monitoring)
- Procurements & Contracts
- Personnel Activity Reports and Cost Allocation

Marie Kurose


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If applicable, the monitoring review included any elements from the PY20 monitoring cycle, identified in your PY20 Daily Observation Reports, required to be included in your next round of monitoring.

There were no findings. Questioned costs and items to address that were identified during the review are listed below with their status.

On behalf of ESD's Monitoring Unit, I would like to thank you and your staff for the courtesy you showed us during our review. Please let me know if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Greg Ferland". The signature is fluid and cursive, with a large loop at the end.

Greg Ferland
Director, Workforce Monitoring

cc: Dan Zeitlin, Director of Employment System Policy and Integrity, Employment Security
Department

WIOA Title I Program Policies Review

Adult and Dislocated Worker Incentive Payments Policy

Items to Address

The policy includes unsubsidized employment retention during active participation as an allowable incentive. Incentive payments are limited to milestones associated with WEX and training, including completion of those activities, but not attainment or retention of unsubsidized employment.

Actions Required

1. Sea-King WDC must update their Adult and Dislocated Worker Incentive Payments Policy to remove the allowance of incentives for the attainment of unsubsidized employment by 8/31/2022.
2. Sea-King WDC will provide the ESD Monitoring Unit with the updated policy by 8/31/2022.
3. Sea-King WDC will notify their service providers of the updated policy and provide documentation of this to the ESD Monitoring Unit by 8/31/2022.

Sea-King WDC Response due 8/31/2022

WIOA Youth Program

MIS

Items to Address

ETO ID's: 2394626, 2402259, 2364830, 2403764, 2368626

- Five (5) of ten (10) records had incentive payments recorded as a supportive service in ETO. Incentive payments are not a service provided to a participant, rather an incentive to complete services and activities so there is no service to record for incentives.

ETO ID's: 2394626 (4 services), 2402259 (2 services), 2402259 (1 service), 2364830 (1 service), 2403764 (1 service), 2368626 (3 services)

- Six (6) of ten (10) records had one or more services recorded beyond the 14-day day allowable timeframe. Unable to locate required late entry case notes indicating a department head reviewed and approved the late entry. The reason for the late entry was located in the service touchpoint.

ETO ID: 2365285

- One (1) of ten (10) records was unable to located one of the 14 program element services recorded for the participant as required for participation in the program.

ETO ID: 2345736

- One (1) of ten (10) records was unable to locate source documentation to validate date of enrollment into Alternative Secondary School Services or Dropout Recovery services. Unable to locate information on progress, or status of service since enrollment date of 7/7/2021.

Actions Required

1. Sea-King WDC must provide the ESD Monitoring Unit with a plan by 08/31/2022 on how they will ensure their service providers are:

- a. not recording incentives as support services in ETO;
 - b. recording timely entry of program services; and
 - c. ensuring all late service entries include all required late service entry case notes per WIN 0082, change 1.
2. Sea-King WDC must include this element in their next round of monitoring.
 3. Sea-King WDC must provide the ESD Monitoring Unit documentation these elements were included in their review and the results of monitoring these elements during the PY22 monitoring review.

Sea-King WDC Response due 8/31/2022

Miscellaneous

Item to Address

ETO ID: 2403485

- Confidential medical information is located on the last page of the assessment form under section 8, Health Status and History.

Actions Required

ETO ID: 2403485

Sea-King WDC must have the service provider redact the medical information from the form and place in a confidential medical file for the participant.

Sea-King WDC Response

On 7/6/2022, Bryan Pannell emailed a “DOR_Breakdown” tracking sheet that listed “resolved” by redacting the documentation and placing in a confidential medical file.

Status – Resolved

No additional actions required.

Incentive Payments

Questioned Costs

For the following five (5) of ten (10) records we are unable to locate the details of the incentive provided in ETO, including how the incentive payments were calculated, which are required by state and local policy. Several of the incentives amounts do not match what is set out as an allowable amount in local policy, and a couple do not appear to be allowable incentive activities.

ETO ID: 2394626

- Unable to locate the details of the incentive provided in ETO, including how the incentive payments were calculated, which are required by state and local policy.
- Verified against GL a total of \$200 was paid to participant for a GED attainment learning incentive.
- Verified against GL a total of \$83.33 was paid to participant for a Job readiness competency learning incentive, unable to determine this was an allowable incentive type and amount per local policy.

ETO ID: 2402259

- Unable to locate the details of the incentive provided in ETO, including how the incentive payment was calculated, which are required by state and local policy.
- Verified against GL and supporting documentation a total of \$200 was paid to the participant for GED attainment learning incentive. Two of the four GED tests were attained before program enrollment.
- Verified against GL and supporting documentation a total of \$50 was paid to the participant for Passing Classes – End of Quarter learning incentive.

ETO ID: 2364830

- Unable to locate the details of the incentive provided in ETO, including how the incentive payment was calculated, which are required by state and local policy.
- The incentive paid was \$250. The incentive form lists “Attainment of GED” was the reason for incentive. Sea-King WDC policy lists \$200 is the incentive amount for passing all four GED tests or \$50 for each test passed. Documentation of passing the tests indicate two GED tests were passed before the date of enrollment.
- Verified against GL and supporting documentation a total of \$250 was paid to the participant for GED attainment learning incentive.

ETO ID: 2403764

- Unable to locate the details of the incentive provided in ETO, including how the incentive payment was calculated, which are required by state and local policy.
- The incentive paid was \$150. The incentive form lists “Attainment of GED” was the reason for incentive. Sea-King WDC policy lists \$200 is the incentive amount for passing all four GED tests or \$50 for each test passed. Documentation of passing the tests indicate three GED tests were passed before the date of enrollment. The final test was passed on 12/8/2021.
- Verified against GL and supporting documentation a total of \$150 was paid to the participant for GED attainment learning incentive.

ETO ID: 2368626

- Unable to locate the details of the incentive provided in ETO, including how the incentive payment was calculated, which are required by state and local policy.
- Verified against GL a total of \$70.00 was paid to the participant for a learning incentive for Job Readiness competency, unable to determine how the amount was calculated or that it was an allowable incentive payment per local policy.

Actions Required

1. Sea-King WDC must review the files ESD Monitoring Unit identified as questioned costs to determine if the incentive payments are allowable.
2. If the incentive payments are not documented properly, and/or calculated properly, and/or are not allowable types of incentive payments, Sea-King WDC must:
 - a. ensure the incentive payment is documented properly;
 - b. ensure the incentive is calculated properly; and
 - c. for those where the incentive payment was overpaid or was not allowable, they must disallow costs and provide the ESD Monitoring Unit with documentation of repayment of non-federal funds.

3. Sea-King WDC will report back to the ESD Monitoring Unit by 7/6/2022 with the results of the review and their determinations, including all documentation to support their determinations.
4. All Youth files reviewed that had incentive payments provided resulted in questioned costs. All of these files reviewed that had incentive payments were served by KCEER. Sea-King WDC is required to review 10 files from all active and exited participant files in PY21, where KCEER was the service provider and incentives were provided. If the majority of the 10 files reviewed result in questioned costs then Sea-King WDC must expand the sample. If the incentive payments are not documented properly, calculated properly, and/or are not allowable types of incentive payments, Sea-King WDC must:
 - a. ensure the incentive payment is documented properly;
 - b. ensure the incentive is calculated properly; and
 - c. for those where the incentive payment was overpaid or was not allowable, they must disallow costs and provide the ESD Monitoring Unit with documentation of repayment of non-federal funds.
5. In addition, Sea-King WDC is required to review 5 files for each of their other Youth service providers for proper documentation, proper determination of incentive amount and allowability. If the majority of the 5 files each reviewed result in questioned costs then Sea-King WDC must expand the sample. If the incentive payments are not documented properly, calculated properly, and/or are not allowable types of incentive payments, Sea-King WDC must:
 - a. ensure the incentive payment is documented properly;
 - b. ensure the incentive is calculated properly; and
 - c. for those where the incentive payment was overpaid or was not allowable, they must disallow costs and provide the ESD Monitoring Unit with documentation of repayment of non-federal funds.
6. Sea-King WDC must provide the ESD Monitoring Unit the results of this review by 7/6/2022.

Sea-King WDC Response

On 7/6/2022, Bryan Pannell emailed a "DOR_Breakdown" tracking sheet that listed: *"WDC reviewed all support services reported in ETO by all Youth services providers to determine if incentive payments were being reported under Support Service touchpoints. The results of this review showed that one provider, KCEER, was reporting incentive payments as support services. There are currently 117 incentive payments in ETO reported this way for PY21. WDC staff are working with KCEER to correct these services and to ensure correct reporting of incentives per policy moving forward."*; *"ETO ID: 2394626 - \$200 incentive is allowed. \$83.33 is disallowed and will be processed for refund to WDC. WDC staff are working with KCEER to make appropriate ETO corrections."*; *"ETO ID: 2402259 - Incentives for tests passed prior to enrollment are being disallowed and will be refunded to the WDC. WDC staff are working with KCEER to make appropriate ETO corrections."*; *"ETO ID: 2364830 - \$200 incentive is allowed. \$50.00 is disallowed and will be processed for refund to WDC. WDC staff are working with KCEER to make appropriate ETO corrections."*; *"ETO ID: 2403764 - Incentives for tests passed prior to enrollment are being disallowed and will be refunded to the WDC. WDC staff are working with KCEER to make appropriate ETO corrections."*; *"ETO ID: 2368626 - \$70.00 is disallowed and will be*

processed for refund to WDC. WDC staff working with KCEER to make appropriate ETO corrections.”

Status – Pending

Sea-King WDC submitted a partial response on 7/6/2022. Not all elements of the corrective action plan were addressed, and no supporting documentation was provided including GL documentation to show repayment of non-federal funds for all disallowed costs. Sea-King WDC must submit documentation including evidence that disallowed costs have been paid for from non-federal funds to resolve disallowed costs determinations made as part of Action Required 2: C.

In addition, it is not clear that Action Required 4 nor 5 have been completed. Sea-King WDC must review each bullet of the corrective action plan, Action Required 4 and 5, and submit responses to ensure they have completed all items, including providing the missing supporting documentation for determinations and disallowed costs.

WIOA Adult Program

MIS

Item to Address

ETO ID: 2296167

- The following demographics are missing the WIOA Eligibility Application in ETO: Demographics-staff corrected SSN, Under Employed status, and most of the demographics on the Income Information tab.

ETO ID: 308740

- Participant has no job match account in WorkSource WA, which captures key required demographic information.
- The following file contains medical information enter in case notes entered on 1/22/2022 and 2/23/2022.

ETO ID: 930440

- Date of program completion does not match date of last qualifying service.

ETO ID: 930440

- Participant has no job match account in WorkSource WA, which captures key required demographic information.
- For the Occupational Skills Training services entered on 10/29/2021, 11/17/2021, 1/1/2022, and 1/22/2022 case notes do not support the provision of a service provided, rather a status update. Three Occupational Skills Training services were updated on 4/25/2022, after the monitoring review began.

ETO ID: 2126091

- Date of program completion does not match date of last qualifying service.

ETO ID: 2126091

- Date of program completion does not match date of last qualifying service.

Actions Required

1. Sea-King WDC must conduct quarterly monitoring for this element beginning July 1, 2022.
2. Sea-King WDC must include at minimum 2 files per provider each quarter for this program.
3. Sea-King WDC will report on a quarterly basis the results of their review and any additional corrective action taken to the ESD Monitoring Unit. The results are due by the end of the month following the end of the quarter. (The first results being due by the end of October.)

Sea-King WDC first quarterly response due 10/31/2022

Miscellaneous

Item to Address

ETO ID: 308740

- The file has confidential medical information in cases notes entered into ETO.

Actions Required

ETO ID: 308740

Sea-King WDC must have the service provider redact the confidential information from the case notes and place them in a confidential medical file for the participant.

Sea-King WDC Response

On 7/6/2022, Bryan Pannell emailed a “DOR_Breakdown” tracking sheet that listed “resolved” by redacting the documentation and placing in a confidential medical file.

Status – Resolved

No additional actions required.

WIOA Dislocated Worker Program

MIS

Item to Address

ETO ID: 370786

- Case notes indicate the participant has not participated in the ITA activity in some time, the durational Occupational Skills Training touchpoint is keeping the record open.

ETO ID: 513324

- For the Career and Guidance services entered on 11/24/2021, 1/13/2022, and 3/16/2022 case notes do not support the provision of a service provided, rather a status update.

ETO ID: 378824

- For the Career and Guidance services entered on 9/14/2020; 11/10/2021, 1/21/2022, 2/25/2022, and 3/25/2022 case notes do not support the provision of a service provided, rather a status update.
- Date of program completion does not match date of last qualifying service.

ETO ID: 853090

- For the Career and Guidance services entered on 11/1/2021 and 12/7/2021 case notes do not support the provision of a service provided, rather a status update.
- Date of program completion does not match date of last qualifying service.

ETO ID: 1065014

- Date of program completion does not match date of last qualifying service.

ETO ID: 1366860

- The Development of IEP service provided on 6/9/2021 was entered in ETO on 7/15/2021, beyond the 14-day allowable timeframe in. No required late entry case notes per WIN 00821, change 1 were located.
- The case notes in the Employment Referral service in ETO recorded on 3/31/2022 support a status update and not a service provision.
- Participant has no job match account in WorkSource WA, which captures key required demographic information.
- Income information in the WIOA eligibility application in ETO not completed in full, missing some required demographic information.

ETO ID: 1466684

- A Development of IEP service that occurred on 7/1/2021 was entered in ETO on 9/3/2021, beyond the 14-day allowable timeframe. Unable to locate required late entry case notes from a department head per WIN 0082, change 1.
- Income information tab in the WIOA eligibility application in ETO not completed in full, missing some required demographic information.
- Date of program completion does not match date of last qualifying service.

ETO ID: 1507726

- Participant has no job match account in WorkSource WA, which captures key required demographic information.
- Date of program completion does not match date of last qualifying service.

ETO ID: 1725777

- For the Career and Guidance services entered on 7/21/2021, 8/17/2021, 10/14/2021, 11/8/2021, 1/19/2022, 2/25/2022, and 4/20/2022 case notes do not support the provision of a service provided, rather a status update.
- The Career and Guidance serve entered on 6/12/2021 appears to have the wrong activity date recorded and no program enrollment attached to the service. The case note supports a service activity date of 6/12/2021, that should be attached to the WIOA DW program.

ETO ID: 2329243

- Participant has no job match account in WorkSource WA, which captures key required demographic information.
- Date of program completion does not match date of last qualifying service.

Actions Required

1. Sea-King WDC must conduct quarterly monitoring for this element beginning July 1, 2022.
2. Sea-King WDC must include at minimum 2 files per provider each quarter for this program.
3. Sea-King WDC will report on a quarterly basis the results of their review and any additional corrective action taken to the ESD Monitoring Unit. The results are due by the end of the month following the end of the quarter. (The first results being due by the end of October).

Sea-King WDC first quarterly response due 10/31/2022

Economic Security for All (EcSA) Program

MIS

Item to Address

ETO ID: 331894

- Training date for Occupational Skills Training does not match the start date on the ITA packet forms.

ETO ID: 916702

- Two services are duplicative in the file, Occupational Skills Training – 1/13/2022, Development of Individual Employment Plans (2.0) are attached to both Adult and EcSA programs. The funding source for this training was paid for by Adult ITA funds.
- Case notes indicate that the participant was connected to a mentor (2/23/2022), and the participant completed the mentoring (3/10/2022). The service was not recorded in ETO. No documentation is located in the file to validate this mentorship.

ETO ID: 1788644

- Participant has no job match account in WorkSource WA, which captures key required demographic information.
- Three services are duplicative in the files, Occupational Skills Training services provided on 3/28/2022, Program Support Services (Transportation) 3/18/2022 and Program Support Services (Other) 3/18/2021 are attached to Adult and EcSA. The funding source for the Occupational Skills Training was paid for by Adult ITA funds. The Program Support Services (Transportation) and (Other) have not hit the GL account at the time of the review.
- Program Support Services (Other) and (Transportation) provided on 3/18/2022 was entered in ETO on 4/12/2022, beyond the 14-day allowable timeframe in. No required late entry case notes per WIN 0082, change 1 were located.

ETO ID: 69846

- Participant has no job match account in WorkSource WA, which captures key required demographic information.

ETO ID: 1683991

- Participant has no job match account in WorkSource WA, which captures key required demographic information.
- The following services - Development of Individual Employment Plans, Comprehensive and Specialized Assessment, Occupational Skills Training, EcSA One-to-One Mentoring and EcSA Mentorship Opportunity provided on 11/29/2021 were entered in ETO on 3/23/2022, beyond the 14-day allowable timeframe in ETO. No required late entry case notes per WIN 0082, change 1 were located.
- Date of program completion does not match date of last qualifying service.
- Measurable Skills Gain was not entered in ETO. Certificate of completion was found in participant file.

Actions Required

1. Sea-King WDC will provide the ESD Monitoring Unit with a plan by 08/31/2022 on how they will ensure their service providers are accurately recording the following information into ETO:
 - a. All required demographic information in the WIOA Eligibility Application in ETO,
 - b. All services provided to the participant as defined in the WS Services Catalog have been recorded, and
 - c. All services are accurate and entered in a timely manner
2. Sea-King WDC must include this element in their next round of monitoring.
3. Sea-King WDC must provide the ESD Monitoring Unit during the PY22 ESD monitoring review, documentation this element was included in their review and the results of monitoring this element.

Sea-King WDC Response due 8/31/2022

Occupational Skills Training

Questioned Cost

ETO ID: 1683991

- Participant was provided an Occupational Skills Training service on 11/29/2021 for Pharmacy Technician. An Occupational Skills Training touchpoint was recorded in ETO under EcSA indicating the funding source was WIOA, however there was no cost identified in the case notes or elsewhere in the file. No supporting documentation was located in the file to indicate it was funded by another source.

Actions Required

1. Sea-King WDC must review the file the ESD Monitoring Unit identified as a questioned cost to determine which funding source paid for this training.
2. If the training was paid from non-federal fund sources, Sea-King WDC must provide the ESD Monitoring unit with:
 - a. documentation, including GL documents.
 - b. documentation that the training recorded in ETO is 'Training Paid by Other'.
3. If the training was paid by EcSA, Sea-King WDC must ensure all supporting documentation for the training is provided to the ESD Monitoring unit.

4. Sea-King WDC must provide the ESD Monitoring Unit the results of this review by 7/6/2022.

Sea-King WDC Response

On 7/6/2022, Bryan Pannell emailed a “DOR_Breakdown” tracking sheet that listed “Resolved. YWCA changed the service to Training Paid by Other and recorded appropriate information in ETO showing this as being paid for using a grant from CVS for pharmacy technician training.”

Status – Pending

Sea-King WDC submitted a partial response on 7/6/2022. Sea-King determined the cost as allowable, having been paid from a CVS grant. ESD Monitoring Unit reviewed ETO and verified the change of service to a ‘Training Paid by Other’. The action plan requires Sea-King WDC to provide GL and supporting documentation proving the training was paid by a program other than EcSA, once this documentation is received this item can be resolved.

Administrative / Fiscal Review

1.1 Design and Governance of LWDB

Item to Address

- The partnership agreement and bylaws for Sea-King WDC give authority to the FAC Committee (7-member Board of the WDC) to hire, evaluate and terminate the Chief Executive Officer of both the Sea-King WDC Board as well as the fiscal agent (WDC). Federal law requires that the full LWDB (Sea-King WDC Board) be authorized to hire, evaluate and terminate the Chief Executive Officer for the LWDB. It is allowable for a LWDB to rely upon a subcommittee of the board to carry out certain functions on behalf of the full Board as long as the final action goes to the full LWDB Board for approval.
- In addition, language in the partnership agreement that gives the CLEOs the authority to approve or disapprove contracts for service providers (other than contracts to the city or county) and that allows them to approve or disapprove the certification or recertification of one stops conflict with federal law that provides this authority to the LWDB.

Actions Required

1. Sea-King WDC is required to work with the chief elected officials to ensure that the governance agreements (Partnership Agreement and Bylaws) reflect the current practice that all actions of the FAC Committee (WDC Board) are taken to the full LWDB for final adoption.
2. In addition, Sea-King WDC must work with the chief elected officials to revise the partnership agreement to ensure it does not assert authority to the chief elected officials that under federal law belong to the LWDB. Sea-King WDC will provide the Monitoring Unit the revised documents by December 31, 2022.

Sea-King WDC Response due 12/31/2022