
**Workforce Investment Board
of San Mateo County**

**Program Performance Audit
February 2011**



**Controller's Office
Audit Division**

Workforce Investment Board of San Mateo County
Program Performance Audit

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Workforce Investment Board of San Mateo County Program Performance Audit

Executive Summary

This program performance audit was requested by the County Manager’s Office to meet one of the recommendations in its report on Strengthening Workforce Investment Board (WIB) and County Communications that was requested by the Board of Supervisors and presented to the Board on October 19th, 2010. The report also included several recommendations to improve the WIB’s overall communication, one of which relates to this audit – “Anticipate and prepare for the reauthorization of WIA: conduct a Program Performance Audit of the WIB to identify areas for local improvement and legislative reform”.

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and the primary focus was to determine whether organizational missions, goals, and objectives are achieved effectively and efficiently in compliance with laws and regulations. We reviewed the following areas - governance structure, eligible/required activities, sources of and restrictions on the use of funding, reporting, performance measurement and specific issues raised by the County Manger’s Office.

Overall, the County WIB appears to meet the basic program objectives within the constraints of the federal Workforce Investment Act (WIA) and its current structure. There are opportunities for improvement as noted in this report. The latest retention rate data available, based on clients leaving the program between April 1, 2008 and March 31, 2009, shows a retention rate of 83.3% for adults and 89.1% for dislocated workers. Retention is measured 6 months after placement.

Key Data	FY2009 - 2010	FY2008 -2009
County Data		
County Labor Force	369,700	374,200
Unemployed	33,600	32,000
Unemployment %	9.1%	8.6%
WIB Data		
Core (Universal) Services		
Unduplicated clients served	21,719	20,434
Client visits	105,087	87,889
Noncore (Intensive/Training)		
Active Cases	449	508
New enrolled Clients	166	231
WIA Clients Exited	263	236
WIA Clients Placed	116	107
Placement/Exits	44%	45%
Placement Average Wage	\$17.33	\$18.05
Youths (14-21) Served	404	345
Revenues	\$6.5M*	\$5.3M
Expenses	\$6.4M	\$5.0M
HSA FTEs in WIB Program	24.2**	n/a
No. of One-Stop Locations: 2 - Daly City & Menlo Park. Board Members: 28 (15 representing business)		
* Includes ARRA Funding \$2.6m		
** HSA FTEs projected for 2011-2012: 17		

The WIB was formed pursuant to WIA, which was enacted in 1998 and replaced the Job Training Partnership Act (JTPA). WIA ended in 2003, and has not been reauthorized but has been extended annually through the federal appropriations process. WIA replaced the JTPA with three new programs - Adult, Dislocated Worker, and Youth. These programs allow for a broader range of One-Stop services to the general public, no longer using income to determine eligibility for all program services. These new programs no longer focused exclusively on training, but provided for three tiers or levels of service for adults and dislocated workers: core, intensive, and training. See Appendix 1 for more details. Services for youth (14-21) are tracked separately and subject to restrictive funding and other requirements.

The County WIB management noted the following accomplishments for 2009-2010:

- ★ Launched the innovative Job Hunter Boot Camps that served over 2,000 jobseekers
- ★ Despite closure of 2 out of the 4 Centers in 2009, served 21,000 jobseekers (106% of prior year)
- ★ Placed 328 youth in ARRA funded summer jobs
- ★ New volunteer initiative, “TOOLS” Program, served an additional 1,000 jobseekers

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- ★ Trained hundreds of jobseekers in new green technology careers through the Clean Energy Career pathways initiative created as a result of a U.S. Department of Labor grant and led by Skyline College

The County WIB currently has 28 members, with representation from business (majority required per WIA), labor, education, community based organizations and other related areas – See Appendix 3. The WIB has Executive, Performance Standards, Finance, Youth Advisory and Board Development Committees and oversees the One-Stop Career System. There are two One-Stop locations, one in Daly City with PeninsulaWorks, which is staffed by Human Services Agency (HSA) and the other in Menlo Park with JobTrain, a contractor.

WIA offers flexibility in organizational placement of local WIBs. A survey of all WIBs in California performed in 2006 found that more than three quarters of California's 50 local WIBs are organized as government departmental units.

The County WIB is part of the Employment Services Program of the County's HSA. All of the WIB's accounting transactions are recorded in the County's accounting system (IFAS) and HSA personnel provide staff support under the direction of a Workforce Development Manager (WIB Manager). As noted above, one of the two One-Stop locations is also part of the HSA Program. Total HSA staff involved in WIB activities is 24.2 FTEs, which includes 4.8 FTEs funded by temporary grants and ARRA. Funding details are at Appendix 2.

"HR 1, the House-passed Continuing Resolution (CR), would eliminate ALL funding for the Workforce Investment Act (WIA) in Program Year (PY) 2011. This means that if the House passed bill were signed by the President, WIA would receive no new funding as of July 1, 2011 (the start of PY 2011) and would receive no additional funding until July 1, 2012 (the start of PY2012)."

-National Skills Coalition

WIA gave states and localities flexibility in deciding how to implement its provisions. The State WIB oversees and directs the local WIBs (LWIB). The State does this by requiring the LWIB to develop and submit 5-year plans for its approval. The LWIB is also required to submit other documents annually or as needed to certify that it is in compliance with WIA requirements.

Under the WIB Bylaws, the President of the County Board of Supervisors, in partnership with WIB, provides oversight of WIB's various programs and as specified in the Bylaws, the Board President's responsibilities include approving the WIB budget and serving as the local grant recipient.

Findings

- The size of the WIB appears to be too large. According to a UC Davis Report issued in November 2006 –“the effort to include all 17 mandatory partners, plus a majority of private sector participants, has resulted in large WIBs - rather too large and unwieldy ...” The County WIB currently has 28 active members. An item of discussion for WIA reauthorization includes reducing the board size to around 20 members in order to make decision making more efficient.
- The large size of the board with its consequential scheduling problems may be contributing to the attendance issues. Three WIB members were in violation of attendance requirements per the WIB Bylaws and 6 WIB members were at risk of being in violation during 2009-2010 – See Appendix 4. A. The Executive Committee can remove any Board Member that misses 3 successive meetings or has four 4 absences in any one-year period from regularly scheduled Board meetings.

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- Other board issues:
 - The State granted “Conditional Certification” of the board composition due to temporary vacancies. The WIB is in the process of addressing the vacancies before the State deadline of March 31, 2011.
 - The major employer representation in WIB is lower than WIBs in some surrounding counties.
 - While WIA intended to produce a larger partnership with local businesses, it does not define any cost sharing mechanism to foster this relationship.
 - Currently, WIA requires that the members representing the private sector should be in the majority. The current Board composition is 30 unduplicated members (28 filled positions at the time of the review) with 15 (or 50%) of the members representing the private sector.
- To measure program effectiveness, normally the actual performance data is compared to established targets or goals and customer satisfaction data is gathered for evaluation. We noted as follows:
 - The State Job Training Automation (JTA) reports, the primary reports measuring actual performance against State negotiated measures, are not available timely (delays of up to 18 months) and so may not be an effective tool for WIB to measure performance and take timely corrective action where necessary. A UC Davis report (November 2006) noted that “local stakeholders acknowledge the need to account for system results, but believe the existing performance measurement system is not meeting critical needs and is hampering the system’s ability to tell the full story about its public value. Interfacing with the Job Training Automation (JTA) system is a major part of the problem.”
 - Since the State JTA reports were not available timely, the WIB Performance Standards Committee created the Local One-Stop Performance Report as one of the internal tools to gauge effectiveness. We noted that the internal report measures estimated number of clients served and client visits by location, which measures its outreach effectiveness. However we noted that while there is a goal established for the number of visits, no standard or goal has been established for the number of clients served. See Appendix 5.
 - The WIB does not perform any customer satisfaction surveys.
- Appropriate data relating to outcomes and the associated costs, such as cost per unit of service, is normally made available to management and others charged with governance for the purposes of measuring a program’s efficiency. We did not find internal reports that specifically compare performance metrics with related costs of achieving those metrics. Our review of available external reports on Return-on-Investment (ROI) show ROIs ranging from \$1.52 to \$3.50 for every dollar spent.
- Under the WIB Bylaws, the County Board of Supervisors and WIB have joint oversight of WIB’s various programs. However, there is no established process for providing regular updates to the Board of Supervisors or its appropriate committee. We were informed that WIB management plans to provide an annual report to the Board of Supervisors and attend the Board’s Housing/Health/Human Services committee meetings to provide updates including quarterly performance data that is currently given to the WIB performance standards committee.
- Based on a 2006 UC Davis report a significant amount of time may be spent by local WIBs on reporting activities. While this may be the case, the current reports made available to WIB may not be effectively meeting its requirements. From our review of minutes, we noted that a WIB

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committee felt they needed more data in order to make effective decisions. We also observed members commenting on some challenges in understanding certain current financial reports.

- The WIB uses IFAS trust funds and budget units in the County's accounting system (IFAS) as its general ledger where it maintains its accounting records. Virtually all the revenues received by WIB are grant funds that are restricted to specific uses. WIB staff maintains worksheets to track grant allocations and expenditures but does not reconcile these to the IFAS amounts. WIB transactions are recorded in General Fund budget units and normally any excess of revenues over expenditures at fiscal year end in such budget units would revert to the General Fund. We noted that the net excess of revenue over expenditures for the budget units for fiscal year 2009-2010 was \$105,411 and for the 2 prior fiscal years they were \$343,340 and \$135,722 respectively. We were unable to obtain any reconciliation from WIB personnel relating to these amounts.
- Over \$2 million of WIB expenditures relate to salaries and benefits. WIB management needs appropriate reports to adequately review the expenditures. The WIB manager is not using the reports currently provided because the information is in a format that is different from the program budget.
- We compared the County's unemployment data with WIB's performance data (number of clients served) over the last few years and noted that the significant increase in unemployment is not reflected in WIB's performance data. For example, we compared data for 2006-2007 to 2009-2010 and noted that while unemployment had increased by 139%, WIB's clients' data for core services increased by only 25% and for non-core services by only 20% on average. Outreach efforts can be constrained by funding and other logistics and so it may not be reasonable to expect an increase in client numbers in direct proportion to the affected population. However, in this case the mismatch between the unemployment and clients served data is significant. We also note that the WIB got \$2.6 million in ARRA funding for 2009-2010.

Recommendations

- Cost sharing options need to be developed to include partners that benefit from WIB programs but are currently not contributing financially. This is also a WIA reform issue.
- The WIB Board Development Committee needs to develop and formalize a plan to recruit new members to obtain major employer representation which reflect key industries in the County (e.g. software and biotech).
- Management needs effective reports with content and in a format that meets its needs. For example, monthly reports should provide information on amount expended, budget variances, assessment of the adequacy of future funding of programs, major drivers of direct and indirect expenses and comparison of cost per unit of service. The WIB Finance Committee should work with the WIB Manager to identify and agree on report content and formats that meet program management needs and resources available to prepare the reports.
- To keep track of WIB funds in IFAS, WIB management and staff should establish procedures that ensure that WIB revenues, expenditures and Trust Funds' balances in IFAS are properly reconciled to supporting worksheets and other documentation as applicable.

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- The reports provided to support HSA labor charges should be summarized into management reports so labor costs can be adequately reviewed and evaluated.
- The Performance Standards Committee should create a performance standard or goal for the number of clients served. The WIB should also consider using customer satisfaction data, gathered through surveys or evaluations, as a performance measure and for identifying service quality issues.
- WIB management should formalize a process for regular updates to the Board of Supervisors or its appropriate committee.
- The WIB should consider performing a study on the outreach issue and take action as necessary.

Management Responses

Management responses to recommendations start at page 39. Management has disagreed with Recommendations 4 regarding reconciliation of IFAS amounts and Recommendation 9 regarding outreach efforts. We will review these during our follow-up audit.

WIA Reform Issues

- We noted that WIB re-authorization discussions include the need to change board membership to allow board composition to be no more than 20 members, which should alleviate issues relating to filling vacancies and meeting scheduling/attendance.
- The UC Davis report (November 2006) noted that the current mandatory partners concept has three evident weaknesses, one of which is that “the legislation did not specify the specific obligations of mandated partners; relatively few mandatory partners contribute funds to support One-Stop infrastructure costs, although many do contribute staff time on a negotiated basis”. (The other two weaknesses noted dealt with barriers to integration and work-first orientation of WIA).
- The existing performance measurement system (JTA) is not meeting critical needs and is hampering the system’s ability to tell the full story about its public value. JTA report users consider JTA out of date and expressed a desire for a reporting system that can produce appropriate real-time reports that local WIBs could use to improve their performance. A report dated October 18, 2007 from the California State University – Northridge prepared for the California WIB titled ‘California One-Stop System Cost Study Report’ recommended that the State WIB “take the lead in developing a voluntary system of standard measures of costs and services for the One-Stops. Such a system can evolve over time into a powerful method for improving the performance of One-Stops.” The report also recommended specific steps toward developing such a system.
- Training needs to be more focused on long term skills development versus immediate short term job placement. Emphasis is on facilitating the flow of individuals into jobs with whatever occupational skills they possess rather than developing new skills that add value for individual workers and local businesses.
- The Youth Program eligibility needs to be reformulated to be more effective. For example, practitioners regret the loss of JTPA’s summer youth program, which gave eligible youth both paid job experience and supplemental education while benefiting the community at the same time.

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This audit was requested by the County Manager’s Office to meet one of the recommendations in its report on *Strengthening Workforce Investment Board and County Communications* that was requested by the Board of Supervisors and presented to the Board on October 19th, 2010. In its summary the report stated -

It is important for the WIB to communicate and engage community partners and stakeholders to be sure that the County is best serving the needs of our residents in all communities; that we are responding to the needs of the recently unemployed, those now underemployed, those chronically unemployed, as well as planning for future workforce development needs and growth in our valuable diverse economic sectors, such as biotech, clean/green technology and health. That requires building and strengthening relationships through enhanced communication and collaboration.

The report also included several recommendations to improve the WIB’s overall communication, one of which relates to this audit –

Anticipate and prepare for the reauthorization of WIA: conduct a Program Performance Audit of the WIB to identify areas for local improvement and legislative reform.

Background Information

WIB was formed pursuant the federal Workforce Investment Act (WIA), which was enacted in 1998 and replaced the Job Training Partnership Act (JTPA). WIA ended on September 30, 2003, but has been extended annually through the federal appropriations process. As noted above this audit is performed to identify areas for improvement and reform in anticipation for the reauthorization of WIA.

As it stands now, HR1 recently passed by the House would eliminate WIA funding for 2010-2011. If the House-passed bill became law, WIA would receive no additional funding until July 1, 2012.

WIA is designed to unify a fragmented employment and training system and create a single, universal system - a One-Stop system that could serve the needs of all job seekers and employers. WIA sought to streamline the delivery of federally funded employment and training services, enabling job seekers to make informed choices among training providers and course offerings, and enhancing the private sector role in the workforce system.

Summarized Financial Information - 3 Fiscal Years			
	FY2008	FY2009	FY2010
Revenue			
Federal Aid	\$4,283,216	\$5,274,569	\$6,406,290
Other Revenue	233,053	66,655	140,929
Intrafund Transfers	-	-	41,043
Total Revenue	4,516,269	5,341,224	6,588,261
Expenses			
Salaries & Benefits	1,543,444	1,677,813	2,233,153
Training & Support	1,577,952	2,087,021	2,880,599
Contract & Professional Svcs	635,477	672,982	798,602
County Service Charges	459,651	445,280	417,574
Transport, Travel & Training	36,015	43,158	63,261
Supplies & Gen Operating Exp	62,761	38,603	44,100
Advertising & Publicity Exp	50,275	13,588	33,601
Professional Grps/Membership	6,568	11,945	6,771
Other	8,403	7,495	5,189
Total Expenses	4,380,547	4,997,884	6,482,851
Excess of Rev. over Exp.	\$ 135,722	\$ 343,340	\$ 105,411

Source - IFAS

WIA replaced the JTPA with three new programs - Adult, Dislocated Worker, and Youth. These programs allow for a broader range of services to the general public, no longer using income to determine eligibility for all program services. These new programs no longer focus exclusively on training, but provide for three tiers or levels of service for adults and dislocated workers: core, intensive, and training - see Appendix 1 for more details. Services for youth (14-21) are tracked separately and subject to restrictive funding and other requirements.

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WIA established the general guidelines under which WIB operates and gave states and localities flexibility in deciding how to implement the One-Stop system, allowing local One-Stops to tailor their systems to local needs.

Four separate federal agencies - the Departments of Labor (DOL), Health and Human Services, Education, and Housing and Urban Development - fund programs that are required to provide services through the One-Stop system. In addition, DOL encourages states and localities to include optional partners, such as Temporary Assistance for Needy Families (TANF), in order to better meet the specific workforce development needs of their local areas. The American Recovery and Reinvestment Act of 2009 has also provided additional funds through WIA to meet the goals of the 2009 Act. Appendix 2 provides details of funding.

The County or Local WIB

The County WIB currently has 28 members, with representation from business, labor, education, community based organizations and other related areas – See Appendix 3. The WIB operates as a subunit of the County’s Human Services Agency with Executive, Performance Standards, Finance, Youth Advisory and Board Development Committees and oversees the One-Stop Career System, bringing together the many federal, state and local employment, training, development and educational services in one location. There are two One-Stop locations, one in Daly City with PeninsulaWorks, which is staffed by HSA and the other in Menlo Park with JobTrain, a contractor.

Accomplishments

The County WIB management noted the following accomplishments for 2009-2010:

- ★ In partnership with U.S. Congresswoman Jackie Speier, launched the innovative Job Hunter Boot Camps that served over 2,000 jobseekers
- ★ Despite having to close 50% (2 out of 4) of PeninsulaWorks Centers in 2009, the WIB served 21,000 jobseekers in 2009-2010, which was 106% of the prior year total
- ★ Placed 328 youth in ARRA funded summer jobs
- ★ Launched a new volunteer initiative, known as the “TOOLS Program.” This mobile career center program utilized trained teams of laid-off worker volunteers who traveled throughout the community helping jobseekers with resumes and interview skills. The program served an additional 1,000 jobseekers
- ★ Was awarded a U.S. Department of Labor grant, led by Skyline College, to create Clean Energy Career pathways. This multi county initiative trained hundreds of jobseekers in new green technology careers.

Scope and Methodology

The audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing* and included assessments of:

- Program effectiveness - measure the extent to which a program is achieving its goals and objectives

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- Economy and efficiency – address the costs and resources used to achieve program results
- Internal control
- Compliance

In this audit the primary focus was on whether organizational missions, goals, and objectives are achieved effectively and efficiently, that is:

- a. whether the purpose of the program, the manner in which it is to be conducted, the services delivered, the outcomes, or the population it serves is in compliance with laws and regulations;
- b. whether resources are used in compliance with laws, regulations, or other requirements;
- c. whether management information, such as performance measures, and public reports are complete, accurate, and consistent to support performance and decision making;
- d. whether incurred or proposed costs are in compliance with applicable laws, regulations, and contracts or grant agreements; and
- e. whether the program produced intended results or produced results that were consistent with the program's prescribed objectives.

The scope also includes review of issues specifically mentioned by the County Manager's Office.

To achieve our audit objectives we performed the following audit procedures:

- ✓ Reviewed WIA Law to understand mandated requirements
- ✓ Interviewed HSA/WIA management and accounting personnel
- ✓ Reviewed publically available documents which included:
 - Documents pertaining to County of San Mateo WIB
 - WIB studies commissioned by the State of California
 - Other WIB websites
- ✓ If publically available documents were insufficient, we requested additional documentation from interviewed County personnel
- ✓ Reviewed mandated narrative and accounting reports submitted to State

Our observation and recommendations presented below deal with issues that are interrelated. To provide structure to our report presentation, we have organized our observations and recommendations as follows –

1. governance structure
2. eligible/required activities
3. sources of and restrictions on the use of funding
4. reporting
5. performance measurement
6. issues raised by the CMO not covered under the areas noted above

I. Overall Opinion

The WIB appears to meet the basic program objectives within the constraints of WIA and its current structure. There are opportunities for improvement as noted in this report.

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II. Observations, Findings and Recommendations

A. Governance Structure

A1. Governance Structure - Compliance with Laws and Regulations

WIA gave states and localities flexibility in deciding how to implement its provisions. The State WIB oversees and directs the County or local WIB (LWIB). The State does this by requiring the LWIB to develop and submit 5-year plans for its approval. Governance issues are adequately covered in the 5-year plan such as composition of the LWIB, board members attendance, etc.

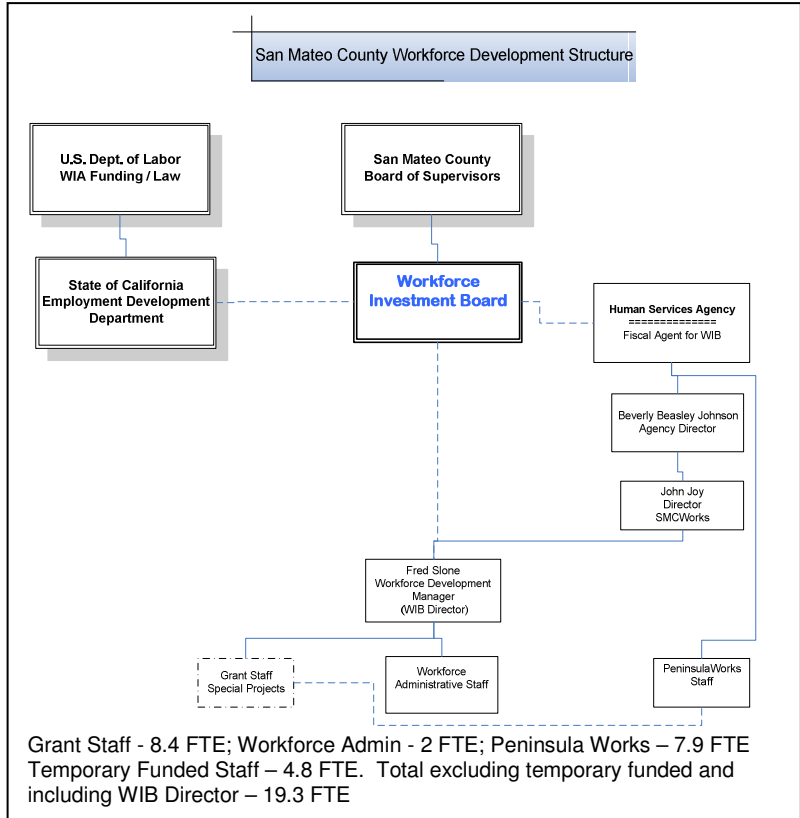
WIA stipulates that the local board must be composed of a majority of executives or employers with optimum policymaking or hiring authority that represent businesses with local employment opportunities

with the remainder of board to be from education, labor, community based organizations, economic development agencies, and other interests (such as veterans, etc). The State identifies seventeen mandatory partners for the board with the allowance that some members can fulfill multiple partner requirements. The WIB Board Development Committee manages the selection of WIB members. Appointment to WIB requires the Board of Supervisors' approval. See Appendix 3 for a Summary of Board Membership.

The WIB develops policy, provides guidance and exercises oversight for workforce investment activities in San Mateo County in partnership with the San Mateo County Board of Supervisors. As specified in the WIB bylaws the President of the Board of Supervisors, among other things, approves the WIB budget and serves as the local grant recipient.

WIB operations are accounted for in HSA's Employment Services Program and HSA personnel provide staff support under the direction of a Workforce Development Manager (WIB Manager). One of the two Stop locations is also part of the HSA Program. Total HSA staff involved in WIB activities is 24.2 FTEs, which includes 4.8 FTEs funded by temporary grants and ARRA.

The compliance of the board activities is subject to certification by the State in two areas. Board member composition undergoes certification bi-annually and the local plan narrative (which describes the activities of the board) is certified by the State on an annual basis. The State granted "Conditional Certification" of the board composition due to temporary vacancies and the WIB is in the process of addressing the vacancies before the State deadline of March 31, 2011. The local plan certification is assumed to be compliant unless there is communication from the State. We



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understand that WIB has not been notified by the State of any plan activities that are not in compliance.

Finding A1.1

The State granted “Conditional Certification” of the board composition due to temporary vacancies and the WIB is in the process of addressing the vacancies before the State deadline of March 31, 2011.

Finding A1.2

Three WIB members were in violation of attendance requirements per the WIB Bylaws and 6 WIB members were at risk of being in violation of the requirements – See Appendix 4. The most recent Local Plan narrative submitted for the State certification process mentions that WIB’s Youth Council had to be reformed due to declining attendance.

Finding A1.3

The current Board composition is 30 unduplicated members (28 submitted for State certification) with 15 (or 50%) of the members representing the private sector. WIA requires that the members representing the private sector should be in the majority.

Finding A1.4

WIA was intended to produce a larger partnership with local businesses but does not define any cost sharing mechanism to foster this relationship.

A2. Governance Structure – Effectiveness/Efficiency

According to a UC Davis Report issued in November 2006 –“the effort to include all 17 mandatory partners, plus a majority of private sector participants, has resulted in large WIBs - rather too large and unwieldy ...” As noted above, the County WIB currently has 28 active members. The size of the board with its consequential scheduling problems may be contributing to the attendance issues. An item of discussion for WIA reauthorization includes reducing the board size to around 20 members in order to make decision making more efficient.

The WIB may lack representation from major employers in the County that could have the ability to create job opportunities. Having more major employers’ representation may increase WIB’s effectiveness. Seven of the 16 (15 private at time of State certification) private members are small business owners or consultants. In comparison, the NOVA (Northern Santa Clara Valley) and Alameda boards had a better representation from major employers.

Budget & Actual - Fiscal Year 2009-2010		
	<u>Budget</u>	<u>Actual</u>
Federal Aid	\$ 5,102,542	\$ 6,406,290
Intrafund Transfers	-	41,043
Miscellaneous Revenue	-	141,271
Total Revenue	5,102,542	6,588,604
Salaries & Benefits		
- Management Staff	177,248	172,989
- Clerical Staff	174,659	175,681
- Program Staff	2,013,600	1,884,487
Total Salaries & Benefits	2,365,507	2,233,157
Other Expenditures - Direct		
- Adult Program	463,325	221,067
- Dislocated Worker Prog	382,224	317,678
- Youth Program	1,361,021	1,419,705
- Other	304,876	1,386,281
Total Other Exp. - Direct	2,511,446	3,344,731
Other Expend. – Indirect	1,215,444	905,316
Total Expenditures	6,092,397	6,483,204
Net	\$(989,855.00)	\$105,400.00
<i>Source: IFAS</i>		

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Finding A2.1

The size of the WIB appears to be too large. We noted that WIB re-authorization discussions include the need to change board membership requirements to allow board composition to be no more than 20 members

Finding A2.2

The major employer representation in WIB is lower than WIBs in some surrounding counties. We also note that the UC Davis Report mentioned that “given the absence of dedicated funds for WIB activities, it is difficult for WIBs to achieve the necessary community visibility to become a center for workforce development planning”.

A3. Governance Structure – Internal Control

As noted above, the WIB is divided into five committees. The two most active committees are the Performance Standards and Finance Committees. The majority of decision making data used by these committees is prepared by HSA staff assigned to WIB. For example, data provided to the Performance Standards Committee gives visibility into local economic conditions, occupations with opportunities, and statistics to gauge program effectiveness (such as results of training programs). Reports provided to the Finance Committee are created and presented to the committee by HSA accounting staff. We noted some concerns in this area - see Reporting section.

B. WIB Activities

B1. WIB Activities - Compliance with Laws and Regulations

As noted above WIA replaced the JTPA with three new programs - Adult, Dislocated Worker, and Youth. These programs provide for three tiers or levels of service for adults and dislocated workers: core, intensive, and training - See Appendix 1. WIA is designed to create a single, universal system - a One-Stop system that could serve the needs of all job seekers and employers.

One-Stops are generally built around four processes:

1. A universal services process, where a person can walk in to One-Stop and use services to find a job or training opportunities (WIB tracks these visits through registrations and swipe cards);
2. An enrolled services process, where eligible clients formally enroll in programs such as the WIA Adult program or CalWorks;
3. A business services process, with services to business ranging from workshops on writing a business plan to rapid response services for companies facing a layoff or closure;
4. A youth services process, offering services to eligible youth that range from academic support to case management, to help finding a summer job.

The law allows eligible service providers to be a combination of government agencies and private providers. The private providers must be sourced via a competitive process or through an agreement certified by the local WIB. The County WIB operates two One-Stop locations, one in Daly City with PeninsulaWorks, which is staffed by HSA and the other in Menlo Park with JobTrain, a contractor.

As noted earlier, compliance with WIA is managed at the state and local levels and the WIB has to develop and submit a comprehensive 5-year plan to the state for approval. The WIB is also required to submit other documents annually or as needed to certify that it is in compliance with

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WIA requirements. Moreover, there is a ‘One-Stop Certification’ process where WIB members review each location against a checklist and indicate approval or denial of certification. The most recent certifications we reviewed were approved.

The State has also assigned specific local WIB’s to focus on certain strategies. San Mateo County WIB has been identified for the following:

- Green Innovation Challenge Grant (alternative fuels & vehicles)
- Community Based Job Training Grant (energy)
- Regional Industry Clusters of Opportunity Grant (health sector)
- California Green Job Corps

Some of the above initiatives were the result of local WIB actions.

We examined performance records relating to WIB services and did not see any non-compliant activities. We also noted that funding is reimbursement based and WIB receives reimbursement only when compliance requirements have been fulfilled.

B2. WIB Activities – Effectiveness and Efficiency

To review effectiveness and efficiency we would generally compare outcomes and costs against prescribed targets and benchmarks. Prescribed targets are those set by regulatory agencies, grantees or internally developed. Benchmarks may be readily available (e.g. industry benchmarks) or internally developed where they are not readily available, as in WIB’s case. WIB has developed goals for some of its performance metrics. In addition, target performance levels are negotiated with the State. The table below provides a summary of performance to date. The WIBs ‘One-Stop Performance’ data for 2009-2010 is at Appendix 5 and the State performance report for 2008-2009 is at Appendix 6.

Summary - Performance Data Extracts						
	2009-2010			2008-2009		
One-Stop Performance per WIB Report						
	Actual	Perf. Stds Goal	Actual % of Goal	Actual	Perf. Stds Goal	Actual % of Goal
<u>CORE Services</u>						
Estimated # of Clients Served – Unduplicated	21,719	-	-	20,434	-	-
Estimated Client Visits	105,087	100,000	105.1%	87,889	100,000	87.9%
<u>WIA Enrolled</u>						
Active WIA Cases	449	500	89.8%	508	500	101.6%
WIA Clients Placed	116	305	38.0%	107	305	35.1%
Performance per State Report - Job Training Automation						
	Performance Level		Success	Performance Level		Success
	Actual	Negotiated	Rate	Actual	Negotiated	Rate
Entered Employment						
- Adults				75.3%	75.2%	100.2%
- Dislocated Workers				77.1%	81.2%	94.9%
Youth (14-21)						
- Placement in Employment/ Education				68.1%	65.0%	104.8%
- Attainment of Degree or Certificate				75.5%	45.0%	167.8%
- Literacy or Numeracy Gains				1.6%**	15.0%	10.9%

* State or JTA data for 2009-2010 was not available when the report was being written.

** 1.6% is incorrect per WIB management; correct % was not available.

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As can be seen from the table above, at the summary level the County WIB measures performance differently from the State. We were unable to obtain a local WIB performance report for youth services. Other issues noted include lack of a performance standard or goal for WIB’s internal ‘Number of Clients Served’ measure and WIB’s poor performance relating to its internal ‘WIA Clients Placed’ measure. WIB’s actual of 35.1 % for this measure is significantly below goal while the related State’s metrics for ‘Entered Employment’ measure shows success rate of close to 100%. We were also informed that the State JTA (Job Training Automation) reports are not available timely for making strategic decisions. (See the Performance Measurement section). As noted in the table, the JTA report for 2009-2010 was not available at the time of this review.

We did not find internal reports that specifically compare performance metrics with related costs. There is no established process, such as surveys or evaluations, to obtain feedback from clients or other stakeholders for the purposes of identifying concerns and maximizing effectiveness and efficiency. Issues relating to performance measurement methods are discussed later in this report.

We researched available resources for benchmark data and noted that while State WIB reports show performance for a uniform set of metrics, local conditions can vary significantly making benchmarking difficult.

A report dated October 18, 2007 from the California State University – Northridge prepared for the California WIB titled ‘California One-Stop System Cost Study Report’ reviewed the operations and finances of One-Stop locations to provide a model for how One-Stop costs and operations could be measured. The reports observations relating to cost measures and benchmarking includes the following:

- “There are few standard measures for units of service produced, so comparison and benchmarking against other sites or over time is difficult.
- One-Stop services were customized to local needs and this accounts in large part for the differences in costs between sites.”
An example of differences in cost is noted in the adjacent table - the average unit cost of core services per the study ranged from \$33 to \$554.

Estimated Unit Costs: 2008-2009			
	Allocation	No.	Average
Core Services	\$ 832,607	20,434	\$41*
Non Core Services:			
Adult	\$ 714,688	220	\$ 3,249
Dislocated Worker	1,075,475	323	\$ 3,330
Youth	707,659	345	\$ 2,051
	\$ 2,497,822	888	
	\$ 3,330,429		

Based on the assumption that Core Services account for 25% of the costs
 * Range per sample WIBs in a CA study: \$33 - \$554
 Non-Core cost data in the Study were tracked differently than above and so could not be used for comparison.

The assumption and range data quoted above are from - California One-Stop System Cost Study Report, Oct 18, 2007

The Cost Study Report recommended that the State WIB “take the lead in developing a voluntary system of standard measures of costs and services for the One-Stops. Such a system can evolve over time into a powerful method for improving the performance of One-Stops.” The report also recommended specific steps toward developing such a system. The complete report is available at <http://www.calwia.org/resources/reports>.

Our review of external reports on Return-on-Investment (ROI) of other WIBs show ROIs ranging from \$1.52 to \$3.50 for every dollar spent.

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We aggregated data from the state JTA report for selected counties and compared to the County WIB data. See table below.

Local WIB	Comparing Unemployment and Service				Entered Employment		Youth (14-21)		
	Unemployed		Non-Core Participants	Ratio: Non-core Participants to Unempl.	Adults	Dislocated Worker	Placement in Emplmnt or Educatn	Attainment of Degree or Certificate	Literacy or Numeracy Gains
No.	Rate								
San Mateo	31,500	8.6%	888	2.8% [‡]	75.3%	77.1%	68.1%	75.5%	1.6%*
Average (of WIBs below)	43,500	9.8%	3,923	10.4%	73.5%	79.9%	70.2%	65.8%	48.2%
Alameda County	49,700	8.7%	1,352	2.7%	83.4%	81.2%	66.9%	60.6%	17.7%
N. Santa Clara (NOVA)** ‡	23,300	8.8%	6,830	29.3%	52.5%	64.4%	68.9%	69.5%	67.7%
San Jose/Silicon Valley ‡	69,900	12.0%	8,438	12.1%	49.5%	76.2%	69.7%	83.9%	62.6%
South Bay Consortium	32,100	10.6%	1,238	3.9%	96.6%	93.2%	91.0%	84.2%	63.3%
San Francisco County	42,500	9.0%	1,755	4.1%	85.3%	84.6%	54.6%	30.7%	29.7%
<p>Note 1: Data is from State reports and relates mostly to FY 2008-09. <i>Excludes core (universal) services</i></p> <p>*Note 2: San Mateo's Youth Literacy or Numeracy Gains of 1.6% is incorrect; we were unable to get correct % from WIB.</p> <p>**Note 3: North Santa Clara Valley (NOVA) Consortium</p> <p>‡ Note 4: NOVA & San Jose were part of the State Integrated Service Delivery pilot program and were allowed to include some universal & EDD (CalWorks) clients into their counts.</p> <p>‡ Note 5: Core clients excluded = 20,434 (Core clients data for other WIBs not reported by state nor easily available)</p>									
<i>Source: State Reports</i>									

Overall, the County WIB's performance is within the range of the selected WIBs and appears acceptable, especially after taking into account the findings of the 'California One-Stop System Cost Study Report' report mentioned above regarding the lack of uniformity due to customization of services to local needs.

Finding B2.1

To measure program effectiveness, normally the actual performance data is compared to established targets or goals and customer satisfaction data is gathered for evaluation. We noted as follows:

- a. The WIB measures estimated number of clients served and client visits by location, which measures its outreach effectiveness. However we noted that while there is a goal established for the number of visits, no standard or goal has been established for the number of clients served.
- b. The County WIB measures performance in a manner that is different from the State and relies on the State's Job Training Automation (JTA) to measure performance for certain services such as adult and dislocated workers retention rate and those relating to youth services. The State JTA reports are not available in a timely manner (e.g. 2009-2010 report was unavailable at the time of this review), which greatly diminishes their effectiveness in evaluating performance and taking any necessary corrective actions.

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Finding B2.2

Appropriate data relating to outcomes and the associated costs, such as cost per unit of service, should be created so management and others charged with governance can measure a program's efficiency. The current program guidelines do not require this level of analysis. WIB program management should consider developing appropriate measures to be used as benchmarks to monitor program effectiveness. We did not find internal reports that specifically compare performance metrics with related costs of achieving those metrics.

B3. WIB Activities – Internal Control

The State Compliance Monitoring Division performed audits of WIB that cover the following areas:

- Fiscal processes, including policies and procedures, internal control, allowable costs, cash management, allocation of indirect costs, sub-recipient audit resolution policies and procedures, etc
- Procurement, including policies and procedures, selection of providers, etc
- WIB and its Youth Council membership
- ARRA program review
- Data validation process audit – verifies JTA information with hard-copy data (no report was issued)

WIB expenditures are also audited under the countywide Single Audit.

No significant program related findings were noted in the above audits. See Appendix 7 for a summary.

As was noted above, the WIB effectively operates as a subunit of the County Human Services Agency (HSA) and is part of its Employment Services Program (7320P). In addition to WIB, the Employment Services Program includes several other sub-programs such as Jobs for Youth, Welfare-to-Work, Veterans Services, CalWorks, Day Worker Program, etc.

All of the WIB' accounting transactions are recorded in the County's accounting system (IFAS) and WIB members and management rely on data provided by HSA fiscal staff.

C. Sources of and Restrictions on the Use of Funding

See Appendix 2 for funding details - revenue by program and ARRA funding.

C1. Funding - Compliance with Laws and Regulations

Two primary factors determine how much WIA related money a State receives: (1) the amount of funding available nationally and (2) the State's economic and demographic statistics as a relative share of those statistics for all States. In addition, WIA establishes minimum and maximum amounts by which a State's share of total *youth* and *adult* funding may change from the prior year. This provision protects States from losing or gaining too much of their relative share from year to year. There is no similar provision for the *dislocated worker* funding stream.

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The State's allocation to WIB mirrors the formula used at the Federal level. See Appendix 8 for a description of the allocation formula for each funding stream.

WIA law also outlines limitations on the use of funds. No WIA funds can be used for:

- a. employment generating activities,
- b. economic development activities,
- c. investment in revolving loan funds,
- d. capitalization of businesses,
- e. investment in contract bidding resource centers, and
- f. similar activities that are not directly related to training for eligible individuals under this title.

Funding for WIA is reimbursement based. The State will only provide reimbursement when requirements have been fulfilled.

In addition to the regular allocation described above, ARRA funds were available from February 2009 to June 2011. Other funding can also be applied for in the form of various grants.

We did not perform detailed compliance testing due to time constraints and relied on other audits as summarized in Appendix 7. Two of these audits mentioned compliance issues relating to minor instances of inadequate documentation in client files.

C2. Funding – Effectiveness and Efficiency

As noted above, funding is allocated to each category of Adult, Dislocated Worker and Youth by a fixed formula. Our review of meeting minutes noted the frustration of board and committee members in finding ways to use all the funding within the restricted buckets. Recently, the State has issued a directive allowing the transfer of funds between Adult and Dislocated Worker categories. The directive addresses the transfer policy for the Program Year 2010-2011 adult and dislocated worker funds and states that “based on a waiver submitted by the Employment Development Department (EDD) and approved by the Department of Labor (DOL), the Local Workforce Investment Areas (LWIA) may transfer up to 50 percent of the Workforce Investment Act (WIA) formula adult funds and up to 50 percent dislocated worker funds allocated to the local area between the adult and dislocated worker funding streams. The directive is available at - http://www.edd.ca.gov/jobs_and_training/pubs/wsd10-5.pdf.

C3. Funding – Internal Control

As noted above the WIB's transactions are accounted for in the County's accounting system (IFAS). The table on the next page provides a summary of WIB trust funds' and budget units' transactions for fiscal year 2009-2010. Grant receipts are recorded in the trust funds and transferred out to the budget units. The trust funds' balances totaling \$13,712 comprise of beginning balances and interest receipts during the fiscal year.

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WIB Trust Funds and Budget Units Summary 2009-2010							
Trust Funds		Beginning Balance	Federal Grant Receipts	Other Receipts*	Interest	Disbursements/Expenditures	Ending Balance/Net
Fund/Unit No.	Description						
04579	WIA Adult	\$ 5,286	\$1,291,589		\$ 67	\$1,291,589	\$ 5,353
04580	WIA Youth	1,089	1,781,743		14	1,781,743	1,103
04584	WIA Dislocated Worker	867	2,082,936		11	2,082,936	878
04588	WIA Rapid Response	6,298	1,734,810		80	1,734,810	6,378
		\$ 13,540	\$6,891,078		\$ 172	\$6,891,078	\$ 13,712
Budget Units							
73251	WIA S&B**-Management Staff					\$ 172,990	\$(172,990)
73252	WIA S&B-Clerical Staff					175,678	(175,678)
73253	WIA S&B-Program Staff		\$2,774,330	\$127,722		1,884,142	1,017,909
73254	WIA Adult-Dir to Program S&S***					221,066	(221,066)
73255	WIA DW - Direct to Program S&S					317,677	(317,677)
73256	WIA Youth-Direct to Program S&S					1,419,704	(1,419,704)
73257	WIA Othr 15%-Drct to Prgrm S&S					249,690	(249,690)
73258	WIA Othr 25%-Drct to Prgrm S&S		3,631,960	54,250		1,136,590	2,549,620
73259	WIA -Non Direct to Program S&S					905,314	(905,314)
			\$6,406,290	\$181,972	-	\$ 6,482,851	\$105,411
Net Effect of Accruals			484,788				
Cash from Trust Funds			\$6,891,078				
* Other Receipts comprise of HP Grant - \$75,000; VEAP Grant - \$51,001, Intrafund Transfer - \$41,043 & Misc - \$14,928. ** S&B – Salaries & Benefits *** S&S – Services & Supplies							

Source: IFAS

Since the WIB’s transactions are accounted for as a HSA Program unit in IFAS, a significant issue was to ensure that WIB money is not comingled with the General Fund money. Since the budget units used for accounting WIB transactions belong to the Fund Group ‘01’ – General Fund, normally any excess of revenues over expenditures in the budget unit at fiscal year end would revert to the General Fund. We noted that the net excess of revenue over expenditures for the budget units for fiscal year 2009-2010 was \$105,411 and as depicted in the Summarized Financial Information table earlier in this report the excess of revenue over expenditures for 2 prior fiscal years was \$343,340 and \$135,722 respectively. We were unable to obtain any reconciliation from WIB personnel relating to these amounts. For fiscal year 2009-2010, we were able to reconcile the disbursement of grant monies from the trust funds to the revenue accounts in the budget units and reconciled total expenditures in the budget units to the grant expenditure tracking worksheets provided by WIB staff. We did not audit the expenditure worksheets due to time constraints.

Over \$2 million of WIB expenditures relate to salaries and benefits (see table in the Background Information section). All the controls over tracking and charging of labor cost to the WIB reside within HSA. HSA staff charge time to WIB budget units via the payroll system and its IFAS interface. The WIB manager receives regular detailed reports; however those reports are not aligned to the budget of the WIB, making it difficult to understand whether the amounts are in line with budget expectations. Some of the reports included hours worked but not the actual costs and so are difficult to match to the budget. Actual staffing expenditures in total for the entire WIB budget are made available to the WIB manager on a periodic basis.

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Finding C3.1

The WIB uses certain IFAS trust funds and budget units in the County's accounting system (IFAS) as its general ledger where it maintains its accounting records. Virtually all the revenues received by WIB are grant funds that are restricted to specific uses. WIB staff maintains worksheets to track grant allocations and expenditures but does not reconcile these to the IFAS amounts. Reconciliation of grant worksheets' amounts with IFAS is essential to keep track of WIB funds since WIB transactions are accounted for in the General Fund budget units and normally any excess of revenues over expenditures at fiscal year end in such budget units would revert to the General Fund.

Finding C3.2

Over \$2 million of WIB expenditures relate to salaries and benefits. WIB management needs reports with information in an appropriate format that facilitates an adequate review of these expenditures. The WIB manager is not using reports currently provided because the information is in a format that is different from the program budget.

D. Reporting

D1. Reporting - Compliance with Laws and Regulations

Most of the external reporting is to the State. The major federal reporting requirement is under the Single Audit Act. As noted in the summary of audits in Appendix 7, no significant unresolved issues arose from the State audits or the Single Audit.

Internally, performance and other related reports are presented to the WIB and its committees. Issues relating to performance reporting is covered elsewhere in this report. Under the WIB Bylaws, the President of the San Mateo County Board of Supervisors, in partnership with WIB, provides oversight of WIB's various programs. However, we noted that there is no established process for providing regular reports to the Board of Supervisors that would facilitate this oversight.

Finding D1.1

Under the WIB Bylaws, the WIB, in partnership with the President of the San Mateo County Board of Supervisors, conducts oversight of WIB's various programs. There is no established process for providing regular updates to the Board of Supervisors or its appropriate committee.

WIB management plans to:

- Provide an annual report to the Board of Supervisors.
- Attend ongoing meetings of the Board Housing/Health/Human Services committee to provide updates as requested by that committee as well as provide quarterly performance data that is currently given to the WIB performance standards committee.

D2. Reporting – Effectiveness and Efficiency

The November 2006 UC Davis report noted that - "Throughout this evaluation, local areas have expressed their frustration with the time consumed by compliance and reporting activities in an era of diminishing resources, comparing WIA unfavorably with JTPA. While they wholeheartedly agree with the need for public accountability, they told us that they spend an average of 40% of

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staff time - two days of every week—just on these activities, time that might otherwise be directed into services. One characteristic of the most successful local areas we studied is their determination to minimize the amount of staff time devoted to meeting federal and state compliance and reporting demands by simplifying paperwork and lifting the burden of reporting from frontline staff so that they can concentrate on delivering services.”

HSA Financial Services provides all documentation concerning WIA reported costs and revenues, as well as many detailed reports, directly to the WIB Finance Committee. The Finance Committee is responsible for communicating these reports to the rest of the WIB. Additionally, the chair of the Finance Committee is a member of the WIB Executive Committee.

We noted in our review of available meeting minutes that there were comments regarding some situations where a WIB committee felt they needed more data and time in order to make effective decisions. We also observed members commenting on some challenges in understanding certain financial reports. Additionally, much of data used for decision making by these committees was not publically available. Board/Committee documents are not required to be posted on the website or made immediately available, but as required by law are made available upon request.

Finding D2.1

A November 2006 UC Davis report noted that “... local areas have expressed their frustration with the time consumed by compliance and reporting activities in an era of diminishing resources ...” However, while a significant amount of time may be spent on reporting, it may not be effectively meeting WIB’s decision making requirements. We noted from minutes that a WIB committee felt they needed more data and time in order to make effective decisions. We also observed members commenting on some challenges in understanding certain current financial reports.

D3.Reporting – Internal Control

Based on discussion with WIB management, we noted as follows -

- a. ARRA Reporting of actual expenditures: WIB received ARRA funding in April 2009. We were able to find only two updates of actual expenditure levels against those funds. Management had received an update of actual expenditures through March 2010 and then an update in November 2010 of actual expenditures through June 2010.
- b. Fiscal staff provides grant by grant expenditure information, generally monthly. However, we were not able to find a fiscal summary of all grant funding received over time in a more consolidated fashion.
- c. Fiscal staffs are concerned with the amount of time involved to create some of the reports requested by WIB. The report items requested by WIB are by vendor and type of program while the IFAS data is organized by accounting units. This difference in format results in a manually intensive process for report preparation.

As was noted earlier in this report, we were unable to obtain any reconciliation between WIB grant worksheets and the WIB funds and units in IFAS.

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Finding D3.1

Good internal control requires systems and processes that provide accurate, complete and timely reports that are supported by the underlying accounting records and assist management and others charged with governance in making informed decisions. The current WIB reporting does not appear to meet these requirements.

E. Performance Measurement

E1. Performance Measurement - Compliance with Laws and Regulations

WIA requires each WIB to have a Performance Accountability System. This system includes State negotiated performance measures and customer satisfaction surveys. As clients apply and are deemed eligible for non-universal WIA services, their data is entered into the State Job Training Automation System (JTA). The State extracts data from JTA to issue a report to show actual local performance against the negotiated measures. When WIA was initially established, over 17 metrics were measured. Currently, the State only requires three metrics for each class of eligible people served. The latest available JTA report is at Appendix 6.

E2. Performance Measurement – Effectiveness and Efficiency

We were informed that the State JTA reports, the primary reports measuring actual performance against State negotiated measures, were not available timely as reports for a period could be delayed for up to 18 months. Consequently the WIB Performance Standards Committee created the Local One-Stop Performance Report as one of the internal tools to gauge effectiveness. We noted certain issues with this report under Section B2 above. The latest available One-Stop Performance Report is at Appendix 5.

Regarding customer satisfaction surveys, WIB management informed us that the State stopped tracking the satisfaction measures a few years ago and stopped reporting on them. The WIB followed this action and also stopped tracking this data as well. In large part, this was because the WIB did not have reliable sources of data for employer satisfaction and the client satisfaction data was co-mingled with all HSA clients coming for social services resulting in imprecise data. The WIB decided to focus on hard performance data such as placement rates, wages, etc. which it still reviews today. We noted that none of the statistical forms required by the State during the certification process have any satisfaction goals listed.

Finding E2.1

The State JTA reports, the primary reports measuring actual performance against State negotiated measures, are not available timely and so may not be an effective tool for WIB to measure performance and take timely corrective action where necessary.

A UC Davis report on ‘Evaluation of California’s Workforce Development System’ (November 2006) noted that “local stakeholders acknowledge the need to account for system results, but believe the existing performance measurement system is not meeting critical needs and is hampering the system’s ability to tell the full story about its public value. Interfacing with the Job Training Automation (JTA) system is a major part of the problem. ... Respondents continually described JTA as out of date and frustrating to use and expressed a desire for a much more flexible

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reporting system which would be able to produce real-time reports that local areas could use to improve their own performance.”

Finding E2.2

The WIB does not perform any client satisfaction surveys.

E3. Performance Measurement – Internal Control

We test checked performance data to extracts and found no material issues.

F. Specific Issues Raised by the CMO not Covered Above

F1. Organizational Placement

WIA law offers flexibility in organizational placement of the program. A survey of all WIBs in California performed in 2006 found that more than three quarters of California’s 50 local WIBs are organized as government entities, with about half of these nested in human/social services departments and half in employment/economic development departments. The remaining local WIBs are organized as nonprofits or as hybrids (two cases) that combine nonprofit and governmental features. Most local WIBs comprise single cities or counties, but there are nine consortia of cities or counties.

Currently, the California Workforce Investment Board is doing limited testing of their “Integrated Service Delivery” (ISD) initiative to formally integrate LWIBs with Employment Development Department (EDD) activities. The success of this initiative would further support the organizational placement of WIB within HSA.

F2. Communication/Outreach

Clients	PY05 06	PY06 07	PY07 08	PY08 09	PY09 10	TOTAL
					(includes ARRA)	
Total Unduplicated Clients	24,250	22,311	23,726	25,563	27,852	123,702
WIA Enrolled Clients						
Dislocated Worker	422	339	270	323	401	1,755
Adult	470	491	349	220	349	1,879
Youth	314	317	230	345	626	1,832

County of San Mateo Unemployment by Year	PY05 06	PY06 07	PY07 08	PY08 09	PY09 10
Labor Force	366,100	371,700	374,600	374,200	369,700
Employed	352,700	357,600	356,500	342,200	336,100
Unemployed	13,400	14,100	18,100	32,000	33,600
Unemployment %	3.7%	3.8%	4.8%	8.6%	9.1%

The County’s average unemployment number for fiscal years 2008-2009 and 2009-2010 is more than double the average for the previous 3 fiscal years. This trend is not reflected in WIB’s clients served data.

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WIB provided the following information regarding outreach programs in 2010:

New Programs	People Served
Job Hunter's Boot Camp	1,000
Youth Employment	300
TOOLS Tent	480
Job Forum	290
TOTAL SERVED	2,070

The eligibility portions of the WIB programs are need based. However, due to WIB's customer focused approach (people must visit One-Stops and be screened for services), there may be eligible individuals that could use the services but would not receive assistance unless they visit.

We noted that the 'services' quick links on the County's website do not include WIB services. WIB services are listed under 'A-Z Services' as [Job Assistance \(opens in new window\)](#). Potential clients can also navigate to the WIB or related websites (e.g. Peninsula Works) by searching on the web.

We could not obtain data on how outreach events were planned by WIB's committees. The WIB Development Committee has been discussing improvements to marketing strategies since September 2010; however, we were unable to obtain any information on any specific action. We also noted that the Assistant Secretary for the Employment and Training Administration, Jane Oates in her testimony before a Senate Committee in July 2009 made the following suggestion regarding reauthorization of WIA: "performance information on training programs should be widely available, so individuals can make informed choices about which programs best meet their needs."

Finding F2.1

We compared the County's unemployment data with the number of clients served by WIB (i.e. its performance data) over the last few years and noted that the significant increase in unemployment is not reflected in WIB's performance data. For example, we compared County's unemployment rates and WIB's performance data for 2006-2007 and 2009-2010 and noted that while unemployment had increased by 139%, WIB's performance data for core services increased by only 25%. The average increase in WIB's performance data for non-core services was only 20%.

Since outreach efforts are constrained by funding and other logistics it may not be reasonable to expect an increase in client numbers in direct proportion to the increase in affected population. However, the mismatch between the increases in unemployment and clients served is significant. We note that in spite of losing half of the One-Stop locations, the same number of clients were able to obtain services. We also note that the WIB received \$2.6 million in ARRA funding in 2009-2010.

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Recommendations

Recommendations address the findings in this report. Some of the findings are related to WIA requirements and so are addressed under WIA Reform Issues section, where applicable.

Recommendation 1

- Finding A1.4

WIA was intended to produce a larger partnership with local businesses but does not define any cost sharing mechanism to foster this relationship.

Cost sharing options need to be developed to include partners that benefit from WIB programs but are currently not contributing financially. This is also a WIA reform issue.

The UC Davis report (November 2006) notes as follows: “WIA’s mandatory partner provisions are credited with spurring valuable discussion among local partners, at least some of whom would probably not have connected as meaningfully without the requirement.” The report goes on to state that the current mandatory partners concept has three evident weaknesses, one of which is that “the legislation did not specify the specific obligations of mandated partners; relatively few mandatory partners contribute funds to support One-Stop infrastructure costs, although many do contribute staff time on a negotiated basis”.

Recommendation 2

- Finding A2.2

The major employer representation in WIB is lower than WIBs in some surrounding counties.

The WIB Board Development Committee needs to develop and formalize a plan to recruit new members to obtain major employer representation which reflect key industries in the county (e.g. software and biotech). Improving major employer representation could increase community visibility and contribute to more ideas to equip the local workforce for improved employment opportunities.

Recommendation 3

- Finding B2.2

Appropriate data relating to outcomes and the associated costs, such as cost per unit of service, should be created so management and others charged with governance can measure a program’s efficiency. The current program guidelines do not require this level of analysis. WIB program management should consider developing appropriate measures to be used as benchmarks to monitor program effectiveness. We did not find internal reports that specifically compare performance metrics with related costs of achieving those metrics.

- Finding D2.1

A November 2006 UC Davis report noted that “... local areas have expressed their frustration with the time consumed by compliance and reporting activities in an era of diminishing resources ...” However, while a significant amount of time may be spent on reporting, it may not be effectively meeting WIB’s decision making requirements. We also noted from minutes that a WIB committee felt they needed more data and time in order to make effective decisions. We also observed members commenting on some challenges in understanding certain current financial reports.

- Finding D3.1

Good internal control requires systems and processes that provide accurate, complete and timely reports that are supported by the underlying accounting records and assist management and others charged with governance in making informed decisions. The current WIB reporting does not appear to meet these requirements.

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The WIB committee should work with the Workforce Development Manager to identify what information is needed to develop effective management reports. The Workforce Development Manager will need to determine the resources required to address this need. The WIB Finance Committee should work with the Workforce Development Manager to identify and agree on report formats that meet program management needs and resources available to prepare reports.

Recommendation 4

- Finding C3.1

The WIB uses certain IFAS trust funds and budget units in the County's accounting system (IFAS) as its general ledger where it maintains its accounting records. Virtually all the revenues received by WIB are grant funds that are restricted to specific uses. WIB staff maintains worksheets to track grant allocations and expenditures but does not reconcile these to the IFAS amounts.

WIB management and staff should establish procedures that ensure that WIB revenues, expenditures and Trust Funds' balances in IFAS are properly reconciled to supporting worksheets and other documentation as applicable. Reconciliations and their review should be adequately documented. Reconciliation of grant worksheets' amounts with IFAS is essential to keep track of WIB funds since WIB transactions are accounted for in the General Fund budget units and normally any excess of revenues over expenditures at fiscal year end in such budget units would revert to the General Fund.

Recommendation 5

- Finding C3.2

Over \$2 million of WIB expenditures relate to salaries and benefits. WIB management needs reports with information in an appropriate format that facilitates an adequate review of these expenditures. The WIB manager is not using reports currently provided because the information is in a format that is different from the program budget.

The WIB manager should specify what information needs to be summarized into management reports so labor charges can be reviewed and supported. The WIB manager may need to determine what resources are available to develop these reports.

Recommendation 6

- Finding B2.1

The WIB measures estimated number of clients served and client visits by location, which measures its outreach effectiveness. However we noted that while there is a goal established for the number of visits, no standard or goal has been established for the unduplicated number of clients served.

The Performance Standards Committee should create a performance standard or goal for the number of clients served.

Recommendation 7

- Finding E2.2

The WIB does not perform any client satisfaction surveys.

The WIB should consider using customer satisfaction data, gathered through surveys or evaluations, as a performance measure and for identifying service quality issues.

Workforce Investment Board of San Mateo County Program Performance Audit

Recommendation 8

- Finding D1.1

Under the WIB Bylaws, the WIB, in partnership with the President of the San Mateo County Board of Supervisors, conducts oversight of WIB's various programs. There is no established process for providing regular updates to the Board of Supervisors or its appropriate committee.

WIB management should formalize a process for regular updates to the Board of Supervisors or its appropriate committee.

Recommendation 9

- Finding F2.1

We compared the County's unemployment data with WIB's performance data (number of clients served) over the last few years and noted that the significant increase in unemployment is not reflected in WIB's performance data. For example, we compared data for 2006-2007 to 2009-2010 and noted that while unemployment had increased by 139%, WIB's clients' data for core services increased by only 25% and for non-core services by only 20% on average.

Outreach efforts can be constrained by funding and other logistics and so it may not be reasonable to expect an increase in client numbers in direct proportion to the affected population. However, in this case the mismatch between the unemployment and clients served data is significant. We also note that the WIB got \$2.6 million in ARRA funding for 2009-2010.

The WIB should consider performing a study on the outreach issue and take action as necessary.

Workforce Investment Board of San Mateo County Program Performance Audit

WIA Reform Issues

1. *Local WIB Size, Vacancies and Attendance*

- *Finding A1.1*

The State granted “Conditional Certification” of the board composition due to temporary vacancies and the WIB is in the process of addressing the vacancies before the State deadline of March 31, 2011.

- *Finding A1.2*

Three WIB members were in violation of attendance requirements and 6 WIB members were at risk of being in violation – See Appendix 4. The most recent Local Plan narrative submitted for the State certification process mentions that WIB’s Youth Council had to be reformed due to declining attendance.

- *Finding A2.1*

The size of the WIB appears to be too large. We noted that WIB re-authorization discussions include the need to change board membership requirements to allow board composition to be no more than 20 members

We noted that WIB re-authorization discussions include the need to change board membership requirements to allow board composition to be no more than 20 members. This should alleviate issues relating to filling vacancies and meeting scheduling/attendance.

2. *Cost Sharing*

See Recommendation 1: Cost sharing options need to be developed to include partners that benefit from WIB programs that are currently not contributing financially.

3. *Performance Measurement*

- *Findings B2.1 & E2.1*

The State JTA reports, the primary reports measuring actual performance against State negotiated measures, are not available timely and so may not be an effective tool for WIB to measure performance and take timely corrective action where necessary.

A UC Davis report on ‘Evaluation of California’s Workforce Development System’ (November 2006) noted that “local stakeholders acknowledge the need to account for system results, but believe the existing performance measurement system is not meeting critical needs and is hampering the system’s ability to tell the full story about its public value. Interfacing with the Job Training Automation (JTA) system is a major part of the problem. ... Respondents continually described JTA as out of date and frustrating to use and expressed a desire for a much more flexible reporting system which would be able to produce real-time reports that local areas could use to improve their own performance.”

4 *Training*

Training needs to be more focused on long term skills development versus immediate short term job placement. “One major effect of resource scarcity is to render long-range planning much more difficult, as WIBs’ priorities and attention are re-set from grant to grant, or in response to short-term crises or opportunities. Since the majority of WIA formula funds are tightly restricted in their allowable uses, there is less freedom for local areas to use them to support locally-developed strategies or long-term community goals. The resources currently used to maintain One-Stop facilities and staff universal and business services reduce the amount available for intensive and

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training services. The result is a system that places more emphasis on facilitating the flow of individuals into existing jobs with whatever occupational skills they already possess than it does on developing new skills that add value for individual workers and local businesses.”

UC Davis, Implementing WIA at the Local Level, August 2006, pages 8-9).

<http://groups.ucanr.org/CCP/files/34140.pdf>

“We question whether the current concentration of system resources on job search and work readiness training represents the best long-term strategy for workforce development. At a minimum, we recommend that policy makers should follow the lead of some of the local areas we studied by putting more resources and emphasis on occupational skill development and pathways to good jobs. In doing so, they should be guided in large part by the long-term interests of job seekers, business customers, and local communities.”

UC Davis, WIA Implementation in California, November 2006, page 6)

<http://groups.ucanr.org/CCP/files/33964.pdf>

5. Youth Services

The Youth Program eligibility needs to be reformulated to be more effective.

“WIA legislation gets decidedly mixed reviews from youth-service professionals. While many staff and providers are grateful for the opportunity to provide long-term, in-depth service to at-risk youth, others lament being able to serve so few youth at the present level. Across the board, practitioners regret the loss of JTPA’s summer youth program, which allowed them to give groups of eligible youth both paid job experience and supplemental education while benefiting the community at the same time. Staff and providers also miss JTPA’s stipulation that youth eligible for school free lunch programs were automatically eligible for services, noting that present WIA eligibility criteria are so demanding that families sometimes refuse to take part. Youth program paperwork consumes so much time that staff often complete it on nights or weekends in order to preserve their face time with youth.”

UC Davis, WIA Implementation in California, November 2006, page 13)

UC Davis Reports: <http://groups.ucanr.org/CCP/publications.htm>

County of San Mateo Controller

Redwood City, California

April 11, 2011

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Appendix 1

Levels of Service, Service Providers and Population Served

One-Stop Services Offered

Three levels of service are offered with the first level (Core services) allowing universal access. The subsequent levels of service have eligibility requirements to show that the previous level of service was insufficient for placement.

- A. Core services (universal access) —essentially job search assistance—which mainly consists of access to information to help participants find jobs quickly with minimal staff help.
 - 1. Core A offers self service activities with information on available services and labor market information to identify job vacancies, skills needed and employment trends
 - 2. Core B offers staff-assisted services including career counseling, skills assessment, and follow-up services for job retention
- B. Intensive services (eligibility requirements), in which professional staff provide more specialized counseling, skills assessment, and some support services such as child care or transportation subsidies for clients.
- C. Training services (eligibility requirements and no results from Intensive services) — mostly provided through a voucher system called Individual Training Accounts (ITAs)—where participants get traditional skills training and general education. On-the-job (OJT) training may also be provided.

Service Providers

The law allows eligible service providers to be a combination of government agencies and private providers. The private providers must be sourced via competitive process or through agreement certified by the local board.

Population Served

The population served by WIA activities is dictated by the segments identified via the nature of the funding

- a. Adult - Most flexible funding, serves any adult over age 18
- b. Dislocated Worker - For Adults who have been laid off within past 6 months
- c. Youth - Most restrictive funding, many rules and requirements; Youth ages 14-21; Income limits

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Appendix 2

Funding Details – 2 Tables: Revenue by Program & ARRA Funding

REVENUE BY PROGRAM						Programs Ended FY2010	
Program	Term	Total Award over Term	Funds Received in Prev Yrs	Funds Received in FY2010	Available Balance as of 06/30/10	Funds Released after 06/30/10	Remaining Funds Available after 06/30/10
Adult	10/01/08-06/30/11	\$1,761,414	\$321,589	\$921,477	\$518,348		
Dislocated Worker	10/01/08-06/30/11	2,709,748	997,382	1,335,134	377,232		
Youth	04/08/08-03/30/11	1,873,295	631,944	1,002,507	238,844		
Rapid Response	10/01/08-06/30/10	1,137,305	293,346	444,976	398,983	106,523	292,460
Total Regular Programs		7,481,762	2,244,261	3,704,094	1,533,407		
ARRA							
ARRA Adult	02/17/09-06/30/11	547,881		547,881			
ARRA Dislocated Worker	02/17/09-06/30/10	1,758,845	0	899,323	859,522	202,347	657,175
ARRA Youth	02/17/09-06/30/10	1,184,910	0	844,878	340,032	1,996	338,036
ARRA Rapid Response	02/17/09-06/30/11	924,597	0	236,098	688,499		
ARRA Green Jobs	06/11/09-03/31/11	936,429	0	61,576	874,853		
Total ARRA		5,352,662	0	2,589,756	2,762,906		
Grants/Other							
RITE Grant	10/01/08-12/31/10	889,000	73,375	596,850	218,775		
WIA 30% Incentive	07/01/07-06/30/09	2,107	1,729	378	0		
Total Grants/Other		891,107	75,104	597,228	218,775		
Total Revenue		\$13,725,531	\$2,319,365	\$6,891,078	\$4,515,088		

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Appendix 2

ARRA Funding						
ARRA Program Status from 02/17/09 to 06/30/10	Adult	Dislocated Worker	Youth	Rapid Response	Green Jobs	Total
ARRA Revenue Allocation	\$547,881	\$1,758,845	\$1,184,910	\$924,597	\$936,429	\$5,352,662
Expenditures						
Training						
Individual Training Accounts (ITA's)	353,100	519,165				872,265
College Short Term Training Programs		39,716				39,716
Supportive Services (Transport, Childcare)	27,203	70,135				97,338
Total Training Related	380,303	629,016				1,009,319
Program Staffing						
JobTrain and Daly City	14,947	31,045			55,011	101,003
ARRA Youth			59,095			59,095
Case manager for college programs		25,541				25,541
Career Pathways Initiative						0
Unbudgeted Staffing	68,667	157,700		78,648		305,015
Total Program Staffing	83,614	214,286	59,095	78,648	55,011	490,654
Subtotal Training, Supportive Svcs, Staffing	463,917	843,302	59,095	78,648	55,011	1,499,973
Other Expenses						
Direct to Program				43,531		43,531
Contracts						
JobTrain Menlo Park	32,412	94,615			8,750	135,777
Full Capacity Marketing				53,468		53,468
Studio eM Marketing				22,472		22,472
Total Contracts	32,412	94,615	0	75,940	8,750	211,717
Youth Programs						
Jefferson Pathways			113,966			113,966
Jefferson TOOLS			28,812			28,812
JobTrain			383,000			383,000
Puente de la Costa Sur			76,000			76,000
SMC Foster Youth			72,195			72,195
SMC Jobs for Youth			35,775			35,775
Total Youth			709,748			709,748
Sector Strategies Initiative		32,111				32,111
Administrative Costs	8,913	112,049	73,777			194,739
Other Direct & Indirect Expenses	42,639	133,397	4,255	37,979	26,326	244,596
Total Expenditures	547,881	1,215,474	846,875	236,098	90,087	2,936,415
Revenue less Expenditures	\$0	\$543,371	\$338,035	\$688,499	\$846,342	\$2,416,247
Identified Obligations		500,091	191,110	171,855	386,795	1,249,851
Remaining Available Funding	\$0	\$43,280	\$146,925	\$516,644	\$459,547	\$1,166,396

NOTE: Revenue above does not include additional augmentation of \$356,715 for Rapid Response
Total ARRA Revenue including additional augmentation is \$5,709,377

**Workforce Investment Board of San Mateo County Purchasing
Program Performance Audit**

Appendix 3

County of San Mateo LWIB Membership as of December 2010

Board Composition			Current Members
Entity	Assigned Members	Unduplicated	
1. Business (required majority)	15	15	15
2. Local education	3	3	3
3. Labor	4	4	4
4. Community Based Organizations	4	4	4
5. Economic Development Agencies	3 (2 members also counted as part of Business)	1	1
6. One Stop Partners (i.e. HSA)	1	1	1
7. Wagner-Peyser Act Program	Vacant – EDD (Note 1) 1 unduplicated	1	
8. Adult Education & Literacy	2 (same 2 members as Local education)		
9. Title I Rehabilitation Act of 1973	1 (this member is also in CBO)		
10. Title V Older Americans Act of 1965	Vacant – EDD (Note 1)		
11. Postsecondary Vocational Education (Carl D. Perkins Act)	2 (these members are also in Local Education)		
12. Title II Trade Act of 1974	Vacant – EDD (Note 1)		
13. Title 38, Chapter 41 Veterans	Vacant – EDD (Note 1)		
14. Community Services Block Grant	Same representative as #6 entity		
15. Department of Housing	Vacant	1	
16. Unemployment Compensation Programs	Vacant – EDD (Note 1)		
Total Members (non-duplicated)		30	28
Business % of Board 54% (15 out of 28) currently meets majority requirement w/ exception noted below			
Note 1 - Currently vacant due to retirement, but appointment from EDD pending.			
Note 2 - WIA requires that a majority of the members of the local board be representatives from the private sector. Based on unduplicated numbers above private sector membership is 50%, not a majority.			
STATUS: State granted “Conditional Certification” due to partner vacancies – when the vacancies are filled, more Business partners will be required to maintain majority requirement.			

Workforce Investment Board of San Mateo County Purchasing Program Performance Audit

Appendix 4

WORKFORCE INVESTMENT BOARD WIB Attendance

Program Year: PY 09/10

Period/Time: July 1, 2009 - June 30, 2010

P=Present A=Absent

	WIB Members	Term	Jul	Sep	Nov	Jan	Mar	May	Total P	Total A
⚠	Allen, William J.	07/01/2008-06/30/2010	P	P	A	P	A	P	4	2
	Barber, Kathleen A.	07/01/2009-06/30/2011	P	P	P	P	P	P	6	0
		07/01/2009-05/03/2010	A	A	A	A	A	A	0	6
	Beasley Johnson, Beverly	07/01/2009-06/30/2011	P	P	P	P	P	A	5	1
	Bradley, Flynn H.	07/01/2008-06/30/2010	P	P	P	P	P	A	5	1
⚠	Cornuelle, Kristin	09/16/2008-06/10/2010	P	P	P	A	P	A	4	2
	Dahle, Helyn	05/15/2007-06/30/2010	P	P	P	P	P	P	6	0
		07/01/2008-06/30/2010	P	P	P	P	P	P	6	0
	Doyle, Tim	11/10/2009-06/30/2012			P	P	P	P	4	0
⚠	Duarte, Paula	05/13/2008-06/30/2010	P	A	A	A	P	A	2	4
	Eagleston, Don	07/01/2008-03/15/2010	P	P	P	A	A		3	1
	Ford, John	05/13/2008-06/30/2010	P	A	P	P	P	P	5	1
		07/01/2009-09/04/2009	P	A					1	1
⚠	Hedges, Richard	09/16/2008-06/30/2010	P	P	P	P	P	P	6	0
		07/01/2008-06/30/2010	P	A	P	P	P	A	4	2
	Jaramillo, Jorge	09/16/2008-06/30/2010	P	P	P	P	P	P	6	0
	Kahn, Ron	07/01/2008-06/30/2010	P	P	P	P	P	P	6	0
⚠	Kaval, David	02/12/2008-06/30/2010	P	P	P	P	A	P	5	1
	Klieman, Michael	07/01/2008-06/30/2010	P	A	P	P	P	A	4	2
	Lehman, Rayna	07/01/2009-06/30/2011	P	P	P	P	P	P	6	0
	Leung, May	07/01/2008-06/30/2010	P	P	P	P	P	P	6	0
	Luan, Jing	03/23/2010-06/30/2012						P	1	0
	Masters, James I.	03/23/2010-06/30/2010						P	1	0
	McNair, Teirrah	01/12/2010-06/30/2012				P	P	A	2	1
	Montalvo, Juan	01/12/2010-12/01/2010				P	A	P	2	1
	Mullin, Kevin	07/01/2008-06/30/2010	P	P	P	P	A	P	5	1
		07/01/2008-10/01/2009	A	P					1	1
⚠		05/19/2009-06/30/2010	P	A	P	P	P	A	4	2
⚠	Roundtree, Lecia	07/01/2009-06/30/2011	A	P	A	P	P	P	4	2
	Rutkowski, Darlene	07/01/2008-06/30/2010	P	P	P	P	P	P	6	0
	Serafin-Dickson, Francine	07/01/2008-06/30/2011	P	P	A	P	P	P	5	1
⚠	Sy, Levin	02/01/2008-06/30/2010	A	A	P	P	A	A	2	4
⚠	Webb, Patricia	03/17/2009-06/30/2011	A	A	A	P	P	P	3	3
⚠	Wishard, Laurie	07/01/2009-06/30/2011	A	P	A	A	P	P	3	3
⚠		08/04/2009-05/03/2010	P	A	A	P	A	A	2	3
Total Members										

⚠ Already violated attendance policy

⚠ At risk - Danger of violating attendance policy

⚠ Has not taken oath

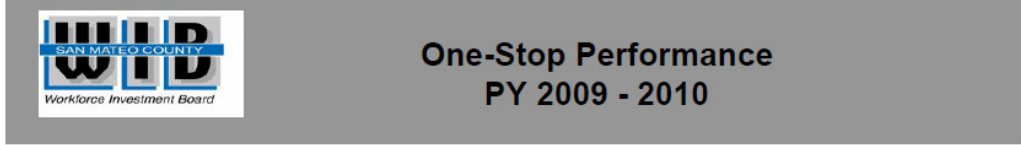
The Workforce Investment Board of San Mateo County BYLAWS: Article V, Section 6.

The Executive Committee will remove any Board Member that misses three (3) successive meetings or has four (4) absences in any one-year period from regularly scheduled Board meeting. The Executive Committee will notify the Board Member of their removal. The Board Member then has thirty (30) days to submit a request to the Executive Committee for reinstatement to the Board. The Executive Committee will consider the request for reinstatement at its next regular meeting. The Executive Committee may reinstate members with a simple majority vote.

Workforce Investment Board of San Mateo County Purchasing Program Performance Audit

Appendix 5

One Stop Performance – Fiscal Year 2009-2010



Presented at: Performance Standards Committee Meeting
Reporting Period: 4th Quarter Report: July 1, 2009 - June 30, 2010
Report Reflects: Adult and Dislocated Worker WIA Clients

	Daly City Totals Current	JobTrain Totals Current	San Carlos Totals Current	Redwood City Totals Current	Year to Date Totals	Perf. Stds Goals
Total Estimated # of Clients Served (1) <i>% of prior year</i>	10,611 136%	4,327 199%	3,951 54%	2,830 91%	21,719 106%	
Total Estimated # of Client Visits (2) <i>% of prior year</i>	42,588 147%	33,686 212%	17,521 54%	11,292 105%	105,087 120%	100,000 88% of goal
Total # of Active WIA Cases <i>% of prior year</i>	152 81%	297 93%			449 88%	500 90%
Total # of New Enrolled WIA Clients <i>% of prior year</i>	45 47%	121 89%			166 72%	
Total WIA Clients Exited <i>% of prior year</i>	93 116%	170 109%			263 111%	
Total WIA Clients Placed <i>% of prior year</i>	31 89%	85 118%			116 108%	305 38%
WIA Placement % (Placement / Exits) <i>Prior year placement rate</i>	33% 44%	50% 46%			44% 45%	
WIA Clients Placed - Average Wages						
<i>Adult</i>	\$20.32	\$15.38			\$17.33	\$19.25
<i>Dislocated Worker</i>	\$15.65	\$14.21			\$14.93	90%
<i>Dislocated Worker</i>	\$23.05	\$16.42			\$19.74	


G:\Workforce Development\DATA\One-Stop Data\FY09-10\Drafts & Data Reports\4Q\Copy of One-Stop Performance Data (PY09.10) 4th Qtr-DRAFT2
10/13/2010

**Workforce Investment Board of San Mateo County Purchasing
Program Performance Audit**

Appendix 6

Performance Data per State – JTA (Job Training Automation): 2008-2009

Table O - Local Performance

Local Area Name  ETA Assigned # 6100 San Mateo County WIB	Total Participants Served	Adults	220
		Dislocated Workers	323
		Youth	345
	Total Exiters	Adults	131
		Dislocated Workers	122
		Youth	63

		Negotiated Performance Level	Actual Performance Level	Success Rate
Entered Employment Rate	Adults	75.2%	75.3%	100.16%
	Dislocated Workers	81.2%	77.1%	94.89%
Retention Rate	Adults	80.0%	83.3%	104.16%
	Dislocated Workers	86.5%	89.1%	102.98%
Average Earnings	Adults	\$13,500	\$17,467	129.39%
	Dislocated Workers	\$15,900	\$21,535	135.44%
Placement in Employment or Education	Youth (14-21)	65.0%	68.1%	104.75%
Attainment of Degree or Certificate	Youth (14-21)	45.0%	75.5%	167.80%
Literacy or Numeracy Gains	Youth (14-21)	15.0%	1.6%	10.93%

Total participants served are clients in the program between July 1, 2008 and June 30, 2009.

Total exiters include clients leaving the program during the period from April 1, 2008 to March 31, 2009.

The cohort for entered employment rates is October 1, 2008 through September 30, 2009.

The average earnings and retention measures are based on the clients leaving the program between April 1, 2008 and March 31, 2009.

The cohort for placement in employment or education and attainment of a degree or certificate measures is October 1, 2008 through September 30, 2009.

The literacy and numeracy cohort is July 1, 2008 through June 30, 2009.

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Appendix 7

Summary of Other Audits

Type of Audit	Audit Conducted by:	Audit Results	WIB Response
ARRA Fiscal and Procurement Review	State Compliance Monitoring Division		
Fiscal: policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation indirect costs, cost/resource sharing, single audit, sub-recipient audit resolution policies and procedures, written internal management procedures		Overall, CSMWIB is meeting applicable WIA and ARRA requirements. Only one finding for accrual accounting of salaries. Audit recommends quarterly accruals, currently accruals are annual.	Based on the cash reporting requirements of the Quarterly County Expense Claim utilized by our agency, we will not be able to concur or comply.
Procurement: policies and procedures, methods of procurement, procurement competition, selection of service providers, cost and price analysis, contract terms, agreements, property management		Overall, CSMWIB is meeting applicable WIA and ARRA requirements. No findings identified.	
Reviewed membership of LWIB and Youth Council		Overall, CSMWIB is meeting applicable WIA and ARRA requirements. No findings identified.	
Type of Audit	Audit Conducted by:	Audit Results	WIB Response
ARRA Program Review	State Compliance Monitoring Division		
Program administration, local level monitoring, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and program operations including ARRA activities and participant eligibility		Overall, CSMWIB is meeting applicable ARRA requirements. Only one finding where 30 case files were reviewed and 2 files were found with unsigned Social Security Cards.	CSMWIB to research 2 case files and send a notice to providers to be aware if Social Security Cards are used to determine employment eligibility, they must be signed and/or provide evidence in the case file that health or age prevented a client from signing their card.
Type of Audit	Audit Requested by:	Audit Results	WIB Response
Data Validation Process Audit	State Compliance Monitoring Division		
Comparison of hardcopy case files with the electronic information in the Job Training and Automation (JTA) system. The State sends a letter to CSMWIB to request the audit, but no report is issued if there are no findings.		No findings identified, no report was issued.	

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Appendix 7

Summary of Other Audits (Continued)

Type of Audit	Audit Conducted by:	Audit Results	WIB Response
County Single Audit	Macias, Gini & O'Connell	<p>Eligibility requirements were tested from a sample of 40 WIA participants out of a population of 350.</p> <p>Finding: <i>Significant deficiency</i> was identified as follows:</p> <ol style="list-style-type: none"> 1. One application form was missing signature 2. Three application forms were not signed by case worker 3. Three application forms did not have supervisor signature to indicate review <p>The County did not adhere to established internal controls. Management should emphasize full completion of forms and supervisor review.</p>	<p>We disagree with classification of finding as a <i>significant deficiency</i>. We believe it should be considered a <i>control deficiency</i>. Due to County hiring freeze, staff is experiencing increased workload and subject to "human error". We do not agree that these human errors adversely affected our ability to administer a federal program. We were able to identify applicants' eligibility with other documentation. The three applicants identified were not determined to be ineligible. There was a zero likelihood based upon the sampling and deficiency noted, that any applicant who was listed as eligible, was done so erroneously. However, effective immediately, all supervisors who oversee case managers will be notified via email about the finding.</p>

**Workforce Investment Board of San Mateo County Purchasing
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Appendix 8

Description of the Allotment Formula for each Funding Stream

Youth Program Formula

- 1/3: State's relative share of unemployed individuals in areas of substantial unemployment (areas with greater than 6.5 percent unemployment)
- 1/3: State's relative share of excess unemployed (in excess of 4.5 percent unemployment)
- 1/3: State's relative share of economically disadvantaged youth

Adult Program Formula

- 1/3: State's relative share of unemployed individuals in areas of substantial unemployment (areas with greater than 6.5 percent unemployment)
- 1/3: State's relative share of excess unemployed (in excess of 4.5 percent unemployment)
- 1/3: State's relative share of economically disadvantaged adults

Dislocated Worker Formula

- 1/3: State's relative share of total unemployed
- 1/3: State's relative share of excess unemployed (in excess of 4.5 percent unemployment)
- 1/3: State's relative share of long-term unemployed (individuals who have been unemployed for 15 weeks or more)

(Formula-based Allocations from State to LWIB's:
http://www.edd.ca.gov/Jobs_and_Training/pubs/wsin08-60.pdf)

Workforce Investment Board of San Mateo County Purchasing Program Performance Audit

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- National Skills Coalition www.nationalskillscoalition.org

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The College of Business and Economics, California State University - Northridge

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WIA Program Performance Audit February 2011

Management Response

As of March 29, 2011 (from Fred Slone, Workforce Development Manager)

Recommendation 1

Management Response:

Management agrees with this recommendation in theory. However, prior experience indicates that it may not be achievable, particularly in the current fiscal climate. The WIB and staff have attempted multiple times over the past ten years to establish cost sharing arrangements. However, partner presence at the PeninsulaWorks locations has steadily declined over the past several years, as our partners have been faced with diminishing resources and staffing. It is unlikely that partners will re-distribute resources to the One Stops when they are facing major budget shortfalls.

Businesses have supported the workforce system over the past decade and we anticipate they will continue to do so. That support has been realized in specific instances where business contributions were unique and there was clear value for both parties. For example, throughout the past ten years, our businesses have partnered with us to offer company tours, information sessions to jobseekers, have sent job listings to us, have co-developed curriculum with our colleges, and have offered internships to our clients. The businesses have partnered in this fashion on a selective basis where their business needs matched the resources and value offered by the public workforce system. It will be challenging to ask businesses to commit to an open ended, ongoing cost sharing arrangement as it will be more difficult to establish a clear value proposition.

Recommendation 2

Management Response:

Management agrees with this recommendation and has been working on it for over seven years. The Board Development Committee of the WIB has already accepted this as one of their key tasks for the coming year and staff will continue to support those efforts. Over the past several years, staff has worked together with the Board Development Committee and maintained a list of the key industry sectors within the County and has targeted recruiting efforts to these sectors. Unfortunately, we have not been as successful as hoped in securing new board members and retaining them. For example, we have had representatives from Oracle Corporation, Intuit, and our most recent past chair of the WIB was from the biotechnology sector. Those members subsequently left the board or changed jobs and so we have re-launched recruiting efforts.

Responses to recommendations 3, 4 and 5 were provided by the HSA's Director of Program support – see page 41.

Recommendation 6

Management Response:

Management agrees with this recommendation. Staff will work with the Performance Standards Committee of the WIB and encourage them to establish a goal for this area.

WIA Program Performance Audit February 2011

Management Response

As of March 29, 2011 (from Fred Slone, Workforce Development Manager)

Recommendation 7

Management Response:

Management agrees with this recommendation. Staff will work with the Human Services Agency to obtain the results of the current customer satisfaction surveys that are already being used and convey those results to the WIB.

Recommendation 8

Management Response:

Management agrees with this recommendation. This process has already been launched. Staff has begun communicating with the Housing, Health, and Human Services sub-committee of the Board of Supervisors. The process has been slowed somewhat at the start of this year due to unexpected cancellations of the meetings of the HHHS subcommittee necessitated by the current budget crisis facing the County. Staff will be presenting an annual plan to the HHHS committee going forward as well as quarterly performance data that is also presented to the WIB and its Performance Standards Committee.

Recommendation 9

Management Response:

Staff will discuss this recommendation with the Workforce Investment Board. Any actions that required redirecting staff resources or funding would require approval by the WIB before staff could move forward.

Management questions the conclusion that outreach is inadequate or that increased outreach is necessarily the best of use of limited resources. The total number of clients served in FY09-10 was over 21,000, out of a total number of unemployed workers in the County of approximately 31,000. That means that 68% of the unemployed workers in the County were served by the workforce system. Even with additional outreach, it is not immediately clear that our workforce system has capacity to serve significantly higher numbers of clients, especially in light of the closing of 50% of our locations in 2009. Historically, it has also been true that many laid off workers return to work without visiting PeninsulaWorks nor are they interested in those services, so it would not make sense to set a target of 100% of all unemployed workers being served.

WIA Program Performance Audit February 2011

Management Response

As of April 7, 2011 (from John Joy, Director of Program Support)

Recommendation 3

Management Response:

Management agrees with this recommendation. Management will continue to work with the WIB Finance Committee to reach consensus on report formats and will continue to work with Finance to assure those reports are available in a timely manner.

Recommendation 4

Management Response:

Management disagrees with the recommendation. We maintain numerous spreadsheets and reports on all WIB related grants and their associated expenditures. In addition to using WIB specific General Ledger codes, all WIB related grants are assigned specific, individual, Job Ledger codes in the IFAS system and those codes are used meticulously to maintain the accounting granularity required under the Workforce Investment Act (WIA).

As this report notes, funding for the WIA programs are reimbursement only. We do not receive any money for the program prior to reporting claimable expenses to EDD via the JTA system. At any time during the year, including year-end, a snapshot of the IFAS system may show expenses and reimbursement revenues that vary from one another. This is due to A) timing and B) the natural flow of accounting for multi-year grants over time and across fiscal years.

Since all grant revenue is reimbursement based, we first must formally report expenses to the EDD before we can draw down funds for reimbursement. All grant expenditures are reported quarterly to EDD and may not be reimbursed within the same accounting period within which they occur. For example, an expenditure that is incurred in May would be part of the April-May-June reporting quarter. The June quarter report is due to EDD at the end of July and would typically be drawn down from the JTA system in August.

An IFAS snapshot of August would show August current YTD expenses and April-May-June prior year reimbursement revenue. As the WIA grants are spread across two fiscal years, year-end IFAS reports will always show variances, but the variances are always reconcilable, as numerous formal audits have proven.

Recommendation 5

Management Response:

Management agrees with this recommendation. Management will continue to work with Finance to establish reports so labor charges can be reviewed and supported and to assure those reports are available in a timely manner.