



**Atlanta Workforce Development Agency (AWDA)
Local Workforce Investment Board (LWIB)
Meeting Minutes: Wednesday, November, 19 2014
11:00 A.M.
Conference Room 216**

- Board Members Present:** Shean Atkins, Atlanta Housing Authority
Cassandra Lee Austin, Delta Airlines (Vice-Chair)
Stephanie Asbury, Bank of America (LWIB Treasurer & Finance Comm. Chair)
Tabatha Burks, Georgia Department of Labor (on behalf of)
Tamika Conde, AARP
Blenda DeBerry, Profast Development Group (Secretary)
Ralph Herrera, Lanza Group. LLC
Jenny Jang, MACC (on behalf of Katie Kirkpatrick)
Mona Kelly, The Coca-Cola Company
Dr. Eloisa Klementich, Invest Atlanta
Annie Matthews, Atlanta Job Corps
Dr. Michael Maze, Atlanta Public Schools
Warren Pincombe, Atlanta Technical College (on behalf of Dr. Alvetta Peterman)
Theora Powell, Georgia Vocational Rehabilitation Agency
Michael Romesburg, CVS Caremark (Youth Council Chair)
Elmir Stancil, GDEcD
- Board Members Absent:** Nancy A. Flake Johnson, Urban League of Greater Atlanta, Inc.
Jerome Jackson, IBEW Local 613
- AWDA Presenters:** Michael Sterling, Interim Executive Director
Tammy Lipsey, Deputy Director
Karen Simmons, Finance Director
Jeremie Peterkin, City of Atlanta, Department of Finance, Consultant
Phillip Olaleye, Director of Performance Management
Lillie Madali, Deputy Director of Performance Management
- AWDA and City Staff Present:** Phyllis Bryant, Chief of Staff to Executive Director Michael Sterling
Pamela Ferrell, Finance Deputy Director
Lorraine Rentz, Director of PR and Marketing
Kristina Garcia-Bunuel, Policy Analyst
Sirlathra Joiner, DIT

Call to Order:

Cassandra Lee Austin, Vice-Chair (11:48 am)

Welcome

Executive Director Michael Sterling introduced himself and welcomed the committee members. The AWDA management team and City staff introduced themselves to the Board.

Executive Director Report:

Mr. Sterling explained that the State of Georgia had cited AWDA for Board composition – namely, that the Board was not at 51% business membership. As such, the Board cannot take official action until all business appointments are made by Mayor Reed. Mr. Sterling is working with the Mayor to recruit new Board members. He welcomes any leads the sitting Board members may be able to provide. Mr. Sterling stated that Board term limits are for two years. Stephanie Asbury stated that motions to adopt the agenda and minutes could be dispensed with because a full Board was not present. Mr. Sterling stated that the State of Georgia restored \$2.2 million in grant funding to AWDA. Mr. Sterling stated that AWDA was now collaborating with the Blank Foundation at Westside Works. AWDA along with Westside Works is providing training for individuals in the Vine City-English Avenue communities. Jobs will go to fill construction spots in the building of the new Falcons' Stadium. Mr. Sterling also stated that AWDA is partnering with APD to target high-crime areas by signing up people in those communities for training, GED completion.

Operations Overview:

Director of Operations Tammy Lipsey provided an overview of the State of Georgia's Annual Monitoring Report and AWDA's responses to each finding. The State's program review was conducted in September 2014 and covered the period of July 1, 2013 through June 30, 2014. Mr. Sterling was not appointed by the Mayor until May 2014. There were 12 findings. Ms. Lipsey provided a detailed hand-out that enumerated each, as well as AWDA's responses. Noted by Stephanie Asbury that the new cost allocation plan was recognized by the State as a best in class.

Finding #1 – Internal Control – Lack of Proper Board Composition: LWIB does not have majority business representation.

Required Actions: Workforce Division (WFD) requires LWIA to add members to the LWIB who represent businesses in the local area, such that 51 percent of board members represent businesses and/or high-demand industries.

Finding #2 – Internal Control – Lack of Signed Budget by Chief Local Elected Official (CLEO): LWIA does not have a signed budget approved by the CLEO.

Required Actions: WFD requires LWIB to amend bylaws to include all O.C.G.A. required criteria and submit bylaws to WFD for review. Resubmit budget upon signed approval by the CLEO.

Finding #3 – Internal Control – Improper Storage of Data Backup: LWIA lacks written policy on backing up data and safeguarding it at a properly secured off-site location.

Required Actions: WFD requires LWIA to implement off-site back-up activities. WFD requires LWIA develop and implement a Disaster Recovery and Data Backup policy. Staff training, as necessary, to ensure adherence to the new policy.

Finding #4 – Timekeeping, Salary, and Cost Allocation – Lack of Cost Allocation: LWIA has no formal and approved cost allocation plan, which results in inconsistent and unreasonable allocation of indirect costs to WIOA programs. Regulations require that WIOA contribute a fair share of operating costs proportionately to the use. *WFD noted AWDA has developed and implemented an appropriate cost allocation method for the PY 14 period.*

Required Actions: LWIA must submit a board approved cost allocation plan within 10 business days following board approval.

Finding #5 – Disbursement Testing – Improper Allocation of Costs: Six of 30 disbursements sampled, costs were not allocated correctly to the appropriate grant or cost pool.

Required Actions: WFD requires the LWIA to obtain LWIB approval of drafted cost allocation plan and provide to WFD. Create adjusting journal entries to reassign identified expenditures to cost categories equal with benefits received. Develop policies and procedures to provide adequate guidance to staff for allocating costs to WIA funding streams. Train appropriate staff, as needed, on newly established policies and procedures.

Finding #6 – Lack of Proper Prior Approval: One of 30 disbursements sampled, an expenditure over the \$5,000 threshold was made without obtaining WFD's consent. No documentation was found that evidenced any attempt was made to inform WFD prior to the purchase.

Required Actions: Identify all other instances where proper prior approval was not obtained and provide documentation to WFD. Review/update policies and procedures to provide adequate guidance to staff for non-budgeted purchases and expenditures over \$5,000 that meet requirements for prior approval. Train appropriate staff, as needed, on newly established policies and procedures.

Finding #7 – Incomplete Work Experience Agreement: LWIA did not fully comply with Finding #LWIA 03-2012-13-008, which stated: "Participants Work Experience Agreements (WEA) did not contain the required information." Furthermore, the LWIA did not consistently store the Work Experience Agreements as previously requested by WFD. *WFD recognized the AWDA presented an enhanced Work Experience policy and agreement for Program Year 2014.*

Required Actions: WFD requires the LWIA further enhance current policy to ensure a single, comprehensive WEA is fully executed between the LWIA, participant, and employer. It shall include a signed WEA with employer's and participant's training plan, and it must be included in the participant's case file. Identify existing WEAs with employers and add/amend agreements with employers as necessary to formally define expectations for providing participants

with work experience, including development and approval of wage and training plans.

Finding #8 – Lack of Proper Grievance Form: LWIA's grievance provisions were not met. In two out of 15 youth participants, files tested did not have a signed and dated grievance and complaint form. In 15 out of 15 Youth, 15 out of 15 Adult, and 14 out of 15 Dislocated Worker case files tested, LWIA's grievance and complaint form did not list the correct EEO Officer and did not list WFD as the proper state entity for filing grievances.

Required Actions: WFD requires the LWIA to add language to their grievance procedure that states a signed and dated grievance form with accurate contact information is included in all participant case files. WFD requires the LWIA to update all Grievance Rights under WIA forms to reflect the correct contact information of the EEO, Director and State WIA Title I agency. WFD requires the LWIA to update all grievance policies and procedures to reflect the correct contact information of their EO officer, Director and State WIA Title I agency. Conduct staff training as necessary to ensure enhanced policies and procedures are followed.

Finding #9 – Improper Reporting of Supportive Services: LWIA did not fully comply with Finding #03-2012-13-010 which stated: "Participant receipt of financial Supportive Services (MARTA transportation card) was not consistently entered into the Georgia Work Ready Online Participant Portal and reconciled with the participant case file." Three out of 15 Youth case files tested did not have supportive services entered in the participants' Georgia Work Ready Online Participant Portal. Four out of 15 Adult and 3 out of 15 Dislocated Worker case files tested did not have supportive services entered into the participants' Georgia Work Ready Online Participant Portal. *WFD recognized AWDA presented an enhanced Supportive Services policy for Program Year 2014.*

Required Actions: WFD requires the LWIA to further enhance policies and procedures for performing secondary review and reconciliation of participant information in case files to the Georgia Work Ready Online Participant Portal to ensure the Georgia Work Ready Online Participant Portal provides an accurate account of supportive services.

Finding #10 – Exit and Follow-Up Services – Untimely Follow Up: In one of 15 Youth, five of 15 Adult, and two of 15 Dislocated Worker case files tested, the LWIA did not perform timely follow-up services after the participant's exit date. The LWIA did not complete participant follow-up for four quarters after the participant's exit nor record follow-up activities into the appropriate fields in the Georgia Work Ready Online Participant Portal.

Required Actions: LWIA will include a secondary review to its current policies and procedures requiring that each case file is examined by another case manager to ensure timely follow-ups are made. Conduct staff training to ensure adherence to established or revised policies and procedures.

Finding #11 – Programmatic Administration – Lack of Policy Requiring One-Stop Certification: LWIB does not have a policy that outlines a comprehensive One-Stop Certification process to be performed, at minimum, every two years.

Required Actions: WFD requires the LWIB develop a policy that details the process of certifying and re-certifying the LWIB's One-Stop(s), and addresses the requirement that re-certification take place every two years. WFD requires that the LWIA submit the policy to WFD upon completion.

Finding #12 – Lack of Justification for On-the-Job Training: LWIA did not fully comply with the Required Action associated with Finding #03-2012-13-007, which stated: "In one On-the-Job Training (OJT) contract sampled the LWIA failed to provide documentation justifying the need for the training gain employment with the employer.

Required Actions: Review current On-the-Job Training contracts to ensure compliance with federal regulations regarding appropriate and documented justification for training. Enhance policies and procedures to ensure adequate documentation of the evaluation of participants prior to participation in On-the-Job Training. Conduct staff training to ensure adherence to revised policies and procedures.

Finance Overview:

Finance Committee Chair Stephanie Asbury stated that the budget and cost allocation plan has been completed. AWDA Finance Director Karen Simmons stated that what she and Mr. Sterling found when they arrived was lack of an operating budget and cost allocation plan. Both of which have now been drafted. Mr. Sterling stated that the staff built the budget from scratch, department by department. There was no operating budget or cost allocation plan to be found. In addition, \$1.4 million in unpaid invoices were paid. Stephanie Asbury echoed Mr. Sterling's observations and commended finance staff for their diligent work. Jeremie Peterkin stated that AWDA's budget for FY 2015 is \$11.8 million. Of that amount, 65% (\$7.7 million) is WIOA funding, 9% (\$1 million) is other federal funding, and the remaining is the Mayor's Youth Program (\$1.2 million) and City general fund dollars (\$1.9 million). Of the total agency budget, salaries & fringes represent \$2.8 million or 24%. Jeremie stated that AWDA would experience a one-time capital expenditure for equipment and building improvements as follows: \$660K for a mobile career center, \$194K for various building improvements and \$151K to update computers and software.

Mr. Sterling stated that \$350K was spent on college scholarships for approximately 90 City of Atlanta students.

Performance Management Overview:

Lillie Madali presented AWDA's Operations Project Dashboard with 28 charters. The dashboard was created by examining the Maher & Maher report, the 2014 City of Atlanta audit, and the KPMG audit, as well as one-on-one interviews with staff. The projects encompass the following areas: operational efficiencies, customer service, inter-agency relationships, marketing and customer outreach, performance management, strategic planning, and financial management. Once the projects are approved, teams will be formulated and plans developed. The projects will become a part of an agency-wide comprehensive document to track progress. Shean Atkins asked if the project dashboard charters are to be completed by July 1, 2015. Mr. Sterling stated that the aggressiveness of the

schedule is intentional, to restore trust with the public. Mr. Atkins cautioned that it might be best to go after low hanging fruit first, and to make sure staff is not burned out by the aggressiveness of the schedule. Ms. Austin agreed with Mr. Atkins' observations. Ms. Austen also asked what was the prioritization of the projects.

The meeting was adjourned by Vice-Chair Cassandra Lee Austin (1:35 pm).