

September 5, 2023

Mr. Harrison Kuranishi
Executive Director
Oahu Workforce Development Board
715 South King Street, Suite 211
Honolulu, HI 96813

**Workforce Innovation and Opportunity Act (WIOA) Title I
Adult, Dislocated Worker and Youth Programs
PY22 Program & Fiscal Monitoring**

Dear Mr. Kuranishi:

A program and fiscal on-site monitoring review of your Workforce Innovation and Opportunity Act (WIOA) Title I Adult, Dislocated Worker and Youth Programs was conducted during the week of May 8th, 2023, as well as an evaluation of your One Stop Operator (OSO).

The scope of the monitoring review was to determine compliance with the Workforce Innovation and Opportunity Act, its Final Rule at 20 CFR, Department of Labor Employment Training Administration Training and Employment Guidance Letters, as well as with Office of Management and Budget 2CFR Part 200. The scope of the evaluation of the OSO was to determine compliance with its Scope of Work.

A sample of participant files were reviewed to determine eligibility and as to whether documentation to support services to the clients was included in the files and were accurately reported in the HireNet system. Other documentation was reviewed that was provided during the onsite by the WorkHawaii and OSO management as requested. In addition, meetings were held with Lei Nakamura, Andrea Gaines, Nisa Tokunaga, Lee Williams-Naeole, and their respective staff in order to determine their understanding of the impact of the grant requirements in their functional roles. The results of the review are included on the attached report which includes one finding and three observations.

I would like to thank you and your staff for your assistance during this review, as well as that of the AJCH management for their cooperation.

Sincerely,

Jackie Lynn Sakane

WORKFORCE INNOVATION AND OPPORTUNITY ACT (WIOA)

PY22 TITLE I PROGRAM/FISCAL MONITORING &

ONE STOP OPERATOR (OSO) EVALUATION

The purpose of this report is to provide the results of the Workforce Innovation and Opportunity Act (WIOA) Program Year 2022-23 (PY22) Title I Adult, Dislocated Worker, and Youth Programs monitoring, as well as, the evaluation of the One Stop Operator (OSO). The report includes one finding and recommended corrective action, as well as three observations.

Finding - One Stop Operator Compliance

The OSO's role is defined by WIOA. Essentially, its purpose is to coordinate services provided by the Title I through Title IV core partners to provide the jobseeker and business clients with the maximum benefit of services provided in the co-located location of the America Job Center and in the services offered in the community by the WIOA mandatory partners and other community partners. The OSO Scope of Work included in the City of Honolulu's (City) contract expands the role included in WIOA to address the issues identified in prior year monitoring reviews that address client service delivery, performance, etc., relating to WorkHawaii as the Title I Adult, Dislocated Worker and Youth programs service provider.

The WIOA Title I – IV core partners (Title I Adult, Dislocated Worker and Youth Programs, Title II Adult Education and Family Literacy, Title III Wagner-Peyser and Title IV Vocational Rehabilitation) services are co-located at WorkHawaii. In accordance with the OSO Scope of Work (SOW), one of the roles of the OSO is to work with the core partner to integrate services to the jobseekers and businesses. Although the SOW was effective July 1, 2022, the OSO had not yet held the first core partner meeting. This has resulted in the cores services not yet being coordinated nor integrated. As the SOW deliverables have not been met, this has caused the OWDB to be out of compliance with WIOA administratively and has significant impact on the services provided to the Oahu jobseekers and businesses.

The OSO is also responsible administratively for updates to the Infrastructure Funding Agreement (IFA) which has not been updated since WorkHawaii's move from their previous Dillingham location to the new location in the Dole Cannery building. The IFA documents how the resources (space, staff, etc.,) are shared at the America Job Center and paid for by the WIOA core partners at a minimum, and by the WIOA mandatory and/or community partners where applicable.

The OSO has not met the SOW deliverable relating to the core partnership client service/service delivery, administrative updates to the IFA and submission of the plans to the OWDB for approval (i.e., training plans for WorkHawaii management and staff, as well as the core partnership, etc.) Therefore, the OSO is not in compliance with its SOW and has impeded the ability of the Title I services provider WorkHawaii to implement client services across the core partners in accordance with WIOA. No significant progress has been made in the implementation of the SOW deliverables.

Recommended Corrective Action

It is recommended that the OSO meet with the OWDB Executive Director monthly to report on the status of each deliverable included in the SOW (i.e., whether it has been met, is in progress, or is ongoing, etc.) and within 10 days of each core partner meeting provide a summary of the items discussed and actions taken to the OWDB Executive Director.

In addition, it is recommended that the OWDB provide the OSO with technical assistance and training as to its role under WIOA as it relates to the Title I service delivery and the coordination of the Title II through IV services provided by the core partners under WIOA, as well as the WIOA performance measures.

Observations

Performance Management

WorkHawaii management currently and over the course of the past few years has not ensured the accuracy of client data included in the State of Hawaii's HireNet system. This data is what is used by the Department of Labor (DOL) to calculate performance measures on an annual basis. Furthermore, the WorkHawaii case managers and other staff who work with clients directly and/or enter information into HireNet are unaware of the DOL performance measures and how to achieve them from the work that they do day to day.

The OWDB and the State have conducted data validation exercises with similar results relating to the lack of client activity reporting and inaccuracies in data reporting. WorkHawaii has not made the necessary changes to ensure accurate data reporting by their management and staff and this remains an unresolved finding from prior monitoring reviews which could impact the OWDB's ability to meet DOL performance measures. The common data validation instances are in the areas of client exits, measurable skills gain and credential attainment where client file documentation does not support the data in HireNet and/or in the fact that measurable skills gains and credential attainment have not been entered into HireNet although adequately documented in the client case notes.

Expenditure Management

WorkHawaii has significantly underspent their PY22 WIOA Title I grant allocations and has significantly underspent their grant allocations in prior program years totaling hundreds of thousands of dollars. WorkHawaii WIOA expenditures are recorded in the City's accounting system on a First In First Out (FIFO) basis over the two-year WIOA grant period. Since WorkHawaii has not expended their entire WIOA allocation in each program year, grant funds remain unspent after each two-year grant period and are therefore recaptured by the State for return to DOL.

In addition, the WIOA Title I budgets for the Adult, Dislocated Worker and Youth Programs and the OSO, include a Director and Assistant Director position respectively although their salaries are not being charged to the WIOA Title I grants.

However, during a review of timecards, it was noted that the Director had charged time to WIOA Title I programs when it indicates in the WIOA Adult, Dislocated Worker and Youth program budgets submitted to the OWDB that her time would not be charged to WIOA but to the City's General Fund.

Service Delivery/Case Management

WorkHawaii does not conduct sufficient client outreach and recruitment and there are minimal numbers of clients being served as indicated in the HireNet system. In addition, there are minimal numbers of individuals who come into the WorkHawaii Dole Cannery office for services, whether through meetings with Title I staff, in classroom settings or in the Resource Room. There is no Outreach and Recruitment plan in place that would substantially increase the number of potential jobseeker or business clients. Furthermore, business services to employers are minimal and do not produce an adequate pool of employers to build an employment pipeline for the jobseekers.

The active and inactive clients (those in follow-up services) assigned to each case manager currently indicate extremely low client to case manager ratios. The client follow-up services seem to only occur once a month and in some instances on a less frequent basis. There appears to be sufficient time in each case manager's work day/week to be assigned additional clients to increase their caseloads.

Case managers should have an increased caseload based on these circumstances but there is not sufficient outreach and recruitment that has occurred to enroll new clients who could be assigned to the existing case managers to increase the client to case manager ratio. This lack of client enrollment has increased the costs per participant to the WIOA programs.

Case manager notes in some instances have gaps in the contact with the client. Case manager notes that indicate a lack of contact with the client do not constitute client activity.

HireNet shows clients enrolled pre COVID who should have more than likely been exited for lack of activity. It appears that WorkHawaii management has not provided adequate training to their case managers in the WIOA requirements relating to exit or in how to adequately document case management notes and client activity in HireNet and this could impact the attainment of the DOL performance measures in the future.