

Kim Reynolds, Governor

Adam Gregg, Lt. Governor

Beth Townsend, Director



July 12, 2019

**VIA EMAIL ONLY @ [fleck.heather@dol.gov](mailto:fleck.heather@dol.gov) and [wioa.plan@dol.gov](mailto:wioa.plan@dol.gov)**

The Honorable R. Alexander Acosta  
Secretary, U.S. Department of Labor  
Room S-4209  
200 Constitution Ave, NW  
Washington, D.C. 20210

RE: Response to Appeal Following Designation as a Workforce Development Area Under the  
Workforce Innovation and Opportunity Act

Dear Secretary Acosta:

This letter and accompanying documentation serves as the State of Iowa's response to the appeal you received on June 25, 2019 under Section 106(b)(5) of the Workforce Innovation and Opportunity Act (WIOA) and 20 CFR 679.290 from the chief local elected officials (CLEOs) of seven (7) of Iowa's local workforce development areas (LWDAs). The CLEOs from LDWAs 1, 2, 3-4, 5, 7, 9 and 14 are appealing the Governor's decision to change the designation status of the LWDAs. The State of Iowa respectfully requests that you deny the appeal.

### Summary and Chronology of Events

Iowa currently has 15 LWDAs designated pursuant to Iowa Code Section 84B.3, in accordance with the "Special Rule Regarding Designated Areas" at WIOA Section 189(i)(1) (Exhibit 1). The 15 LWDAs date back to the Job Training Partnership Act under which States established "Service Delivery Areas" or SDAs. These SDAs were formed to align with service delivery in the State and, in Iowa, this resulted in areas that aligned exactly with community college areas throughout the State. Subsequent workforce development legislation, first the Workforce Investment Act of 1998 and, most recently, WIOA, allowed for existing service areas to continue to serve as LWDAs, with only minimal qualifying criteria. The U.S. Department of Labor/Employment and Training Administration (USDOL/ETA) Region 5 has affirmed as recently as April 4, 2019 that Iowa qualifies for the exception provided by the "Special Rule Regarding Designated Areas" at WIOA Section 189(i)(1) (See Exhibit 2); however, as described below, the State has been working since November 2017 to realign its LWDAs to be WIOA compliant.

---

1000 E Grand Avenue • Des Moines, IA 50319 • [iowaworkforcedevelopment.gov](http://iowaworkforcedevelopment.gov)

Equal Opportunity Employer/Program

Auxiliary aids and services available upon request to individuals with disabilities.

For deaf and hard of hearing, use Relay 711.

A proud partner of the  American Job Center network

On November 8, 2017, the USDOL/ETA Region 5 issued a WIOA Implementation Compliance monitoring report which, among other things, specifically addressed the number of LWDA's in Iowa. Finding 1 of the monitoring report stated "the division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available dollars so thin that the local areas are unable to fund core WIOA functions, such as staff support for the required [local area boards]." As a result, USDOL/ETA Region 5 directed the State to establish WIOA-compliant LWDA's that are able to fulfill all of the required roles and functions of a LWDA (Exhibit 3).

In response to USDOL/ETA Region 5's direction, the State Workforce Development Board (SWDB) convened on November 20, 2017 and created a standing Realignment Committee to make a recommendation with respect to LWDA realignment to ensure WIOA compliance. The Realignment Committee was comprised of representatives from all of the WIOA core partners, which include the Department of Education, Department of the Blind, Iowa Vocational Rehabilitation and Iowa Workforce Development (IWD), SWDB members, legislators from both parties, community college representatives, and local workforce board members (Exhibit 4). The Realignment Committee held its first public meeting on December 13, 2017 (Exhibit 5). IWD provided a detailed response to the monitoring report, including a Realignment Plan, to USDOL/ETA Region 5 on December 21, 2017 (Exhibit 6).

Between December 2017 and February 2018, the State of Iowa engaged in extensive consultation with CLEOs, community colleges, Title 1 providers, WIOA core partners, legislators, local and SWDB members, and IWD staff. A total of 22 public meetings were held to discuss realignment (3 at SWDB, 6 Realignment Committee meetings, and 13 local board meetings where IWD attended) (Exhibit 7). These public meetings resulted in significant input to the Realignment Committee, including several recommendations regarding different LWDA configurations and numbers (Exhibit 8). In February 2018, the Realignment Committee arrived at its recommendation to reduce and realign Iowa's LWDA's from 15 to 6. The Realignment Committee created two (2) different configurations consisting of six (6) LWDA's, and presented these configurations to the SWDB on February 18, 2019 (Exhibit 9). At this meeting, the SWDB adopted the recommendation of the Realignment Committee to reduce the number of LWDA's from 15 to 6, and the SWDB selected one of the recommended configurations (Exhibit 10). The local boards were informed of this decision on February 22, 2019 (Exhibit 11).

Following the SWDB realignment vote, eight (8) of the existing local boards appealed the decision (Exhibit 12). Of note, these appeals were all substantially similar, and the local boards appear to have cut and pasted from a form letter to make it easier for them to appeal. On March 21, 2019, IWD notified all CLEOs and local board members that the SWDB would consider these appeals, including any public comments, at its next scheduled meeting on May 30, 2019 (Exhibit 13). This invitation to CLEO and

local board members to participate at the next SWDB meeting was reiterated by IWD in a letter on May 10, 2019 (Exhibit 14). All SWDB members were provided copies of the appeals prior to the May 30, 2019 meeting (Exhibit 15).

On May 30, 2019, the SWDB convened to consider the appeals and vote on whether any changes would be made to its February 18, 2019 realignment decision. In addition to considering the written materials submitted, the SWDB provided unlimited time for public comment during the meeting. Only three (3) local boards sent representatives to speak in support of their appeals. Of note, the appeals and local board comments argued primarily for maintaining the existing 15 LWDAs, as opposed to substantive objections to the recommended 6 LWDAs. After reviewing all materials and listening to public comments, the SWDB had a full and open discussion and voted to affirm its realignment decision of February 18, 2019 (Exhibit 16).

On June 25, 2019, the CLEOs from seven (7) LWDAs appealed the SWDB's realignment decision to you. Only four (4) of these CLEOs had submitted initial appeals to the SWDB (Exhibit 17).

#### Additional Comments on the Realignment Process

As you conduct your review in accordance with WIOA Section 106(b)(5) to determine whether the appealing CLEOs and local boards were accorded procedural rights, I respectfully ask that you consider the following additional comments in direct response to concerns raised in the appeals:

1) The SWDB thoughtfully considered all realignment appeals received. Furthermore, as described in this letter and supported by accompanying exhibits, the SWDB took every effort to accommodate CLEOs and local board members who wished to appear publicly and speak in support of their appeals. As the record clearly indicates, the initial realignment appeals to the SWDB were not simply denied without explanation or consideration on the merits.

2) The State of Iowa has engaged in lengthy and comprehensive discussions with all stakeholders regarding the LWDA realignment process, and therefore believes it has satisfied the requirement of "consultation" provided in 20 CFR 675.300. It is possible that this consultation process appeared cumbersome and confusing to local officials; however, as the chronology described above and the exhibits demonstrate, the State made every effort to be transparent, informative, and inclusive of all stakeholders throughout the realignment effort.

July 12, 2019

3) The local boards are correct that a formal realignment appeals process has not been approved by the SWDB and USDOL/ETA Region 5. Development of formal appeal procedures has been fluid, and IWD continues to work with USDOL/ETA Region 5 on establishing these procedures and ensuring that the State Plan is modified as required. That said, the lack of a formal appeals process has not in any way prevented CLEOs and local boards from appealing the SWDB's realignment decision and, as the record indicates, the SWDB completely and openly considered those appeals. Ultimately, while formal realignment appeal procedures are not written in the State Plan, the State contends that in practice it has implemented a process that accorded procedural rights and that the CLEOs and local boards have exercised those rights in a manner that has afforded them the reviews to which they are entitled.

### Conclusion

As the above indicates and the attached documents support, IWD, on behalf of the State of Iowa, has worked with as many of the stakeholders in this process who wanted to engage in these efforts. The above-referenced stakeholders spent a significant amount of time, both in our meetings and outside of them, talking with and reviewing dozens of different scenarios. More importantly, counsel for IWD visited 13 local boards to talk through the realignment process with them and respective CLEOs. Additionally, he had numerous and extensive phone calls with local board members and relevant stakeholders about the process, as well as the reason for the realignment, and invited input into the process. The realignment plan approved by the SWDB is the result of all of the contributions we received in our thoughtful and deliberate process that was conducted in full public view. While we appreciate this will not be easy, the SWDB clearly determined it is what is in the best interests of Iowa, and all of our citizens will be better served by the efficiencies we can create with six (6) boards, resulting in more money that can be used to serve Iowans. The six (6) boards will be made up of representatives from across the LWDAs, and CLEOs will have significant input at these boards.

For all of these reasons, the State of Iowa respectfully requests that you deny the appeals to the SWDB decision regarding realignment.

Sincerely,



Beth Townsend

Attachments – as noted above

## **WIOA § 189(i)(1)**

A State that has enacted, not later than December 31, 1997, a State law providing for the designation of service delivery areas for the delivery of workforce investment activities, may use such areas as local areas under this title, notwithstanding section 106.

## **WIOA § 106**

- (a) Regions
  - Identification of Regions
  - Types of Regions
- (b) Local Areas
  - Designation of Local Areas Not Designated Under the Workforce Investment Act of 1998 (WIA)
  - Initial Designation of Local Areas Designated Under WIA
  - Subsequent Designation of Local Areas
- (c) Regional Coordination
  - Regional Planning
  - Regional Plans
- (d) Single Local Area States
  - Continuation of Previous Designation
  - Effect on Local Plan and Local Functions

## **Iowa Code § 84B.3 (2017)**

A workforce development center, as provided in section 84B.2, shall be located in each service delivery area. Each workforce development center shall also maintain a presence, through satellite offices or electronic means, in each county located within that service delivery area. For purposes of this section, “service delivery area” means the area included within a merged area, as defined in section 260C.2, realigned to the closest county border as determined by the department of workforce development. However, if the state workforce development board determines that an area of the state would be adversely affected by the designation of the service delivery areas by the department, the department may, after consultation with the applicable local workforce development boards and with the approval of the state workforce development board, make accommodations in determining the service delivery areas, including but not limited to the creation of a new service delivery area. In no event shall the department create more than sixteen service delivery areas.

## **Iowa Code § 84B.3 and WIOA § 189(i)(1)**

- The General Assembly enacted the law that is codified at Iowa Code section 84B.3 on May 2, 1996, before the deadline in WIOA section 189(i)(1) of December 31, 1997.<sup>1</sup>
- Iowa Code section 84B.3 provides for the designation of service delivery areas for the delivery of workforce investment activities.
- Iowa Code section 84B.3 qualifies for the WIOA section 189(i)(1) “Special Rule Regarding Designated Areas.” Therefore, Iowa may use areas designated under Iowa Code section 84B.3, notwithstanding WIOA section 106. Put otherwise: Under WIOA section 189(i)(1) and Iowa Code section 84B.3, WIOA section 106 does not apply to the designation of areas in Iowa.

<sup>1</sup> 1996 Iowa Acts ch. 1186 § 18, available online: <https://www.legis.iowa.gov/docs/publications/iactc/76.2/CH1186.pdf> (last visited Oct. 24, 2017).

U.S. Department of Labor



Employment and Training Administration  
REGION 5

John C. Kluczynski Building  
230 South Dearborn Street, 6<sup>th</sup> Floor  
Chicago, IL 60604-1505

<https://www.doleta.gov/regions/region-5.cfm>

April 4, 2019

Beth Townsend, Director  
Iowa Workforce Development  
1000 E. Grand Avenue  
Des Moines, IA 50319-0209

Dear Director Townsend:

Thank you for your inquiry regarding provisions of the Workforce Innovation and Opportunity Act (WIOA) related to the designation of local workforce development areas. Department of Labor, Employment and Training Administration (ETA) staff have extensively reviewed and researched your inquiry. This letter provides affirmation that Iowa may use the "Special Rule Regarding Designated Areas" at WIOA Section 189(i)(1).

Specifically, you asked whether Iowa qualifies for the exception provided by the "Special Rule Regarding Designated Areas." This provision, at 189(i)(1), says:

*A State that has enacted, not later than December 31, 1997, a State law providing for the designation of service delivery areas for the delivery of workforce investment activities, may use such areas as local areas under this title, notwithstanding section 106.*

On May 2, 1996, Iowa's General Assembly enacted a State law, enclosed, providing for the designation of service delivery areas for the delivery of workforce investment activities, which is now codified at Iowa Code Section 84B.3. ETA has determined that this law meets the legal threshold of the Special Rule, and, therefore, Iowa may redesignate its local workforce development areas in accordance with that law rather than redesignation requirements identified at WIOA Section 106.

Should Iowa choose to redesignate its local areas in accordance with Iowa Code Section 84B.3, it must ensure documentation of compliance with that law. In particular, the State must consult with locally impacted workforce development boards determined by the State Board to be adversely affected by newly formed designations, as required by the law. ETA encourages the State to use the definition of "consultation" provided in 20 CFR 675.300, which says, "Consultation means the process by which State and/or local stakeholders convene to discuss changes to the public workforce system and constitutes a robust conversation in which all parties are given an opportunity to share their thoughts and opinions." While the State may use Iowa Code Section 84B.3 to govern its local area redesignation process, it must continue to adhere to

requirements for establishing appeal procedures available to local governments and local workforce development areas in its State Plan (see 20 CFR 679.290 and 683.630(a)).

In addition, the State must modify its WIOA Unified State Plan within 90 days to describe the local areas designated in the state and its local area designation process, as required by the condition imposed in the enclosed June 28, 2018 correspondence, and describe the appeals process relating to local area designation. Please note that modifications of the WIOA State Plan require public comment.

We thank you for your work to improve the effectiveness of Iowa's public workforce system. Please contact your Federal Project Officer, Tommy Ouyang, at 312.596.5512, if you have questions or need additional technical assistance.

Sincerely,

A handwritten signature in black ink, appearing to read 'Christine Quinn', with a long horizontal flourish extending to the right.

Christine Quinn  
Regional Administrator

Enclosures - Iowa Code section 84B.3  
Iowa 2018 WIOA State Plan Modification Decision Notification Email

Iowa Code section 84B.3

A workforce development center, as provided in section 84B.2, shall be located in each service delivery area. Each workforce development center shall also maintain a presence, through satellite offices or electronic means, in each county located within that service delivery area. For purposes of this section, "service delivery area" means the area included within a merged area, as defined in section 260C.2, realigned to the closest county border as determined by the department of workforce development. However, if the state workforce development board determines that an area of the state would be adversely affected by the designation of the service delivery areas by the department, the department may, after consultation with the applicable local workforce development boards and with the approval of the state workforce development board, make accommodations in determining the service delivery areas, including but not limited to the creation of a new service delivery area. In no event shall the department create more than sixteen service delivery areas.

## Iowa 2018 WIOA State Plan Modification Decision Notification Email



Thu 6/28/2018 6:28 AM

WIOA <WIOA@ed.gov>

IA WIOA State Plan Modifications notification

To  stephanie.groen@iowa.gov

Cc  benjamin.humphrey@wd.iowa.gov;  Wooten, Michael;  Collett, Johnny;  Dobak, Carol;  Lahasky, Rosemary - ETA;  beth.townsend@wd.iowa.gov;  Harris, Alex;  David.Mitchell@iowa.gov;  emily.wharton@bind.state.ia;  cathy.ross@wd.iowa.gov;  Fleck, Heather - ETA;  Ver Bryck Block, Karla;  Doyle, Jim;  Mo'ler, Shannon

You forwarded this message on 3/18/2019 1:20 PM.

The Honorable Kim Reynolds  
Office of the Governor  
State Capitol  
1007 East Grand Avenue  
Des Moines, Iowa 50319

Dear Governor Reynolds:

The U.S. Departments of Labor and Education (Departments) are pleased to inform you that we have approved, subject to the condition below, Iowa's modification to the program year (PY) 2016 Workforce Innovation and Opportunity Act (WIOA) Unified State Plan (State Plan), submitted on March 30, 2018, pursuant to section 102(c)(3)(A) of WIOA. The State Plan modification covers PYs 2018 and 2019 and will take effect July 1, 2018.

Iowa continues to make progress to implement WIOA throughout the State and to fulfill milestones provided in its July 2017 corrective action plan submitted pursuant to Department of Labor monitoring activities. Once Iowa completes critical actions from that action plan, and also establishes a formal local workforce development area designation policy consistent with 20 CFR 679.230 – 20 CFR 679.260, the Departments look forward to receiving a modified State Plan that reflects the new structural and operational workforce development environment.

We value Iowa's commitment to work together with stakeholders and the Departments to support the public workforce system. The Departments will provide technical assistance and monitor Iowa's progress on an ongoing basis as we work together to realize the vision of WIOA and implement its programs. The Departments will work with you and your team, as needed, to help Iowa submit a new four-year State Plan covering PYs 2020-2023 that further reflects the State's experience in implementing WIOA and the innovations it has undertaken to improve the timeliness and quality of services to jobseekers and employers.

If you have any questions, please contact the relevant Federal program liaison and regional office.

Sincerely,

Rosemary Lahasky  
Acting Assistant Secretary  
Employment and Training Administration

Dr. Michael E. Wooten  
Acting Assistant Secretary for Career, Technical, and Adult Education  
Office of Career, Technical, and Adult Education (OCTAE)  
U. S. Department of Education

Carol L. Dobak  
Acting Deputy Commissioner,  
delegated the authority to perform the  
functions and duties of the Commissioner  
Rehabilitation Services Administration

Johnny W. Collett  
Assistant Secretary  
Office of Special Education and Rehabilitative Services

U.S. Department of Labor



Employment and Training Administration  
REGION 5

John C. Kluczynski Building  
230 South Dearborn Street, 6<sup>th</sup> Floor  
Chicago, IL 60604-1505

<http://www.doleta.gov/regions/reg05>

November 8, 2017

Beth Townsend  
Director  
Iowa Workforce Development  
Des Moines, IA

Dear Director Townsend,

During the period of September 25 – 28, 2017, the U.S. Department of Labor/Employment and Training Administration (USDOL/ETA) Region 5, conducted an on-site monitoring review of your organization's administration and operation of WIOA and Wagner-Peyser grants (AA-28316-16-55-A-19; AA-26779-15-55-A-19; ES-29412-16-55-A-19; and ES-27490-15-55-A-19.

Our report from this review is enclosed. Please respond to the 11 Findings identified in the report within 45 days from the date of the report. Your response should be submitted to the ETA Regional Office at [oss.etar5@dol.gov](mailto:oss.etar5@dol.gov) and to your FPO, Tommy Ouyang, at [Ouyang.tommy@dol.gov](mailto:Ouyang.tommy@dol.gov).

We look forward to meeting with you and your team on November 21<sup>st</sup> to discuss the report in more detail and begin to develop plans for corrective action. If you have any questions, please contact Tommy Ouyang at 312.596.5512.

Sincerely,

A handwritten signature in black ink, appearing to read "Christine Quinn", written over a horizontal line.

Christine Quinn  
Regional Administrator

Enclosure

**US/DOL ETA Region 5  
Monitoring Report**

**REVIEW SCOPE**

**Grantee**

- Iowa Workforce Development (IWD)

**Date of Review**

- September 25 – 28, 2017

**Grants Covered**

- WIOA and Wagner-Peyser Review
  - AA-28316-16-55-A-19
  - AA-26779-15-55-A-19
  - ES-29412-16-55-A-19
  - ES-27490-15-55-A-19

**Time Period for Data Covered in Review**

- July 1, 2016 – June 30, 2017

**Site(s) Visited**

- Iowa Workforce Development State Office
- Region 5 Fort Dodge/Webster City IowaWORKS Center

**ETA Reviewers**

- Arlene Charbonneau, Federal Project Officer
- James Lambert, Federal Project Officer
- Stacy O’Keefe, Supervisor
- Tommy Ouyang, Federal Project Officer

**Date of Exit Conference**

- September 28, 2017

**Review Tool(s)**

- ETA’s Core Monitoring Guide
- ETA’s WIOA Implementation Guide

**EXECUTIVE SUMMARY**

The report below outlines a number of individual issues that, as a whole, demonstrate that the workforce system in Iowa is in need of significant repair and change. The required actions attached to each of the Findings illustrate the need for leadership, direction and guidance from IWD in order to impact positive change. The State will need to review each of the issues and develop a plan and timeline for corrective action that not only ensures compliance in the short-term, but also addresses the structural issues that will continue to impede progress in the long-

term, if not addressed. The lack of the appropriate structures and engagement of key stakeholders at the local level must be rectified, in order to resolve many of the issues occurring in Iowa. The reviewers, as well as Regional Office leadership, are available to discuss this report and assist with corrective action.

## **COMPLIANCE FINDINGS**

### **Finding 1: Local Areas Not Aligned Appropriately -- State** (Core Component 3.1 – Governance)

The 15 local areas in Iowa do not meet the substantive requirements of a local workforce development area (LWDA) under WIOA. The 15 service areas date back to the Job Training Partnership Act under which States established “Service Delivery Areas” or SDAs. These SDAs were formed to align with service delivery in the State and, in Iowa, this resulted in areas being formed around the Community College locations throughout the State. Subsequent workforce development legislation, first the Workforce Investment Act of 1998 and, most recently, WIOA, allowed for existing service delivery areas to continue to serve as local areas, with only minimal qualifying criteria.

As a result, the current local service areas in Iowa do not align with the characteristics around which the WIOA intends a LWDA to be aligned, such as local labor market areas and/or economic development areas. Furthermore, the division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available dollars so thin that the local areas are unable to fund core WIOA functions, such as staff support for the required Local Workforce Development Boards (WDBs) and/or the One-Stop Operators (OSOs). And finally, this structure does not facilitate the development of WIOA-compliant planning regions which, by law and regulation, are aligned with labor markets, commuting patterns, economic development areas, etc.

**Required Action:** The State must work with the chief elected officials to establish WIOA-compliant LWDAs that are able to fulfill all of the required roles and functions of a LWDA. The State must submit a plan to address the non-compliant local structure, in its response to this report. The Finding will be resolved when the State has LWDAs that are aligned with the criteria described above and are able to fund and/or administer the core WIOA functions described above.

### **Finding 2: Improper Disbursement of Local WIOA Funds – State** (Core Component 3.1 – Local Area Governance)

IWD improperly disburses WIOA Title I grant funds directly to the WIOA Title 1 Adult, Dislocated Worker and Youth service providers in each designated local area, bypassing the chief local elected officials who are, per statute and regulations, the local grant recipients for WIOA funds. There was no evidence that the State and the CEOs had entered into agreements in which the CEOs designated the Governor to serve as the local fiscal agent.

The statute at section 107(12) states, “The chief elected official in a local area shall serve as the local grant recipient for WIOA funds allocated to the local area under WIOA sections 128 and

133, unless the CEO reaches an agreement with the Governor for the Governor to act as the local grant recipient. “ The statute further states that only the local grant recipient/chief elected official or his/her designated fiscal agent may disburse local WIOA grant funds and this must be done at the direction of the local board.

**Required Action:** The State must establish a process for the allocation of WIOA funds directly to the local grant recipient/chief elected official or to his/her designated fiscal agent in each local area. The State must execute this process beginning with its PY18 WIOA Youth allocation, which the State should receive by April 2018. From that point forward, all WIOA allocations to the local system must be disbursed in accordance with the new process. In its response to this report, the State must submit the steps it will take to ensure that, by April 2018, it will be ready to disburse funds appropriately. This Finding will not be resolved until the PY18 WIOA Youth allocation is properly disbursed to the local system.

**Finding 3: Non-Compliant State Monitoring and Oversight of Local System – State**  
(Objective 2.1 – Administrative Controls)

The State’s monitoring and oversight efforts are inadequate in terms of compliance with WIOA requirements and overall effectiveness and quality. Our review of the State’s Program Year (PY) 2016 monitoring reports for Regions 5, 10, and 12 identified deficiencies in a number of areas. The State also failed to correctly implement its own monitoring policies, and such policies do not ensure that WIOA objectives are met. The following outlines the areas of non-compliance and/or deficiency:

- 1) All monitoring was conducted remotely, with no on-site review. The State’s monitoring reports indicated that State staff completed the review through the data management system and through electronic correspondence with the local office. This was confirmed by the State’s monitoring staff during the site visit. The State’s monitoring policy is also out of compliance in this regard, as it expressly allows for monitoring to be conducted either on-site or remotely (in section 3, under the “process” subheading);
- 2) The scope of the State’s monitoring is not compliant with State policy or WIOA requirements. As reflected in the monitoring reports, the scope of the State’s monitoring was limited to the review of one participant file per program area (Youth and Adult/Dislocated Worker) for each of five months covered (January through May of 2017). This resulted in the review of a total of 15 participant files per local area. State monitoring efforts did not extend past this limited file review. The State is not assessing the overall operation, management, and performance of its One-Stop Centers; it is not reviewing administrative structures, processes and/or systems at the local level for operating and/or evaluating WIOA programs; and the State has not assessed the implementation of key WIOA provisions at the local level.

The State’s monitoring policy identifies eight areas that should be monitored (Activities and services; Applicant and participant process; Customer engagement; Participant eligibility and verification; Participant file review; Management Information Systems; Compliance with state and local policy; and Performance accountability); however, only one of these eight areas, the participant files, were monitored.

- 3) The reviewers found no evidence that the State had issued formal monitoring reports with detailed findings and corrective action requirements. The Comprehensive Monitoring Reports that the State provided to the reviewers include a paragraph establishing a Pass/Observation/ Finding system, which bases the severity of an issue on the number of times it occurred in the files reviewed. It is unclear how this method can be effective with such a small sample size; it requires that a single issue occur 3 or more times in order to generate a Finding, but only 15 files were reviewed in total. This Pass/Observation/Finding system is also not included in the State's policy document.

The findings that are discussed in the reports include very little detail. For example, in the local area 12 report, finding #2 states, "Participant contacts were not occurring according to policy." No further information is provided. Despite multiple occurrences across all programs, no detail was presented regarding the source of the problem or the specific actions needed to resolve the Finding.

The regulations, at 20 CFR 683.410(b), outline the State's roles and responsibilities for monitoring and oversight. The regulations indicate, in part:

(2) The State monitoring system must: (i) Provide for annual on-site monitoring reviews of local areas' compliance with 2 CFR part 200, as required by sec. 184(a)(3) of WIOA; (ii) Ensure that established policies to achieve program performance and outcomes meet the objectives of WIOA and the WIOA regulations....(3) The State must conduct an annual on-site monitoring review of each local area's compliance with 2 CFR part 200, as required by sec. 184(a)(4) of WIOA. (4) The [State] must require prompt corrective action be taken if any substantial violation of standards...is found...."

Additionally, the Uniform Guidance requirements at 2 CFR 200.331 state:

All pass-through entities must: ...(d)Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include: (1) Reviewing financial and performance reports required by the pass-through entity. (2) Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means....

A monitoring policy centered exclusively on participant file review ignores many critical areas of WIOA Title I compliance and administration and operation of WIOA programs in the local areas. It also fails to comply with even the minimum WIOA and Uniform Guidance requirements around monitoring and oversight.

**Required Action:** The State must develop new policies and procedures for monitoring and oversight that address the purpose and scope of monitoring, establish new and improved monitoring guides/tools, create a standardized report format and institutionalize follow-up and technical assistance activities. Any new processes developed must allow for annual on-site visits to all local areas across the State and ensure that all major grants and programs are monitored in

any given year, as appropriate. The process must result in the issuance of a report that identifies any corrective action needed. Provision of any follow-up or technical assistance needed must also be an integral part of the process. In its response to this report, the State must describe the steps it is taking to address this issue and submit links to any new policies, procedures, or tools that are developed.

**Finding 4: Lack of CEO Agreements – State**  
(Core Component 3.1 – Local Area Governance)

Despite being composed of multiple units of local government, the local areas in Iowa do not have agreements in place between the local elected officials outlining the liability, roles and responsibilities of the local elected officials in their respective jurisdictions.

The regulations at 683.710(2) state, “When a local workforce area or region is composed of more than one unit of general local government, the liability of the individual jurisdictions must be specified in a written agreement between the local elected officials.” This agreement typically outlines roles and responsibilities of the chief elected official(s) under WIOA. This regulation, at subparagraph (3) further requires that, when there is a change in the chief elected official(s), the Local Workforce Development Board (WDB) inform the new CEO(s) of their responsibilities and liabilities and of the need to review and update the written agreement.

This written agreement is a critical governing document, as the local elected officials must be aware of, and agree to, their roles and responsibilities as the grant recipients for local WIOA Title I funds. If WIOA grant funds allocated to a given local area are misused, liability for those funds rests with the chief local elected official(s) in that local area as outlined in the CEO Agreement.

**Required Action:** The State must ensure that the local elected officials in local workforce areas with more than one unit of general local government enter into an agreement in accordance with the regulation cited above. The State must submit copies of these agreements for all local areas, in order to resolve this Finding.

**Finding 5: Non-Compliant State Board - State**  
(Core Component 1.1: State Workforce Development Board Structure)

Based on the membership roster provided by IWD, the State Workforce Board membership structure is not in compliance with WIOA as follows:

- The Board does not have the required business majority.
- The following required board members do not have voting privileges as required:
  - WIOA required core partners;
  - Registered Apprenticeship; and
  - Representatives from each chamber of the State legislature.
- The board does not include the following required board members:
  - A small business representative;
  - Lead State Official for WIOA Title I and Wagner-Peyser Act programs;
  - Two chief elected officials; and
  - The Governor.

The regulations at section 20 CFR 679.110 identify the required members of a WIOA-compliant State Workforce Development Board (WDB). The members listed above are identified in this section as required State WDB members. This section also requires that a majority of members be representatives of businesses in the State. Section 20 CFR 679.110(g) further states, “all required WDB members must have voting privileges.”

**Required Action:** The State must appoint the members needed to bring the State WDB into compliance with WIOA. The must also ensure that all required members have voting privileges, as stated above. In order to resolve this Finding, the State must submit an updated board membership roster demonstrating that the board has all of the required members and that those members have voting privileges.

**Finding 6: Non-Compliant Local Board Membership – Regions 5, 10 and 12**  
(Core Component 3.1: Local Area Governance)

Based on the membership rosters the State provided, the local boards in Regions 5, 10 and 12 do not include all of the WIOA-required members, as follows:

For Region 5:

- The majority of members are not representatives of business.
- It appears there is no Registered Apprenticeship representative.

For Region 10:

- The majority of members are not representatives of business.
- It appears there are no small businesses, Registered Apprenticeship, Wagner Peysner, Adult Education, Vocational Rehabilitation, and Economic Development representatives.

For Region 12:

- Seven of the 14 members’ terms expired in 2016. While we could not verify this from the list provided because it only included individual names, with only seven members, it appears the board does not have all of the WIOA-required members.

The regulations, at Section 20 CFR 679.320, identify the required members of a WIOA-compliant Local Workforce Development Board (WDB). The members identified above are identified in this section as required Local WDB members in this section. This section also requires that a majority of members be representatives of business in the local area.

**Required Action:** The State must ensure that the local boards in these three regions, as well as all other local boards, appoint the members needed to be WIOA-compliant as outlined above. In order to resolve this Finding, the State must submit updated board membership rosters demonstrating that the boards have all of the required members.

**Finding 7: Local Workforce Development Boards (LWDBs) Are Not Performing WIOA Required Functions - State**  
(Core Component 3.1: Local Area Governance)

The local boards are not performing the functions that WIOA requires Local WDBs to perform. Based on the reviewers' discussions with IWD and Region 5 staff, it appears that the Title I Adult and Dislocated Worker service providers are performing these Local WDB functions.

Section 20 CFR 679.370 (a-q) outlines the roles and responsibilities of the local board. Section 20 CFR 679.400(a) grants Local WDBs authority to hire a director and other staff to assist in carrying out the functions of the Local WDB. Neither the statute nor the regulations authorize any entity other than the Local WDB or its staff to perform these required functions. In the absence of the authority to perform these functions, the costs associated with doing so are potentially subject to disallowance.

**Required Action:** The State must ensure that each Local WDB in the State is able to perform all of its WIOA-required functions. The State must also ensure that Title I service providers that are performing local board functions stop doing so immediately. The State must describe the actions it will take to ensure Local WDBs are able to perform the required functions, in its response to this report. To resolve this Finding, the State must submit descriptions of who is performing, and how they are performing, the WIOA-required Local WDB functions in the three Regions sampled – Regions 5, 10 and 12.

**Finding 8: Nominal Funding Levels in One Stop Operator (OSO) Request for Proposals (RFPs) – State**  
(Core Component 3.1: Local Area Governance)

The OSO RFPs issued by Iowa Workforce Development (IWD) were flawed due to insufficient funding levels that were not supported by a cost analysis.

Because the Local Workforce Development Boards are not fully composed, the IWD developed and issued the OSO RFPs. IWD issued four RFPs for the State's four Districts: Central, Western, Eastern and Northern. Each District contains three to four Local Workforce Development Areas (LWDAs). Each of the four RFPs contained an annual funding range of \$32,500 - \$37,500 for the OSO role, using IWD's State set aside funds. Given that each District covers multiple LWDAs, this equates to approximately \$8,000 per LWDA for performing the OSO functions for a year. This funding range was not supported by a cost analysis demonstrating that the OSO roles and responsibilities in each of the four Districts could be performed with the proposed funding level included in the RFPs.

The ETA's FAQ on the OSO RFP published on May 3, 2017 states, "... An RFP or IFB with no funding or nominal funding will restrict competition and result in either no responses or a limited number of responses from entities already receiving Title 1 funds. Such an RFP violates the prohibition on competitive pricing practices under 2 CFR 200.319(a) and 29 CFR 97.36(c)(1)(iii)."

The consequence of such low funding levels in the RFPs that IWD issued was as indicated above; it limited the number of responses received. The Western District secured two bids and the Northern and Eastern Districts secured only one bid each. The Central District, despite issuing the RFP twice, did not receive any bids.

**Required Action:** The State must ensure that OSOs are competitively procured using a process that meets all UG requirements around fair and open competition, as well as all guidance published in ETA's FAQs on this topic. In its response to this report, the State must submit a plan for ensuring this happens, including key steps and timeframes.

**Finding 9: Non-Compliant Memoranda of Understanding (MOUs) – Regions 5, 10 and 12 (Core Component 1.3 – Memoranda of Understanding)**

The MOUs between the Local Workforce Development Boards (WDBs) and the one-stop partners in Regions 5, 10, and 12 are non-compliant as follows:

- The MOUs from Regions 5 and 12 do not include a partner service matrix or other information related to what services each partner provides and how they provide them.

In accordance with 20 CFR 678.500(b)(1), "The MOU must include:(1) A description of services to be provided through the one-stop delivery system, including the manner in which the services will be coordinated and delivered through the system...." The ETA established a deadline of July 1, 2017 for this component of the MOU in an FAQ published on December 21, 2016.

- The MOUs do not include the 'additional costs' component related to shared services and operating costs.

In accordance with 20 CFR 678.500(b)(2)(ii), MOUs must include a description of how the partners will fund the costs of shared services, operating costs of the system, and infrastructure costs. The ETA established a deadline of July 1, 2017 for this cost component in the FAQ referenced in number 1 above.

- The Region 5 MOU did not have any signatures and Region 10's MOU was missing multiple partner signatures. Region 12's MOU did not include a signature from the Local Board Chair and none of the MOUs included a signature from the chief elected official in the relevant Region.

In accordance with 20 CFR 678.500 (d), "When fully executed, the MOU must contain the signatures of the Local WDB, one-stop partners, and the chief elected official(s)...."

- The Region 10 MOU did not include the local area's required discretionary grant one-stop partner – the Reentry Employment Opportunities (REO) grant, and the MOUs in all three Regions incorrectly included the Dennison and/or Ottumwa Job Corps Center(s) as required partner(s).

The regulations at 20 CFR 678.400 identify the required one-stop partners to include programs authorized under WIOA Title I, which include the Job Corps program and under section 212 of the Second Chance Act of 2007, which are the Reentry Employment Opportunities (REO) grant programs. For Job Corps, the required partner is the Job Corps Center Operator and, for the REO grant, it is the entity that administers the program in the local area. The regulations at 678.415(a) further clarify that the requirements relating to a required partner (20 CFR 678.420), which include entering into the MOU with the local board, only apply if the required partner program operates in the local area.

**Required Action:** The State must ensure that Regions 5, 10 and 12, and all Regions in the State, execute WIOA-compliant MOUs in accordance with the requirements above. To resolve this Finding, the State must provide copies of revised MOUs for Regions 5, 10 and 12.

**Finding 10: Stand-Alone Wagner-Peyser (W-P) Offices Not Allowable - State**  
(Core Component 3.3: Service Delivery Design)

The State continues to maintain a stand-alone W-P office in Region 5 in Webster City, despite WIOA's prohibition on such offices.

In accordance with 20 CFR 678.315, stand-alone Wagner-Peyser Act Employment Service offices are not permitted. This regulation further states, "If W-P services are provided at an affiliate site, there must be at least one or more other partners in the affiliated site with a physical presence of combined staff more than 50 percent of the time the site is open."

**Recommendation:** The State must develop a plan to address the stand-alone W-P office in Webster City in accordance with the regulation cited above. The State must also ensure that there are no other stand-alone W-P offices in the State. In its response to this report, the State must indicate what action(s) it plans to take with the Webster City office. The State must also indicate its plans to address any other stand-alone W-P offices that may exist.

**Finding 11: One-Stop Certification Not Completed -- State**  
(Core Component 3.2: One-Stop Certification)

At the time of the review, none of the local one-stop centers in the State had been certified.

In accordance with 20 CFR 678.800, the State WDB, in consultation with chief elected officials and Local WDBs, must establish objective criteria and procedures for Local WDBs to use when certifying one-stop centers. TEGL 10-16 establishes the deadline for the completion of the certification process as June 30, 2017.

The inability to complete the one-stop certification effort is likely due to a few factors, including:

- 1) The State did not provide guidance or criteria until August 2017 after the Regional Office notified the State in writing of the missed deadline;
- 2) The tool the State developed for one-stop certification, at 127 pages, is cumbersome and does not facilitate an efficient and timely completion of the certification effort; and
- 3) The local boards in Iowa are not fully composed and do not have any staff. As a result, Title I Adult and Dislocated Worker service providers are attempting to complete the

certification process. This is not only slowing down the process, but it also presents a conflict of interest.

**Required Action:** The State must ensure that its local boards have the tools and resources needed to complete one-stop certification as soon as possible. The State must streamline the certification tool and develop a proposed process for completion of the certification effort that is free from any real or perceived conflict of interest. The Regional Office will provide examples from other States. In its response to this report, the State must provide a copy of revised processes and tools for One-Stop Certification.

--End of Report--



Iowa Workforce Development Board

# Realignment Committee

Last Updated: 12/21/2017

Realignment Committee Members					
No.	Name	City	Organization	Telephone	Email
1.	Jake Chapman	Adel	State Senator	(515) 281-3371 (work)	<a href="mailto:jake.chapman@legis.iowa.gov">jake.chapman@legis.iowa.gov</a>
2.	Dave Deyoe	Nevada	State Representative	(515) 382-2352 (work)	<a href="mailto:dave.deyoe@legis.iowa.gov">dave.deyoe@legis.iowa.gov</a>
3.	William Dotzler	Waterloo	State of Iowa Senate, Minority Leader Appointee	(515) 281-3221 (work)	<a href="mailto:bill.dotzler@legis.iowa.gov">bill.dotzler@legis.iowa.gov</a> ; <a href="mailto:sue.foecke@legis.iowa.gov">sue.foecke@legis.iowa.gov</a>
4.	Kirsten Running-Marquardt	Cedar Rapids	State of Iowa House of Representatives, Minority Leader Appointee	(515) 281-3221 (work)	<a href="mailto:kirsten.running-marquardt@legis.iowa.gov">kirsten.running-marquardt@legis.iowa.gov</a>
5.	Ryan Wise	Des Moines	Iowa Department of Education	(515) 281-3436 (work)	<a href="mailto:ryan.wise@iowa.gov">ryan.wise@iowa.gov</a> ; <a href="mailto:kathy.petosa@iowa.gov">kathy.petosa@iowa.gov</a>
6.	Emily Wharton	Des Moines	Iowa Department for the Blind	(515) 281-1334 (work)	<a href="mailto:emily.wharton@blind.state.ia.us">emily.wharton@blind.state.ia.us</a>
7.	Rosie Thierer	Des Moines	Iowa Department on Aging (IDA)	(515) 725-7944 (work)	<a href="mailto:rosemary.thierer@iowa.gov">rosemary.thierer@iowa.gov</a>
8.	Drew Conrad	Cedar Falls	University of Northern Iowa, Board of Regents Designee	(319) 273-6977 (work)	<a href="mailto:andrew.conrad@uni.edu">andrew.conrad@uni.edu</a>
9.	Rob Denson		Des Moines Area Community College	(515) 964-6638	<a href="mailto:rjdenson@dmacc.edu">rjdenson@dmacc.edu</a> ; <a href="mailto:mjlarsen3@dmacc.edu">mjlarsen3@dmacc.edu</a>
10.	Randy Moore	Davenport	Iowa American Water	(563) 468-9217 (work) (563) 726-1437 (home)	<a href="mailto:Randy.moore@amwater.com">Randy.moore@amwater.com</a>
11.	Phil Tuning	Des Moines	John Deere Financial	(515) 267-4070 (work) (515) 868-2658 (home)	<a href="mailto:pstuning@msn.com">pstuning@msn.com</a>
12.	Amy Larsen	Waverly	United Equipment Accessories	None Listed.	<a href="mailto:alarsen@uea-inc.com">alarsen@uea-inc.com</a>
13.	Sondra Meyers	Davenport	Katun Corporation	(563) 468-6901 (work) (563) 249-5921 (home)	<a href="mailto:sondra.meyers@katun.com">sondra.meyers@katun.com</a>
14.	Becky Jacobsen	Denison	Smithfield Foods	(712) 263-7499 (work) (712) 263-6585 (home)	<a href="mailto:bjacobsen@smithfield.com">bjacobsen@smithfield.com</a>
15.	Steve Gilbert <b>Chair</b>	Leon	Gilbert Home Comfort	(641) 446-4822 (work) (641) 414-9512 (home)	<a href="mailto:gilby3@grm.net">gilby3@grm.net</a>
16.	David Mitchell	Des Moines	IVRS	(515) 281-4140	<a href="mailto:david.mitchell@iowa.gov">david.mitchell@iowa.gov</a>



## NOTICE:

### STATE WORKFORCE DEVELOPMENT BOARD REALIGNMENT COMMITTEE MEETING

<b>Date:</b>	Wednesday, December 13, 2017
<b>Time:</b>	8:00 a.m. – 9:30 a.m.
<b>Location:</b>	Iowa Workforce Development – Capitol View Room 1000 East Grand Avenue Des Moines, Iowa 50309
<b>Phone:</b>	Conference call instructions: 1) Call 1-866-685-1580 2) Enter conference code 0009990910 followed by pound (#) Note: Members of the public may access the meeting by conference call at the location identified above.
<b>Internet:</b>	<a href="https://plus.google.com/hangouts/_/iowa.gov/shelly-evans?hceid=c2h1bGx5LmV2YW5zOGI3ZC5pb3dhLmdvdg.2kbs8rlqd8i507crufka44sdoo&amp;authuser=0">https://plus.google.com/hangouts/_/iowa.gov/shelly-evans?hceid=c2h1bGx5LmV2YW5zOGI3ZC5pb3dhLmdvdg.2kbs8rlqd8i507crufka44sdoo&amp;authuser=0</a>

### TENTATIVE AGENDA:

1. Call to Order.
2. Establish quorum.
3. Welcome and introductions.
4. **Action Item:** Designate the Chairperson and the Vice Chairperson of the Realignment Committee.
5. Presentation by Ben Humphrey, attorney at Iowa Workforce Development (IWD), and discussion of:
  - Iowa's current local workforce development area alignment;
  - The U.S. Department of Labor (DOL) finding and mandate relating to Iowa's local workforce development area alignment; and
  - The legal requirements for local workforce development area realignment, including, but not limited to, consultation of local workforce development boards and chief elected officials.

6. Presentation by Ben Humphrey and Brett Conner, Finance Bureau Chief at IWD, and discussion on:
  - Federal funding allotments to Iowa under Title I of the Workforce Innovation and Opportunity Act (WIOA);
  - Legal requirements applicable to federal funding allotments under Title I of WIOA; and
  - How such allotments impact local workforce development area alignment under the DOL finding and mandate.
7. Presentation by Ryan Murphy, Labor Market Information (LMI) Bureau Chief at IWD, and discussion of:
  - Labor market information;
  - Laborshed maps; and
  - Draft alternative local workforce development area alignments.
8. Discussion on:
  - Information presented during the meeting on local workforce development area realignment;
  - Work assignments; and
  - Action plan for the time period between this meeting and the next meeting.
9. **Action Item:** Establish action plan for the Realignment Committee for the time period between this meeting and the next Realignment Committee meeting, including, but not limited to, consultation with local workforce development boards and chief elected officials regarding local workforce development area realignment.
10. **Action Item:** Establish time period for the next meeting of the committee.
11. Comments, if any, from Realignment Committee members and attendees of the meeting.
12. Adjourn.

## **ACCOMMODATIONS:**

Accommodations are available upon request for individuals with disabilities. If you need an accommodation, please contact:

Shelly Evans

Email: [Shelly.Evans@iwd.iowa.gov](mailto:Shelly.Evans@iwd.iowa.gov)

Phone: 515-725-5680

Kim Reynolds, Governor  
Adam Gregg, Lt. Governor  
Beth Townsend, Director



December 21, 2017

**VIA EMAIL ONLY @ [quinn.christine@dol.gov](mailto:quinn.christine@dol.gov)**

Christine Quinn, Administrator  
U.S. Department of Labor  
Employment and Training Administration  
REGION 5  
John C. Kluczynski Building  
230 South Dearborn Street, 6th Floor  
Chicago, IL 60604-1505

RE: Implementation of the Workforce Innovation and Opportunity Act (WIOA) in Iowa

Administrator Quinn:

Attached please find Iowa's responses to your letter dated November 8, 2017. While very disappointed in the language and content of the letter (given inaccuracies and failure to recognize those things already accomplished) and despite the significantly different feedback we received in the out brief of the audit in September, we will nonetheless continue with the work that has been well underway for quite some time. We have again provided an updated plan and timeline.

I have never thought that Iowa would be unsuccessful in implementing WIOA and nothing in the most recent correspondence changes my mind. Regardless of whether DOL recognizes it, Iowa has always had one of the most integrated workforce services delivery systems in the country and indeed were the model for the legislation that Senator Harkin recommended when drafting WIOA. We will continue to provide the highest quality of services to our citizens, including those served under the WIOA legislation.

If you have any questions, please contact me at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth Townsend", with a large, stylized flourish at the end.

Beth A. Townsend, Director

Attachments - Iowa's Responses  
Iowa's Realignment Plan

## Finding 1: Local Areas Not Aligned Appropriately - State

### Response:

Iowa complied with WIOA in its initial designation of local areas.

WIOA section 189(i)(1) is entitled, "Special Rule Regarding Designated Areas," and states:

A State that has enacted, not later than December 31, 1997, a State law providing for the designation of service delivery areas for the delivery of workforce investment activities, may use such areas as local areas under this title, notwithstanding section 106.

Iowa Code section 84B.C, which the Iowa General Assembly enacted on May 2, 1996, states:

A workforce development center, as provided in section 84B.2, shall be located in each service delivery area. Each workforce development center shall also maintain a presence, through satellite offices or electronic means, in each county located within that service delivery area. **For purposes of this section, "service delivery area" means the area included within a merged area, as defined in section 260C.2, realigned to the closest county border as determined by the department of workforce development. However, if the state workforce development board determines that an area of the state would be adversely affected by the designation of the service delivery areas by the department, the department may, after consultation with the applicable local workforce development boards and with the approval of the state workforce development board, make accommodations in determining the service delivery areas, including but not limited to the creation of a new service delivery area. In no event shall the department create more than sixteen service delivery areas.**

(emphasis added).

The Iowa General Assembly enacted Iowa Code section 84B.C on May 2, 1996. It provides for the designation of service delivery areas for the delivery of workforce investment activities. Therefore, under the Special Rule Regarding Designated Areas in WIOA section 189(i)(1), Iowa may use the designated service delivery areas under Iowa Code section 84C.3 as local areas under WIOA Title I, notwithstanding WIOA section 106. Thus, the requirements from WIOA section 106 cited by the Regional Office in Finding No. 1 are not applicable to the designation of local areas under Iowa Code section 84B.3 as a matter of law under WIOA section 189(i)(1).

Even if one takes the position for the sake of argument that the Special Rule Regarding Designated Areas in WIOA section 189(i) (1) does not apply to Iowa the initial designation of local areas in Iowa complies with WIOA section 106, which states:

(1) IN GENERAL.—

(A) PROCESS.—Except as provided in subsection (d), and consistent with paragraphs (2) and (3), in order for a State to receive an allotment under section 127(b) or 132(b), the Governor of the State shall designate local workforce development areas within the State—

(i) through consultation with the State board; and

(ii) after consultation with chief elected officials and local boards, and after consideration of comments received through the public comment process as described in section 102(b)(2)(E)(iii)(II).

(B) CONSIDERATIONS.—The Governor shall designate local areas **(except for those local areas described in paragraphs (2) and (3))** based on considerations consisting of the extent to which the areas—

(i) are consistent with labor market areas in the State;

(ii) are consistent with regional economic development areas in the State; and

(iii) have available the Federal and non-Federal resources necessary to effectively administer activities under subtitle B and other applicable provisions of this Act, including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools.

(emphasis added).

Thus, under the express text of WIOA section 107(b)(1)(B), WIOA sections 107(b) (2) and (3) create an exemption to the local area designation process and considerations contained in WIOA section 107(b)(1). Section 107(b)(2) applies to initial designation and states:

(2) INITIAL DESIGNATION.—During the first 2 full program years following the date of enactment of this Act, the Governor shall approve a request for initial designation as a local area from any area that was designated as a local area for purposes of the Workforce Investment Act of 1998 for the 2-year period preceding the date of enactment of this Act, performed successfully, and sustained fiscal integrity.

Iowa considered the criteria in WIOA section 107(b)(2) when performing initial designation of local areas. Because each of Iowa's 15 local areas were designated as a local area for the purposes of WIA for the two-year period preceding the date of WIOA's enactment and requested initial designation as a local area, Iowa applied the "performed successfully" and "sustained fiscal integrity" criteria. After that process, all 15 of Iowa's incumbent local areas under WIA were given initial designation under WIOA. This process was described in Iowa's Unified State Plan, which DOL and the U.S. Department of Education approved in 2016.

Because WIOA expressly authorizes a State to use service delivery areas designated under a qualifying state law (such as Iowa Code section 84B.C), notwithstanding Section 106, and WIOA section 107(b)(1) contains an express exception to its process and considerations for designating local areas that were designated as such for the two-period before the date of WIOA's enactment (such as each of Iowa's 15 current local areas), the Regional Office's conclusion that "the current local services areas in Iowa do not align with the characteristics around which WIOA intends a [local area] to be aligned, such as local labor market areas and/or economic development areas" is off base. Why would the Regional Office base a finding on noncompliance with what "WIOA intends" when WIOA exists in text form and that text (as quoted above) expressly authorizes States like Iowa to use as local areas that are not necessarily aligned with local labor market areas and/or economic development areas?

IWD's response to this component of Finding No. 1 is:

- 1) WIOA section 189(i)(1) expressly authorizes Iowa to use services delivery areas designated under Iowa Code section 84B.3, notwithstanding WIOA section 106.
- 2) Even if we assume for the sake of argument that WIOA section 106 applies to local area designation in Iowa, WIOA section 106(b)(1) creates an express exception to its process and considerations that applies to Iowa's 15 local areas.
- 3) Iowa designated its 15 local areas in compliance with WIOA sections 189(i)(1) and 106(1).
- 4) DOL and the U.S. Department of Education approved the initial designation of local areas in Iowa when they approved Iowa's Unified State Plan.

Even under the Special Rule in WIOA section 108(i)(1), the part of Finding No. 1 that Iowa's WIOA allotments cannot support 15 local areas is accurate and compelling. Iowa does not have enough WIOA funds to support the competitive procurement of 15 one-stop operators, as required under the DOL interpretation of WIOA section 121(d). Nor does Iowa have enough WIOA funds to support a full-time local board support staff person for each of the 15 local boards, which means that Iowa's local boards are not providing all of their required functions under WIOA section 107(d) and those functions that are being performed are being performed by WIOA Title I service provider staff, which makes independent oversight by the local boards of Title I service providers difficult if not impossible. IWD has developed the attached plan to address Finding No. 1, as well as other findings in the Monitoring Report to create administrative efficiency that allows each local area to have the resources necessary to meet all WIOA requirements.

## **Finding 2: Improper Disbursement of Local WIOA Funds - State**

### **Response:**

On or before April 2018, the CEO in each of Iowa's 15 local areas will designate a local fiscal agent. Because Iowa's 15 local areas will be reduced via realignment, IWD has included as part of the realignment plan training and technical assistance for the local board and chief elected official(s) in each of the new local areas to ensure that the local fiscal agent function is appropriately fulfilled under WIOA. This is outlined in the plan developed in response to Finding No. 1.

## **Finding 3: Non-Compliant State Monitoring and Oversight of Local System - State**

### **Response:**

IWD has developed the attached policies, procedures, and templates for WIOA Title I program monitoring that:

- 1) Requires annual on-site visits to all local areas in Iowa;
- 2) Ensures that all major grants and programs are monitored in any given year, as appropriate;
- 3) Results in the issuance of a report that identifies any needed corrective action; and
- 4) Provides for the provision of follow-up or technical assistance, as needed.

Further, the Realignment Committee and State Board will consider IWD's limited WIOA resources for monitoring during the realignment process to ensure that IWD can meet all WIOA monitoring requirements while acting within its limited budget with respect to the new local areas.

## **Finding 4: Lack of CEO Agreements - State**

### **Response:**

The plan submitted in response to Finding No. 1 includes the establishment of new CEO agreements in each of the new local areas that result from the realignment process.

## **Finding 5: Non-Compliant State Board - State**

### **Response:**

Iowa's State Board membership structure is set forth in the Iowa Code. In June 2015, in accordance with section 101(e) of WIOA, Iowa sought to have its State Board recognized as an alternative entity via a letter from the Governor to the U.S. Secretary of Labor. The letter reflected Governor Branstad's decision in evaluation of the options available under the WIOA legislation and after consideration of what was in the best interests of the state of Iowa. Iowa did not receive a response until June 29, 2016, when the Departments of Labor and Education (Departments) rejected Iowa's State Board membership structure in Iowa's Unified State Plan (USP). In the June 29, 2016 letter, the USP was conditionally approved on the receipt of additional information and changes. The Departments' letter was the first indication that the alternative entity would not be recognized.

Since that time, as the Regional Office is aware, IWD has been working diligently to constitute a WIOA-compliant State Board within the confines of the Iowa Constitution and Iowa Code. First, Iowa legislation had to be amended. Immediately after the Departments' conditional letter of approval for Iowa's USP, IWD drafted a legal memorandum that detailed the membership structure requirements in WIOA section 101(b) and distributed it to the State Board, Governor's office, legislators, partner agencies, and other stakeholders. After that, IWD met with stakeholders, including members of the Governor's office, the State Board, legislators from both parties and chambers, business organizations, and labor organizations. IWD advised all stakeholders of the requirements for State Board membership under WIOA section 101(b). Additionally, IWD kept the Regional Office updated on these efforts.

Based on conversations with stakeholders and public officials, IWD drafted legislation to amend the Iowa Code to change Iowa's State Board membership structure to comply with WIOA section 101(b). IWD legislative liaisons shepherded this legislation through both chambers of the Iowa General Assembly. The bill passed the Iowa House by an 88-9 vote and the Iowa Senate by a 49-0 vote. Former Gov. Branstad signed IWD's State Board membership structure bill into law on April 13, 2017.

In April, the United States Senate confirmed former Gov. Branstad as Ambassador to China and, at the end of May, then-Lt. Gov. Reynolds became Gov. Reynolds. IWD has brought new gubernatorial staff up to speed on the State Board membership requirements. The Governor's office has changed the State Board's webpage information on the website for Iowa boards and commissions to reflect the new WIOA-compliant membership requirements. Further, IWD has assisted the Governor's office in recruiting new members to the State Board. This is an effort that is complicated by Iowa Code provisions that limit the share of members on a board with respect to political affiliation and that require gender balance. Gov. Reynolds appointed members to a WIOA-compliant State Board and the first meeting of Iowa's fully transitioned State Board took place on November 20, 2017. IWD has previously provided the Regional Office with the membership roster.

**Finding 6: Non-Compliant Local Board Membership - Regions 5, 10 and 12**

**Response:**

The establishment of a local board in each of the local areas that result from realignment with a membership structure that complies with WIOA section 107(b) is included in the realignment plan submitted in response to Finding No. 1.

**Finding 7: Local Workforce Development Boards (LWDBs) Are Not Performing WIOA Required Functions - State**

**Response:**

One of the focuses of the State Board Realignment Committee is ensuring that Iowa's new local areas will have sufficient resources so that each local board can hire full-time support staff to ensure that all of the WIOA-required functions for local boards are performed by support staff employed directly by the local board and not a Title I service provider. While IWD is unable to commit the Committee to a specific course of action, IWD anticipates that the Committee will make a recommendation with respect to local realignment that allows each local area to meet this requirement. Therefore, the realignment plan attached in response to Finding No. 1 includes the hiring and orientation of local board support staff in each of the new local areas that results from realignment.

**Finding 8: Nominal Funding Levels in One Stop Operator (OSO) Request for Proposals (RFPs) - State**

**Response:**

Neither WIOA nor its implementing regulations require funding that is more than "nominal." This is a standard that DOL conjured out of thin air and, instead of including in a regulation, put on a FAQ webpage on its website. When IWD asked if DOL would define the term "nominal," DOL refused. This standard does not exist under the law and what makes it all the worst is that DOL has refused to define it, which means it is subject to differing and arbitrary interpretations.

Further, the Regional Office misreads its own implementing regulations. The DOL implementing regulations for one-stop operator create two alternative procurement standards, based on the level at which the competitive selection occurs:

State	All Other Non-Federal Entities
20 CFR section 678.605(b)	20 CFR section 678.605
In instances in which a State is conducting the competitive process described in paragraph (a) of this section, the State must follow the same policies and procedures it uses for procurement with non-Federal funds.	All other non-Federal entities, including subrecipients of a State (such as local areas), must use a competitive process based on local procurement policies and procedures and the principles of competitive procurement in the Uniform Guidance set out at 2 CFR 200.318 through 200.326. All references to “noncompetitive proposals” in the Uniform Guidance at 2 CFR 200.320(f) will be read as “sole source procurement” for the purposes of implementing this section.

In Iowa, the State was performing one-stop operator selection until the Regional Office directed us to stop. This means that “the same policies and procedures” that the State “uses for procurement with non-Federal funds” governed the procurement under 20 CFR section 678.605(b) and not the standards that apply to “[a]ll other non-Federal entities” under 20 CFR section 678.605(c). Put otherwise, the Regional Office has inappropriately applied its undefined “nominal” standard to Iowa’s one-stop operator procurement because 2 CFR section 200.319(a) and 29 CFR section 97.36(c)(1)(iii) do not apply under 20 CFR section 678.605(b).

IWD agrees that, if one-stop operator procurement is performed by a non-Federal entity other than the State such as a local board, then the procurement must comply with 20 CFR section 678.605(c) and the standards incorporated therein. However, if the one-stop operator procurement is performed by the State, “the State must follow the same policies and procedures it uses for procurement with non-Federal funds,” as required by 20 CFR section 678.605(b).

As the Regional Office notes in Finding No. 1, Iowa has insufficient WIOA funds to meet the one-stop operator requirement in each of its 15 current local areas. Ensuring sufficient WIOA funds to allow each local area to competitively select a one-stop operator in accordance with WIOA section 121(d) is one of the areas of emphasis in the work of the Realignment Committee of the State Board. While IWD is unable to commit the Committee to a specific course of action, IWD anticipates that the Committee will make a recommendation with respect to local realignment that allows each local area to meet the one-stop operator requirement even if WIOA funds are reduced in the coming years. Therefore, the realignment plan attached in response to Finding No. 1 includes the competitive designation or certification of a one-stop operator in accordance with WIOA section 121(d) in each of the new local areas that result from realignment.

**Finding 9: Non-Compliant Memoranda of Understanding (MOUs) - Regions 5, 10 and 12**

**Response:**

The creation and execution of MOUs that comply with WIOA section 121(c) in each new local area that results from realignment is included in the realignment plan submitted in response to Finding No. 1.

**Finding 10: Stand-Alone Wagner-Peyser (W-P) Offices Not Allowable - State**

**Response:**

The Webster City office and the staff that work in it are funded by State of Iowa General Fund dollars, not federal Wagner-Peyser Employment Service funds. In a conversation with Regional Office staff during the fall of 2016 WIOA implementation assessment, Regional Office staff stated that having traveling staff provide Wagner-Peyser services to rural communities on a part-time basis was allowable. IWD is disappointed at the Regional Office's apparent about-face on this question, since it could mean fewer services in rural Iowa.

IWD intends to work with legislators during the appropriations process to create a state workforce services program for traveling staff in order to remove such traveling services from federal interference. Iowa has a part-time legislature and the Iowa General Assembly begins its session on the second Tuesday in January. IWD anticipates a legislative resolution by the end of May 2018 that will make IWD traveling staff persons that are not funded by Federal money insulated from unnecessary Federal interference that intends to reduce services to Iowans.

**Finding 11: One-Stop Certification Not Completed - State**

**Response:**

DOL has no legal authority to direct a State or local area to revise its one-stop certification tool if it meets the requirements under 20 CFR section 678.800. The Regional Office makes no finding that the one-stop certification tool for Iowa does not comply with 20 CFR section 678.800. Presumably, that's because the one-stop certification tool complies with 20 CFR section 678.800. Given the legal reality that the one-stop certification meets all legal requirements under WIOA, what authority does the Regional Office have in attempting to dictate what is in a State's one-stop certification standards? IWD has recommended that local areas hold off on completing one-stop certification after discussions with the Regional Office. Nonetheless, many local areas have completed one-stop certification.

In the realignment plan submitted in response to Finding No. 1, completion of one-stop certification is included for each new local area that results from realignment. That one-stop certification will comply WIOA and its implementing regulations, including the provisions on "conflict of interest." Further, an effect of the realignment will be ensuring that independent local board support staff is performing one-stop certification, and not local provider staff.

The Regional Office need not provide examples of other states' one-stop certification assessments to IWD. Previous examples provided by the Regional Office did not comply with the requirements in 20 CFR section 678.800, so they are of little use.

# REALIGNMENT PLAN: Establishing WIOA-Compliant Local Areas

KEY	
To Complete	Complete

PLAN			
	Task(s)	Deadline	Completed
1.	Notify the directors of the service providers of WIOA Title I programs of the DOL directive	11/9/17	X
2.	Notify Local Workforce Development Board (LWDB) members, chief elected officials (CEOs), and State Workforce Development Board (Stat Board) members of DOL Mandate	11/13/17	X
3.	IWD reviews current monitoring policy, process, and templates	11/14/17	X
4.	First Meeting of WIOA-compliant State Board	11/20/17	X
5.	Establish State Board Realignment Committee	11/20/17	X
6.	WFS Operations team creates a new draft monitoring policy, processes, and templates to address all DOL recommendations	12/8/17	X
7.	LMI collects data regarding labor markets, economic development areas, commuting patterns, and one-stop center customer distribution	Date of Realignment Committee Meeting	X
8.	First Realignment Committee Meeting	12/25/17 (Occurred on 12/13/17)	X
9.	Provide to Realignment Committee the data regarding labor markets, economic development areas, commuting patterns, and one-stop center customer distribution	12/25/17 (Occurred on 12/13/17)	X
10.	Response to DOL Regional Office Monitoring Report (with Realignment Plan and new monitoring policy, procedures, and templates)	12/22/17	X
11.	Collect budget information from Iowa's current 15 local areas	12/29/17	

PLAN			
	Task(s)	Deadline	Completed
12.	Collect budget information for local areas in neighboring states	12/29/17	
13.	2nd Realignment Committee Meeting	1/4/18	
14.	Additional consultation with CEOs and current LWDBs on realignment	1/5/18 – 4/30/18	
15.	Additional Realignment Committee Meetings	TBD	
16.	Realignment Committee Recommendation	2/18/18	
17.	IWD drafts template CEO agreement	2/28/18	
18.	Outreach and consultation with current LWDBs and CEOs	11/20/17 – 4/30/18	
19.	Outreach to and orientation for CEOs on role and responsibilities under WIOA	1/2/18 – 6/30/18	
20.	CEOs designate fiscal agent for 15 current local areas	3/31/18	
21.	IWD drafts template CEO agreement	1/2/18	
22.	Comment period for local boards and CEOs on realignment	4/30/18	
23.	Iowa General Assembly enacts WIOA conformity legislation	4/30/18	
24.	State Board votes on Local Area configuration	5/31/18	
25.	Governor consults with State Board on new, WIOA-compliant LWDB membership criteria	5/31/18	
26.	Governor establishes new membership criteria for new WIOA-compliant LWDBs	6/30/18	
27.	CEOs execute CEO agreements for new WIOA-compliant Local Areas	9/1/18	
28.	CEOs establish WIOA-compliant bylaws for the new WIOA-compliance LWDBs	9/1/18	
29.	CEOs appoint members to WIOA-compliant LWDBs for each new Local Area	9/1/18	
30.	CEOs appoint one of the WIOA-compliant LWDB members representing business as chairperson of the LWDB	9/1/18	
31.	Orientation for WIOA-compliant LWDB members	9/1/18	
32.	LWDBs establish budget	9/1/18	
33.	CEOs designate fiscal agent(s) for new WIOA-compliant Local Areas	9/1/18	
34.	LWDBs hire support staff	10/1/18	
35.	LWDBs procure local service providers for Title I programs	TBD	

PLAN			
	Task(s)	Deadline	Completed
36.	Transfer duties from current WIOA Title I service providers to the WIOA Title I service providers selected by the new LWDBs for the new Local Areas	TBD	
37.	Dissolve current Local Areas and LWDBs	TBD	
38.	Fiscal Agents distribute funds to service providers for WIOA Title I programs	TBD	
39.	LWDBs procure One -Stop Operators	TBD	
40.	LWDBs distribute funds to One-Stop Operators	TBD	
41.	LWDBs complete WIOA-compliant MOU's	TBD	
42.	LWDBs complete one-stop certification	TBD	
43.	LWDBs complete WIOA-compliant local workforce development plan	3/1/20	

# Timeline of Realignment

Updated: July 10, 2019

Date	Communication Type	Communicator	Subject
<b>2016</b>			
7/6/16	In-Person	Ben Humphrey	Attendance at Region 1 board meeting (Elkader).
7/26/16	In-Person	Ben Humphrey	Attendance at Region 1 board meeting (Elkader).
8/25/16	In-Person	Ben Humphrey	Attendance at Region 7 board meeting (Waterloo).
9/14/16	In-Person	Ben Humphrey	Attendance at Region 14 board meeting (Creston).
10/25/16	In-Person	Ben Humphrey	Attendance at Region 1 board meeting (Elkader).
<b>2017</b>			
1/14/17	In-Person	Ben Humphrey	Attendance at Region 14 board meeting (Creston).
1/17/17	In-Person	Ben Humphrey	Attendance at Region 15 board meeting (Ottumwa).
1/18/17	In-Person	Ben Humphrey	Attendance at Region 6 board meeting (Marshalltown).
1/26/17	In-Person	Ben Humphrey	Attendance at Region 3 / 4 board meeting (Spencer).
1/26/17	In-Person	Ben Humphrey	Attendance at Region 12 board meeting (Sioux City).
2/1/17	In-Person	Ben Humphrey	Attendance at Region 6 board meeting (Marshalltown).
2/21/17	In-Person	Ben Humphrey	Attendance at Region 1 CEO board training and board meeting (Elkader).
2/23/17	In-Person	Ben Humphrey	Attendance at Region 2 board meeting (Mason City).
3/22/17	In-Person	Ben Humphrey	Attendance at Region 13 board meeting (Council Bluffs).
4/12/17	In-Person	Ben Humphrey	Attendance at Region 1 CEO board meeting (Elkader).
4/18/17	In-Person	Ben Humphrey	Attendance at Region 15 board meeting (Ottumwa).
5/25/17	In-Person	Ben Humphrey	Attendance at Region 3 / 4 board meeting (Spencer).
6/16/17	Email	Shelly Evans	All CEO and LWDB Members. ➤ Guidance: One-Stop Operator Selection 2017.
6/20/17	In-Person	Ben Humphrey	Attendance at Region 1 CEO board meeting (Elkader).

Date	Communication Type	Communicator	Subject
7/11/17	In-Person	Ben Humphrey	Attendance at Region 5 board meeting (Fort Dodge).
7/12/17	In-Person	Ben Humphrey	Attendance at Region CEO and board meeting.
7/19/17	In-Person	Ben Humphrey	Attendance at Region 6 board meeting (Marshalltown).
7/25/17	In-Person	Ben Humphrey	Attendance at Region 1 CEO board training and board meeting (Elkader).
8/12/17	In-Person	Ben Humphrey	Attendance at Region 16 board meeting (Council Bluffs).
10/20/17	In-Person	Ben Humphrey	Attendance at regional workforce development board training (Waterloo).
11/8/17	Letter	USDOL	Letter from USDOL re: monitoring review of WIOA and Wagner-Peyser grants.
11/20/17	SWDB Meeting	SWDB	Creation of Realignment Committee.
11/20/17	In-Person	Ben Humphrey	Attendance at Region 14 board meeting (Creston).
11/21/17	Email	Shelly Evans	WIOA Title 1 Directors & Providers. USDOL Recommended review. 11/8/17 Letter.
12/13/17	Agenda	Shelly Evans	1st Meeting of SWDB Realignment Committee.
12/14/17	In-Person	Ben Humphrey	Attendance at region 5 board meeting (Mason City).
12/19/17	Email	Shelly Evans	CEOs and Title 1 Directors.
			As you know, the Realignment Committee of the State Workforce Development Board met on Wednesday, Dec. 13, 2017. At that meeting, the Committee decided to create a minimum local area budget that includes the required WIOA costs. To perform this task, IWD is collecting information from other states and Iowa's local areas.
			In order to give the Committee an accurate budget picture, we need to know how WIOA Title I funds are currently being spent at the local area level. Please provide the following budget information for your local area for Program Year 2016:

Date	Communication Type	Communicator	Subject
			<p>1) Local Workforce Development Board budget, including the number of full-time equivalent position(s) (FTEs) devoted to board support and their salaries/wages and benefits (if any);</p> <p>2) Itemized budget for local workforce development area administrative costs;</p> <p>3) Itemized budget for the local fiscal agent (if one exists);</p> <p>4) Itemized budget for the Title I services provider(s) in the local area, including the number of FTEs (management and non-management) and the costs of Title I service provider staff salaries and benefits;</p> <p>5) The amount of Title I Youth program funds used on participant training;</p> <p>6) The amount of Title I Adult program funds used on participant training; and</p> <p>7) The amount of Title I Dislocated Worker program funds used on participant training.</p> <p>Please send this budget information by email to <a href="mailto:shelly.evans@iwd.iowa.gov">shelly.evans@iwd.iowa.gov</a> as soon as possible <b>or</b> before Friday, Dec. 29, 2017.</p> <p>If you have any questions, please let us know. Thank you.</p> <p><b>Ben Humphrey</b> Attorney</p>
<b>2018</b>			
1/4/18	Agenda	Shelly Evans	2nd Meeting of SWDB Realignment Committee.
2/9/18	Agenda	Shelly Evans	3rd Meeting of SWDB Realignment Committee.
2/22/18	In Person	Ben Humphrey	Attendance at Region 2 CEO board meeting (Mason City).
2/22/18	In Person	Ben Humphrey	Attendance at Region 7 board meeting (Cedar Falls).
2/23/18	In Person	Ben Humphrey	Attendance at Region 7 CEO board meeting (Waterloo).
2/26/18	In Person	Ben Humphrey	Attendance at Region 16 board meeting (Burlington).
3/5/18	Email	Shelly Evans	<p>CEO, Local Board Members and Title 1 Providers.</p> <ul style="list-style-type: none"> <li>➤ Realignment Committee Executive Summary</li> <li>➤ Draft Overview of Realignment Committee Approach and Framework</li> <li>➤ LWDB Area Requirements – Summary and Model Budget</li> </ul>

Date	Communication Type	Communicator	Subject
			<ul style="list-style-type: none"> <li>➤ Regional Alignment Evaluation Map Summary</li> <li>➤ Funding – Expenditure Estimates by Scenario</li> <li>➤ Allocation Formula for State Plan</li> <li>➤ Maps</li> <li>➤ LWDB Functions – Summary</li> <li>➤ LWDB Functions</li> <li>➤ Criteria for Designation of Local Areas &amp; Regions</li> <li>➤ Funding Letters</li> </ul>
3/6/18	SWDB	Director Townsend	Update on realignment.
3/19/18	In-Person	Ben Humphrey	Attendance at Region 14 board meeting (Creston).
3/20/19	In-Person Conf. Call	Ben Humphrey	Attendance at Region 5 board meeting (Fort Dodge).
4/23/19	Conf. Call	Ben Humphrey	Attendance at Region 13 board meeting.
4/27/18	In Person	Ben Humphrey	Attendance at Region 9 board meeting (Davenport).
5/2/18	In Person	Ben Humphrey	Attendance at Region 6 board meeting (Marshalltown).
5/17/18	In Person	Ben Humphrey	Attendance at Region 5 board meeting (Denison).
5/17/18	In Person	Ben Humphrey	Attendance at Region 8 board meeting (Carroll).
5/24/18	Email	Shelly Evans	<p>All CEO and LWDB Members -- Local Membership Process, Guidance and Forms.</p> <ul style="list-style-type: none"> <li>➤ Regional Board Appointment Process</li> <li>➤ Guidance – Membership Requirements for Local Workforce Development Boards – May 24, 2018</li> <li>➤ Local Workforce Development Board Application to Serve (in PDF fill-able format)</li> <li>➤ Oath of Office (in PDF fill-able format)</li> </ul>
6/8/18	Agenda	Shelly Evans	4th Meeting of SWDB Realignment Committee.

Date	Communication Type	Communicator	Subject
6/14/18	Email	Shelly Evans	All Regions. Guidance on Open Meetings for LWDB <ul style="list-style-type: none"> <li>➤ Meeting Notice template.</li> <li>➤ WDB – Guidance Sunshine Open Meetings.</li> </ul>
6/27/18	SWDB	Director Townsend	Update on realignment. Motion and approval to return realignment to the Realignment Committee for further discussions of 4 area regional maps.
7/30/18	Iowa Public Comments Website	IWD	Waiver requests posted re: administrative cost arrangements.
7/30/18	Iowa Public Comments Website	IWD	Waiver requests posted re: One-Stop Operator (OSO) location requirement.
7/30/18	Iowa Public Comments Website	IWD	Waiver requests posted re: ETPL.
8/27/18	SWDB	Director Townsend	Update and realignment and submission of Waivers to USDOL.
9/11/18	Email	Shelly Evans	All CEO and LWDB Members. <ul style="list-style-type: none"> <li>➤ Title 1 Programs Table of Contents</li> <li>➤ Posting of Policies for Title I Programs for Adult, Dislocated Worker and Youth)</li> </ul>
<b>2019</b>			
2/1/19	Agenda	Shelly Evans	5th Meeting of SWDB Realignment Committee.
2/8/19	Agenda	Shelly Evans	6th Meeting of SWDB Realignment Committee.
2/18/19	SWDB	SWDB	Acceptance and approval of 6 region realignment map for local workforce development areas.

Date	Communication Type	Communicator	Subject
2/22/19	Email	Shelly Evans	Email to CEO Chairs. ➤ Template of letter to each CEO chair. ➤ Map of new Local Workforce Development areas approved by SWDB board. ➤ <i>WIOA, A Guide for Chief Elected Officials.</i>
3/21/19	Email	Director Townsend	Email and letter to CEO and Local Board Members regarding realignment of local workforce development board areas.
5/10/19	Email	Director Townsend	Email and letter to CEO and Local Board Members regarding realignment of local workforce development board areas.
5/30/19	SWDB	SWDB	Discussions of realignment appeals and recommendations. Denial of all appeals.

L:\BOARDS\State Board\COMMITTEES\Realignment\Timeline of WIOA Realignment Events.docx



STATE WORKFORCE DEVELOPMENT BOARD  
**Realignment Committee**

Responses to Input From Local Workforce Development  
Boards and Chief Elected Officials on the Realignment of  
Iowa's Local Workforce Development Areas

### Background

- In September 2017, the Region 5 Office of the U.S. Department of Labor Employment and Training Administration (USDOL) performed a review of Iowa's workforce development system that focused on Region 5 (Fort Dodge), 10 (Cedar Rapids), and 12 (Sioux City) to assess compliance with the federal Workforce Innovation and Opportunity Act of 2014 (WIOA).
- USDOL issued a Monitoring Report that consisted of multiple Compliance Findings that identified areas in which Iowa was not in compliance with WIOA.
- In response to the Monitoring Report, the State Workforce Development Board took action to form a Realignment Committee to make a recommendation to the full State Board of a configuration that would allow Iowa's local workforce development areas (local areas) to have enough resources to meet all WIOA requirements.
- To consult with Local Workforce Development Boards (WDBs) and chief elected officials, the Realignment Committee developed a proposed framework and distributed to current Local WDBs and chief elected officials for review and comment.
- Many Local WDBs and chief elected officials submitted feedback.
- This document contains the responses of the Realignment Committee to the feedback received from Local WDBs and chief elected officials.

1. What will the impact of realignment be on the number of Iowa *WORKS* field offices in the State?

Comment(s):

The most common concern raised by commenters was the fear that the USDOL-mandated realignment will result in the closure of Iowa *WORKS* field offices. The majority of commenters expressed this concern with some expanding to include comments on the negative impact that the closure of Iowa *WORKS* offices would have on access to services – in particular, in rural Iowa, where closures would result in long commutes for unemployed persons who are the most in need of services and the least able to afford such a drive.

Response:

Realignment will not result in the closure of any field offices. The number of Iowa *WORKS* field offices will be dictated by the amount of state and federal funding for workforce development programs and services. There is no plan to close any Iowa *WORKS* field offices.

One of the first potential issues identified and discussed by the Realignment Committee was how to maximize access to services across the state, including how best to maintain the current level of Iowa *WORKS* field offices. After discussion, the Realignment Committee's proposed framework includes as one of its three goals "Maintain Access to Services," which consists of the following two prongs:

- 1) Keep Iowa *WORKS* field offices open to ensure Iowans have access to services.
- 2) Maintain WIOA Title I program services in Iowa *WORKS* field offices.

Under the Realignment Committee's proposed framework, WIOA Title I program services will continue to be available at Iowa *WORKS* field offices across the State, regardless of the number of local areas, so long as there is enough funding to support them.

2. What will the impact of realignment be on services at field offices?

Comment(s):

Some commenters questioned what impact the USDOL-mandated realignment of local areas would have on the services for jobseekers, workers, and employers at field offices. These commenters felt that the focus on administration and governance was misplaced; instead, our attention should be on services.

## Response:

The purpose of the workforce development system is to provide accessible and high-quality services to jobseekers, workers, and employers. The Local Workforce Development Boards (WDBs) and local workforce development areas (local areas) exist to fulfill this purpose. That's why the Realignment Committee's proposed framework includes as one of its three goals "Maintain Access to Services," which consists of the following two prongs:

- 1) Keep Iowa *WORKS* field offices open to ensure Iowans have access to services.
- 2) Maintain WIOA Title I program services in Iowa *WORKS* field offices.

Under the Realignment Committee's proposed framework, the realignment of local areas should have a minimal impact on the services available at field offices across the State. While the ultimate decision on what WIOA Title I program services will be provided where will ultimately be decided by the new Local WDBs, the Realignment Committee has included the requirement that Iowa maintains WIOA Title I program services in the Iowa *WORKS* field offices at which they are currently provided in order to ensure that no communities lose these services after realignment.

If properly executed, the streamlining of administrative and governance requirements could also lead to a larger share of WIOA Title I program funds being available for direct services. WIOA caps the amount of a local area's WIOA Title I program funding that can be used on administrative costs at 10 percent, but it does not require that a local area spend 10 percent of its funds on administrative costs. Every dollar spent on administrative costs is a dollar that can't be spent on direct services for Iowans. Streamlining administrative costs in local area by realignment could have the positive effect of allowing Iowa's local areas to spend a larger share of its WIOA Title I program funding on direct services than is currently possible.

### 3. Are the costs of local area governance and administration "infrastructure costs" that must be shared by core programs under WIOA?

## Comments:

Multiple commenters stated that WIOA Title I program funds should not be the sole funding source for local area requirements because WIOA requires core partners to share infrastructure costs.

## Response:

These comments represent an incorrect understanding of what the law requires for the infrastructure funding agreement (IFA) required under WIOA, which covers "infrastructure costs."

USDOL and the U.S. Department of Education (USDOE) issued joint final rules to implement some parts of WIOA. The joint final rules are identical regulations in substance with each

regulation individually found in the respective title for a department under the Code of Federal Regulations (CFR).

- The USDOL final rule defining “infrastructure costs” for WIOA purposes is found at 29 CFR section 678.700.
- The Rehabilitation Services Administration (RSA) final rule defining “infrastructure costs” for WIOA purposes is found at 34 CFR section 361.700.
- The Office of Career, Technical, and Adult Education (OCTAE) final rule defining the term “infrastructure costs” for WIOA purposes is found at 34 CFR section 463.700.

The joint definition of the term “infrastructure costs” is:

**What are the one-stop infrastructure costs?**

(a) Infrastructure costs of one-stop centers are nonpersonnel costs that are necessary for the general operation of the one-stop center, including:

- (1) Rental of the facilities;
- (2) Utilities and maintenance;
- (3) Equipment (including assessment-related products and assistive technology for individuals with disabilities); and
- (4) Technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities.

(b) Local WDBs may consider common identifier costs as costs of one-stop infrastructure.<sup>1</sup>

The following local workforce development area costs are not listed in the definition of “infrastructure costs” in the joint final rules promulgated by USDOL and USDOE:

- 1) One-stop operator;
- 2) Independent support staff for the local board;
- 3) Local board operating budget;
- 4) Local fiscal agent; and
- 5) Administrative costs for the service provider(s) of WIOA Title I programs.

---

<sup>1</sup> 20 CFR § 678.700 (a)-(b), online at: <https://bit.ly/2rsMIWD> (last viewed June 6, 2018); 34 CFR § 361.700 (a)-(b), online at: <https://bit.ly/2rtAbME> (last viewed May 8, 2018); 34 CFR 463.700 (a)-(b), online at: <https://bit.ly/2I8uLxv> (last viewed June 6, 2018).

The joint final rule defines the term “infrastructure costs” as “nonpersonnel costs” and most of the required costs listed above are primarily personnel costs. Moreover, none of the above-listed requirements for a local area can reasonably be interpreted to be included as part of the items listed in the definition of “nonpersonnel costs that are necessary for the general operation of the one-stop center,” which are rent, utilities, maintenance, equipment, technology, and common identifier costs.

Under the joint final rules, the costs associated with the one-stop operator, independent support staff for the Local WDB, the Local WDB operating budget, the local fiscal agent, and the administrative costs for the service provider(s) of WIOA Title I programs are not “infrastructure costs” that must be shared under the required IFA.

#### 4. How will Iowa compare to other Midwestern states after realignment?

##### Comment(s):

Some commenters stated that if Iowa realigns so that the State has one or two local areas, it will have the fewest local areas in the Midwest.

##### Response:

Compliance Finding No. 1 of the USDOL Monitoring Report states:

**Finding 1: Local Areas Not Aligned Appropriately – State**  
(Core Component 3.1 – Governance)

The 15 local areas in Iowa do not meet the substantive requirements of a local workforce development area (LWDA) under WIOA. The 15 service areas date back to the Job Training Partnership Act under which States established “Service Delivery Areas” or SDAs. These SDAs were formed to align with service delivery in the State and, in Iowa, this resulted in areas being formed around the Community College locations throughout the State. Subsequent workforce development legislation, first the Workforce Investment Act of 1998 and, most recently, WIOA, allowed for existing service delivery areas to continue to serve as local areas, with only minimal qualifying criteria.

As a result, the current local service areas in Iowa do not align with the characteristics around which the WIOA intends a LWDA to be aligned, such as local labor market areas and/or economic development areas. Furthermore, the division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available dollars so thin that the local areas are

---

<sup>2</sup> 20 CFR § 678.700 (a)-(b), online at: <https://bit.ly/2rsMIWD> (last viewed June 6, 2018); 34 CFR § 361.700 (a)-(b), online at: <https://bit.ly/2rtAbME> (last viewed June 6, 2018); 34 CFR 463.700 (a)-(b), online at: <https://bit.ly/2I8uLxw> (last viewed June 6, 2018).

unable to fund core WIOA functions, such as staff support for the required Local Workforce Development Boards (WDBs) and/or the One-Stop Operators (OSOs).

And finally, this structure does not facilitate the development of WIOA-compliant planning regions which, by law and regulation, are aligned with labor markets, commuting patterns, economic development areas, etc.

**Required Action:** The State must work with the chief elected officials to establish WIOA-compliant LWDA's that are able to fulfill all of the required roles and functions of a LWDA. The State must submit a plan to address the non-compliant local structure, in its response to this report. The Finding will be resolved when the State has LWDA's that are aligned with the criteria described above and are able to fund and/or administer the core WIOA functions described above.

Thus, the problem presented by the USDOL mandate to realignment Iowa's local areas is one of math: How many WIOA-compliant local areas can Iowa's federal funding support?

In order to accurately compare Iowa to other States in the Midwest, we should look at both the amount of WIOA Title I program funding and the number of local areas, not just the number of local areas. On May 21, 2018, USDOL issued Training and Employment Guidance Letter (TEGL) No. 16-17, which contains the allotments to States for the WIOA Title I Youth, Adult, and Dislocated Worker programs for federal program year 2018 (PY18).<sup>3</sup> The following table shows the funding that each State in the Midwest will receive for the WIOA Title I Youth, Adult, and Dislocated Worker programs for PY18 from TEGL 16-17 and the number of local areas according to the Career One-Stop website,<sup>4</sup> which is sponsored by USDOL.

Table 3.1.

PY18 WIOA Title I Program Funding for Midwestern States

State	Youth	Adult	Dislocated Worker	Title I Total	Areas
IL	\$ 42,733,627	\$ 40,226,996	\$ 62,900,780	\$ 145,861,403	22
OH	\$ 36,354,942	\$ 33,780,803	\$ 39,667,597	\$ 109,803,342	20
MI	\$ 28,612,013	\$ 26,127,450	\$ 29,925,227	\$ 84,664,690	16
IN	\$ 14,277,065	\$ 12,986,088	\$ 14,082,228	\$ 41,345,381	12
MO	\$ 14,066,190	\$ 13,103,150	\$ 14,147,654	\$ 41,316,994	14
WI	\$ 11,197,879	\$ 9,671,276	\$ 11,769,133	\$ 32,638,288	11
MN	\$ 10,094,772	\$ 8,472,215	\$ 8,704,633	\$ 27,271,620	16
KS	\$ 5,170,980	\$ 4,357,065	\$ 4,670,889	\$ 14,198,934	5
IA	\$ 4,779,676	\$ 3,393,197	\$ 4,142,800	\$ 12,315,673	15
NE	\$ 2,656,124	\$ 2,101,059	\$ 2,397,862	\$ 7,155,045	3
SD	\$ 2,209,670	\$ 2,101,059	\$ 1,163,056	\$ 5,473,785	1
ND	\$ 2,209,670	\$ 2,101,059	\$ 812,015	\$ 5,122,744	1

<sup>3</sup> Online at: <https://bit.ly/2stJOLJ> (last viewed June 6, 2018).

<sup>4</sup> Online at: <https://bit.ly/2o1HKb9> (last viewed June 6, 2018).

As Table 3.1 shows:

- For PY18, Iowa has the fourth-lowest total WIOA Title I program funding out of the 12 States that traditionally make up the Midwest.
- Iowa currently has the fourth-highest number of local areas, which means that it currently has more than States with more than twice as much combined WIOA Title I program funding such as Wisconsin, Missouri, Indiana, and Minnesota.

When compared to other States in the Midwest, Iowa has one of the lowest WIOA Title I program funding totals. Given the new unfunded mandates in WIOA such as the competitively procured one-stop operator (OSO) requirement and the new required Local WDB functions that require full-time independent staff and Iowa's relatively low WIOA Title I program funding level, it's appropriate for Iowa to have one of if not the lowest number of local areas in the Midwest.

## 5. What is the requirement for alignment with labor sheds and local economic development areas?

### Comment(s):

Some commenters noted that on some of the maps, the territories did not line up perfectly with a local labor shed or a local economic development area. They stated that WIOA requires each local area to align with a local labor shed or local economic development area.

### Response:

WIOA does not require that a local area align perfect with a labor shed or a local economic development area. Instead, it requires that "consideration of the extent to which the proposed area":

- 1) Is consistent with local labor market areas;
- 2) Has a common economic development area; and
- 3) Has the Federal and non-Federal resources, including appropriate education and training institutions to administer activities under WIOA Title I, Subtitle B.<sup>5</sup>

Thus, even if we assume for the sake of argument that this requirement applies to Iowa, the requirement only requires consideration of the above factors. The language "consideration of the

---

<sup>5</sup> 20 CFR § 679.24(a), online at: <https://bit.ly/2M1vu5Y> (June 6, 2018).

extent” is different from “each local must be.” The word “consideration” means “something that is to be kept in mind in making a decision, evaluating facts.”<sup>6</sup> A consideration is not dispositive.

Moreover, that which must be given consideration is “the *extent* to which the proposed area” aligns with labor market areas and has a common economic development area. The word “extent” means “the space or degree to which a thing extends.”<sup>7</sup> This word choice allows for a degree of adherence to the common labor market and economic development area factors when considering them.

Lastly, consider Compliance Finding No. 1 in the USDOL Monitoring Report:

**Finding 1: Local Areas Not Aligned Appropriately – State**  
(Core Component 3.1 – Governance)

The 15 local areas in Iowa do not meet the substantive requirements of a local workforce development area (LWDA) under WIOA. The 15 service areas date back to the Job Training Partnership Act under which States established “Service Delivery Areas” or SDAs. These SDAs were formed to align with service delivery in the State and, in Iowa, this resulted in areas being formed around the Community College locations throughout the State. Subsequent workforce development legislation, first the Workforce Investment Act of 1998 and, most recently, WIOA, allowed for existing service delivery areas to continue to serve as local areas, with only minimal qualifying criteria.

As a result, the current local service areas in Iowa do not align with the characteristics around which the WIOA intends a LWDA to be aligned, such as local labor market areas and/or economic development areas. Furthermore, the division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available dollars so thin that the local areas are unable to fund core WIOA functions, such as staff support for the required Local Workforce Development Boards (WDBs) and/or the One-Stop Operators (OSOs).

And finally, this structure does not facilitate the development of WIOA-compliant planning regions which, by law and regulation, are aligned with labor markets, commuting patterns, economic development areas, etc.

**Required Action:** The State must work with the chief elected officials to establish WIOA-compliant LWDA that are able to fulfill all of the required roles and functions of a LWDA. The State must submit a plan to address the non-compliant local structure, in its response to this report. The Finding will be resolved when the State has LWDA that are aligned with the criteria described above and are able to fund and/or administer the core WIOA functions described above.

---

<sup>6</sup> *The Random House Dictionary of the English Language*, p. 434 (2d ed.).

<sup>7</sup> *The Random House Dictionary of the English Language*, p. 684 (2d ed.).

Given Iowa's limited federal funding, it would be very difficult (if not impossible) to comply with the USDOL directive in Compliance Finding No. 1 and also have local areas that all align exactly with the territorial boundaries of individual labor markets within Iowa and an economic development area.

Because of these reasons, the Realignment Committee has attempted to draw maps that include more than one labor market and economic development area within the territories of each local area so as to not cut one of them in half. Put otherwise, the Realignment Committee has attempted to draw the territorial lines of local areas so that the local areas include multiple labor markets and economic development areas in their entireties.

## 6. What ability is there under WIOA for local areas to combine administrative costs?

### Comment(s):

Some commenters proposed combining administrative costs. These commenters proposed that multiple local areas combine administrative costs to achieve savings that allow realignment to occur in a way that leaves more local areas and Local WDBs in place than the two or three that Iowa's limited WIOA Title I program funding allows.

### Response:

First, we must consider the question: Does Iowa want to maximize the amount of WIOA Title I program funds that are available for direct services to jobseekers, workers, and employers? Every dollar spent on administrative costs is a dollar unavailable for direct services. To have as many local areas as possible is to commit to spending as much money as possible on administrative costs. Committing to spending as much money as possible on administrative costs is committing to spending as little money as possible on direct services. This analysis provides a roadmap for how Iowa can spend as little money as possible on direct services and as much money as possible on administrative costs.

On its face, combining administrative costs seems like a viable way to allow each local area to meet all WIOA requirements in a cost-effective way and to allow the State to have as many local areas and Local WDBs as possible. As is often the case with WIOA, federal law means that it's not as easy as it might seem at first glance. Some administrative costs cannot be combined under the law. Further, some administrative costs cannot practically be combined due to the nature of the costs. Virtually no administrative costs can be combined so that the administrative costs of two local areas equal the administrative costs of one local area because the work is the work and it must be done for each local area.

### 6.1. Ultimate Authority

One factor to consider is the practical effect of having more than Local WDB and/or chief elected official group sharing a contract. Which entity has ultimate authority when it comes to directing an individual or entity's performance or terminating a contract? Consider:

- Two Local WDBs share staff. What if one Local WDB instructs staff to do one thing on a certain day and another Local WDB instructs staff to do another? Which Local WDB controls? Further, what if one Local WDB is satisfied with the performance of staff but the other Local WDB is not and wants to terminate the individual?
- Two Local WDBs share an OSO. What if one Local WDB and chief elected official group is satisfied with an OSO's performance but the other Local WDB and chief elected official group is not and wants to de-certify?
- Two Local WDBs share a service provider under a WIOA Title I program. What if one Local WDB is satisfied with the service provider but the other is not and wants a different entity to fulfill that role?

## 6.2. Service Providers of WIOA Title I Programs

It's possible to combine some administrative costs associated with the service providers of WIOA Title I programs by:

- 1) One local area having one entity be the service provider for the WIOA Title I Youth, Adult and Dislocated Worker programs. Multiple local areas in Iowa do this now. While this would likely eliminate some administrative costs by consolidation, it would not cut administrative costs in half because there are costs specific to each program that cannot be eliminated.
- 2) Two or more local areas having the same entity be a service provider of a WIOA Title I program or all of them. This would allow the combining of the administrative costs associated with some higher level management. While this would likely eliminate some administrative costs by consolidation, it would not cut administrative costs in half because there are costs specific to each program that cannot be eliminated.

## 6.3. Local Fiscal Agent

Compliance Finding No. 2 of the USODL Monitoring Report states in pertinent part:

### **Finding 2: Improper Disbursement of Local WIOA Funds - State**

(Core Component 3.1 - Local Area Governance)

IWD improperly disburses WIOA Title I grant funds directly to the WIOA Title I Adult, Dislocated Worker and Youth service providers in each designated local area, bypassing the chief local elected officials who are, per statute and regulations, the local grant recipients for WIOA funds. There was no evidence that the State and the CEOs had entered into agreements in which the CEOs designated the Governor to serve as the local fiscal agent.

The statute at section 107(12) states, "The chief elected official in a local area shall serve as the local grant recipient for WIOA funds allocated to the local area under WIOA sections 128 and 133, unless the CEO reaches an agreement with the

Governor for the Governor to act as the local grant recipient. “ The statute further states that only the local grant recipient/chief elected official or his/her designated fiscal agent may disburse local WIOA grant funds and this must be done at the direction of the local board.

**Required Action:** The State must establish a process for the allocation of WIOA funds directly to the local grant recipient/chief elected official or to his/her designated fiscal agent in each local area.

In order for the chief elected officials to serve as the local grant recipient, they must designate a local fiscal agent. The most effective way to combine this cost likely would be for Iowa’s chief elected officials to enter into an agreement with IWD under which IWD would serve as the fiscal agent for the local area and be responsible for the functions described in 20 CFR section 679.420(b):

- 1) Receive funds;
- 2) Ensure sustained fiscal integrity and accountability for expenditures of funds in accordance with Office of Management and Budget circulars, WIOA, and the corresponding Federal Regulations and State policies;
- 3) Respond to audit financial findings;
- 4) Maintain proper accounting records and adequate documentation;
- 5) Prepare financial reports; and
- 6) Provide technical assistance to subrecipients regarding financial issues.<sup>8</sup>

If a Local WDB wishes to assign IWD the optional fiscal agent functions in 20 CFR section 679.420(c), it could enter into an agreement. Of course, the performance of local fiscal agent functions would require that IWD receive appropriate funds for the performance of such functions for a local area or local areas. And as the WIOA final rule makes clear, these functions must be performed for the local grant recipient for each local area. This means that while some cost savings could be realized by consolidating the fiscal agent functions of two or more local areas, the bulk of the costs would be local area specific.

#### 6.4. One-Stop Operator (OSO)

In the summer of 2017, IWD attempted to combine the administrative costs associated with the OSO among multiple local areas. IWD began a competitive procurement process for four OSOs for Iowa’s 15 local areas. After the USDOL review in September of 2017, USDOL directed IWD to cease the procurement because it did not meet WIOA requirements for OSOs. And Compliance Finding No. 1 of the USDOL Monitoring Report states:

---

<sup>8</sup> Online at: <https://bit.ly/2LQJv6z> (last viewed June 6, 2018).

[T]he division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available dollars so thin that the local areas are unable to fund core WIOA functions, such as staff support for the required Local Workforce Development Boards (WDBs) and/or the One-Stop Operators (OSOs).

WIOA section 121(d) requires that each Local WDB competitively designate or certify a OSO. This must be done in accordance with federal procurement requirements, which include, but are not limited, to competitive pricing.<sup>9</sup> WIOA section 121(d)(2) contains the requirements that an entity must meet in order “[t]o be eligible to receive funds made available under” WIOA Title I, Subtitle B, which is entitled “Workforce Investment Activities and Providers,” to operate a one-stop center. To be eligible for such funds, an entity must be:

- 1) An entity (public, private, or nonprofit), or a consortium of entities (including a consortium of entities that, at a minimum, includes 3 or more of the one-stop partners identified in WIOA section 121(b)(1);
- 2) Of demonstrated effectiveness;
- 3) Located in the local area; and
- 4) May include:
  - a. An institution of higher education;
  - b. An employment service State agency established under the Wagner-Peyser Act, on behalf of the local office of the agency (i.e., IWD in Iowa);
  - c. A community-based organization, nonprofit organization, or intermediary;
  - d. A private for-profit entity;
  - e. A government agency; and
  - f. Another interest organization or entity, which may include a local chamber of commerce or other business organization, or a labor organization.

Elementary and second schools may not be an OSO under WIOA.

This effectively means that there is a fixed cost for each local area when it comes to procuring an OSO due to the requirements that an OSO must be located in the local area and competitively procured with competitive pricing.

#### 6.5. Independent Staff and Operating Budgets for Local WDBs

Compliance Finding No. 1 of the USDOL Monitoring Report states:

---

<sup>9</sup> WIOA §§ 121(d) (1)-(2).

[T]he division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available dollars so thin that the local areas are unable to fund core WIOA functions, such as staff support for the required Local Workforce Development Boards (WDBs) and/or the One-Stop Operators (OSOs).

Compliance Finding No. 7 of the USDOL Monitoring Report states:

**Required Functions - State**

(Core Component 3.1: Local Area Governance)

The local boards are not performing the functions that WIOA requires Local WDBs to perform. Based on the reviewers' discussions with IWD and Region 5 staff, it appears that the Title I Adult and Dislocated Worker service providers are performing these Local WDB functions. Section 20 CFR 679.370 (a-q) outlines the roles and responsibilities of the local board. Section 20 CFR 679.400(a) grants Local WDBs authority to hire a director and other staff to assist in carrying out the functions of the Local WDB. Neither the statute nor the regulations authorize any entity other than the Local WDB or its staff to perform these required functions. In the absence of the authority to perform these functions, the costs associated with doing so are potentially subject to disallowance.

**Required Action:** The State must ensure that each Local WDB in the State is able to perform all of its WIOA-required functions. The State must also ensure that Title I service providers that are performing local board functions stop doing so immediately. The State must describe the actions it will take to ensure Local WDBs are able to perform the required functions, in its response to this report. To resolve this Finding, the State must submit descriptions of who is performing, and how they are performing, the WIOA-required Local WDB functions in the three Regions sampled - Regions 5, 10 and 12.

Thus, WIOA requires that each local area must have a Local WDB that has sufficient resources to perform all of the WIOA-required functions for a Local WDB. The ability to combine the administrative costs relating to a Local WDB's operating budget is limited since the Local WDB must perform all required functions under WIOA. This logic can be extended to the independent support staff for the Local WDBs as well, which would be tasked with help the Local WDB to perform a laundry list of functions that, due to their nature, make it difficult to imagine how two Local WDBs could split an executive director, for example, and have that executive director perform the functions in an effective and high-quality fashion. Those functions are:

**1) Local Plan**

The local board, in partnership with the chief elected official for the local area involved, shall develop and submit a local plan to the Governor. If the local area is part of a planning region that includes other local areas, the local board shall collaborate with the other local boards and chief elected officials from such other local areas in the preparation and submission of a regional plan.

## **2) Workforce research and regional labor market analysis**

In order to assist in the development and implementation of the local plan, the local board shall--

- a) carry out analyses of the economic conditions in the region, the needed knowledge and skills for the region, the workforce in the region, and workforce development activities (including education and training) in the region, and regularly update such information;
- b) assist the Governor in developing the statewide workforce and labor market information system described in section 15(c) of the Wagner-Peyser Act (29 U.S.C. 4912(e)), specifically in the collection, analysis, and utilization of workforce and labor market information for the region; and
- c) conduct such other research, data collection, and analysis related to the workforce needs of the regional economy as the board, after receiving input from a wide array of stakeholders, determines to be necessary to carry out its functions.
- d) Convening, brokering, leveraging

The local board shall convene local workforce development system stakeholders to assist in the development of the local plan and in identifying non-Federal expertise and resources to leverage support for workforce development activities. The local board, including standing committees, may engage such stakeholders in carrying out the functions described in this subsection.

## **3) Employer engagement**

The local board shall lead efforts to engage with a diverse range of employers and with entities in the region involved--

- a) to promote business representation (particularly representatives with optimal policymaking or hiring authority from employers whose employment opportunities reflect existing and emerging employment opportunities in the region) on the local board;
- b) to develop effective linkages (including the use of intermediaries) with employers in the region to support employer utilization of the local workforce development system and to support local workforce investment activities;
- c) to ensure that workforce investment activities meet the needs of employers and support economic growth in the region, by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers; and
- d) to develop and implement proven or promising strategies for meeting the employment and skill needs of workers and employers (such as the establishment of industry and sector partnerships), that provide the skilled workforce needed by employers in the region, and that expand employment and career advancement opportunities for workforce development system participants in in-demand industry sectors or occupations.

#### **4) Career pathways development**

The local board, with representatives of secondary and postsecondary education programs, shall lead efforts in the local area to develop and implement career pathways within the local area by aligning the employment, training, education, and supportive services that are needed by adults and youth, particularly individuals with barriers to employment.

#### **5) Proven and promising practices**

The local board shall lead efforts in the local area to--

- a) identify and promote proven and promising strategies and initiatives for meeting the needs of employers, and workers and jobseekers (including individuals with barriers to employment) in the local workforce development system, including providing physical and programmatic accessibility, in accordance with WIOA section 188, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), to the one-stop delivery system; and
- b) identify and disseminate information on proven and promising practices carried out in other local areas for meeting such needs.

#### **6) Technology**

The local board shall develop strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, and workers and jobseekers, by--

- a) facilitating connections among the intake and case management information systems of the one-stop partner programs to support a comprehensive workforce development system in the local area;
- b) facilitating access to services provided through the one-stop delivery system involved, including facilitating the access in remote areas;
- c) identifying strategies for better meeting the needs of individuals with barriers to employment, including strategies that augment traditional service delivery, and increase access to services and programs of the one-stop delivery system, such as improving digital literacy skills; and
- d) leveraging resources and capacity within the local workforce development system, including resources and capacity for services for individuals with barriers to employment.

#### **7) Program oversight**

The local board, in partnership with the chief elected official for the local area, shall--

- a) conduct oversight for local youth workforce investment activities authorized, local employment and training activities, and the one-stop delivery system in the local area; and

- b) ensure the appropriate use and management of the funds; and
- c) for workforce development activities, ensure the appropriate use, management, and investment of funds to maximize performance outcomes.

**8) Negotiation of local performance accountability measures**

The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local performance accountability measures.

**9) Selection of one-stop operators**

The local board, with the agreement of the chief elected official, for the local area--

- a) shall designate or certify one-stop operators at least once every four years; and
- b) may terminate for cause the eligibility of such operators.

**10) Selection of youth providers**

The local board--

- a) shall identify eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis, based on the recommendations of the youth standing committee, if such a committee is established for the local area; and
- b) may terminate for cause the eligibility of such providers.

**11) Identification of eligible providers of training services**

The local board shall identify eligible providers of training services in the local area.

**12) Identification of eligible providers of career services**

If the one-stop operator does not provide career services in a local area, the local board shall identify eligible providers of those career services in the local area by awarding contracts.

**13) Consumer choice requirements**

The local board shall work with the State to ensure there are sufficient numbers and types of providers of career services and training services (including eligible providers with expertise in assisting individuals with disabilities and eligible providers with expertise in assisting adults in need of adult education and literacy activities) serving the local area and providing the services involved in a manner that maximizes consumer choice, as well as providing opportunities that lead to competitive integrated employment for individuals with disabilities.

**14) Coordination with education providers**

The local board shall coordinate activities with education and training providers in the local area, including providers of workforce investment activities, providers of adult education and literacy activities, providers of career and technical education and local agencies administering plans under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741).

The coordination shall include--

- a) reviewing the applications to provide adult education and literacy activities for the local area, submitted to the eligible agency by eligible providers, to determine whether such applications are consistent with the local plan; and
- b) making recommendations to the eligible agency to promote alignment with such plan; and
- c) replicating cooperative agreements in accordance with subparagraph (B) of section 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)), and implementing cooperative agreements in accordance with that section with the local agencies administering plans under title I of that Act (29 U.S.C. 720 et seq.) (other than section 112 or part C of that title (29 U.S.C. 732, 741) and subject to section 3151(f) of this title), with respect to efforts that will enhance the provision of services to individuals with disabilities and other individuals, such as cross training of staff, technical assistance, use and sharing of information, cooperative efforts with employers, and other efforts at cooperation, collaboration, and coordination.

In this paragraph, the term "cooperative agreement" means an agreement entered into by a State designated agency or State designated unit under subparagraph (A) of section 101(a)(11) of the Rehabilitation Act of 1973.

#### **15) Budget**

The local board shall develop a budget for the activities of the local board in the local area, consistent with the local plan and the duties of the local board under this section, subject to the approval of the chief elected official.

#### **16) Grants and donations**

The local board may solicit and accept grants and donations from sources other than Federal funds made available under this Act.

#### **17) Tax-exempt status**

Local boards may incorporate, and may operate as entities described in section 501(c)(3) of Title 26 that are exempt from taxation under section 501(a) of such title. If the local board does incorporate as a nonprofit, there will additional responsibilities under the law that apply, such as tax filings.

#### **18) Accessibility for individuals with disabilities**

The local board shall annually assess the physical and programmatic accessibility, in accordance with WIOA section 188, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), of all one-stop centers in the local area.

### **19) One-stop certification**

The local board is required to perform one-stop certification at least once every four years using the criteria established by the State Workforce Development Board and may include additional criteria if it chooses.

### **20) Establishment of the One-Stop Delivery System**

The local board must develop and enter into a memorandum of understanding (MOU) with at least the required partners identified in WIOA section 121 to establish the one-stop delivery system.

## **6.6. Additional Requirements for Planning Regions.**

Furthermore, in order to combine administrative costs, local areas need to be in the same planning region. Under WIOA, a region may consist of:

- 1) One local workforce development area; or
- 2) Two or more contiguous local workforce development areas (which may include local workforce development areas in two or more states).<sup>10</sup>

“The purpose of identifying regions is to align workforce development activities and resources with larger regional economic development areas and available resources to provide coordinated and efficient services to both job seekers and employers.”<sup>11</sup>

Regions exist for planning purposes, which means that Local WDBs that govern a local area within a planning region that consists of more than one local area must perform more functions than a local workforce development board that governs a local workforce development area that is not in a planning region. 20 CFR section 679.510<sup>12</sup> contains the requirements for regional planning that Local WDBs and chief elected officials within an identified planning region must meet. Local WDBs and chief elected officials within an identified planning region must participate in a regional planning process that results in:

- 1) The preparation of a regional plan, as described in 20 CFR section 679.510(a)(2) and consistent with any guidance issued by USDOL;
- 2) The establishment of regional service strategies, including use of cooperative service delivery agreements;
- 3) The development and implementation of sector initiatives for in-demand industry sectors or occupations for the planning region;

<sup>10</sup> 20 CFR § 679.210(d), online at: <https://bit.ly/2IEODcQ> (last viewed June 6, 2018).

<sup>11</sup> 20 CFR § 679.200, online at: <https://bit.ly/2HtPOLp> (last viewed June 6, 2018).

<sup>12</sup> 20 CFR § 679.510, online at: <https://bit.ly/2GTgybi> (last viewed June 6, 2018).

- 4) The collection and analysis of regional labor market data (in conjunction with the State) which must include the local planning requirements at 20 CFR sections 679.560(a)(1)(i) and (ii);
- 5) The coordination of administrative cost arrangements, including the pooling of funds for administrative costs, as appropriate;
- 6) The coordination of transportation and other supportive services as appropriate;
- 7) The coordination of services with regional economic development services and providers; and
- 8) The establishment of an agreement concerning how the planning region will collectively negotiate and reach agreement with the Governor on local levels of performance for, and report on, the performance accountability measures described in WIOA sec. 116(c) for local areas or the planning region.<sup>13</sup>

Local WDBs and chief elected officials within an identified planning region must prepare, submit, and obtain approval of a single regional plan that includes a description of the activities described in 20 CFR (a)(1) and incorporates local plans for each of the local areas in the planning region.<sup>14</sup> The Local WDBs and chief elected officials for local areas in a planning region must meet requirements in addition to those for a local area. This means that Local WDB will have more responsibilities, which in turn means that the independent staff for the Local WDBs will have more job duties as well.

## 7. Will people participate in the advisory committees to provide input on services provided at the local IowaWORKS field offices and to advise the new Local WDBs?

### Comment(s):

Multiple commenters expressed concern about having local advisory committees. Some stated that it is already difficult to recruit individuals to serve on Local WDBs and that it would be even more difficult to recruit individuals to serve on advisory committees. Other commenters stated that expecting members of local communities to participate in local advisory committees to give input on services provided at the local IowaWORKS field offices and to advise the new Local WDBs was unrealistic. Commenters stated that it was already difficult to get enough Local WDB members to show up at meetings to establish a quorum even though they have formal decision-making authority under the law. These commenters believe that even fewer individuals will show up to advisory committee meetings because the committees will not have decision-making authority.

<sup>13</sup> 20 CFR § 679.510(a)(1), online at: <https://bit.ly/2GTgybi> (last viewed June 6, 2018).

<sup>14</sup> 20 CFR § 679.510(a)(2), online at: <https://bit.ly/2GTgybi> (last viewed June 6, 2018).

## Response:

The Realignment Committee agrees with these commenters that the inability of all of Iowa's 15 Local WDBs to regularly establish a quorum that enables them to take action to perform required functions is a problem. The assessment of these commenters regarding the inability of some Local WDBs to perform their required functions due to a regular inability to establish quorum is related to Compliance Finding No. 7 in the USDOL Monitoring Report, which states that Iowa's Local WDBs lack the resources to fund independent full-time staff to allow them to perform the WIOA-required functions of Local WDBs. The Realignment Committee is hopeful that the shift from 15 Local WDBs to fewer will enable Local WDBs to be more active because they will be able to afford quality full-time staff to help them perform the functions required of them under WIOA and this increased capability to be active will help to motivate Local WDB members to attend meetings after realignment.

Further, given the concerns voiced by other commenters about the loss of local decision-making and the dilution of rural Iowa's voice in service delivery after the realignment of local areas, the Realignment Committee is hopeful that members of local communities will recognize the importance of continued local input relating to the services provided at Iowa *WORKS* offices across the State and the advisory role to the new Local WDBs, which will cover larger territories than Local WDB cover under Iowa's current local-area configuration.

## 8. With Local WDBs taking on human resources (HR) duties with the hiring of independent staff, what liability exposure will they have?

### Comments:

Some commenters observed that Local WDB will become employers with HR duties with the hiring of independent staff and questioned what liability exposure board members and Local WDBs might face due to this change.

### Response:

Most employment laws include a minimum threshold of employees in order for them to apply to a business. For example:

- The Iowa Civil Rights Act of 1965, as amended, applies to employers with four or more employees.
- Title VII of the federal Civil Rights Act of 1964, as amended, applies to employers with 15 or more employees.
- The federal Americans with Disabilities Act of 1990, as amended (ADA), applies to employers with 15 or more employees.

- The federal Age Discrimination in Employment Act of 1967 (ADEA) applies to employers with 20 or more employees.
- The federal Family and Medical Leave Act (FMLA) applies to employers with 50 or more employees for each working day during each of 20 or more calendar workweeks in the current or preceding calendar year.

If a Local WDB hires an executive director and two other employees, the ICRA won't apply to them. It's unlikely that the Local WDB would hire enough employees for the above federal laws to apply to them.

Both WIOA and, after the enactment of Senate File 2353 (2018) by the Iowa General Assembly, Local WDBs are authorized to incorporate as a non-profit entity. The plan is to have the new Local WDBs that result from realignment incorporate as non-profit corporations under State and federal law. In addition to making the Local WDBs eligible for some public and private grants for which they would not otherwise be eligible and creating a beneficial tax effect for donations to the Local WDBs, this would help to shield individual members of the Local WDBs from some liability under State and federal employment laws.

The Local WDBs would have to carry insurance as required by law (e.g., workers' compensation insurance) and pay unemployment insurance taxes as required by law. These costs would be part of the operating budgets for the Local WDBs.

## 9. Why is the cost of independent support staff for the Local WDB projected to be higher than what some Local WDBs are currently paying?

### Comments:

Some commenters questioned the cost associated with independent support staff for local boards. Some commenters felt this was too high. Among them, one commenter noted that their board paid only \$3,000 annually. Others felt that a contractor could be hired for less than \$100,000. Some commenters also asked whether the independent staff of the Local WDBs would have health insurance.

### Response:

In the Monitoring Report, USDOL states the following in Finding No. 1:

**Finding 1: Local Areas Not Aligned Appropriately – State**  
(Core Component 3.1 – Governance)

The 15 local areas in Iowa do not meet the substantive requirements of a local workforce development area (LWDA) under WIOA. The 15 service areas date back to the Job Training Partnership Act under which States established "Service Delivery Areas" or SDAs. These SDAs were formed to align with service delivery

in the State and, in Iowa, this resulted in areas being formed around the Community College locations throughout the State. Subsequent workforce development legislation, first the Workforce Investment Act of 1998 and, most recently, WIOA, allowed for existing service delivery areas to continue to serve as local areas, with only minimal qualifying criteria.

As a result, the current local service areas in Iowa do not align with the characteristics around which the WIOA intends a LWDA to be aligned, such as local labor market areas and/or economic development areas. Furthermore, the division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available dollars so thin that the local areas are unable to fund core WIOA functions, such as staff support for the required Local Workforce Development Boards (WDBs) and/or the One-Stop Operators (OSOs).

And finally, this structure does not facilitate the development of WIOA-compliant planning regions which, by law and regulation, are aligned with labor markets, commuting patterns, economic development areas, etc.

**Required Action:** The State must work with the chief elected officials to establish WIOA-compliant LWDA that are able to fulfill all of the required roles and functions of a LWDA. The State must submit a plan to address the non-compliant local structure, in its response to this report. The Finding will be resolved when the State has LWDA that are aligned with the criteria described above and are able to fund and/or administer the core WIOA functions described above.

In Finding No. 7, USDOL states:

**Finding 7: Local Workforce Development Boards (LWDBs) Are Not Performing WIOA**

**Required Functions - State**

(Core Component 3.1: Local Area Governance)

The local boards are not performing the functions that WIOA requires Local WDBs to perform. Based on the reviewers' discussions with IWD and Region 5 staff, it appears that the Title I Adult and Dislocated Worker service providers are performing these Local WDB functions. Section 20 CFR 679.370 (a-q) outlines the roles and responsibilities of the local board. Section 20 CFR 679.400(a) grants Local WDBs authority to hire a director and other staff to assist in carrying out the functions of the Local WDB. Neither the statute nor the regulations authorize any entity other than the Local WDB or its staff to perform these required functions. In the absence of the authority to perform these functions, the costs associated with doing so are potentially subject to disallowance.

**Required Action:** The State must ensure that each Local WDB in the State is able to perform all of its WIOA-required functions. The State must also ensure that Title I service providers that are performing local board functions stop doing so immediately. The State must describe the actions it will take to ensure Local WDBs are able to perform the required functions, in its response to this report. To resolve this Finding, the State must submit descriptions of who is performing, and how they are performing, the WIOA-required Local WDB functions in the three Regions sampled – Regions 5, 10 and 12.

The document entitled, “Local Workforce Development Area Requirements & Model Budget,” that the Realignment Committee distributed to Local WDBs and chief elected officials assigns a \$100,000 cost to independent staff for Local WDBs and states:

Local boards must perform the required functions under WIOA. The means by which local boards do that must be via independent staff that work for the local boards. One of the 15 local boards that currently exist in Iowa has independent, full-time support staff. In multiple local areas, Title I program service provider staff perform some of the local board functions required under WIOA. One of the findings in the U.S. Dept. of Labor monitoring report that mandated realignment of Iowa’s local areas centered on the need for independent local board staff.

At a minimum, local board support is one full-time job. In setting the model budget for a local area, IWD used the mandatory minimum amount of staff to meet the WIOA requirements: 1.0 full-time equivalent position (FTE). 1.0 FTE with the State of Iowa costs on average approximately \$100,000.

Admittedly, this figure may be on the low end of the cost spectrum. The scope and substance of the local board functions required under WIOA means hiring individuals who have the necessary experience, expertise, and skills to perform those functions, which could mean a combined cost of salary and benefits over \$100,000. Further, if a Local Board elected to have multiple independent support staff, the cost would likely be higher (e.g., some local boards in neighboring states have an executive director, equal opportunity officer, and fiscal officer).

The \$100,000 cost assigned to independent staff of the Local WDB includes salary and benefits.

A comparison of local board functions under the Iowa Code before WIOA, the federal Workforce Investment Act of 1998, and WIOA helps to illustrate the increase in responsibilities for local boards and the salary and benefits costs associated with hiring an independent staff person to perform the required duties.

Under WIA,<sup>16</sup> Local WDBs were responsible for:

- 1) Developing the five-year local workforce investment plan (Local Plan) and conducting oversight of the One-Stop system, youth activities and employment and training activities under title I of WIA, in partnership with the chief elected official;

---

<sup>16</sup> 20 CFR § 661.305, online at: <https://bit.ly/2I5S3Vd> (last viewed June 6, 2018).

- 2) Selecting One-Stop operators with the agreement of the chief elected official;
- 3) Selecting eligible youth service providers based on the recommendations of the youth council, and identifying eligible providers of adult and dislocated worker intensive services and training services, and maintaining a list of eligible providers with performance and cost information, as required in 20 CFR part 663, subpart E;
- 4) Developing a budget for the purpose of carrying out the duties of the Local Board, subject to the approval of the chief elected official;
- 5) Negotiating and reaching agreement on local performance measures with the chief elected official and the Governor;
- 6) Assisting the Governor in developing the Statewide employment statistics system under the Wagner-Peyser Act;
- 7) Coordinating workforce investment activities with economic development strategies and developing employer linkages; and
- 8) Promoting private sector involvement in the Statewide workforce investment system through effective connecting, brokering, and coaching activities through intermediaries such as the One-Stop operator in the local area or through other organizations, to assist employers in meeting hiring needs.
- 9) In cooperation with the chief elected official, appoints a youth council as a subgroup of the Local Board and coordinates workforce and youth plans and activities with the youth council, in accordance with WIA section 117(h) and 20 CFR section 661.335.
- 10) Carrying out the regional planning responsibilities required by the State in accordance with WIA section 116(c) and 20 CFR section 661.290.

As the document entitled, "Local Workforce Development Board Functions," sets forth, Local WDBs are responsible for performing more functions under WIOA.<sup>16</sup> They are responsible for the following:

### **21) Local Plan**

The local board, in partnership with the chief elected official for the local area involved, shall develop and submit a local plan to the Governor. If the local area is part of a planning region that includes other local areas, the local board shall collaborate with the other local boards and chief elected officials from such other local areas in the preparation and submission of a regional plan.

### **22) Workforce research and regional labor market analysis**

In order to assist in the development and implementation of the local plan, the local board shall--

---

<sup>16</sup> See WIOA § 107(d); see also 20 CFR § 679.370, online at: <https://bit.ly/2ss64W9> (last viewed June 6, 2018).

- c) carry out analyses of the economic conditions in the region, the needed knowledge and skills for the region, the workforce in the region, and workforce development activities (including education and training) in the region, and regularly update such information;
- f) assist the Governor in developing the statewide workforce and labor market information system described in section 15(c) of the Wagner-Peyser Act (29 U.S.C. 49A2(e)), specifically in the collection, analysis, and utilization of workforce and labor market information for the region; and
- g) conduct such other research, data collection, and analysis related to the workforce needs of the regional economy as the board, after receiving input from a wide array of stakeholders, determines to be necessary to carry out its functions.
- h) Convening, brokering, leveraging

The local board shall convene local workforce development system stakeholders to assist in the development of the local plan and in identifying non-Federal expertise and resources to leverage support for workforce development activities. The local board, including standing committees, may engage such stakeholders in carrying out the functions described in this subsection.

### **23) Employer engagement**

The local board shall lead efforts to engage with a diverse range of employers and with entities in the region involved--

- e) to promote business representation (particularly representatives with optimal policymaking or hiring authority from employers whose employment opportunities reflect existing and emerging employment opportunities in the region) on the local board;
- f) to develop effective linkages (including the use of intermediaries) with employers in the region to support employer utilization of the local workforce development system and to support local workforce investment activities;
- g) to ensure that workforce investment activities meet the needs of employers and support economic growth in the region, by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers; and
- h) to develop and implement proven or promising strategies for meeting the employment and skill needs of workers and employers (such as the establishment of industry and sector partnerships), that provide the skilled workforce needed by employers in the region, and that expand employment and career advancement opportunities for workforce development system participants in in-demand industry sectors or occupations.

### **24) Career pathways development**

The local board, with representatives of secondary and postsecondary education programs, shall lead efforts in the local area to develop and implement career pathways within the local area by

aligning the employment, training, education, and supportive services that are needed by adults and youth, particularly individuals with barriers to employment.

#### **25) Proven and promising practices**

The local board shall lead efforts in the local area to--

- c) identify and promote proven and promising strategies and initiatives for meeting the needs of employers, and workers and jobseekers (including individuals with barriers to employment) in the local workforce development system, including providing physical and programmatic accessibility, in accordance with WIOA section 188, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), to the one-stop delivery system; and
- d) identify and disseminate information on proven and promising practices carried out in other local areas for meeting such needs.

#### **26) Technology**

The local board shall develop strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, and workers and jobseekers, by--

- e) facilitating connections among the intake and case management information systems of the one-stop partner programs to support a comprehensive workforce development system in the local area;
- f) facilitating access to services provided through the one-stop delivery system involved, including facilitating the access in remote areas;
- g) identifying strategies for better meeting the needs of individuals with barriers to employment, including strategies that augment traditional service delivery, and increase access to services and programs of the one-stop delivery system, such as improving digital literacy skills; and
- h) leveraging resources and capacity within the local workforce development system, including resources and capacity for services for individuals with barriers to employment.

#### **27) Program oversight**

The local board, in partnership with the chief elected official for the local area, shall--

- d) conduct oversight for local youth workforce investment activities authorized, local employment and training activities, and the one-stop delivery system in the local area; and
- e) ensure the appropriate use and management of the funds; and
- f) for workforce development activities, ensure the appropriate use, management, and investment of funds to maximize performance outcomes.

### **28) Negotiation of local performance accountability measures**

The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local performance accountability measures.

### **29) Selection of one-stop operators**

The local board, with the agreement of the chief elected official, for the local area--

- c) shall designate or certify one-stop operators at least once every four years; and
- d) may terminate for cause the eligibility of such operators.

### **30) Selection of youth providers**

The local board--

- c) shall identify eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis, based on the recommendations of the youth standing committee, if such a committee is established for the local area; and
- d) may terminate for cause the eligibility of such providers.

### **31) Identification of eligible providers of training services**

The local board shall identify eligible providers of training services in the local area.

### **32) Identification of eligible providers of career services**

If the one-stop operator does not provide career services in a local area, the local board shall identify eligible providers of those career services in the local area by awarding contracts.

### **33) Consumer choice requirements**

The local board shall work with the State to ensure there are sufficient numbers and types of providers of career services and training services (including eligible providers with expertise in assisting individuals with disabilities and eligible providers with expertise in assisting adults in need of adult education and literacy activities) serving the local area and providing the services involved in a manner that maximizes consumer choice, as well as providing opportunities that lead to competitive integrated employment for individuals with disabilities.

### **34) Coordination with education providers**

The local board shall coordinate activities with education and training providers in the local area, including providers of workforce investment activities, providers of adult education and literacy activities, providers of career and technical education and local agencies administering plans under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741).

The coordination shall include--

- d) reviewing the applications to provide adult education and literacy activities for the local area, submitted to the eligible agency by eligible providers, to determine whether such applications are consistent with the local plan; and
- e) making recommendations to the eligible agency to promote alignment with such plan; and
- f) replicating cooperative agreements in accordance with subparagraph (B) of section 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C. 721(a)(11)), and implementing cooperative agreements in accordance with that section with the local agencies administering plans under title I of that Act (29 U.S.C. 720 et seq.) (other than section 112 or part C of that title (29 U.S.C. 732, 741) and subject to section 8151(f) of this title), with respect to efforts that will enhance the provision of services to individuals with disabilities and other individuals, such as cross training of staff, technical assistance, use and sharing of information, cooperative efforts with employers, and other efforts at cooperation, collaboration, and coordination.

In this paragraph, the term "cooperative agreement" means an agreement entered into by a State designated agency or State designated unit under subparagraph (A) of section 101(a)(11) of the Rehabilitation Act of 1973.

### **35) Budget**

The local board shall develop a budget for the activities of the local board in the local area, consistent with the local plan and the duties of the local board under this section, subject to the approval of the chief elected official.

### **36) Grants and donations**

The local board may solicit and accept grants and donations from sources other than Federal funds made available under this Act.

### **37) Tax-exempt status**

Local boards may incorporate, and may operate as entities described in section 501(c)(3) of Title 26 that are exempt from taxation under section 501(a) of such title. If the local board does incorporate as a nonprofit, there will additional responsibilities under the law that apply, such as tax filings.

### **38) Accessibility for individuals with disabilities**

The local board shall annually assess the physical and programmatic accessibility, in accordance with WIOA section 188, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), of all one-stop centers in the local area.

### **39) One-stop certification**

The local board is required to perform one-stop certification at least once every four years using the criteria established by the State Workforce Development Board and may include additional criteria if it chooses.

#### **4) Establishment of the One-Stop Delivery System**

The local board must develop and enter into a memorandum of understanding (MOU) with at least the required partners identified in WIOA section 121 to establish the one-stop delivery system.

\*\*\*\*

Depending on how one counts the subparts, the functions that a Local WDB must perform have doubled or tripled from what they were under WIA to WIOA. Given the scope of a Local WDB's required functions under WIOA, it's not feasible that a Local WDB can annually pay \$3,000 or even \$10,000 for independent staff and expect its staff to help the Local WDB perform all of its required functions under WIOA. The independent staff position for a Local WDB under WIOA is a full-time job that requires a salary and benefits structure that will enable the Local WDB to recruit and hire an individual with the skill set necessary to effectively perform the job duties required to effectively help the Local WDB fulfill its responsibilities under WIOA.



## NOTICE:

### STATE WORKFORCE DEVELOPMENT BOARD REALIGNMENT COMMITTEE MEETING

<b>Date:</b>	Friday, February 1, 2019
<b>Time:</b>	9:00 a.m. – 12:00 p.m.
<b>Location:</b>	Iowa Workforce Development — State Board Room 1000 East Grand Avenue, Des Moines, Iowa 50309
<b>Phone:</b>	<b>(US) +1 507-881-0186</b> <b>PIN: 550 301#</b>

### TENTATIVE AGENDA:

1. Call to Order, Steve Gilbert, Chair.
2. Establish quorum.
3. Welcome and introductions, Steve Gilbert, Chair.
4. Discussion of U.S. Department of Labor's responses to IWD's Waiver requests by Beth Townsend, Director of IWD.
5. Discussion of the number and territorial boundaries of local areas after realignment.
6. Comments, if any, from Realignment Committee members and attendees of the meeting.
7. **Action Item:** Vote on final recommendations to SWDB, if committee deems appropriate.
8. Adjourn.

### UPCOMING CALENDAR EVENTS:

- February 18, 2019 (1:00 p.m. to 3:00 p.m.) - State Workforce Development Board Meeting at Goodwill of Central Iowa, Johnston

## **ACCOMMODATIONS:**

Accommodations are available upon request for individuals with disabilities. If you need an accommodation, please contact:

Shelly Evans  
Email: [Shelly.Evans@iwd.iowa.gov](mailto:Shelly.Evans@iwd.iowa.gov)  
Phone: 515-725-5680



## NOTICE:

### STATE WORKFORCE DEVELOPMENT BOARD REALIGNMENT COMMITTEE MEETING

**Date:** Friday, February 8, 2019

**Time:** 2:30 p.m. – 3:00 p.m.

**Location:** Iowa Workforce Development — Capitol View Room, Des Moines, Iowa 50309

**Phone:**

**One tap mobile**

(allows those who are driving to dial main # and it will automatically put in meeting ID for you):

+16468769923,,596394896# US (New York)

+14086380968,,596394896# US (San Jose)

**Dial by your location:**

+1 646 876 9923 US (New York)

+1 408 638 0968 US (San Jose)

+1 669 900 6833 US (San Jose)

**Meeting ID: 596 394 896**

### TENTATIVE AGENDA:

1. Call to Order, Steve Gilbert, Chair.
2. Establish quorum.
3. Welcome and introductions, Steve Gilbert, Chair.
4. Discussion of proposed 6 region maps by Beth Townsend, Director of IWD.
5. Comments, if any, from Realignment Committee members and attendees of the meeting.
6. **Action Item:** Vote on final recommendations to SWDB.
7. Adjourn.

### UPCOMING CALENDAR EVENTS:

- February 18, 2019 (1:00 p.m. to 3:00 p.m.) - State Workforce Development Board Meeting at Goodwill of Central Iowa, Johnston

## **ACCOMMODATIONS:**

Accommodations are available upon request for individuals with disabilities. If you need an accommodation, please contact:

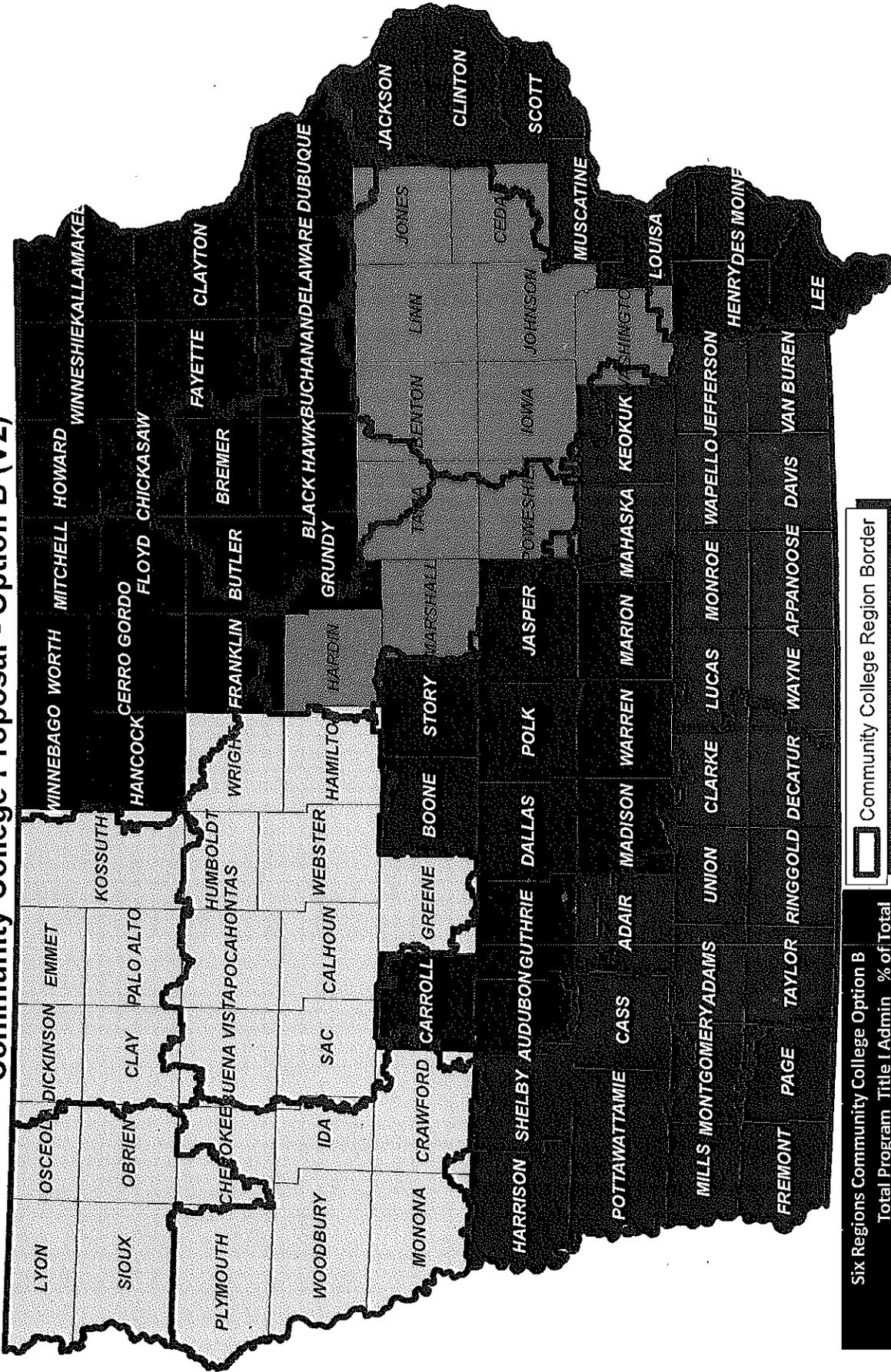
Shelly Evans

Email: [Shelly.Evans@iwd.iowa.gov](mailto:Shelly.Evans@iwd.iowa.gov)

Phone: 515-725-5680



# Iowa Workforce Development Six Region, Community College Proposal - Option B (V2)

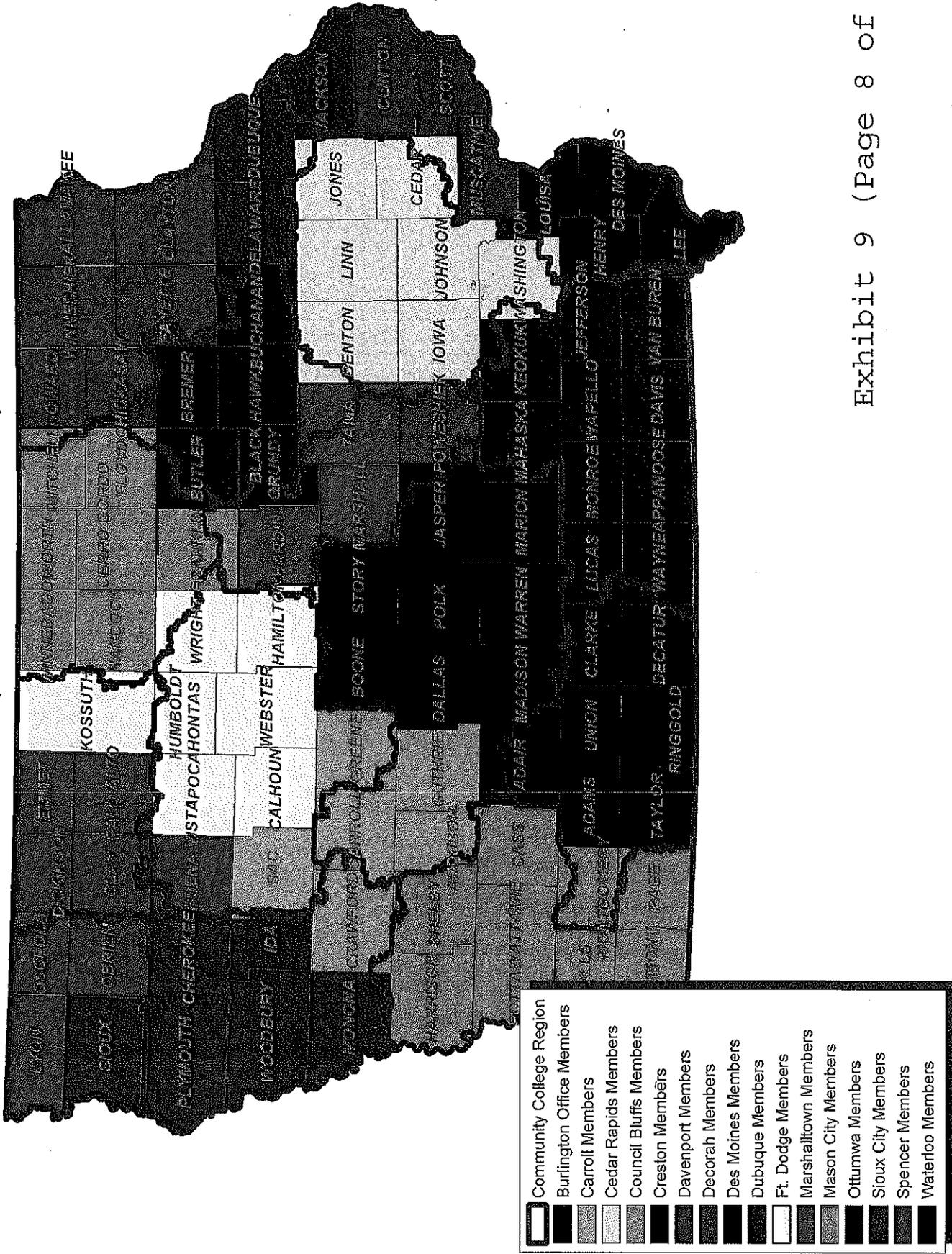


 Community College Region Border

Six Regions Community College Option B			
	Total Program	Title I Admin	% of Total
1- Blue	\$2,066,261	\$229,586	21.93%
2- Orange	\$1,678,327	\$186,480	17.80%
3- Green	\$1,340,999	\$149,000	14.22%
4- Purple	\$1,758,411	\$195,380	18.65%
5- Yellow	\$1,388,433	\$154,270	14.73%
6- Red	\$1,194,843	\$132,759	12.67%
	<b>\$9,427,274</b>	<b>\$1,047,475</b>	<b>100%</b>



Iowa Workforce Development (IWD) Member Locations by County  
 Counties have been assigned to an IWD Office based upon which office is most frequently used by residents.  
 (IWD Member Data 2016)



## STATE OF IOWA WORKFORCE DEVELOPMENT BOARD MEETING

Date: 02/18/19		Board Minutes	
Location: Goodwill Industries of Central Iowa			
	VOTING MEMBER	PRESENT	NOT PRESENT
1.	Governor Kim Reynolds	X	
2.	Senator Jake Chapman		X
3.	Representative Dave Deyoe		X
4.	Director Beth Townsend	X	
5.	Director Ryan Wise	X	
6.	Director Emily Wharton		X
7.	Director David Mitchell	X	
8.	John Krogman, Chair		X
9.	Lynn Schreder, Co-Chair	X	
10.	Joe Greving	X	
11.	Jan Miller-Straub		X
12.	Randy Moore		X
13.	Jay Iverson		X
14.	Anne Parmley	X	
15.	Ruby Mateos	X	
16.	Amy Larsen	X	
17.	Sondra Meyers	X	
18.	Becky Jacobsen	X	
19.	Steve Gilbert		X
20.	Gina Bettini	X	
21.	Jeff DeVries	X	
22.	Cara Sanders		X
23.	Kelly Barrick	X	
24.	Carrie Duncan	X	
25.	Richard Kurtenbach	X	
26.	Ken Sagar	X	
27.	Andy Roberts		X
28.	Richard Moon	X	
29.	Jayson Henry	X	
30.	Carmen Heck	X	
31.	Quentin Hart		X
32.	Nancy McDowell	X	
33.	VACANT		

	NON-VOTING MEMBER	PRESENT	NOT PRESENT
34	Bill Dotzler		X
35	Kirsten Running-Marquardt	X	
36	Drew Conrad	X	
37	John Smith	X	
38	Wendy Mihm-Herold	X	
39	Rita Grimm	X	
40	Rosie Thierer	X	
41	Daniel Craig	X	
42	Jerry Foxhoven		X
43	Greer Sisson		X
44	Mary Cannon-James	X	

	ATTENDEE	PRESENT	NOT PRESENT
	Evans, Shelly – IWD	X	
	Nicholas Olivencia – IWD	X	
	David Steen – IWD	X	
	Cathy Ross – IWD	X	
	Ryan West – IWD	X	
	Ryan Murphy – IWD	X	
	Michael Spurgin – IWD	X	
	Brett Conner – IWD	X	

MEETING MINUTES			
Call to Order, Lynn Schreder, Co-Chair.			
Roll Call and establish Quorum, Shelly Evans, Board Administrator.			
ACTION ITEM			
ACTION	1 <sup>st</sup>	2 <sup>nd</sup>	Unanimously Approved
Approval of Agenda.	Joe Greving	Jayson Henry	X
ACTION ITEM			
ACTION	1 <sup>st</sup>	2 <sup>nd</sup>	Unanimously Approved
Approval of Minutes from 11/19/18 meeting.	Jeff DeVries	Kelly Barrick	X
Introduction of Governor Kim Reynolds by Beth Townsend, Director of IWD.			
Remarks by Governor Kim Reynolds.			
Director's Report by Beth Townsend, Director of IWD.			
Discussion of recommendations submitted by Realignment Committee by Director Beth Townsend, IWD.			
9:1 -- ACTION ITEM			
ACTION	1 <sup>st</sup>	2 <sup>nd</sup>	Unanimously Approved
Motion to accept realignment of Local Workforce Development Areas to 6 Regions. Amended Motion to adopt Map A or Map B.	Ken Sager	Joe Greving	X
9:2 -- ACTION ITEM			
ACTION	Map A	Map B	Approved
Vote on 6 region realignment map of Local Workforce Development Areas.	2	17	Map B

VOTING MEMBER	MAP A	MAP B
Governor Kim Reynolds	--	--
Director Beth Townsend	X	
Director Ryan Wise		X
Director David Mitchell		X
Lynn Schreder, Co-Chair	X	

VOTING MEMBER	MAP A	MAP B
Joe Greving		X
Anne Parmley		X
Ruby Mateos		X
Amy Larsen		X
Sondra Meyers		X
Becky Jacobsen		X
Gina Bettini		X
Jeff DeVries		X
Kelly Barrick		X
Carrie Duncan		X
Richard Kurtenbach		X
Ken Sagar		X
Jayson Henry		X
Carmen Heck		X
Nancy McDowell		X

9.3 - ACTION ITEM			
ACTION	1st	2nd	Approved
Motion to require board approval prior to Iowa Workforce Development closing offices.	Ken Sagar	Carrie Duncan	NO

9.4 - ACTION ITEM			
ACTION	YES	NO	Approved
Vote on 6 region realignment map of Local Workforce Development Areas.	8	10	NO

VOTING MEMBER	YES	NO
Governor Kim Reynolds	--	--
Director Beth Townsend		X
Director Ryan Wise		X
Director David Mitchell		X
Lynn Schreder, Co-Chair		
Joe Greving		X
Anne Parmley		X
Ruby Mateos	X	
Amy Larsen	X	
Sondra Meyers		X
Becky Jacobsen		X
Gina Bettini	X	
Jeff DeVries		X
Kelly Barrick	X	
Carrie Duncan	X	
Richard Kurtenbach	X	
Ken Sagar	X	
Jayson Henry		X
Carmen Heck	X	
Nancy McDowell		X

Next steps regarding WIOA implementation by Director Beth Townsend, IWD.		
Update on Disability Access Standing Committee by David Mitchell, Administrator of Iowa Vocational Rehabilitation Services (IVRS) and Chairperson of the Disability Access Committee.		
Update on Ex-Offender Reentry Committee by Deputy Director, Ryan West, IWD.		
Update and Committee Report on Minority Outreach Standing Committee by Committee Chair, Andy Roberts.		
Update on Youth Standing Committee by Committee Chair, Jayson Henry.		
<b>ACTION ITEM</b>		
<b>MOTION</b>	<b>1<sup>st</sup></b>	<b>2<sup>nd</sup></b>
Motion to Adjourn. Adjournment at 2:20 p.m.	<b>Ryan Wise</b>	<b>Rich Kurtenbach</b>

Respectfully Submitted,

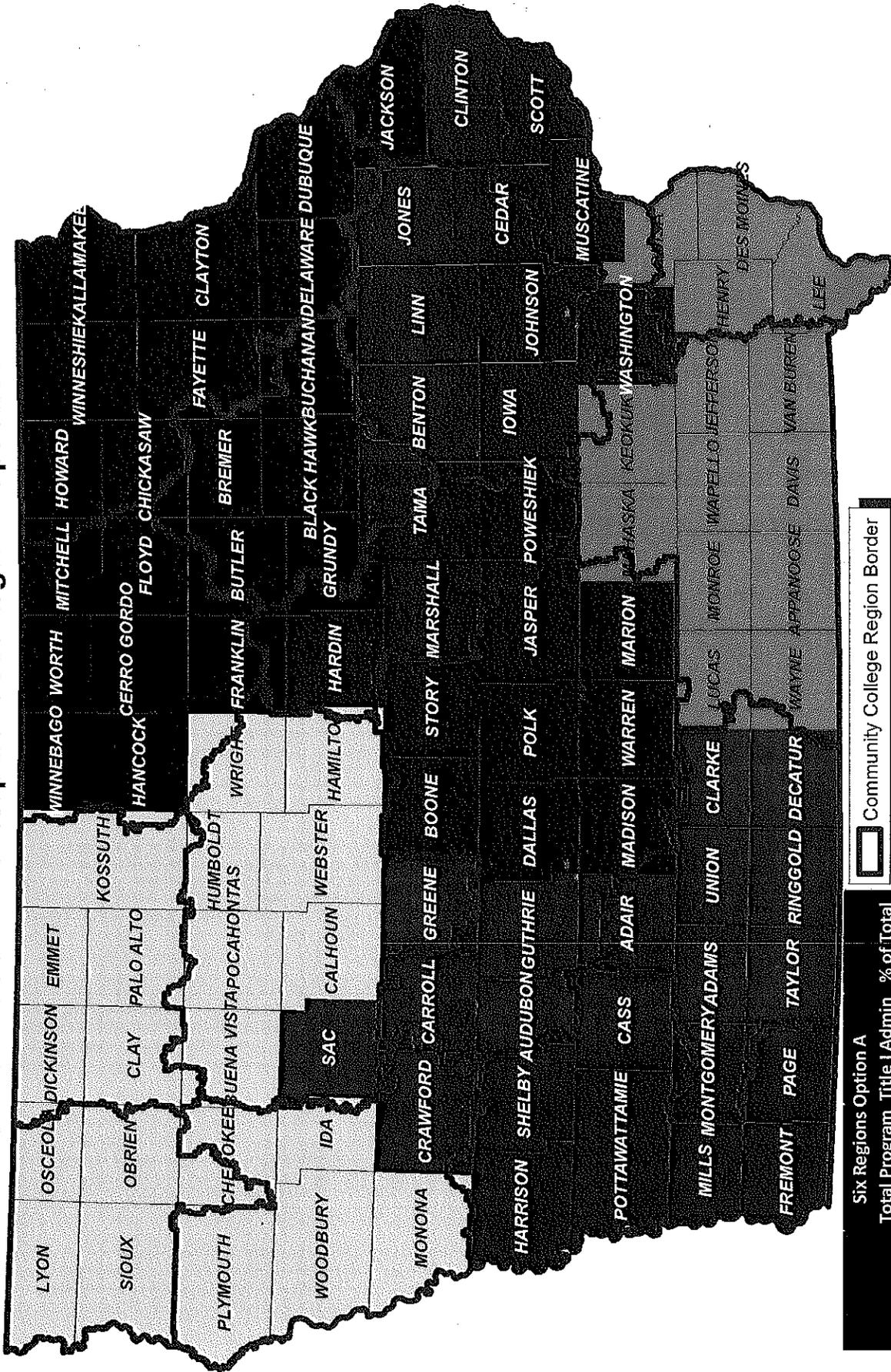


Shelly Evans, Board Administrator



Lynn Schreder, Co-Chair

# Iowa Workforce Development Six Region - Option A



 Community College Region Border

Six Regions Option A			
Total Program	Title I Admin	% of Total	
1- Blue	\$2,299,761	\$255,528	24.39%
2- Green	\$2,161,761	\$240,196	22.93%
3- Purple	\$1,815,158	\$201,685	19.25%
4- Yellow	\$1,292,848	\$143,650	13.73%
5- Orange	\$1,027,735	\$114,193	10.90%
6- Red	\$830,011	\$92,223	8.80%
	<b>\$9,427,274</b>	<b>\$1,047,475</b>	<b>100%</b>



Kim Reynolds, Governor  
Adam Gregg, Lt. Governor  
Beth Townsend, Director



February 22, 2019

Dear Sir or Madam,

In October 2017, the U.S. Department of Labor (DOL) conducted a monitoring of Iowa's progress in implementing the Workforce Innovation and Opportunity Act (WIOA). One of the findings dealt specifically with the number of local areas in Iowa, specifically:

**Local Areas Not Aligned Appropriately – State**

The 15 local areas in Iowa do not meet the substantive requirements of a local workforce development area (LWDA) under WIOA. The 15 service areas date back to the Job Training Partnership Act under which States established "Service Delivery Areas" or SDAs. These SDAs were formed to align with service delivery in the State and, in Iowa, this resulted in areas being formed around the Community College locations throughout the State. Subsequent workforce development legislation, first the Workforce Investment Act of 1998 and, most recently, WIOA, allowed for existing service areas to continue to serve as local areas, with only minimal qualifying criteria.

As a result, the current local service areas in Iowa do not align with the characteristics around which the WIOA intends a Local Workforce Development Areas (LWDA) to be aligned, such as local labor market areas and/or economic development areas. Furthermore, the division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available administrative dollars so thin that the local areas are unable to fund core WIOA functions, such as staff support to perform the required work of the Local Workforce Development Boards (LWDBs) and/or the On-Stop Operators (OSOs). And finally, this structure does not facilitate the development of WIOA-compliant planning regions, which, by law and regulations, are aligned with labor markets, commuting patterns, economic development areas, etc.

Page 2

\*Updated for 2019

---

1000 E Grand Avenue • Des Moines, IA 50319 • [iowaworkforcedevelopment.gov](http://iowaworkforcedevelopment.gov)  
Equal Opportunity Employer/Program  
Auxiliary aids and services available upon request to individuals with disabilities.  
For deaf and hard of hearing, use Relay 711.

A proud partner of the **American Job Center** network

Exhibit 11 (Page 1 of 2)

February 22, 2019

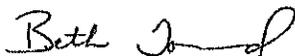
Based on this finding, a subcommittee of the State Workforce Development Board (SWDB) was assembled in early 2018. This committee was tasked with making a recommendation on the number and configuration of regions that will allow Iowa to meet the financial requirements of WIOA, maintain the outstanding level of service currently provided to the citizens of Iowa and were created according to appropriate criteria including labor markets, commuting patterns, economic development areas. As part of this process, IWD requested numerous waivers under WIOA, some of which were granted and some of which were denied. The waivers that were granted should make it easier for local workforce boards to share costs with other boards when feasible.

At the State Workforce Development Board (SWDB) meeting on February 18, 2019, the board approved a 6 LWDA (map attached). The configuration approved by the board was created after significant input from the community colleges, legislators, local board members, SWDB and IWD staff and based on the above referenced criteria.

While making a decision to reduce the number of local areas is the first step towards WIOA compliance in Iowa, I realize the real work lies ahead. The realignment of local workforce areas requires the establishment of new, WIOA-compliant LWDBs. This will involve a substantial amount of work from the Chief Elected Officials (CEOs) in each local area. We are committed to providing as much support and assistance as possible as CEOs in the 6 new LWDAs work through the process. To that end, during the coming months, IWD will provide information and resources necessary for the CEOs to establish new LWDBs and ensure compliance with WIOA in their respective local areas as they stand up the new LWDBs. Also, WIOA prohibits any conflicts of interest between training providers and LWDB members who select and deliver training dollars, with regard to LWDB administration. This means the training providers cannot be permitted to perform the work of the LWDBs in setting up the new areas and it will need to be done by the CEOs and staff they hire. In short, the responsibility of WIOA lies with the CEOs. Attached is a guide for CEOs that may be beneficial for you to review; the guide provides an overview of WIOA, its requirements, and the roles and responsibilities of the CEOs under the law.

IWD is committed to providing transparent communication throughout this transition and beyond. If you have any questions, please contact Michelle McNertney, Bureau Chief – WIOA, (phone) 515-242-0408 or [michelle.mcnertney@iwd.iowa.gov](mailto:michelle.mcnertney@iwd.iowa.gov). Michelle is our expert on WIOA implementation and is leading our efforts to provide you the support you need. We will be sending out more detailed information in the very near future to assist you in this process as well as resources available to assist you in the process. I look forward to collaborating with you to ensure Iowa continues to be a leader in workforce solutions going forward. Please do not hesitate to reach out to me as well as we work with you through this process.

Sincerely,



Beth Townsend  
Director, Iowa Workforce Development

Attachments – Map of new Local Workforce Development Areas / WIOA, A Guide for Chief Local Elected Officials



## Index of Realignment Appeals

Date	Region	Submitter
4/8/19	2	Supervisor Corey Eberling, Region 2, CEO Chair
4/5/19	3 – 4	Tim Schumacher Region 3 – 4 CEO Chair
3/8/19	8	Eric Skoog CEO Chair
4/10/19	9	John J. Willey, CEO Chair Jim Irwin, Jr., Region 9 CEO Frank Klipsch, Region 9 CEO Brinson Kinzer, Region 9 CEO Jeff Sorenson, Region 9 CEO
5/23/19	13	Randy Hickey, Fremont County Supervisor Lonnie Mayberry, Mills County Supervisor Walter Utman, Harrison County Supervisor Darin Haake, Shelby County Supervisor Matt Walsh, Mayor, City of Council Bluffs Scott Belt, Pottawattamie County Supervisor Frank Waters, Cass County Supervisor Alan Armstrong, Page County Supervisor
3/5/19	14	Charles Ambrose, CEO Chairman
4/16/19	15	Matt Greiner, Chairman David Krutzfeldt, Chairman
2/26/19	16	Gary See, CEO Chair Mike Hickey, Board Chair

Kim Reynolds, Governor  
Adam Gregg, Lt. Governor  
Beth Townsend, Director



March 21, 2019

RE: *Realignment of Local Workforce Development Board Areas*

Dear CEO and Local Board Members:

In October 2017, the U.S. Department of Labor (USDOL) conducted an assessment of Iowa's progress in implementing the Workforce Innovation and Opportunity Act (WIOA). One of the findings dealt directly with the number of local areas in Iowa, specifically:

**Local Areas Not Aligned Appropriately – State**

The 15 local areas in Iowa do not meet the substantive requirements of a local workforce development area (LWDA) under WIOA. The 15 service areas date back to the Job Training Partnership Act under which States established "Service Delivery Areas" or SDAs. These SDAs were formed to align with service delivery in the State and, in Iowa, this resulted in areas being formed around the Community College locations throughout the State. Subsequent workforce development legislation, first the Workforce Investment Act of 1998 and, most recently, WIOA, allowed for existing service areas to continue to serve as local areas, with only minimal qualifying criteria.

As a result, the current local service areas in Iowa do not align with the characteristics around which the WIOA intends a Local Workforce Development Areas (LWDA) to be aligned, such as local labor market areas and/or economic development areas. Furthermore, the division of limited WIOA funds among 15 service areas, particularly in a State that has large rural areas, is stretching the available administrative dollars so thin that the local areas are unable to fund core WIOA functions, such as staff support to perform the required work of the Local Workforce Development Boards (LWDBs) and/or the On-Stop Operators (OSOs). And finally, this structure does not facilitate the development of WIOA-compliant planning regions, which, by law and regulations, are aligned with labor markets, commuting patterns, economic development areas, etc.

---

1000 E Grand Avenue • Des Moines, IA 50319 • [iowaworkforcedevelopment.gov](http://iowaworkforcedevelopment.gov)  
Equal Opportunity Employer/Program  
Auxiliary aids and services available upon request to individuals with disabilities.  
For deaf and hard of hearing, use Relay 711.

A proud partner of the **American Job Center** network

Based upon these findings, Iowa is required to establish WIOA-complaint local workforce development areas. The State Workforce Development Board (SWDB) created a Realignment Committee to address this issue last year.

On February 18, 2019, the SWDB approved a recommendation from the Realignment Committee to realign the local workforce development areas into six (6) areas. The approved map for the new local workforce development areas is attached.

Should any local Chief Elected Official wish to appeal the SWDB decision of February 18, 2019, an appeal must be submitted in writing to IWD within twenty (20) days from the date of this letter. IWD will then review all appeals and make a final recommendation to the SWDB no less than ten (10) days before the next public meeting. An opportunity for public comments may be heard at the next scheduled meeting on May 30, 2019. After the presentation of IWD's final recommendation and public comments, the SWDB will hold a vote to determine whether any changes will be made to the February 28, 2019, decision.

If you already submitted an appeal to IWD prior to this date, you do not need to resubmit. All prior appeals submitted will be considered.

Should you have any questions, please feel free to contact attorney David Steen, Iowa Workforce Development, at [david.steen@iwd.iowa.gov](mailto:david.steen@iwd.iowa.gov) or (515) 725-5492.

Thank you.

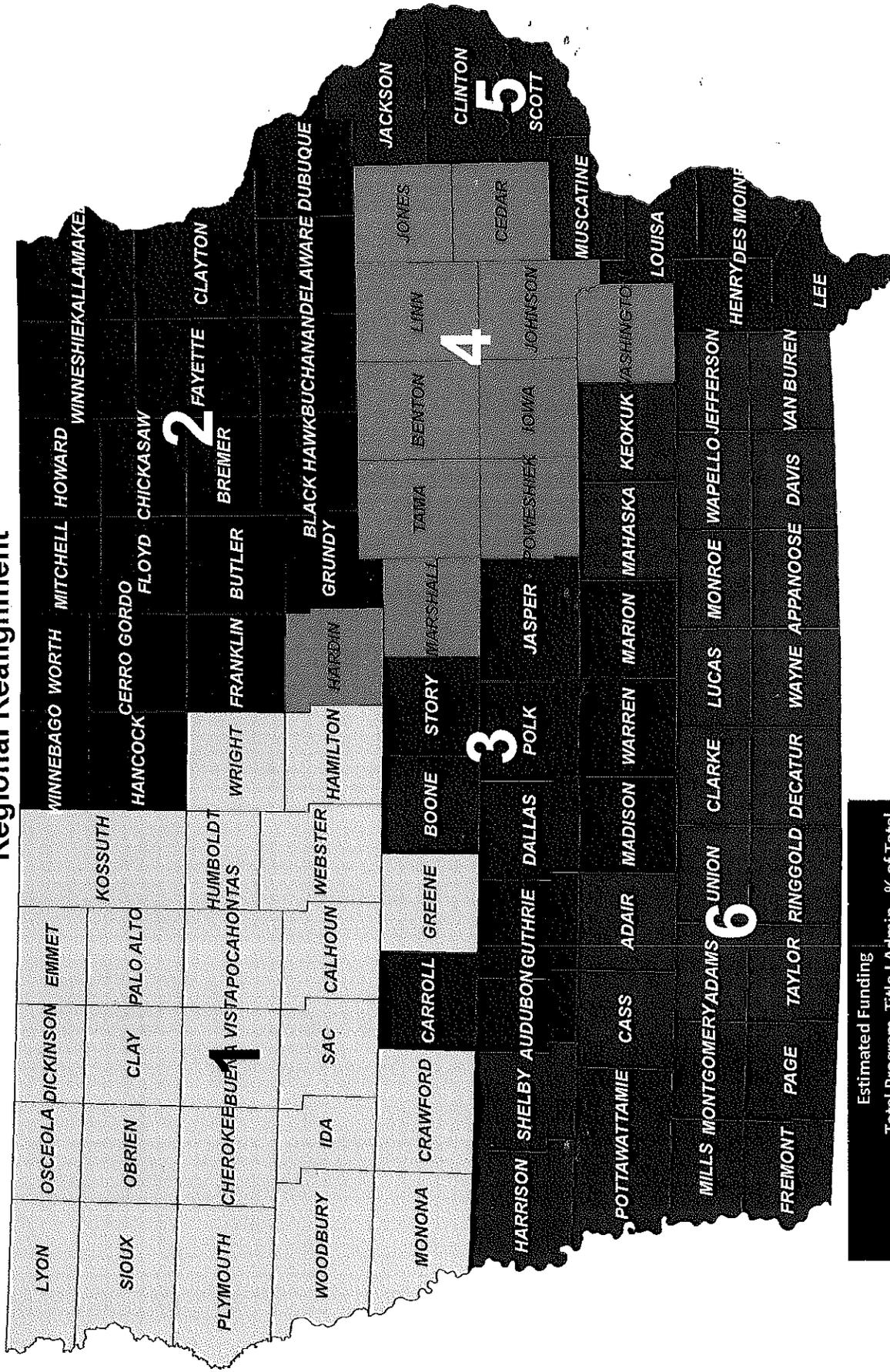
Sincerely,

A handwritten signature in cursive script that reads "Beth Townsend".

Beth Townsend, Director  
Iowa Workforce Development

Attachment - SWDB Approved Map

# Iowa Workforce Development Regional Realignment



Estimated Funding			
	Total Program	Title I Admin	% of Total
1- Yellow	\$1,388,433	\$154,270	14.73%
2- Purple	\$1,758,411	\$195,380	18.65%
3- Blue	\$2,066,261	\$229,586	21.93%
4- Orange	\$1,678,327	\$186,480	17.80%
5- Green	\$1,340,999	\$149,000	14.22%
6- Red	\$1,194,843	\$132,759	12.67%
	<b>\$9,427,274</b>	<b>\$1,047,475</b>	<b>100%</b>

Kim Reynolds, Governor  
Adam Gregg, Lt. Governor  
Beth Townsend, Director



May 10, 2019

RE: *Realignment of Local Workforce Development Board Areas*

To Chief Elected Officials and Local Board Members:

On February 18, 2019, the State Workforce Development Board (SWDB) approved a configuration recommendation from the Realignment Committee that will realign the local workforce development areas from fifteen (15) local areas to six (6) local areas. As previously indicated, this change is necessary to address the findings issued in the U.S. Department of Labor WIOA Implementation monitoring report in November 2017, in order to assure WIOA compliance in the State of Iowa. The map approved for the six new local workforce development areas is attached.

On behalf of the SWDB, Iowa Workforce Development will accept all appeals arising from the February 18, 2019, SWDB decision until close of business on May 24, 2019. We have received a number of appeals already and those will be considered as well so it is not necessary to refile those. The SWDB will provide an opportunity for individuals who want to speak to the board in support of their appeal at the next schedule meeting which is May 30, 2019, 1 p.m. at the Greater Des Moines Botanical Garden, Des Moines, Iowa. Any chief elected official submitting an appeal who elects to supplement the appeal with a short presentation, should plan to attend the meeting and present their appeal. We will provide all written appeals to SWDB members prior to the meeting. We anticipate allowing for 45 minutes of comments and the amount of time available for each presenter will depend on the number of individuals present who want to speak to the SWDB.

After the presentation of the appeals, the SWDB will vote to determine whether any changes should be made and if so, what those changes will be. At the meeting we also intend to provide an update on our continuing efforts to assist local boards in implementing WIOA and standing up the new local areas. Should you have any questions, please feel free to contact General Counsel, David Steen, at [david.steen@iwd.iowa.gov](mailto:david.steen@iwd.iowa.gov) or (515) 725-5492.

Sincerely,

A handwritten signature in cursive script that reads "Beth Townsend".

Beth Townsend

Attachment - SWDB approved realignment map

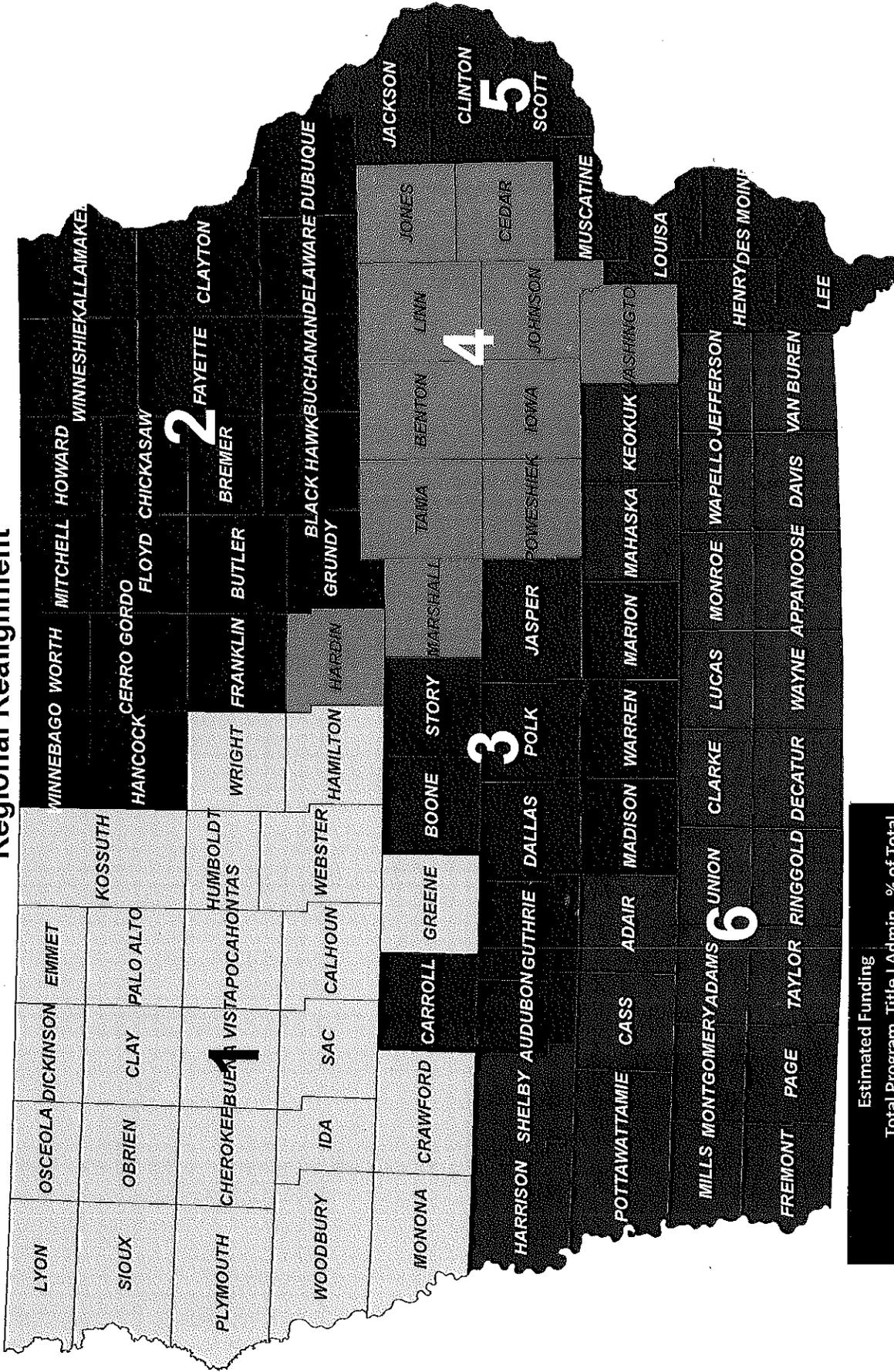
---

1000 E Grand Avenue • Des Moines, IA 50319 • [iowaworkforcedevelopment.gov](http://iowaworkforcedevelopment.gov)  
Equal Opportunity Employer/Program  
Auxiliary aids and services available upon request to individuals with disabilities.  
For deaf and hard of hearing, use Relay 711.

A proud partner of the **AmericanJobCenter** network

Exhibit 14 (Page 1 of 2)

# Iowa Workforce Development Regional Realignment



Estimated Funding			
Total Program	Title I Admin	% of Total	
1- Yellow	\$1,388,433	\$154,270	14.73%
2- Purple	\$1,758,411	\$195,380	18.65%
3- Blue	\$2,066,261	\$229,586	21.93%
4- Orange	\$1,678,327	\$186,480	17.80%
5- Green	\$1,340,999	\$149,000	14.22%
6- Red	\$1,194,843	\$132,759	12.67%
	<b>\$9,427,274</b>	<b>\$1,047,475</b>	<b>100%</b>



**SWDB 5/30/19 Meeting**

1 message

Evans, Shelly <shelly.evans@iwd.iowa.gov> Tue, May 28, 2019 at 8:25 PM  
To: Amy Larsen <alarsen@uea-inc.com>, Andy Roberts <aroberts@ualocal33.org>, Anne Parmley <anne.parmley@pearson.com>, Beth Townsend <beth.townsend@iwd.iowa.gov>, cara sanders <cara\_sanders@hotmail.com>, Carmen Heck <check@goodwillheartland.org>, Carrie Duncan <ccubswin994@gmail.com>, "Chapman, Jake" <jake.chapman@legis.iowa.gov>, "Connell, Kirby" <kirby.connell@iowa.gov>, Daniel Craig <daniel.craig@iowa.gov>, Dave Deyoe <dave.deyoe@legis.iowa.gov>, Emily Wharton <emily.wharton@blind.state.ia.us>, Gina Bettini <bettinibjb@aol.com>, "Hart, Quentin Mayor" <mayor@waterloo-ia.org>, "Jacobsen, Becky L" <bjacobsen@smlthfield.com>, Jay Iverson <JayIverson@hbalowa.org>, Jayson Henry <jaysonh@thewellowa.org>, Jeff DeVries <Jeff.devries@westwindlogistics.net>, "John (Jack) Hasken" <jack.hasken@jackson-mfg.com>, John Krogman <john.krogman@epi-rot.com>, "Jr. Steve Gilbert" <gilby3@grm.net>, Kelly Barrick <Kelly.barrick@cibc.com>, Ken - IFL Sagar <lfl@iowaafclo.org>, "Kurtenbach, Rich" <Rich@ibew288.org>, Logan Shine <logan.shine@iowa.gov>, LuAnn Scholbrock <scholbrockluann@gmail.com>, Lynn Schreder <lynn@khisolutions.com>, "McDowell, Nancy" <nmcowell@obriencounty.org>, "Mitchell, David" <david.mitchell@iowa.gov>, Richard Moon <Chief5@cableone.net>, Ryan Wise <ryan.wise@iowa.gov>, Sondra Meyers <sondra.meyers@katun.com>, Andrew Conrad <andrew.conrad@uni.edu>, "Dotzler, Bill" <bill.dotzler@legis.iowa.gov>, "Grimm, Rita [IEDA]" <rita.grimm@iowaeda.com>, Jerry Foxhoven <jfoxhov@dhs.state.ia.us>, John Smith <john.smith@drake.edu>, Mary Cannon James <solidarity@mediacombb.net>, Rosemary Thierer <rosemary.thierer@iowa.gov>, "Running-Marquardt, Kirsten" <kirsten.running-marquardt@legis.iowa.gov>, "Sisson, Greer" <sisson.greer@dol.gov>, Wendy Mihm-Herold <mihm-heroldw@nicc.edu>  
Cc: Ryan West <ryan.west@iwd.iowa.gov>, Cathy Ross <cathy.ross@iwd.iowa.gov>, "Steen, David" <david.steen@iwd.iowa.gov>, Jon Peppetti <jon.peppetti@iwd.iowa.gov>, "Mcnerthey, Michelle" <michelle.mcnerthey@iwd.iowa.gov>

SWDB Members,

Attached please find an electronic version of the realignment appeals received by IWD. Please review these documents prior to Thursday's board meeting. Due to the voluminous volume of these documents, we will not be providing paper copies.

I will be forwarding you some additional documents as well, most of which you have previously provided and have reviewed.

In the interim, if you have any questions, please let me know.

Thank you.

**Shelly Evans**

**Executive Assistant to Director**

**Paralegal**

**Board Administrator**

**IOWA WORKFORCE DEVELOPMENT**

**1000 East Grand**

**Des Moines, Iowa 50319**

**Phone: 515.725.5680**

**Facsimile: 515.281.4698**

**shelly.evans@iwd.iowa.gov**

Realignment Appeals.pdf  
6524K

## STATE OF IOWA WORKFORCE DEVELOPMENT BOARD MEETING

Date: 05/30/19		Board Minutes	
Location: Greater Des Moines Botanical Center			
	VOTING MEMBER	PRESENT	NOT PRESENT
1.	Governor Kim Reynolds		NO
2.	Senator Jake Chapman		NO
3.	Representative Dave Deyoe	YES	
4.	Director Beth Townsend	YES	
5.	Director Ryan Wise	YES	
6.	Director Emily Wharton	YES	
7.	Director David Mitchell	YES	
8.	John Krogman, Chair		NO
9.	Lynn Schreder, Co-Chair	PHONE	
10.	Jay Iverson	YES	
11.	Anne Parmley	YES	
12.	Amy Larsen		NO
13.	Sondra Meyers	PHONE	
14.	Becky Jacobsen	PHONE	
15.	Steve Gilbert		NO
16.	Gina Bettini		NO
17.	Jeff DeVries	PHONE	
18.	Cara Sanders	YES	
19.	Kelly Barrick		NO
20.	Carrie Duncan	NO	
21.	Richard Kurtenbach	NO	
22.	Ken Sagar		NO
23.	Andy Roberts	YES	
24.	Richard Moon	YES	
25.	Jayson Henry	YES	
26.	Carmen Heck	PHONE	
27.	Quentin Hart		NO
28.	Nancy McDowell	YES	
29.	LuAnn Scholbrook	YES	
30.	Jack Hasken	PHONE	
	NON-VOTING MEMBER	PRESENT	NOT PRESENT
31.	Bill Dotzler	YES	
32.	Kirsten Running-Marquardt		NO
33.	Drew Conrad	YES	
34.	John Smith	YES	
35.	Wendy Mihm-Herold	YES	
36.	Rita Grimm	YES	
37.	Rosie Thierer	YES	
38.	Daniel Craig by designee Katrina Carter	YES	
39.	Jerry Foxhoven		NO
40.	Greer Sisson	YES	
41.	Mary Cannon-James	YES	

	ATTENDEE	PRESENT	NOT PRESENT
	Evans, Shelly – IWD	YES	
	Ryan West – IWD	YES	
	Cathy Ross – IWD	YES	
	David Steen – IWD	YES	
	Jon Peppetti – IWD	YES	
	Molly Elder – IWD	YES	
	Michael Spurgin – IWD	YES	
	Donna Burkett – IWD	YES	
	Wendy Greeman – IWD	YES	
	Donna Burkett – IWD	YES	
	Jeremy Hamp – IWD	YES	
	Brenda Boten – IWD	YES	

**MEETING MINUTES**

Call to Order, **Andy Roberts**.

Roll Call and establish Quorum, Shelly Evans, Board Administrator.

**ACTION ITEM**

ACTION	1 <sup>st</sup>	2 <sup>nd</sup>	Unanimously Approved
Approval of Agenda.	Jay Iverson	Kelly Barrick	X

**ACTION ITEM**

ACTION	1 <sup>st</sup>	2 <sup>nd</sup>	Unanimously Approved
Approval of Minutes from 2/18/19 meeting.	Richard Moon	David Mitchell	X

**ACTION ITEM**

ACTION	1 <sup>st</sup>	2 <sup>nd</sup>	Unanimously Approved
Approval of Minutes from 4/12/19 meeting.	Nancy McDowell	Jay Iverson	X

Director's Report by Beth Townsend, Director of IWD.

Discussion of realignment appeals and IWD's recommendations by Director Beth Townsend, IWD.

**8.1 - ACTION ITEM**

ACTION	1 <sup>st</sup>	2 <sup>nd</sup>	Unanimously Approved
Motion to deny all appeals.	Richard Moon	Emily Wharton	X

Next steps regarding realignment process by Director Beth Townsend, IWD.

Review and discussion of FRI Grants High Demand Occupation List.

**10.1 - ACTION ITEM**

ACTION	1 <sup>st</sup>	2 <sup>nd</sup>	Approved
Motion to deny adding additional occupations to regional FRI Grants High Demand Occupation List.	Richard Moon	Emily Wharton	X

**ACTION ITEM**

MOTION	1 <sup>st</sup>	2 <sup>nd</sup>
Motion to Adjourn. Adjournment at 3:00 p.m.	Emily Wharton	Richard Moon

Respectfully Submitted,

Handwritten signature of Shelly Evans in cursive script.

Shelly Evans, Board Administrator

Handwritten signature of Andy Roberts in cursive script.

Andy Roberts, Member

VOTING MEMBER	Accept Appeal	Deny Appeal
Governor Kim Reynolds		
Senator Jake Chapman		
Representative Dave Deyoe		
Director Beth Townsend		
Director Ryan Wise		
Director Emily Wharton		
Director David Mitchell		
John Krogman, Chair		
Lynn Schreder, Co-Chair		
Jay Iverson		
Anne Parmley		
Amy Larsen		
Sondra Meyers		
Becky Jacobsen		
Steve Gilbert		
Gina Bettini		
Jeff DeVries		
Cara Sanders		
Kelly Barrick		
John (Jack) Hasken		
LuAnn Scholbrock		
Carrie Duncan		
Richard Kurtenbach		
Ken Sagar		
Andy Roberts		
Richard Moon		
Jayson Henry		
Carmen Heck		
Quentin Hart		
Nancy McDowell		

Please see also the audio recording of the May  
30, 2019 State Workforce Board Meeting.