

**New York's One-Stop  
Readiness Under the  
Workforce Investment Act**

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## ACRONYMS

ETA            Employment and Training Administration

HUD            Housing and Urban Development

JTPA            Job Training Partnership Act

LWIB            Local Workforce Investment Board

MOU            Memorandum of Understanding

OSOS            One-Stop Operating System

SDA            Service Delivery Area

SWIB            State Workforce Investment Board

UI              Unemployment Insurance

WIA            Workforce Investment Act

## EXECUTIVE SUMMARY

This report presents the results of the audit of New York State's One-Stop career center system. The audit objective was to assess the status of New York's One-Stop career center system relative to where it needs to be to meet Workforce Investment Act (WIA) requirements. This report provides the reader with a snapshot as of November 29, 1999, of where New York stands in implementing WIA requirements and actions to be taken by July 1, 2000.

WIA was passed in August 1998 to reform Federal job training programs and create a new, comprehensive workforce investment system. The cornerstone of the new workforce investment system is a One-Stop service delivery, which unifies numerous training, education and employment programs into a single, customer-friendly system in each community. WIA requires that states complete full implementation by July 1, 2000.

### AUDIT RESULTS

New York has not established a State Workforce Investment Board (SWIB). A SWIB is paramount to establishing a comprehensive workforce investment system. Though New York has developed time frames to complete benchmarks established by the Employment and Training Administration (ETA), New York will need a strong commitment by State and local governmental units, and required partners to meet the July 1, 2000, deadline for WIA implementation. To meet the requirements for a One-Stop career center system under WIA, New York needs to address the following issues:

- C establish State and Local Workforce Investment Boards, and include all required partners in the One-Stop system;
- C define local areas and establish a One-Stop career center in each local area;
- C develop and execute Memoranda of Understanding (MOUs) with program partners;
- C allocate a fair share of operating costs to benefitting partner programs;
- C implement a data collection system which includes elements unique to WIA; and
- C improve access to services for visually and hearing-impaired One-Stop customers.

The Executive Deputy Commissioner of the State of New York Department of Labor responded to our draft report on February 10, 2000. The Executive Deputy Commissioner outlined actions taken subsequent to fieldwork addressing the recommendations contained in the draft report. The response has been incorporated into the report and included in its entirety as an Appendix.

## INTRODUCTION

### BACKGROUND

WIA was passed in August 1998 to reform Federal job training programs and create a new, comprehensive workforce investment system. The cornerstone of the new workforce investment system is a One-Stop service delivery, which unifies numerous training, education and employment programs into a single, customer-friendly system in each community. WIA requires that states complete full implementation by July 1, 2000. Interim final regulations, effective May 17, 1999, provided further direction on WIA requirements.

New York State was awarded an implementation grant in 1996 to develop a One-Stop system. The grant, as modified, provided \$13,293,750 in funding through December 31, 1999. As of September 30, 1999, New York has reported expenditures of \$4,209,508 and unliquidated obligations of \$6,991,501.

### OBJECTIVES AND SCOPE

The audit objective was to assess the status of New York's One-Stop career center system relative to where it needs to be to meet WIA requirements by July 1, 2000. Subobjectives were to assess the status of New York's One-Stop career center system in:

1. including all WIA required One-Stop partners,
2. opening centers in each area,
3. establishing agreements with agencies providing WIA required partner services,
4. developing a financial system to meet One-Stop needs under WIA,
5. developing a data collection system to meet One-Stop needs under WIA, and
6. providing access to services at the One-Stop centers.

In performing this audit, we conducted interviews with officials from ETA, New York State Department of Labor, and two One-Stop career centers. We reviewed and analyzed services for job seekers and employers, and other planning and implementation documents from various sources. We visited One-Stop career centers located in Jamaica and Poughkeepsie. We did not assess One-Stop career center performance, customer satisfaction, or customer choices. We also did not review internal controls relative to the One-Stop career center system.

The audit was performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States. Fieldwork began on November 15, 1999 and ended on November 29, 1999. We held an exit conference with New York State Department of Labor officials on December 22, 1999.



## AUDIT RESULTS

### ***1. Including All WIA Required One-Stop Partners***

WIA, Title I, Subtitle B, Chapter 3, Section 121(b)(1)(B), requires as partners those entities that carry out specific employment, training and education programs and activities. WIA requires that program partners be accessible through the One-Stop career centers and be represented on the SWIB and Local Workforce Investment Boards (LWIBs).

#### State Workforce Investment Board

New York has not established a SWIB. A SWIB is paramount to establishing a comprehensive workforce investment system. New York officials indicated that the SWIB would be established in the near future as the Governor signed legislation on November 10, 1999, which authorized the formation of a SWIB. New York's SWIB needs to address the following essential WIA requirements:

- C develop the State plan;
- C develop and continuously improve a Statewide system of activities funded under WIA;
- C designate local workforce investment areas;
- C develop allocation formulas for the distribution of funds;
- C develop and continuously improve comprehensive performance measures to assess the effectiveness of workforce investment activities;
- C prepare the annual report to the Secretary; and
- C develop the Statewide employment statistics system.

#### Local Workforce Investment Boards

LWIBs need to be established in New York. The development of LWIBs is contingent upon the designation of the local workforce investment areas by the SWIB.

#### One-Stop Career Centers

New York has identified prospective partners but does not have formal commitments from these partners to indicate their willingness to participate in the system. Also, New York has not taken steps to ensure that specific customer groups, such as those served through the Indian and Native American, Job Corps, and Housing and Urban Development's (HUD) Employment and Training programs, are served through the One-Stop delivery system.

## **2. Opening Centers in Each Local Area**

WIA, Title I, Subtitle B, Chapter 5, Section 134(c)(2)(A) requires, at a minimum, that each of the required programs, services, and activities be accessible in at least one physical center in each local area of the State.

The Governor had not designated local workforce investment areas as of November 29, 1999. However, State officials indicated that local workforce investment area designations under WIA should be similar to the 33 Service Delivery Area (SDA) designations under the Job Training Partnership Act (JTPA). New York identified only eight SDAs which had full-service One-Stop centers. New York will need to establish a full-service One-Stop center in each of the local workforce investment areas eventually designated.

## **3. Establishing Agreements with Agencies Providing WIA Required Partner Services**

20 CFR 662.230(c) states that all WIA required partners must:

*“Enter into a memorandum of understanding (MOU) . . . relating to the operation of the One-Stop system . . . including a description of services, how the cost of the identified services and operating costs of the system will be funded, and methods of referral.”*

MOUs have not been executed with WIA required program partners. However, New York has developed an MOU template agreement which contains general information on cost allocation, services to be delivered, and procedures for modification or termination of the MOU. The MOU template allows partners to terminate their participation in a One-Stop center by providing only 30 days written notice which may adversely affect services to participants, partner resources, and serve as a disincentive to establishing long-term funding streams due to the short notice for termination.

## **4. Developing a Financial System Able to Meet One-Stop Needs Under WIA**

WIA, Subtitle E, Section 184(a)(1) requires each State establish fiscal controls and fund accounting procedures. The Interim Final Rule under 20 CFR 662.270 provides further direction, stating:

*“. . . Each partner must contribute a fair share of the operating costs of the One-Stop delivery system proportionate to the use of the system by individuals attributable to the*



*partner's program. . . . Some of these (allocation) methodologies include allocations based on direct charges, cost pooling, indirect cost rates and activity-based cost allocation plans. . . ."*

There were no cost allocation plans for fairly charging operating costs to benefiting partner programs at the One-Stop career centers we visited. Currently, the Unemployment Insurance program paid all One-Stop facility costs while other program partners did not pay their proportionate share of the operating costs.

#### **5. Developing a Data Collection System Able to Meet One-Stop Needs Under WIA**

WIA, Subtitle B, Chapter 6, Section 136(d)(2) requires that a One-Stop data collection system be able to collect and report certain data elements for all customers who receive more than self-service and informational services.

New York currently uses multiple data collection systems to gather and report customer activities. While these systems do not include data elements which are unique to the WIA program, New York is working with a contractor to develop the One-Stop Operating System (OSOS), a management information system, which will incorporate WIA data elements. The OSOS is designed to support case management staff by providing a customer database which integrates data from various program partners. New York plans to begin testing OSOS in May 2000, and link program partners by July 1, 2000. When fully functional, the OSOS should meet WIA data collection needs for customers of the One-Stop centers.

Other data collection issues still being addressed by New York include:

- Releasing wage data from the State's Bureau of Revenue and Taxation to the One-Stops and for interstate inquiries by other states' One-Stop systems.
- Obtaining wage data from other states' wage reporting systems for customers who move into the state from other areas or obtain employment out of state.
- Developing the initial training provider list and performance information required for the subsequent training provider certifications and consumer reports.

#### **6. Providing Access to Services at the One-Stop Centers**

The introduction to the Interim Final Rule (Pages 18668-9) states that One-Stop delivery systems should be user-friendly and LWIBs should coordinate with the broader community, including transportation agencies, to ensure the centers are accessible to all customers.

We visited two One-Stop career centers and found the centers offer self-service and staff-assisted services. Facilities were clean and well-equipped with standard and specialized equipment for mobility impaired persons. Municipal parking, including designated handicapped spaces, and access to public transportation were available at the sites. However, the One-Stop career centers did not provide access to services for visually and hearing-impaired individuals.

Resource areas were designed to encourage public use. Computers were user-friendly, utilizing mouse driven programs (point and click) and “home screen” links to occupational related Internet sites. The State job listing does not contain full employer information, but further information is available from the center’s staff. Staff is available to assist customers and demonstrate equipment usage.

## **RECOMMENDATION**

We recommend that the Assistant Secretary for Employment and Training ensure that New York implements WIA One-Stop requirements. By July 1, 2000, New York needs to:

1. Include all WIA required One-Stop partners by:
  - establishing a SWIB and LWIBs with members that include all WIA required program partners; representatives from labor, government, education and low income; and a business majority; and
  - ensuring that specific consumer groups, such as those served through the Indian and Native American, Job Corps and HUD’s Employment and Training programs, are served in the One-Stop system.
2. Designate local workforce investment areas and open a minimum of one physical center in each local area which provides access to all core services and each of the WIA required programs, services and activities.
3. Ensure local areas develop and execute comprehensive MOU agreements with all WIA required partners which include provisions covering:
  - services to be provided,
  - the funding of services and operating costs, and
  - methods for referring customers between partners and services.
4. Ensure local areas develop cost allocation plans that fairly charge One-Stop operating costs to benefitting partner programs.

5. Oversee implementation of the data collection system by:
  - Ensuring OSOS captures complete and accurate data for all customers who receive more than self-service or informational services.
  - Developing a contingency plan for OSOS, since it is currently being developed and has not been tested.
  - Addressing outstanding data collection issues such as collection of wage information and training provider performance data.
6. Improve access to self-service activities for customers with hearing and visual impairments.

### **State of New York Department of Labor Response**

1. *“The New York State Workforce Investment Board has been nominated by the Governor following the prescribed nomination process. . . . The first meeting of the Board is expected within the next several weeks. . . . Local Workforce Investment Board Appointment Criteria was disseminated to local CEOs posted on the Internet in late November 1999. . . .*  
  
*The Department, in conjunction with NYATEP and NGA, has contacted appropriate federal agencies including USDOL to identify programs involving Indians and Native Americans, Job Corps, and HUD Employment and Training Programs. To date we have been unsuccessful in securing a list of HUD Employment and Training grant recipients in New York State.”*
2. *“The Department sent a Local Workforce Investment Area Designation Request Form to all CEOs in New York State to solicit their formal configuration requests. This information has been compiled and is ready for presentation to the Board at its first meeting. Board recommendations on the designation of areas are expected to be made at the first meeting, with formal designation by the Governor immediately thereafter. . . . The State Department of Labor has awarded One-Stop career center grants to 32 out of the 33 service delivery areas. . . .”*
3. *“A State-level MOU is being finalized among 13 State agencies. . . . The revised MOU template now requires partners to give 90 days written notice of intent to*

*terminate their participation in a One-Stop center. . . . A local MOU template was developed and disseminated on December 23, 1999. . . .”*

4. *“A local MOU template was developed and disseminated on December 23, 1999, which includes guidance on development of cost allocation plans. . . . In addition, we have been providing PowerPoint presentations on a regional basis across the State entitled, “Cost Allocation and Resource Sharing in the One-Stop Systems,” to assist the local areas in the negotiations of their Memorandum of Understanding.”*
  
5. *“Development of OSOS for the State is continuing. . . . The One-Stop Grant RFAs have included technology specifications/standards that the locals will have to meet in order to connect with the State system. A Technical Advisory was released to describe what back-up systems are being established.”*
  
6. *“NYS DOL will make every effort to ensure that all One-Stop centers are universally accessible to all customers regardless of disability or individual barrier to employment.”*