



## Local Policies – Administration and Governance

### Corrective Action

#### Effective Date

5/14/2025, Revision 3/2/2026

#### Purpose

The Northeast Iowa Workforce Development Board (NEIWDB) is responsible for ensuring that all programs and activities operated under the Workforce Innovation and Opportunity Act (WIOA) are administered in compliance with applicable laws, regulations, state and local policies, and contractual obligations. The purpose of this policy is to establish a clear and consistent framework for identifying, addressing, and resolving instances of non-compliance by WIOA Title I service providers and in matters of Equal Opportunity (EO). While the corrective action framework is similar for both areas, this policy separates EO and Title I components to ensure clarity in expectations and accountability.

#### Authority

NEIWDB

#### Scope

To accomplish these responsibilities and satisfy its oversight role, the NEIWDB will impose penalties or conditions in the form of sanctions for any noncompliance issues, including non-performance, that have not been resolved based on state-imposed corrective actions identified in monitoring or other oversight reports. The NEIWDB will also impose sanctions for non-compliance regarding nondiscrimination and equal opportunity provisions of WIOA.

Corrective actions are applied when efforts to seek compliance with WIOA Section 116, Section 118, or 29 CFR 38 fail. Violations may result from a monitoring review or, depending on the type of violation, a discrimination complaint.

#### Policy

##### Technical Violations

- Include deficiencies that do not include discrimination. Technical violations may include, but are not limited to, failure to:
  - Ensure that the Participant Handbook is included in each WIOA Title I participant's case file, as it contains the "Equal Opportunity is the Law" notice.
  - Include the required tag lines in a communication.



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- Technical Assistance may be provided to assist with deficiencies or noncompliance that cannot be resolved or corrected voluntarily. For each technical violation, the EO Officer will establish the minimum time frame necessary to correct the violation completely.

### Performance Violations

- Achieving performance measures or milestones as outlined in the statement or scope of work and/or fidelity to the program design in the subrecipient’s contract. The state performance sanctions policy mirrors the federal sanctions policy (TEGL 11-19) to the extent possible. However, because of the significance of a provider’s impact on participants and local performance, implementation of state sanctions may occur sooner and not mirror the federal timelines. “Failure” to perform on any WIOA metric would be defined as the following:
  - Failure to meet 50% of targets for any metric on a quarterly basis, or
  - Failure to average 90% of targets for all measures across programs (i.e., Adult) on an annual basis.
  - Failure to meet at least 90% of the negotiated performance rate in any quarter.
- Signification monitoring findings and/or not working to address and/or close findings promptly, including but not limited to:
  - Compliance with uniform cost principles described in Office of Management and Budget (OMB) circulars.
  - Compliance with appropriate uniform administrative requirements for grants and agreements applicable for the type of entity receiving funds.
  - Compliance with WIOA and applicable federal, state and local regulations.
  - Appropriate procurement, receipt, and payment for goods and services from vendors to ensure compliance with federal, state, and local requirements.
  - Fiscal integrity
- Compliance with all Subrecipient agreement stipulations, including adherence to the state’s WIOA Provisions and Assurances.

**Underspending** – Title I Service Provider must ensure that invoices adhere to the 60/40 cost allocation:

- Participant expenditures must constitute at least 60% of total costs per invoice.
- Administrative costs may not exceed 40% of total costs per invoice.

All Year 2 funds must be fully expended by June 30 of the applicable year.

For Youth program funding, allocations must follow these guidelines:

- Funds must be evenly split, with 50% allocated to In-School Youth (ISY) and 50% to Out-of-School Youth (OSY).



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- A minimum of 20% of Youth funds must be dedicated to Youth Work Experience Programs (WEPs).
- Mismanagement of Title I Service Provider agreement, which impacts performance standards, expenditure rates, employer relations and/or customer service.
- Other violations of legislative, regulatory, legal and other subrecipient agreement requirements.

### Section I: WIOA Title I Service Provider Compliance

**Title I Overview:** This section applies to the WIOA Title I Service Provider contracted by the NEIWDB. The provider must comply with federal, state, and local regulations, performance expectations, and operational requirements.

#### A. Performance Violations

Violations include, but are not limited to:

- Failure to meet negotiated performance metrics.
- Inadequate service delivery or participant engagement.
- Lack of consistent staffing in designated service locations (e.g., no full-time staff at a required AJC site).

#### B. Fiscal Compliance Violations

Violations include:

- Mismanagement of WIOA funds.
- Failure to maintain appropriate documentation for expenditures.
- Inappropriate spending (e.g., not adhering to the 60%/40% out-of-school youth expenditure requirement).

#### C. Performance Monitoring

The NEIWDB will monitor the Title I Service Provider quarterly includes:

- 1) Participant outcomes (enrollment, employment, credential attainment).
- 2) Compliance with contract requirements.
- 3) Data reporting from the program's system of record.
- 4) Monitoring reports.
- 5) Fiscal reporting and expenditure reviews.

#### D. Performance Measures

Key indicators include:

- Employment Rate (2<sup>nd</sup> and 4<sup>th</sup> Quarter Post-Exit)
- Credential Attainment
- Measurable Skill Gains



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- Median Earnings
- Program Effectiveness

Refer to the current year's negotiated performance rates for more information.

### E. Corrective Action Process

The following outlines the progressive steps the Northeast Iowa Workforce Development Board (NEIWDB) and the Title I Service Provider will follow to address program performance, financial reporting, and monitoring deficiencies. These steps supplement any Title I Service Provider agreement or performance policies outlined in the agreement.

#### 1) **Step 1: Identification of Deficiency and Initial Action**

When a deficiency in performance, compliance, or reporting is identified, the NEIWDB will issue a warning letter to the Title I Service Provider's signatory or equivalent position, with a copy to the NEIWDB. In certain cases, where specific performance triggers are met (e.g., failure to meet federally mandated performance benchmarks, significant financial reporting discrepancies, non-compliance with participant eligibility, or repeated findings in monitoring reports), the NEIWDB may bypass the warning letter and immediately initiate a Corrective Action Plan (CAP).

#### 2) **Step 2: Response to Warning Letter**

- The Title I Service Provider must provide a response to the NEIWDB within thirty (30) business days of receiving the warning letter. The response should include a plan for resolving the deficiency.
- NEIWDB may request a follow-up meeting with the Title I Service Provider to discuss performance issues and provide technical assistance as needed.

#### 3) **Step 3: Corrective Action Plan (CAP)**

If the deficiency is not resolved after the warning letter, the Title I Service Provider must submit a Corrective Action Plan within 15 business days from the request. The CAP must include:

- The nature of the deficiency
- The root cause of the deficiency
- The corrective actions to be taken
- Responsible parties
- Timelines for completion
- Any request for technical assistance from NEIWDB

#### 4) **Step 4: Follow-Up Monitoring and Review**

The NEIWDB will follow up within 30 business days of accepting the CAP to ensure the deficiencies are being addressed.

- If the corrective actions are successful, the NEIWDB will notify the Title I Service Provider that the corrective action process is complete.

- If deficiencies persist, the NEIWDB will initiate the formal Corrective Action Plan process by sending a letter to the Title I Service Provider’s signatory, with a copy to the Administrator or equivalent.

### 5) **Step 5: Resolution or Continued Action**

- The Title I Service Provider’s shall have thirty (30) business days from the CAP submission date to resolve the deficiency. If an extension is needed, the NEIWDB and Title I Service Provider may mutually agree to extend the timeline.
- NEIWDB staff will conduct follow-up monitoring, including requests for progress updates or additional information as necessary.

### 6) **Step 6: Sanctions for Unresolved Deficiencies**

If the deficiency is not satisfactorily resolved within the specified time, the NEIWDB may take one or more of the following actions:

- Extension of the Corrective Action Plan period
- De-obligation of funds
- Ineligibility for continued funding or contract renewal
- Ineligibility for future procurements for a specified period
- Termination of the agreement

### 7) **Step 7: De-Obligation or Termination:**

If de-obligation of funds or termination of the agreement is deemed necessary, the NEIWDB will present the issue as an action item to the Board. Written notification of this action will be sent to the Title I Service Provider’s signatory and the Title I Director.

## F. Monitoring and Documentation

NEIWDB staff will document all corrective actions and resolutions in the relevant performance or compliance files.

All corrective actions will be reviewed periodically until the deficiencies are resolved and the issue is considered closed.

## G. Appeals Process

### 1) **Right to Appeal**

If a Title I Service Provider is notified of the possibility of being sanctioned, they have the right to appeal the decision to the NEIWDB.

### 1) **Timeline for Appeal**

The Title I Service Provider must submit a formal appeal within 30 business days from the date of receiving written notification of the sanction.

### 2) **Appeals Process**

- The appeal should be submitted in writing to the NEIWDB, detailing the reasons for the appeal and any supporting documentation.



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- Upon receiving the appeal, the NEIWDB will review the circumstances and schedule a meeting, if necessary, to hear the provider's case.
- The NEIWDB will issue a decision on the appeal within 30 business days of receiving the appeal.

### 3) Appeal Outcomes

After review, the NEIWDB may either uphold the sanction, reduce the sanction, or take other corrective actions based on the appeal's outcome.

Upon a Title I Service Provider's being notified of the possibility of being sanctioned, the Subrecipient has the right to appeal the decision to the NEIWDB. The Title I Service Provider's will have 30 business days from the date of the written notification of sanction to submit an appeal.

#### H. Definitions:

- **Sanction:** A sanction is a penalty or a remedial action required for noncompliance with applicable federal, state, and local laws, regulations, agreement provisions/grant agreements or conditions, or policies. Sanctions may be applied based on failure to meet performance targets, financial reporting discrepancies, or other compliance issues as outlined in the Title I Service Provider agreement.

For Title I programs, sanctions may be based on the negotiated levels of performance agreed upon for the five WIOA performance measures (e.g., employment rate, median earnings, credential attainment, etc.).

For non-participant servicing subrecipients, sanctions will be based on the deliverables specified in the agreement and Statement/Scope of Work.

- **Technical Assistance:** Refers to the support and guidance provided by the NEIWDB to help Title I Service Providers identify and correct the causes of performance failure. This support may include training, resources, best practices, and other assistance to ensure service delivery aligns with performance expectations.

#### Section II: Equal Opportunity (EO) Compliance

The Northeast Iowa Workforce Development Board (NEIWDB) is committed to ensuring compliance with all applicable Equal Opportunity (EO) regulations as required under WIOA Section 188 and 29 CFR Part 38. This policy outlines the process for addressing any EO deficiencies identified through internal monitoring or external reports. The NEIWDB strives to maintain a workforce development system that is equitable and accessible to all individuals, regardless of race, color, religion, national origin, age, disability, or political affiliation.



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When EO violations or deficiencies are identified, corrective action may be required to ensure compliance with EO regulations and eliminate discriminatory practices.

### Equal Opportunity Violations:

- As required under WIOA Section 188 and 29 CFR Part 38, the NEIWDB is committed to ensuring equal opportunity and non-discrimination in all workforce development services. Include but are not limited to:
  - Discrepancies of disparate treatment (disparate treatment intentionally treating members of a protected groups differently based on their protected status);
  - Disparate impact (disparate impact means use of policies or practices that are neutral may or may not appear neutral, but which has a disproportionate impact on members of protected groups, and/or are not job related and consistent with business necessity; and
  - Failure to provide reasonable accommodations.
  - Language access services will be enhanced, including interpretation and translation services for LEP individuals.

### A. Equal Opportunity Monitoring

The Local Equal Opportunity (EO) Officer will conduct an annual internal review of policies, customer data, public postings, and service accessibility to identify and address any disparities. Additionally, the Local EO Officer will perform onsite monitoring annually to ensure compliance with WIOA Section 188 and related regulations, reinforcing equal access and non-discriminatory practices across all workforce development services.

Operations Managers at each American Job Center are responsible for overseeing daily compliance with these regulations. They ensure that policies and procedures align with federal and state equal opportunity requirements, addressing any deficiencies identified during monitoring reviews. By actively overseeing compliance efforts, Operations Managers play a crucial role in maintaining equitable and inclusive workforce services across all American Job Centers.

### B. Technical Violations (EO-Specific)

Technical violations of EO regulations may include, but are not limited to:

- Incomplete or improperly maintained EO files.
- Failure to meet required EO notification timelines.
- Improper signage or lack of ADA accommodations.
- Failure to provide adequate language access services for individuals with Limited English Proficiency (LEP).

### C. Discrimination Violations and Procedures

In the event of a discrimination-related issue, the following actions will be taken:



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### Complaint Intake and Initial Steps

- Complaints will be handled by the Iowa **WORKS** Operations Manager.
- Operations Managers will explain the complaint process, offer applicable services, and request a signed complaint form or written statement.
- All discriminatory complaints must be logged and referred immediately to the Local Equal Opportunity (EO) Officer if they cannot be resolved locally or fall outside of Iowa Workforce Development (IWD) authority.

### Investigation and Documentation

- If accepted for investigation, a confirmation letter or request for more information will be sent.
- All complaint records must be stored securely and maintained for three years from the resolution date.

### Referral to Other Agencies

- If appropriate, complaints will be referred to external agencies such as the Equal Employment Opportunity Commission (EEOC), which accepts complaints online or through the state agency.

### D. Corrective Access Process

#### 1) Identification of EO Deficiencies

#### **Corrective Action Policy – Equal Opportunity Monitoring**

The Local EO Officer will identify deficiencies through the annual monitoring process, including onsite visits. If a violation is found, the EO Officer will issue a written warning to the organization's designated signatory or equivalent authority, with a copy provided to the NEIWDB Program Manager.

#### **Examples of EO deficiencies may include:**

- Disparate treatment or impact based on protected characteristics.
- Failure to provide reasonable accommodations.
- Inadequate language access for LEP individuals.
- Absence of required EO statements on public-facing materials.

*Note:* In cases of serious or repeated violations, the NEIWDB may bypass the warning stage and proceed directly to issuing a Corrective Action Plan.

#### 1. **Response Requirement**

Organizations receiving a warning letter must submit a written response within 30 business days of issuance. The response should include:

- Acknowledgment of the deficiency.



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- A detailed plan and timeline for resolution.
- Identification of any support or technical assistance needed.

A follow-up meeting may be scheduled to discuss findings and potential remedies.

### 2. **Corrective Action Plan (CAP) Development**

If a formal Corrective Action Plan is necessary, the organization must submit the CAP within 30 business days of receiving the notice. The CAP should include:

- A description of the specific EO deficiency.
- Identification of the root causes.
- Action steps for correction.
- A timeline for implementation.
- A request for technical assistance if applicable.

### 3. **CAP Implementation and Monitoring**

Upon acceptance of the Corrective Action Plan, the organization has 30 business days to implement corrective actions unless a longer timeline is approved in writing by the NEIWDB. The NEIWDB EO Officer will oversee implementation and may request documentation or conduct additional site visits to verify progress.

### 4. **Resolution and Closure**

Once the corrective actions are fully implemented, the organization must submit documentation demonstrating compliance. The NEIWDB will then issue written confirmation that the deficiency has been resolved and that the organization is no longer under corrective action.

### 5. **Non-Compliance and Sanctions**

If the organization fails to meet the corrective action requirements within the specified timeframe, the NEIWDB may impose the following sanctions:

- Extension of the Corrective Action Plan with enhanced oversight.
- Referral to the Iowa Workforce Development EO Officer for state-level enforcement.
- Withholding or de-obligation of WIOA funds.
- Termination or suspension of funding agreements.
- Restriction from future procurements or contracts for a specified period.

### 6. **Appeals Process**



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Organizations may appeal any sanctions imposed due to unresolved EO violations. Appeals must be submitted in writing within 30 business days of the sanction notice. The appeal will be reviewed by the NEIWDB in accordance with the local grievance procedure and federal regulations.

### E. EO Timeframes and Responsibilities

**Initial Notification:** Within 5 business days of identifying a deficiency.

**Technical Assistance:** Provided by the NEIWDB within 10 business days of the initial notification.

**Corrective Action Plan Submission:** Due within 15 business days of identifying a violation.

**Follow-Up Review:** Conducted within 30 calendar days of CAP acceptance.

### F. Roles and Responsibilities

- **Local EO Officer:** Conducts monitoring, issues findings, and oversees corrective actions.
- **Operations Managers:** Ensure daily compliance with EO regulations and oversee corrective actions.
- **NEIWDB Staff:** Assist in implementing corrective actions and provide necessary technical assistance.

### References

- WIOA (Public Law 113-128)
- WIOA Section 116(g) – Performance Accountability
- WIOA Final Rule, 20 CFR 677.220 – Under what circumstances may a corrective action or sanction be applied to local areas for poor performance?
- WIOA Final Rule, 20 CFR 677.225 – Under what circumstances may local areas appeal a reorganization plan?
- Training and Employment Guidance Letter (TEGL) 11-19 – Negotiations and Sanctions Guidelines for the WIOA Core Programs
- Title 2 Code of Federal Regulations (CFR) Part 200: “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance)
- Title 2 CFR Part 2900: “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Department of Labor [DOL] Exceptions)
- WIOA Final Rules
- Title 20 United States Code (U.S.C.) Section 1401: “Definitions”
- WIOA Section 188 29 CFR Part 38
- WIOA Section 20 CFR § 678.600