

ADULT & DISLOCATED WORKER PROGRAM COMMITTEE

AGENDA

Wednesday, November 9, 2011

9:30 AM

workforce CONNECTIONS

Conference Room

7251 W. Lake Mead Blvd., Suite 200

Las Vegas, NV 89128

This meeting has been properly noticed and posted in the following locations:

City of North Las Vegas, 2200 Civic Center Dr., North Las Vegas, NV
City of Las Vegas, City Clerk's Office, 400 Stewart Avenue, Las Vegas, NV
Clark County, County Clerk's Office 500 S. Grand Central Parkway, Las Vegas, NV
Esmeralda County Courthouse, 233 Crook Street, Goldfield, NV
Henderson City Hall, 240 Water Street, Henderson, NV
City Hall, Boulder City, 401 California Ave., Boulder City, NV
workforce CONNECTIONS, 7251 W. Lake Mead Blvd., Las Vegas, NV
Nevada JobConnect, 3405 S. Maryland Pkwy., Las Vegas, NV
Lincoln County 181 Main Street Courthouse, Pioche, NV
Nye County School District, 484 S. West St., Pahrump, NV
Pahrump Chamber of Commerce, 1302 S. Highway 160, Pahrump, NV

This Agenda is also available on the *workforce* CONNECTIONS internet website at www.nvworkforceCONNECTIONS.org.

COMMENTARY BY THE GENERAL PUBLIC

This Board complies with Nevada's Open Meeting Law, by taking Public Comment at the beginning of the meeting immediately after the Board approves the Agenda and before any other action is taken and again before the adjournment of the meeting." The Board also has discretion to take Public Comment after any item on the agenda, after the item has been discussed by the Board, but before the Board takes action on the item.

Each person participating in Public Comment will be limited to three minutes of comment. If any member of the Board wishes to extend the length of a comment, then the Board member may do so through a majority vote of the Board.

The Board chair has the right to end any Public Comment which: (1) is not related to any matter within the authority of the Board; or (2) is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational, making personal attacks, or interfering with the rights of other speakers. ***Members of the public: please comply with the requests of the Board chair and do not be disruptive, otherwise you may be removed.***

Auxiliary aids and services are available upon request to individuals with disabilities by notifying Dianne Tracy, in writing at 7251 W. Lake Mead, #200, Las Vegas, NV 89128; or by calling (702) 638-8750; or by fax (702) 638-8774. The TTY/TDD access number is (800) 326-6868 / Nevada Relay 711. A sign language interpreter may also be made available with twenty-four (24) hour advance notice. An Equal Opportunity Employer/Program.

NOTE: MATTERS IN THIS AGENDA MAY BE TAKEN OUT OF ORDER.

Adult & Dislocated Worker Program Committee members: Valerie Murzl, Chair; Daniel Rose, Vice-Chair; Hannah Brown; Charles Perry and Maggie Arias-Petrel.

All items listed on this Agenda are for action by the Adult and Dislocated Worker Program Committee unless otherwise noted. Action may consist of any of the following: approve, deny, condition, hold or table. Public Hearings may be declared open by the Chairperson, as required for any of the items on this Agenda designated for discussion or possible action or to provide direction and recommendations to workforce CONNECTIONS.

AGENDA

1. Call to order, confirmation of posting and roll call.
2. **ACTION:** Approve the agenda with inclusions of any emergency items and deletion of any items.
3. **FIRST PUBLIC COMMENT SESSION:** Members of the public may now comment on any matter posted on this Agenda, which is before this Committee for consideration and action today. Please clearly state and spell your name and state your address for the record. Each public comment will be limited to three (3) minutes.
4. **ACTION:** Approve the Adult & Dislocated Worker Committee meeting minutes of September 14, 2011 and October 12, 2011..... 1
5. **INFORMATION:** Southern Nevada Medical Industry Coalition Update –Carol Turner.....6
6. **INFORMATION:** Funded Partners Client Success Stories
7. **SECOND PUBLIC COMMENT SESSION:** Members of the public may now comment on any matter or topic, which is relevant to or within the authority or jurisdiction of the Board. You may comment now even if you commented earlier, however, please do not simply repeat the same comment you previously made. Please clearly state and spell your name and state address for the record. Each comment will be limited to three (3) minutes.
8. Adjournment

ADULT & DISLOCATED WORKER COMMITTEE

September 14, 2011

9:30 AM

workforce **CONNECTIONS**

Conference Room

7251 W. Lake Mead Blvd., Suite 200

Las Vegas, NV 89128

Members Present

Dan Rose, Vice Chair

Mark Keays

Charles Perry

Maggie Arias-Petrel

Members Absent

Hannah Brown

Valerie Murzl - Chair

Staff Present

John Ball, Executive Director

Kim Colagioia

Debra Collins

Heather DeSart

Cornelius Eason

Kelly Ford

Jeannie Kuennen

Emilio Pias

Kelly Woods

(It should be noted that not all attendees may be listed above)

Others Present

Peggy Oliver – ISIS Connection

Norma Zamora – Bridge Counseling Associates

Earl McDowell - DETR

Doug Geinzer – SNMIC

Rene Cantu – LCCCF

Ann Marie Colin –FIT

Helicia Thomas – GNJ Family Life Center

Patricia Baker –ESSN

Chandy Mariano - ESSN

Nicholas Mazzeo –CCSD

Tiffany Tyler –Nevada Partners

Shweta Bhatnagar – Nevada Partners

Diane Lake – Nye CC

Claudia Palacios – Nye CC

Elizabeth McDaniels – Goodwill

Vincent Miller - Goodwill

Agenda Item 1 - Call to Order, confirmation of posting, roll call

Vice Chair, Dan Rose, called the meeting to order at 9:35 a.m. Staff confirmed the meeting had been properly noted and posted in accordance with the Nevada Open Meeting Law. Roll call was taken, and a quorum was present.

Agenda Item 2 –ACTION: Approval of agenda with inclusions of any emergency items and deletion of any items.

Motion was made to accept the agenda as presented by Charles Perry, and seconded by Mark Keyes. Motion was carried.

Agenda Item 3 - First Public Comment Session: None

Agenda Item 4 – ACTION: Approve the Adult & Dislocated Worker Committee meeting minutes of June 22, 2011 and July 13, 2011.

Motion to accept the meeting minutes of June 22, 2011 and July 13, 2011 as presented was made by Charles Perry, and seconded by Mark Keyes. Motion was carried.

Agenda Item 5 – INFORMATION: Prisoner Re-entry: Update and overview of Second Chance Curriculum Training – Michael Simmons, Re-Entry Case Manager.

Heather DeSart, Deputy Director Workforce Development, gave a brief statement about the PRIDE program being run in house and informed the committee that the program would be relocating to a facility outside of Casa Grande where it is currently housed, in order to be able to provide services to a wider population of ex-offenders.

John Ball, Executive Director, gave the committee an update in response to questions that were raised at the last *workforce CONNECTIONS* board meeting concerning the PRIDE program, the re-entry program which is currently being run in-house. Mr. Ball reviewed a detailed chronology that was given to the committee; the timeline included the events that transpired, the actions that were voted on and taken at each meeting and the members that were present at each of those meetings. Mr. Ball stated that he wanted the record to reflect that there had been nothing done outside of anybody's information and that each step in the process has been taken pursuant to the direction received from the both the ADW committee and the full Board, and that it would continue to be moved along according to the same process in the future. Ardell Galbreth, Deputy Director of Operations informed the committee that the Department of Employment, Training, and Rehabilitation had allocated \$300,000 to be used for the PRIDE program.

Michael Simmons, Re-entry Case Manager, gave the committee a brief report of his experience in San Diego at the Second Chance Curriculum Training. Mr. Simmons noted that Second Chance has its own facility that meets all of their needs to implement the program and the teamwork amongst all staff members from receptionist to managers, was exceptional. Second Chance employs a large number of their graduates. The sessions are run in 4-week increments; the first two weeks deals with behaviors and attitudes, and this is the time period during which individuals self-select by virtue of their behavior whether they will remain in the program. The second two weeks deals with job readiness, resume writing, interview skills, and all of the things that will prepare them to effectively search for employment. Mr. Simmons stated that the PRIDE team will be working to incorporate the knowledge they've gained from Second Chance and are excited that they will be able to extend services to a more widespread ex offender population as they relocate the program to a new facility outside of Casa Grande.

Heather DeSart acknowledged Director of Regional Strategies, Cornelius Eason; Mr. Eason has been spending time with the PRIDE Job Developers, giving them sales training, helping them to be able to present their clients in the best possible light, and helping them craft ways to better serve their challenging population to employers.

Agenda Item 6 – INFORMATION: Update on current RFI Process to formulate consortia in the Healthcare and Green Economy sectors for Youth

Youth Program Specialists, Kim Colagioia and Kelly Woods, presented information about the RFI process that the Youth department is currently engaged in. Kim Colagioia explained the differences between an RFI and an RFP process and stated what they hope to accomplish and achieve at the end of this process. Kelly Woods informed the committee on that as regards the Green sector, work was being done on the pre-apprenticeship green advantage curriculum that will be administered in schools, and opportunities were being explored to leverage resources in relationship to the SESP grant. Ms. Woods further stated that both the green and healthcare sectors would be operating under the Ready for Life framework which is a statewide initiative all Youth programs would be operating under.

In response to a query as to why a presentation was being given on Youth activities, Heather DeSart said that the Adult and Youth programs were being aligned in order to provide a continuum of care, and periodically we would bring interesting and innovative Youth items to the committee for informational purposes.

Agenda Item 7 -INFORMATION: Performance Report

Executive Director, John Ball gave the committee information on his presentation of *workforce CONNECTIONS'* performance numbers before the U.S. House of Representatives Committee on Education

and the Workforce. Mr. Ball opined that one of the reasons *workforce CONNECTIONS* was chosen to give this presentation was that Nevada has had the worst regional economy in the country over the last couple of years and if they're going to tweak or majorly re-write the Workforce Investment Act in the future, they wanted to understand how the programs were running.

Mr. Ball directed the committee's attention to a packet which delineated the performance numbers and noted that we have continued to meet and exceed the targeted performance indicators that the Department of Labor wants. Mr. Ball further stated that we re-tooled the Youth portion and had seen success with that and that on the Adult side as the economy has trended substantially downward in employment opportunities, the programs that are operated out of the Adult and Dislocated Worker committee have continued to maintain and exceed those Department of Labor goals.

Agenda Item 8- INFORMATION: Funded Partner Contract Update

Heather DeSart described how the process of contract negotiations occurs and noted that we are approximately 95% of the way to execution with scopes of work and budgets from the Funded Partners in place. The Funded Partners are currently working under a Letter of Intent which allows them to deliver services and expend funds; the letters of intent expire September 30th and we are on track to have contracts executed by that date.

John Ball stated that *workforce CONNECTIONS* was having continuing difficulties with one of the funded partners, Southern Nevada Medical Industry Coalition (SNMIC) and that they were exhibiting what he would characterize as "a high level of reluctance to engage in a good faith negotiation". Mr. Ball further stated that we would continue to try to work through those challenges and if we encountered the same level of reluctance we would bring that back before the committee.

Agenda Item 9 – INFORMATION: NVTrac Demonstration

Adriana Burnett, MIS Support & Training Administrator, gave a demonstration on the functionality of NVTrac, the new software data capturing system. Ms. Burnett told the committee that one of the differences between NJCOS, the state data system that *workforce CONNECTIONS* previously used and NVTrac is that NJCOS is great for data collection but not very good for data *reporting*. NVTrac is more customizable and able to provide data/reports much more quickly.

Agenda Item 10 - SECOND PUBLIC COMMENT SESSION:

Doug Geinzer, Southern Nevada Medical Industry Coalition, gave the committee an update and distributed a handout synopsisizing the Healthcare 20/20 program.

ADW Committee member, Charles Perry, disclosed that he was one of the founding members of SNMIC, as well as a member of the Executive Committee of that organization. Mr. Perry noted that he was "nonplussed" concerning the situation regarding SNMIC, acknowledged that there might be areas where there are conflicts of interest, and asked for guidance regarding where he might be able to interject his opinions and when he should remain silent in discussions involving the entity. Executive Director, John Ball said he did not anticipate any problems but would be happy to provide guidance to Mr. Perry when necessary.

Claudia Palacios, Program Manager, Career Connections-Pahrump gave the committee an update on the programs they're operating in the Rurals. Ms. Palacios detailed the collaborative efforts being expended in the Rurals which allows them to provide comprehensive services to individuals including the ex-offender population.

Agenda Item 11: Adjournment

The meeting adjourned at 10:37a.m.

ADULT & DISLOCATED WORKER COMMITTEE

October 12, 2011

9:30 AM

workforce **CONNECTIONS**

Conference Room

7251 W. Lake Mead Blvd., Suite 200

Las Vegas, NV 89128

Members Present

Valerie Murzl - Chair
Dan Rose, Vice Chair
Charles Perry
Maggie Arias-Petrel (via telephone)

Members Absent

Hannah Brown
Mark Keays

Staff Present

John Ball, Executive Director
Heather DeSart
Kelly Ford
Jeannie Kuennen
Emilio Pias

Others Present

Peggy Oliver – ISIS Connection
Norma Zamora – Bridge Counseling Associates
Maria Flores – Bridge Counseling Associates
Doug Geinzer – SNMIC
Rene Cantu – LCCCF
Jake McClelland – FIT
Penny Hagen – FIT
Helicia Thomas – GNJ Family Life Center
Nicholas Mazzeo – CCSD
Peggy Oliver - ISIS Connection
Trnee Stephenson – ISIS Connection
Janice Rael – Nevada Partners
Stacy Smith – Nye CC
Diane Lake – Nye CC
Claudia Palacios – Nye CC
Elizabeth McDaniels – Goodwill

(It should be noted that not all attendees may be listed above)

Agenda Item 1 - Call to Order, confirmation of posting, roll call

Chair, Valerie Murzl, called the meeting to order at 9:35 a.m. Staff confirmed the meeting had been properly noted and posted in accordance with the Nevada Open Meeting Law. Roll call was taken, and a quorum was present.

Agenda Item 2 –ACTION: Approval of agenda with inclusions of any emergency items and deletion of any items.

Motion was made to accept the agenda as presented by Charles Perry, and seconded by Dan Rose. Motion was carried.

Agenda Item 3 - First Public Comment Session: None

Agenda Item 4 – INFORMATION: Funded Partner Contract Update.

Deputy Director Workforce Development Systems, Heather DeSart, gave the committee on the status of the Funded Partner contracts that have been fully executed up to this point; all green sector contracts have been fully executed. The healthcare sector contracts have been executed with the exception of SNRHA and CCSD/Desert Rose which are still in process and SNMIC which will not be going forward.

Ms. DeSart directed the committee members to review the backup documents concerning SNMIC and gave further details as to why they would not be executing a contract with *workforce CONNECTIONS*. SNMIC has been placed on high risk status due to some outstanding fiscal issues that were not being resolved in a manner that we were comfortable with; their letter of intent was extended for thirty days along with the high risk designation. The executive board of SNMIC met and determined that while they were very interested in resolving the issues that led to the placement of the agency on high risk and having that designation removed,

they were not interested in moving forward and executing a contract with *workforce CONNECTIONS*. Ms. DeSart noted that while that was not the direction we wanted to go, we do have several other options to investigate in order to maintain the continuity of services for the clients of the Healthcare 20/20 program.

Agenda Item 5 –ACTION: Direct staff to implement a “tag-on procurement” under WIA regulations in order to maintain continuity of services for SNMIC’s Healthcare 20/20 program. A “tag on procurement” tags on to other state or LWIB procurement actions

Executive Director, John Ball, gave the committee more information regarding the events that transpired which necessitated securing a provider to implement the Healthcare 20/20 program.

Mr. Ball noted that he did not think it would be difficult to resolve the issues surrounding SNMIC but the timing of the decision by the SNMIC board to not go forward with executing a contract presents some challenges.

Because the decision is occurring in the middle of the thirty-day extension to SNMIC’s letter of intent, the time is much more constricted and it impacted the alternatives that were looked at for keeping the services in place. Mr. Ball further stated that the SNMIC board made the decision not to continue for their own purposes and the first that *workforce CONNECTIONS* knew of this was in the middle of the LOI process; we were not prepared for it and had had every intention of working out the difficulties with the existing contractor, also the program model is not the type of model that we’ve dealt with in the last years, a generalized training program, it is a specific sector strategy which limits the pool of viable alternatives to handle the contract. Some of the options that were considered were rebidding the contract, moving on to the next highest qualifying bidder in the RFP process, sole sourcing to the most appropriate entity, implementing a tag on procurement with authority from 29 CFR 97.36 (a)(5) which allows us to “tag on” to an existing contract that has been procured according to DOL procurement guidelines, or as a very last resort, running the program internally.

Workforce CONNECTIONS had preliminary discussions with NevadaWorks, and it happens that they are in contract negotiations with the Nevada Hospital Association, who has been a key partner of ours and is also a key partner of the Southern Nevada Medical Industry Coalition. It is our intent to pursue the tag-on procurement as a first alternative, and bring that recommendation to the full board at their next meeting on October 25, 2011. Mr. Ball stated that we reserve the right that if for some reason the collaboration with Nevada Hospital Association does not work out, we reserve the right to sole source the contract with either a local provider, or some other provider in the state that has a contract.

In response to a query as to why SNMIC would choose to address the issues that resulted in the high risk status but not to continue as a provider, Heather DeSart answered that having a high risk designation could jeopardize future funding and would be of a concern to an entity comprised of 600 plus volunteer organizations. Mr. Perry stated the timelines were tight and that SNMIC was not equipped with being able to comply and that they thought there might be other opportunities to work more closely with the private sector and not have to rely on Federal money. Mr. Perry noted that he supported moving the program over to NHA.

A motion to direct staff to implement a “tag-on procurement” under WIA regulations in order to maintain continuity of services for SNMIC’s Healthcare 20/20 program; if a tag-on with NHA is not feasible, staff will pursue the appropriate alternative under 29 CFR 97.36(a)(5) was made by Dan Rose and seconded by Maggie Arias-Petrel. The motion carried.

Charles Perry abstained from the vote due to his association with SNMIC.

Agenda Item 6 - SECOND PUBLIC COMMENT SESSION: None

Agenda Item 7: Adjournment

The meeting adjourned at 10:22am.

SOUTHERN NEVADA MEDICAL INDUSTRY COALITION (SNMIC)

Review of High Risk Determination

The DOL Code of Federal Regulations (CFR) states that financial management systems of subgrantees must meet the following standards: 1) financial reporting, 2) accounting records, 3) internal control, 4) budget control, 5) allowable cost, 6) source documentation, and 7) cash management.

Concerns relating to financial reporting, internal control, allowable cost, and cash management were identified during the May 2, 2011 Fiscal Compliance Review on-site monitoring of SNMIC.

Financial Reporting

Quarterly Financial Status Reports are due on the 15th day following the end of each quarter. SNMIC's quarterly reports were late or incomplete four out of four quarters or 100% of the time.

- ⇒ December 31, 2010 – SNMIC's first quarterly status report was due January 17, 2011 but it was submitted late on January 31, 2011.
- ⇒ March 30, 2011 – SNMIC's second quarterly status report was due on April 15, 2011 but it was submitted late on May 3, 2011.
- ⇒ June 30, 2011 – SNMIC's third quarterly status report was due on July 15, 2011. A report was submitted on July 15, 2011 but it was incomplete because it included April and May data. A second revised report with the required three months worth of data was submitted on August 4, 2011. A third, revised quarterly financial status report was submitted late on August 5, 2011.
- ⇒ September 30, 2011 – SNMIC's fourth quarterly status report was due on October 15, 2011 but it was submitted late on October 20, 2011.

Internal Control

Segregation of duties is critical to effecting internal control. It was identified in the May 2, 2011 Fiscal Compliance Review that SNMIC's CEO is currently performing almost all fiscal duties under the contract including invoicing. SNMIC's CEO was signatory on paychecks, timesheets, travel and cost reimbursements, contracts, and all bank accounts. As one of the corrective actions needed to remove high risk status as identified in the September 30, 2011 High Risk Determination letter, SNMIC was required to have their contracted CPA perform a segregation of duties analysis regarding SNMIC's fiscal functions and processes and submit a written evaluation to WC staff. To address these concerns, during both the PY2010 and PY2011 budget negotiations, WC staff recommended that SNMIC budget, hire, and retain at least a part-time (20 hours per week or more) dedicated fiscal staff person.

Internal control policies need to be implemented by management and staff. During the May 2, 2011 Fiscal Compliance Review for SNMIC, the follow concerns were observations and findings were identified:

- ⇒ SNMIC’s internal control policy requires two signatures on checks with amount exceeding \$500. During the May 2nd sampling, three checks from the March bank statement in the amounts of \$49,722.46, \$3,801.00, and \$2,000.00 had only one signature.
- ⇒ Employee time cards did not have the required two signatures by their own internal control policy. Some employee timecards were unsigned by the employee, the supervisor, or both.
- ⇒ The CEO provided copies of an outlook calendar with no employee or supervisor signature in lieu of filling out a timecard.
- ⇒ Bank reconciliations completed by the contracted CPA did not have signatures reflecting two reviews (CEO and Administrative Manager) which are required by SNMIC’s written policy.

Allowable Costs

Due to concerns identified during the May 2, 2011 Fiscal Compliance Review, WC hired a DOL contractor to do an invoice desk review audit on PY2010 expenditures being questioned for allowability. The expenses included parking for Douglas Geinzer’s oversized vehicle and all food related items. OMB A-122 entertainment policy states that costs for amusements, social activities, and incidental expenses such as meals, beverages, lodging, rentals, transportation, and gratuities are not allowable. Based on our review and further information and documentation gathered from SNMIC, it will be determined which of the following expenditures are unallowable and SNMIC will not be reimbursed for these expenses. WC will also need to review similar SNMIC expenditures in PY2011 to determine their allowability. A detailed list of costs follows this summary.

Summary of Questioned Costs

\$ 600.00	Parking for CEO D. Geinzer's oversize vehicle
\$ 1,500.00	Awards Banquet Honoring CEO D. Geinzer
\$ 851.56	Staff Meeting Meals
\$ 126.25	SNMIC Board Meeting Meals
\$ 51.37	Vendor Meeting Meals
\$ 1,089.54	Employer/Partner Meals
\$ 255.00	Meals/event at LV Chamber and Diversity luncheons
<u>\$ 898.32</u>	Meals for Participant Training
\$ 5,372.04	TOTAL QUESTIONED COSTS

Please note: Five additional items were reviewed by the DOL auditor in the amount of \$27,643.62 and source documents were reviewed at their request.

Cash Management

Despite extensive cash management technical assistance (TA) training, SNMIC found it difficult to maintain an adequate cash balance due to their failure to request advances and invoice expenditures in a timely manner. Monthly invoices are due on the last day of the following month. SNMIC's monthly invoices were late or incomplete 5 out of 9 reports or 56% of the time.

- ⇒ SNMIC's first advance request was submitted on October 8, 2010. ACH payment in the amount of \$155,210 was processed on October 21, 2010.
- ⇒ October 31, 2010 – SNMIC's first monthly invoice was due November 30, 2010 but it was submitted late and incorrect on December 3, 2010. Revisions were submitted December 17, December 20, and the final was submitted January 05, 2011. The amount of \$13,740.12 was approved for October, but no payment was processed due to advances.
- ⇒ November 30, 2010 – SNMIC's second monthly invoice was due December 31, 2010 and it was submitted on time but incorrect on December 22, 2010. The final was submitted on January 05, 2011. The amount of \$52,246.42 was approved for November but no payment was processed due to advances.
- ⇒ December 31, 2010 – SNMIC's third monthly invoice was due January 31, 2011 and it was submitted on time on January 17, 2011. The amount of \$37,436.30 was approved for December but no payment was processed due to advances.
- ⇒ SNMIC's second advance request was submitted on January 17, 2011. ACH payment in the amount of \$137,000 was processed on February 8, 2011.
- ⇒ January 31, 2011 – SNMIC's fourth monthly invoice was due February 28, 2011 and it was submitted late on March 2, 2011. The amount of \$57,050.68 was approved for January but no payment was processed due to advances.
- ⇒ February 28, 2011 – SNMIC's fifth monthly invoice was due March 31, 2011 and it was submitted on time on March 2, 2011. The amount of \$83,285.66 was approved for February but no payment was processed due to advances.
- ⇒ SNMIC's third advance request was submitted on March 17, 2011. An ACH payment in the amount of \$159,300 was processed on April 28, 2011.
- ⇒ March 31, 2011 – SNMIC's sixth monthly invoice was due April 30, 2011 and it was submitted on time on April 14, 2011. The amount of \$86,915.53 was approved for March but no payment was processed due to advances.
- ⇒ April 30, 2011 – SNMIC's seventh monthly invoice was due on May 31, 2011 and it was submitted on time on May 13, 2011. The amount of \$84,730.83 was approved for April but no payment was processed due to advances.
- ⇒ SNMIC's fourth advance request was dated May 13, 2011. A partial ACH payment in the amount of \$60,000 was made on May 12, 2011.
- ⇒ SNMIC's fifth advance request was submitted on May 9, 2011. The remaining partial ACH payment in the amount of \$30,000 was made on June 22, 2011.

- ⇒ May 31, 2011 – SNMIC's eighth monthly invoice was due June 30, 2011 and it was submitted incorrectly with YTD totals out of balance on June 9, 2011. A corrected invoice was submitted on time on June 13, 2011. The amount of \$88,190.06 was approved for May but no payment was processed due to advances.
- ⇒ SNMIC's sixth advance request was submitted on July 12, 2011. An ACH payment in the amount of \$80,000 was made on June 22, 2011.
- ⇒ June 30, 2011 – SNMIC's ninth monthly invoice was due August 31, 2011 and it was submitted on time but incorrect on August 5, 2011. The amount of \$122,093.85 was approved for June and a final ACH payment in the amount of \$9,605.58 to complete payment for the PY2010 contract period.

Procurement/Contracts Management

During the May 2, 2011 Fiscal Compliance Review, it was determined that no contract files contained evidence in writing that the contracts had been reviewed and approved by WC prior to execution as required for contracts of \$1,000 or over. More importantly, there was no document that SNMIC received quotes or bids as required by WC Procurement Policy #2.2.

SNMIC's six (6) sub-contracts range from \$2,500 to \$43,125 for a total amount of \$105,774. One contract for Image Marketing was not executed. One contract with Interweave was not fully executed and they have been reimbursed for more than the contracted amount. There was no contract for CPA services. SNMIC's procurement records were out of compliance with WC's 2.2 Procurement Policy six out of six contracts or 100% of the time.

PY2011 Budget Negotiations

Beginning in July 2011, WC staff met by telephone and in person with SNMIC's CEO and staff to discuss their proposed program and budget for PY2011. During PY2011 Adult and Dislocated Workers contract negotiations, WC limited the indirect cost for service providers to 13.0%. However, WC allowed SNMIC to go 0.90% above the limit to appease program design and encourage ongoing negotiations. In addition to WC requesting that SNMIC restrict their indirect cost line in the amount of 13.9% of budget or \$83,400, SNMIC was told that their CEO's salary can only be funded within this indirect cost amount. Four proposed budgets were submitted by SNMIC with a wide variety of salary totals and positions for the CEO position held by Doug Geinzer.

- ⇒ The first proposed budget submitted by SNMIC reflected the CEO's salary as 50% at a salary base of \$150,000 in the indirect cost personnel line which is not his actual salary.
- ⇒ The second proposed budget submitted by SNMIC reflected the CEO's salary at 10% as CEO at the incorrect salary base of \$150,000 in the indirect cost personnel line and 75% as Project Manager/Job Developer at the incorrect salary base of \$80,000 in the direct personnel category.
- ⇒ At the final request by WC staff in a letter dated September 1, 2011, a third proposed budget was submitted by SNMIC with the CEO's salary budgeted 100% at the correct salary base of \$69,500 and fringe in the indirect cost personnel line.

It was also recommended during budget negotiations that a part-time (at least 50%) dedicated fiscal staff member be budgeted, hired, and retained by SNMIC but this position was never reflected in any of the proposed budget versions submitted by SNMIC.

Budget negotiations were never completed because SNMIC notified WC on October 11, 2011 that they did not intend to renew their contract for PY2011.

SNMIC Questioned Costs Worksheet

Meals/Meetings									
Vendor	Memo	Amount	Date	Sign-in Sheet	Attendee Type	Note			
Yard House		26.32	10/25/2010		Staff				
Yard House		26.33	10/25/2010		Staff				
Tamya Lemke	Taskforce-SNMIC Board Meeting	31.28	11/1/2010		Board				
Tamya Lemke	Taskforce-SNMIC Board Meeting	31.28	11/1/2010		Board				
Tamya Lemke	Recruitment Task Force-SNMIC Board Meeting	16.21	11/1/2010		Board				
Tamya Lemke	Recruitment Task Force-SNMIC Board Meeting	16.20	11/1/2010		Board				
Claim Jumpers	Lunch Meeting with HCA - VP of HR	15.01	11/10/2010	YES	Emp/Partner	Vicki Perfect - HCA Far West			
Claim Jumpers	Lunch Meeting with HCA - VP of HR	15.02	11/10/2010	YES	Emp/Partner	Vicki Perfect - HCA Far West			
Jason's Deli	Healthcare 2020 Nursing Initiative	67.01	11/17/2010	YES	Emp/Partner	Various employers			
Jason's Deli	Healthcare 2020 Nursing Initiative	67.01	11/17/2010	YES	Emp/Partner	Various employers			
LV Chamber of Commerce	Board of Trustees Luncheon	25.00	11/29/2010	YES	Emp/Partner	Various employers			
LV Chamber of Commerce	Board of Trustees Luncheon	25.00	11/29/2010		DG - event	LV Chamber			
Douglas T. Geinzer	Member Event	62.50	12/1/2010	NO	Emp/Partner	NV Healthcare Forum			
Douglas T. Geinzer	Member Event	62.50	12/1/2010	NO	Emp/Partner	NV Healthcare Forum			
Tamya Lemke	SNMIC Board Meeting	15.64	12/1/2010		Board				
Tamya Lemke	SNMIC Board Meeting	15.64	12/1/2010		Board				
LV Chamber of Commerce	Annual Meeting	30.00	12/1/2010		DG - event	LV Chamber			
LV Chamber of Commerce	Annual Meeting	30.00	12/1/2010		DG - event	LV Chamber			
Bootlegger Bistro	Health/Medical Tourism	9.29	12/8/2010		Staff				
Bootlegger Bistro	Health/Medical Tourism	9.30	12/8/2010		Staff				
The Egg Works		11.23	1/19/2011	NO	Emp/Partner	Scott Lamprecht			
The Egg Works		11.23	1/19/2011	NO	Emp/Partner	Scott Lamprecht			
LV Chamber of Commerce		27.50	1/28/2011		DG - event	LV Chamber			
LV Chamber of Commerce		27.50	1/28/2011		DG - event	LV Chamber			
Cracked Egg	Lucene Meeting	12.75	2/3/2011	NO	Emp/Partner	Chandler Mars - Lucene BioTech			
Cracked Egg	Lucene Meeting	12.76	2/3/2011	NO	Emp/Partner	Chandler Mars - Lucene BioTech			
Raising Caine's	CSN HIT Program	28.48	2/4/2011	YES	Emp/Partner	CSN HIT contacts (meeting 12-1 pm)			
Raising Caine's	CSN HIT Program	28.48	2/4/2011	YES	Emp/Partner	CSN HIT contacts (meeting 12-1 pm)			
Fanny's Bistro	Strategy Meeting	12.26	2/11/2011		Staff				
Fanny's Bistro	Strategy Meeting	12.26	2/11/2011		Staff				
Jason's Deli	Leadership Coaching	67.31	2/21/2011	YES	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching	67.31	2/21/2011	YES	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching	67.18	2/24/2011	YES	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching	67.18	2/24/2011	YES	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching Evening Session	93.63	2/24/2011	NO	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching Evening Session	93.62	2/24/2011	NO	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching	84.46	3/3/2011	NO	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching	84.46	3/3/2011	NO	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching	58.39	3/10/2011	NO	Participants	Leadership coaching			
Jason's Deli	Leadership Coaching	58.40	3/10/2011	NO	Participants	Leadership coaching			

SNMIC Questioned Costs Worksheet

Meals/Meetings

Vendor	Memo	Amount	Date	Sign-in Sheet	Attendee Type	Note
Jason's Deli	Leadership Coaching	78.19	3/10/2011	NO	Participants	Leadership coaching
Jason's Deli	Leadership Coaching	78.19	3/10/2011	NO	Participants	Leadership coaching
Egg Works	Program Design/Mod	11.19	3/15/2011	NO	Staff	
Egg Works	Program Design/Mod	11.19	3/15/2011	NO	Staff	
Los Tacos	Program Meeting with Project	20.00	3/24/2011	YES	Staff	
Los Tacos	Program Meeting with Project	20.00	3/24/2011	YES	Staff	
McCormack and Schmidt	Harron Rehab Employer Meeting	73.13	3/28/2011	YES	Emp/Partner	6 attendees
McCormack and Schmidt	Harron Rehab Employer Meeting	73.14	3/28/2011	YES	Emp/Partner	6 attendees
Original Pancake House	Membership Meeting	50.00	5/2/2011	YES	Staff	Staff meeting
Original Pancake House	Membership Meeting	50.00	5/2/2011	YES	Staff	Staff meeting
Los Tacos	Staff meeting	17.66	5/2/2011	YES	Staff	Staff meeting
Los Tacos	Staff meeting	17.66	5/2/2011	YES	Staff	Staff meeting
NV Nurses Association	Table sponsorship	500.00	5/2/2011	NO	Emp/Partner	NV Nurses Assoc.
Peppermill Restaurant	Staff Development Meeting	30.97	5/16/2011	YES	Staff	Staff meeting
Peppermill Restaurant	Staff Development Meeting	30.97	5/16/2011	YES	Staff	Staff meeting
Douglas T. Geinzer	SNHRA Meeting	20.00	5/17/2011	NO	DG - event	Staff meeting
Douglas T. Geinzer	SNHRA Meeting	20.00	5/17/2011	NO	DG - event	Staff meeting
Douglas T. Geinzer	Recruitment meeting Judy...	11.70	5/17/2011	NO	DG - event	So NV HR Mgmt Diversity Lunch
Douglas T. Geinzer	Recruitment meeting Judy...	11.70	5/17/2011	NO	DG - event	So NV HR Mgmt Diversity Lunch
Douglas T. Geinzer	Power Lunch - Chamber	25.00	5/17/2011	NO	DG - event	So NV HR Mgmt Diversity Lunch
Douglas T. Geinzer	Power Lunch - Chamber	25.00	5/17/2011	NO	DG - event	So NV HR Mgmt Diversity Lunch
Douglas T. Geinzer	Power Lunch - Chamber	25.00	5/17/2011	NO	DG - event	So NV HR Mgmt Diversity Lunch
Douglas T. Geinzer	Meeting to discuss Audit Prep	22.44	5/17/2011	NO	Staff	LV Chamber
Douglas T. Geinzer	Meeting to discuss Audit Prep	22.44	5/17/2011	NO	Staff	LV Chamber
Douglas T. Geinzer	Breakfast to discuss - Future	28.55	5/17/2011	NO	Staff	
Douglas T. Geinzer	Breakfast to discuss - Future	28.55	5/17/2011	NO	Staff	
Douglas T. Geinzer	Breakfast to discuss - Future	28.55	5/17/2011	NO	Staff	
Douglas T. Geinzer	Breakfast to discuss - Future	28.55	5/17/2011	NO	Staff	
Douglas T. Geinzer	Breakfast to discuss - Future	28.48	5/17/2011	NO	Staff	
Douglas T. Geinzer	Breakfast to discuss - Future	28.48	5/17/2011	NO	Staff	
Jason's Deli	May 12 Employer Meeting	95.60	5/18/2011	NO	Staff	
Jason's Deli	May 12 Employer Meeting	95.60	5/18/2011	NO	Staff	
Los Tacos	Program Development Meeting	17.83	6/7/2011	YES	Staff	
Los Tacos	Program Development Meeting	17.83	6/7/2011	YES	Staff	
Los Tacos	Program Development Meeting	17.84	6/7/2011	YES	Staff	
Egg Works	Discuss of Training Processes for Sim Lab	24.64	6/15/2011	NO	Emp/Partner	Complete Medical Consulting
Egg Works	Discuss of Training Processes for Sim Lab	24.65	6/15/2011	NO	Emp/Partner	Complete Medical Consulting
Peppermill Restaurant	Procurement of Insurance	18.89	6/21/2011	NO	Vendor	
Peppermill Restaurant	Procurement of Insurance	18.89	6/21/2011	NO	Vendor	
Cracked Egg		12.58	6/24/2011	NO	Staff	
Cracked Egg		12.58	6/24/2011	NO	Staff	
BankCard	Database Development Meeting	6.79	6/28/2011	NO	Vendor	
BankCard	Database Development Meeting	6.80	6/28/2011	NO	Vendor	
Gordon Biersch	Discussion of Budget Reductions	30.89	6/30/2011	NO	Staff	

SNMIC Questioned Costs Worksheet

Meals/Meetings

Vendor	Memo	Amount	Date	Sign-In Sheet	Attendee Type	Note
Gordon Biersch	Discussion of Budget Reductions	30.89	6/30/2011		Staff	

Other Expenses

Vendor	Memo	Amount	Date	Sign-In Sheet	Attendee Type	Note
Douglas Parking	D. Geinzer parking PY10 (Oct. 2010 to July 2011)	600.00	PY10		Other Expense	
Nevada Business Magazine	Table for 10 at Healthcare Heroes event	1,500.00	6/7/2011		Other Expense	

\$ 5,372.04 Total Questioned Costs

SUMMARY OF QUESTIONED COSTS

- \$ 600.00 Parking for CEO D. Geinzer's oversize vehicle
- \$ 1,500.00 Event Sponsorship for Awards Banquet Honoring CEO D. Geinzer
- \$ 851.56 Staff Meeting Meals
- \$ 126.25 SNMIC Board Meeting Meals
- \$ 51.37 Vendor Meeting Meals
- \$ 1,089.54 Emp/Partner
- \$ 255.00 Meals/event attendance at LV Chamber and Diversity luncheons
- \$ 898.32 Meals for Participant Training

Please note: Five additional items were reviewed by the DOL auditor in the amount of \$27,643.62 and source documents were reviewed at their request.