**Transcript:**

**Monitoring for Governance**

**Podcast**

**Kerin Burke:** Hello I’m Kerin Burke from ETA Region 1 Boston and I would like to welcome you to this Podcast on the Importance of Monitoring for Governance. This podcast is one session in a series of ETA monitoring training sessions.  The training series is a direct response to feedback ETA received from many of its states about how to improve the effectiveness of their monitoring efforts and overcome challenges they are facing when monitoring their sub-recipients. The series is designed as a combination of pre-recorded and live sessions.  In addition to this session, there are pre-recorded webinar sessions on the following topics:An overview of the monitoring framework, Preparation and Planning for Monitoring**,** Conducting Participant File Reviews**,** As well as a podcast on the 4Cs of a monitoring report- Condition, Cause, Criteria and Corrective Action.

Additionally we will have four live webinars in the next few months discussing: Communication with sub-recipients, Digging deeper into entrance meetings and conducting Interviews, Wrapping up the monitoring, and A deep dive of the 4Cs.

Thanks again for listening to this session on Monitoring for Governance. We hope that you join us for the other sessions, either pre-recorded or live. Now, I am going to turn this podcast over to our guests who will discuss the importance of governance in W I O A and why you should be monitoring your local workforce areas for governance. Our first guest is Nick Lalpuis, the ETA Regional Administrator for Region 4 Dallas and Region 6 San Francisco. Nick is going to share with us, his thoughts on the importance of governance in W I O A. Nick.

**Nick Lalpuis**: Thank you Kerin and thanks for having me on to talk about this important subject to the workforce system. I like to think about Governance as the foundation of the workforce development system codified in WIOA Title I. An analogy I like to use to illustrate this point is to think of your house or a building. The foundation of a house or building is the base on which it is built. In fact, the definition of foundation is “a basis upon which something stands or is supported”. The foundation is very important to the structural integrity of any house or building. If you get it right, you can have many years of enjoyment in your house. If the foundation is poor, you will have many years of frustration and extra costs trying to repair it and get it right. I think the same is true with Governance of the workforce system.

So, why do I think Governance is the foundation and so critical to the success of the workforce system? Because the Governance requirements of WIOA spell out who needs to be involved (board member requirements, CEO, fiscal agents, One-Stop operators) and what their role is in the system. In a locally driven system that is responsive to local and regional economic conditions; local employers, chief elected officials and board members must be involved and executing their roles for the workforce system to fulfill the expectations of WIOA. And just like a house or a building, if any of the foundation is missing or not fulfilling its role, the system will not function to its potential.

So, to be a high functioning workforce and talent development system we have to pay attention to Governance. We have to ensure we have a strong foundation and frame if the workforce system is to meet its objective to promote individual and national economic growth.

**Kerin Burke:** Nick, Thank you so much for sharing your thoughts on the importance of Governance and laying the groundwork for the next topic for our other guests. Jennifer Friedman and Minnie Holleran from ETA Regions 1 and 2 are going to take Nick’s views a little further and discuss why state grantees should monitor for governance. Jennifer …

**Jennifer Friedman:** Thank you Kerin and as you indicated Nick did lay the groundwork for the foundation for our conversation and I am really sorry, for all of the puns, but they are intended. I am excited to be here with my colleague Minnie Holleran, a federal project officer in the regions, to learn her opinion about governance and what she advises her states on this topic. So Minnie, hearing what Nick said a few minutes ago and also thinking about what you have discussed with grantees in the past, how would you answer the following question… What is governance?

**Minnie Holleran:** Thanks Jennifer – since you are asking my opinion, I would say that generally speaking, governance includes all the processes, policies and practices that guide businesses in the right direction. In our business, the workforce system, I would define governance as a network of federal, state, and local government-partners that provide services to workers, job seekers, and employers to support economic expansion and develop the talent of our nation’s workforce.

Governance is about the big picture. To expand on Nick’s analogy, governance is the “big house.” However I would like to break down the structural components of this house to illustrate my point. Government is one of the major actors in governance. As I mentioned earlier, you have this network, including the Employment & Training Administration, State Departments of Labor, and county government that serve as the foundation of the workforce system, and the purpose this foundation is to hold up and hold together the structure above it.

One of the most important of these governance structures are workforce boards. The workforce boards, provide the framework for the local workforce system, they are the load-bearing walls of the structure. WIOA greatly expanded the strategic and operational functions of boards to encourage innovation, build the talent pipeline, increase business engagement and design a system that provides economic opportunity for everyone who wants to go to work, find a better job, or improve their skills to succeed in the 21st century workforce. To say the boards have a heavy lift, is quite the understatement. I like to say this is the hardest volunteer opportunity available.

**Jennifer Friedman:** Wow Minnie that is a lot of thoughts for just one word. I think I am going to need you to break this down a little more for me. Keeping with the whole building the house theme we have going here, what would you say is the structure or function of governance?

**Minnie Holleran:** Well Jennifer, I am sure you know that a builder cannot construct a house without house plans. S/he needs to understand where the bathrooms, kitchen and each room will go, and have measurements for each room of the house. Like a house, every grantee organization has a structure for management and oversight, by means of an organizational chart. This maps out how the grantee’s organization functions and who is responsible for: Developing and issuing policy and procedures; Signing checks/invoices; Advising on service design/delivery; Ensuring compliance and achievement of goals; and Procuring and executing contracts. These represent key functions for all grants.

A thorough understanding of the grantee’s governance structure and functions can give you great insight into how the grantee delivers services and accomplishes grant objectives. Governance inquiries often lead you to discover fundamental issues the grantee is having in implementing its work plan. With some monitoring experience, governance analysis will help you identify problems that are likely to arise; flaws in system design will eventually come out in the work.

**Jennifer Friedman:** Ok, Minnie I am really getting the picture here. So we have the plans and understand the functions, but how do we know who is doing what?

**Minnie Holleran:** Well Jennifer- I am really glad you asked that question – because it is a really important one. While the analogy of a home to describe governance is fitting, we have to remember that structures/homes are created by people – and you need the right people to build a home: this includes architects, civil engineers, electrical engineers, plumbers, carpenters. Each plays a specific role in constructing a house. The same can be said of the workforce board, specifically board members, who are responsible for designing their local workforce system. WIOA assigns specific roles and responsibilities for Board members, and it is really important for board members to understand what they volunteered for. That is why effective onboarding and training are key. You wouldn’t want an untrained civil engineer building your house!

A great example is the Chief Local Elected Official, or the CLEO, who is responsible for the WIOA and Wagner-Peyser Act funds and is liable for the misuse of those funds. So while the CLEO can assign a local fiscal agent to manage the day to day fiscal responsibilities of the local area, the CLEO is ultimately responsible for those funds. But good stewardship consists of more than just managing the Board’s current funding. Effective boards also establish and maintain foundational documents such as memorandum of understanding and documents that outline the board structure and roles to establish firewalls and avoid any conflict of interest issues.

Earlier I said governance is about understanding the big picture. This means that boards need to be well positioned to respond to the changing needs of the workforce system. This is where data is key and access to current labor market data is critical. Our current COVID pandemic is a perfect example of how boards have had to adjust to changing needs by shifting operations to a virtual structure to continue to serve job seekers and businesses.

I also think one of the most important, and challenging roles of the board is to foster innovation. There isn’t a strict rule book for innovation, boards have the flexibility of developing innovative sector strategies and career pathways, they can be expand or develop partnerships with TANF & SNAP or FEMA - agencies serving vulnerable populations, and establish creative virtual services. I said earlier the boards were load bearing walls, you can paint yourself in the boldest color of your choice!

**Jennifer Friedman:** Minnie between you and Nick, I really have a much better idea about governance and how it works. I also see how in your answers you have hinted at the importance of checking on the governance functions at grantees in order to avoid problems or cracks in the foundations of governance And as I say this, I am literally staring at a huge crack in my wall and I am wondering what does this mean for my house Let me ask you, is my worrying about the cracks in my wall, the same feeling that our states should have about worrying about governance in their local areas?

**Minnie Holleran:** Well Jennifer, my home represents my biggest investment and I think that it is the same for you, and the maintenance and upkeep of my home is always a priority and is a continual process, so I would say yes I think you are on target with your concerns.

As we have mentioned in this conversation, Governance is a process, it is not a single activity, and therefore successful implementation requires an approach that includes monitoring: both performance and risk management. As a federal grant manager, the first agenda item on my monitoring reviews is governance. Specifically, I look at the workforce board. Do they have the required membership? Do the members understand their role? What is their strategy to serve the most vulnerable populations? What career pathways models have they developed to serve these populations? What major initiatives are they implementing? How are they monitoring the system? I recommend that state grantees do the same for their local areas.

So, I would end this conversation where we began - talking about governance as the foundation, and boards, specifically serving as the framework of this structure. Therefore, it is important to find the cracks in the wall, because – a crack in the wall can jeopardize the entire home.

Monitoring plays a critical role in identifying the cracks, coming up with solutions to repair cracks and prevent them from developing in the future.

Thank you and I am going to turn it back over to Kerin

**Kerin Burke:** Thank you very much Nick, Minnie and Jennifer. This concludes today’s Monitoring for Governance Podcast. Please remember to join us for the other sessions, either pre-recorded or live on Workforce GPS.