

**SWWDB – PROGRAM OPERATIONS COMMITTEE**

**October 24, 2006**

**MINUTES**

2:00 to 4:00 p.m.

Mr. Tom Larsen, Chairperson

The Southwest Wisconsin Workforce Development Board (SWWDB) Program Operations Committee (POC) met on Tuesday, October 24, 2006 in the Community Room of Wisconsin Community Bank in Monroe. Attendance was as follows:

<b>Members Present:</b>	Mr. Tom Larsen Dr. Karen Knox Ms. Suzanne Lee	Mr. Walter Orzechowski Mr. Tom Schraeder Mr. Larry Ward
<b>Members Excused:</b>	Ms. Margery Tibbetts Ms. Carmen Granados	Mr. Scott Stocker Mr. Gary Bezucha
<b>Others Present:</b>	Mr. Bruce Pulzkill Ms. Judy Mathews Ms. Mary Johannesen	Mr. Geoff Upperton Ms. Julie Funk
<b>Staff Present:</b>	Dr. Robert Borremans Ms. Shannon Moe	Ms. Barb Tucker Ms. Mary Kay Runde

Tom Larsen called the meeting to order at 2:09 p.m. Dr. Borremans reminded everyone to test their systems for future conferencing with the WebEx and toll free conference call or telephone bridging for future meetings. Packets will still be mailed out, so members would have a hard copy as well as being able to view on their screen and participate in the meeting. Additional handouts were distributed including the Training and Support Service Payments (E-420, Enclosure 1, revision 4), WIA Performance Measures per program and each respective reporting period, a handout to accompany the presentation on Performance Measures for WIA – 2006, a handout identified as 35% High Wage Training programs listing wages of the 35% Eligible Training Programs in Alphabetical Order.

**1. WIA 35% High Wage Training Policy**

Ms. Tucker reviewed for the committee that the State of Wisconsin DWD has set a goal for Workforce Development Areas to spend 35% of allocated Adult and Dislocated WIA program funds for training and training supports (support service payments) which will assist customers in obtaining high wage jobs. The expectation is that at the end of training, a participant will have the skills needed to qualify for a job that is at least at the WDA's median wage. For the Southwest Wisconsin WDA, this means that the skills obtained by participants through training must qualify them for a job that will offer a starting wage of at least \$12.93 per hour.

Ms. Tucker explained that initial notification of the 35% high wage requirement was included in the WIA Local Plan Guidelines released in December 2005 with further clarification provided in an Administrative Memo in June 2006. Additional clarification was provided in a Frequently Asked Questions (FAQ) memo on August 31, 2006. Clarification was made in

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these series of questions that the only support services that will count toward the 35% criteria are those used by individuals enrolled in training that meets the 35% criteria. The SWWDB staff's initial interpretation was that support service payments were not included in the 35% requirement and that support payments could be used to assist individuals enrolled in any program regardless if the starting wage met the \$12.93 per hour requirement. Consequently, SWWDB is currently out of compliance with the 35% requirement.

One avenue for bringing SWWDB into compliance would be to transfer the expenses charged to the 35% category incorrectly to the carry over funds. Doing this will eliminate support funds to assist clients with the costs associated with job search activities. A second approach would be to increase the total dollars available for training and support to a level higher than 35%. Ms Tucker reminded the members that to meet the 35% requirement originally, SWWDB increased the amount allocated for training thereby lowering the funds available to program operators by 9%. Implementing the second option would further reduce the dollars available to Program Operators to provide direct service to clients. Ms. Lee asked what the consequences would be if SWWDB did not meet the 35% requirement. Ms. Tucker indicated that all WDA's are expected to make a reasonable effort to meet the 35% requirement. The consequences of not meeting the requirement are not known at this time. Dr. Borremans stated that discussions have occurred at the State level to include meeting the 35% requirement as one factor for receiving performance awards.

Ms. Tucker explained that Dr. Borremans is a member of a State organized 35% "review" committee that has met to review and suggest changes to the State's 35% high wage criteria. Dr. Borremans stated that there were 16 issues that the group identified as needing to be clarified for successful implementation of this policy. Dr. Borremans explained that originally the State was holding WDA's accountable for placing individuals in jobs at the \$12.93 wage or higher. The State has now indicated that it is not the wage that WDA's will be accountable for, but for placing individuals in training programs that have a documentable starting wage of \$12.93 per hour or higher. Documentation of the starting wage is determined through the technical college graduate follow-up studies. A discussion followed on the longitudinal graduate follow-up study versus the most recent annual graduate follow-up study. Mr. Tom Larsen asked about the possibility of short-term verses long-term training and how career ladders can be used. Ms. Tucker explained that this 35% requirement is forcing SWWDB to serve fewer people with the focus on training individuals in "family sustaining" kinds of jobs, while supporting the workforce needs in the area.

Dr. Borremans stated that SWWDB should approve a locally developed training policy that meets the State's definition of "high wage". Without such a policy, SWWDB will lack justification for charging training and support services expenses to the 35% categories. He believes that no policy or a policy that does not comply with the 35% requirement will be viewed as "a lack of good faith effort" by the State during monitoring visits.

Ms. Tucker reviewed the proposed SWWDB WIA 35% High Wage Training Policy with committee members and stated that this policy complies with the 35% high wage requirements as currently prescribed by the State.

Ms. Tucker stated that a "band aid" approach to helping a large number of clients obtain employment is no longer the service philosophy promoted by DWD, but rather the focus is in helping a person identify and obtain a life sustaining career through longer term training. Ms. Lee, Dr. Knox, and Mr. Larson expressed concerns with financial aid eligibility and indicated that WIA programs should work in collaboration with financial aid. Additional

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discussion on the differences between programs, certificate programs, one- and two-year programs and four-year programs occurred.

Dr. Borremans recommended approval of the policy. He stated that the committee has discretion to provide guidance to the staff on how the 35% requirement should be administered locally, but reiterated that a reasonable effort must be made by SWWDB to comply with the 35% requirement criteria. Dr. Knox stated that she was hesitant to approve the policy at this time but would want to review the issue again in six months after the State's 35% review committee has made recommendations for changes to their policy.

Mr. Ward made a motion, seconded by Dr. Knox to table the proposed SWWDB 35% High Wage policy for six months until clarification and specific recommendations come from DWD. It was recommended by that SWWDB staff use the following guidelines for administering training and support service funds during this transition year:

- Use the 5 year State Technical College report for determining "high wage" training programs.
- The definition of "high wage" will include training programs that have the potential to place people in beginning employment that is 85% of the median wage.
- 75% of the SWWDB WIA allocation should be used on training and support that meets the high wage criteria established in above, with the remaining 25% available for training and support activities that do not meeting the high wage criteria.

**The motion passed unanimously.**

### **2. SWWDB Training and Support Service Payment Policy**

Ms. Tucker stated that at its September 13<sup>th</sup> meeting, the Board requested changes to the proposed Training and Support Service Payment Policy – E-420. Specific requested changes included (1) a definition of the term "lifetime limit" and (2) clarification on whether the SWWDB Board or staff has the authority to grant a waiver.

Ms. Tucker reviewed the revised policy. She indicated that the requested changes and clarifications were made which included a definition of lifetime limits and that SWWDB staff has the authority to grant a waiver.

Ms. Tucker was asked whether this policy related to only WIA programming or if other programs were included. She stated it only applied to WIA programs. A suggestion was made to delete the words "and other" on the first paragraph, page 1 to clarify that only WIA programming is impacted by this policy. A second question was asked regarding which Board Staff had the authority to grant a waiver request. Dr. Borremans indicated that the authority rests with the Program Operations Director. It was suggested that this be reflected in the last sentence on page 3, paragraph one. A further clarification was suggested in the final paragraph on page 3 to add the wording "partial or sufficient" to reflect that not all of an individual's support and training costs may be covered when participating in activities.

Mr. Larry Ward made the motion, seconded by Mr. Schraeder, to recommend the revised policy E-420 – Training and Support Service Payments to the full Board for approval with the changes discussed by the committee.

3. **PY 2005-06 DWD Monitoring Report**

Ms. Tucker reminded the committee members that DWD conducted its annual monitoring of Program Year 2005-06 SWWDB programs and operations in May. SWWDB responded to the monitoring report findings in September. She reviewed a letter from the state that indicated that SWWDB corrective action in response to the monitoring findings is acceptable and that no further action is required. This closes the PY-05 monitoring process.

4. **WIA Performance Measures**

Due to time limitations this agenda item was tabled. It was agreed that this item would be covered in a special Web conference meeting to be held in Platteville through a WebEx MeetMeNow conference call at 2:00 on Tuesday, November 14<sup>th</sup>.

5. **Adjournment**

Mr. Schraeder made a motion, seconded by Ms. Lee to adjourn the meeting. **The motion passed unanimously.** The meeting was adjourned at 3:48 p.m.

6. **Next Meeting Date**

A special meeting will be held on Tuesday, November 14, 2006, at the Platteville Office via WebEx conference call to review the WIA Performance Measures. The next regular committee meeting is January 16, 2007 in Monroe.