ENCLOSURE 5

SWWDB –EXECUTIVE COMMITTEE MEETING

May 15, 2006

MINUTES

3:00 to 5:00 p.m.

Mr. Stocker, Chairperson

The SWWDB Executive Committee met on Monday, May 15, 2006 at the Wisconsin Community Bank, Monroe. Attendance was as follows:

Members Present:	Mr. Tom Larsen	Ms. Margery Tibbetts
	Mr. Steve Scaccia	Mr. Jim Finley
	Mr. Scott Stocker	
Members Absent:	None	
Others Present:	Christiane Standlee from Johnson Insurance	
Staff Present:	Dr. Robert Borremans	Ms. Annette Meudt
	Ms. Barb Tucker	Ms. Stephanie Kerkenbush

Mr. Stocker called the meeting to order at 3:08 p.m.

1. **<u>Change in Health Insurance Coverage</u> – (Action)**

Ms. Meudt introduced Christiane Standlee, a licensed broker from Johnson Insurance. Ms. Standlee explained that SWWDB's current insurance carrier, American Medical Security (AMS) was bought out by United Healthcare, and effective June 1, 2006 would be asking for a 9% increase in premiums over this year. Staff recommends changing from AMS to Dean-YMG (Option 2 on Enclosure 1 provided with the agenda). This type of policy is a Point of Service (POS) as opposed to an HMO. With a POS plan there are 2 levels of coverage: the plan would pay at a higher level for going to an in-network provider, and pay at a lower level when going to a provider out of network. An HMO only has one level of coverage for utilizing in-network providers, and there would be no coverage at all for going outside of network. All of the SWWDB employees, including leased employees, live in an area where they should have access to in-network providers.

Ms. Standlee explained that the Dean-YMG benefit level is almost identical to Dean with the exception of an office visit amount which would go from $15 to $20, and the lifetime maximum amount which would go from $5 million to $2 million per participant. However, Dean owns their own hospitals and physicians, therefore they should be able to contain the costs better than other insurance carriers. Ms. Standlee stated that almost every insurance carrier in the Madison market place is at $2 million for a lifetime maximum. Dean-YMG would have lower copays for generic prescriptions and will pay for 100% of routine and preventive care (vs. the current $15.00 copay required by AMS).

Ms. Meudt stated that there is a considerable difference in premiums between Dean and AMS. When there is a healthy group to insure, the premiums go down considerably. SWWDB currently has a healthy group of employees, therefore the rates are reasonable. Dean's annual cost is $160,404.36 whereas AMS's renewal is $294,648.84. Mr. Larsen asked if the plan is community-rated. Ms. Standlee stated yes.

Ms. Standlee handed out a map of the southwest corner of Wisconsin that shows where all

the Dean hospitals and primary care providers are located. If a member goes to a facility that is not Dean-contracted, then the member will have to pay the higher out of network cost.

Mr. Scaccia asked if the employees pay for their health insurance. For family coverage, employees pay 20% of the premium, and for employee/spouse coverage they pay 25% of the premium. Dr. Borremans stated that the staff's recommendation is to go with Dean (Option 2). Mr. Finley asked if the employee contribution should be raised. Mr. Scaccia stated that a 20% and 25% contribution rate is pretty competitive.

Mr. Scaccia moved and Ms. Tibbetts seconded a motion to select Dean-YMG as SWWDB's new health insurance carrier. **Motion carried unanimously.**

2. **Local Elected Officials (LEOs) Update – (Information)**
Dr. Borremans stated that there are two new elected officials: Art Carter, Green County Board Chair, replacing Tom Daly, and Mark Masters, Iowa County Board Chair, replacing Bob Regan. The LEOs are meeting at the end of May, and at that time a new Chief Local Elected Official (CLEO) will be selected.

SWWDB will also need a human services representative on the Board to replace Judy Steinbicer who recently retired. Richard Ott, Rock County, has indicated that he feels someone from the Rock County Human Services Department should fill the position because Rock County has the largest W-2 population. Ann Greenheck, Richland County, has expressed the desire to see more Board members from Richland County and feels the position should be filled by the Richland County Human Services Director. Dr. Borremans has asked Ms. Greenheck and Mr. Ott to discuss the matter to see if they could reach an agreement on who should fill the position.

3. **WIA Funding Allocation – (Information)**
Ms. Meudt indicated that SWWDB preliminary allocations came in late on Friday, May 12, 2006 so an updated budget worksheet was distributed.

Dr. Borremans stated that for the upcoming year, SWWDB staff is suggesting continuing program contracts with all current program providers. To change providers this year would have required a Request for Proposal (RFP) process to begin last January. However, at that time there were too many unknowns regarding program needs resulting from DWD directed changes. The board should consider the RFP for PY-2007-08.

The committee briefly discussed programming priorities. Mr. Scaccia asked if the YMCAs and other youth clubs could be competitors in bidding with CESA for youth programs. The answer is yes, as would faith-based groups or any community-based organizations. The advantage of using the CESAs for youth programming is the linkage with area school systems. Youth programming requires high school completion/graduation as a performance outcome. Therefore, there is an advantage to working directly with school-based organizations like the CESAs. However, it is not required that SWWDB contract with them and other options should be explored. Ms. Tucker also stated that the credential definition is going to change.

In PY06-07, SWWDB will have $268,151 in allocations for WIA younger youth programs for the WDA. For this budget cycle, the recently completed SWWDB Local Plan proposed splitting youth funds equally (50-50) between the in-school (younger) youth and out-of-school (older) youth programs. Previously, 35% was allocated to older youth and 65% to

younger youth). Ms. Tibbetts asked what the difference is between older youth and younger youth. Older youth is defined as anyone 18-21 years of age or who has dropped out of high school, and younger youth is defined as anyone 14-18 years of age and who is currently enrolled in the school system.

Another big shift in the allocations is that SWWDB must set aside at least 35% of its total allocation for high wage/high-growth training. Both training and support dollars can be applied to this requirement. Traditionally, SWWDB averages between 27 to 28% of the total WIA allocation, so this will shift funding from staffing dollars to training and support to help participants. The 35% high wage/high-growth requirement was originally identified by DWD as a planning goal but they have now defined the requirement as mandatory.

Dr. Borremans handed out a spreadsheet entitled “Outcome and Expenditure Comparison” which shows enrollments, placements and expenditures for all program operators from PY01-02 through PY05-06. Ms. Meudt said that in the last 3 years SWWDB has implemented a number of cost saving measures including: seven (7) staff cuts, relocation of SWWDB offices to Platteville, and a reduction in operating expenses (i.e. audit fees, telephone fees, Internet fees and health insurance cost) totaling more than $750,000. Dr. Borremans stated that if SWWDB is going to redesign the delivery system as proposed in the WIA Local Plan, current staff positrons must be retained. He noted that the savings have been allocated to program services. He further noted, referring the committee to the spreadsheet, that program enrollments and placements have gone down since 2002 even though program expenditures have remained relatively stable.

SWWDB staff is currently working with the program operators on new Memorandums of Understanding (MOUs). In the past, contracts with program operators were not specific as to how goals and objectives would be achieved. This has changed, and a new emphasis on service to both employers and clients is being stressed. The system will now be redesigned. As part of the RFP structure for next year, SWWDB would like to define what the priorities for program operators using WIA funds will be. SWWDB can direct WIA services to the program operators; however, SWWDB cannot dictate how the program operators use non-WIA allocation funds (i.e. Job Service and Wagner-Peyser funds).

Dr. Borremans briefly talked about the monitoring visit that was done recently by DWD. He explained the three service levels available under WIA are: core, intensive, and training. The monitoring pointed out that some participants received support payments the same day that they were enrolled (for example gas and daycare). This type of action points out the need for improvement in SWWDB processes.

4. **Redistricting of the Workforce Development Areas – (Information)**
There is a subcommittee of the Council on Workforce Investment (CWI), the Governor's WIA advisory council, that has identified six areas of importance:

- Redesign the Workforce Development Areas to coincide with the seven regional economic areas and continue to fund state workforce initiatives aligned with the seven regional economic areas.
- Establish measurable goals with an annual accountability system to reward workforce partner co-location and/or WDB regional activities and collaborative efforts.
- Define the workforce infrastructure "system" as a single unit and begin to put that system in all operational activities beginning with a seamless, single, front-end for all customers.

- Improve the participation of private sector employers for training, job placement and retention by eliminating liabilities and providing incentives to employers engaged with on-site training and hiring of Job Center job seekers.
- Enforce the WIA requirement that WDBs must have completed Memoranda of Understanding (MOU) for all required partner programs that includes the defined outcome of genuine coordination of program and service delivery elements and establish benchmarks for continuous improvement of the MOUs.
- DWD to provide a comparison on the existing and planned comprehensive and access point of service Job Centers relative to the criteria for job center service standards, certification of comprehensive job centers, and elements of the WDAs business services.

The first recommendation has received the most concern. Under a plan developed by a former DWD staff member the number of WDAs would be reduced from eleven (11) to seven (7) and would result in a total realignment of counties in each WDA. It was noted that the federal government is not involved in determining WDAs; this is a state decision. DWD as indicated that they are not considering redefining WDAs at this time, bought this proposal seems to keep resurfacing. While redistricting of WDAs is not imminent, this is an issue that bears watching closely.

5. **Other Business – (Information)**

Ms. Tucker talked a little more about the DWD monitoring. She noted that the monitoring involves reviewing participant files from as far back as 2001 and that there are discrepancies such as providing support dollars to clients that do not own their own vehicles. The Board is responsible for the administration of WIA funds assigned to program operators and these findings point out discrepancies in SWWDB processes. Administration will need to review processes and write new policies and procedures to ensure resources are used more appropriately. SWWDB staff will also intercede and better clarification on the use of resources. It was noted that previous DWD monitoring had not identified these problems.

Dr. Borremans also noted that there may be a potential issue developing regarding program operators also serving as eligible training providers that would require board intervention. The AFL-CIO LETC is the dislocated worker program operator serving Rock County. Last year, the AFL-CIO requested designation as an eligible training provider (ETP) to deliver training in the Medical Coding field. The Board approved the AFL-CIO as an ETP for that training. Ms. Tucker shared statistics from the medical coding training that showed that a large majority of the participants were direct referrals from the AFL-CIO ATK grant. Unfortunately, due to unanticipated changes in the local workforce, only two (2) of the twenty-four (24) participants were placed in employment in the medical coding field, negatively impacting the outcomes of the ATK grant. The question raised in this situation is whether a program operator, who is the designated case manager for participants, should have sole determination and be allowed to place participants into a training program that they operate. This could be a conflict of interest.

There appears to be a need to separate case management and program operator services from ETP training. The performance outcomes of the ATK grant are undesirable and the concern is DWD will consider the poor outcomes when awarding future special response funds. Mr. Larsen stated that it was his understanding that Seth Lentz reviewed and approved all participants who enrolled in training programs. Dr. Borremans stated this was not true and Mr. Lentz only approved special circumstances such as when a person's participation in training exceeded SWWDB's training/support limits.

Mr. Scaccia suggested not paying the trainer unless the students find employment in a related field. The question was asked as to why the AFL-CIO wanted to be an ETP. It was noted that the technical college programs often are not flexible enough (fixed semester starting dates) to address the needs of dislocated workers. The technical colleges need to be responsive to community needs. Dr. Borremans was asked to discuss the situation with the technical college presidents - Dr. Eric Larson and Dr. Karen Knox.

6. **Adjourn to Closed Session**
Pursuant to Wis. Stats.19.85 (1)(c), Ms. Tibbetts moved and Mr. Scaccia second a motion to go into closed session. Roll call was taken. **Motion carried unanimously**. The committee returned to open session at approximately 5:00 p.m. No action was taken.

7. **Adjournment**
Mr. Scaccia moved and Ms. Tibbetts seconded a motion to adjourn the meeting. **Motion carried unanimously**.

8. **Next Meeting**
The next meeting of the committee will be on Wednesday, June 14, 2006 at Freedom Plastics in Janesville, to consider an evaluation of the Executive Director.