

7.C.1 Contracts for WIA 2006-07 WIA Programs

(Recommendation from Program Operations Committee – Action)

On May 17, 2006 SWWDB received Preliminary PY 2006-07 allocation amounts. The Department of Workforce Development (DWD) Administrator's Memo stated that the PY06 WIA Title 1 allocations were delayed due to a revised action for designation of the Areas of Substantial Unemployment (ASU) information. The State of Wisconsin has redeveloped ASU based on 1990 Census data under the guidance of the Employment and Training Administration. The U.S. Department of Labor ETA has only issued interim partial allotments to all states. PY 06 preliminary allocations contain no substantive formula change. Eighty-five (85%) percent of the Youth and Adult interim partial allotments, and sixty percent (60%) of the Dislocated Worker interim partial allotment have been allocated to WDBs. DWD hints that the cuts are caused by a reduction in funding at the federal level affecting all domestic programs, reassignment of funding to areas hardest hit by natural disasters, and Wisconsin's relatively strong economy compared to other states, particularly other Midwest states. In addition, this year, the Department of Labor wants to update the information used in the funding allocation formula. This could have the impact of redistributing funds to more urbanized areas.

Staff has prepared a budget based on the PY 2006 Preliminary Allocations. The budget will be reviewed again when the final allocations are distributed by October 2006. **Attachment 1** shows the WIA allocation projections used to prepare the budget.

The proposal decreases WIA funding from \$1,833,808 to \$1,605,092 a reduction of \$228,716. As required by the DWD, this plan allocates 35% of the total WIA allocation for high wage, high growth training, which significantly limits training opportunities for jobs not considered high wage, high growth. In addition, this proposal begins to shift funds to older youth, using a 50%-50% distribution of youth funds.

Annette Meudt will review the proposed WIA allocation amounts. Action on the WIA allocation is requested so SWWDB staff can begin to negotiate contracts with program operators.

In March of 2004, SWWDB issued a Request For Proposals (RFP) for Workforce Investment Act (WIA) funded programs. The practice has been that programs would be awarded funding for a two or three year period provided the program operator performed satisfactorily during the previous year(s) of the contract. SWWDB staff routinely monitors program performance against the performance standards negotiated with DWD. SWWDB also conducts annual program monitoring to ensure the programs are performing in accordance with required regulations.

Third quarter performance shows that SWWDB is exceeding 16 of the performance measures and meeting one of the measures. Based on these results to date, administration is recommending that all current programs be continued for the second year of the contract period.

Using the allocation figures recommended in the SWWDB 2006-07 budget, staff has communicated the PY 2006 allocation figures with each program operator.

ENCLOSURE 9

The Program Operations Committee met on May 23 2006, but SWWDB was notified earlier that day that the Preliminary allocations were being re-calculated and would be distributed on Friday, May 26. The Committee deferred action on the WIA Program Contracts, with action to be taken at the full Board meeting on June 14, 2006. To date, SWWDB has not received revised allocations, so staff is recommending the award of contracts for 2006-07 WIA funded programs be based on the Preliminary Allocations. Because of the late allocation notification date, the numbers of participants to serve for each Program Operator will be provided at the Board meeting. The following are the contract amounts being recommended:

- Job Service of Rock County – Contract amount of \$92,713 to serve adult participants for the period July 1 2006 through June 30, 2007.
- Job Service Southwest – Contract amount of \$85,500 to serve adult participants for the period July, 1, 2006 through June 30, 2007.
- AFL-CIO LETC – Contract amount of \$121,000 to serve dislocated workers for the period July, 1, 2006 through June 30, 2007.
- Job Service Southwest – Contract amount of \$80,725 to serve dislocated workers for the period July, 1, 2006 through June 30, 2007.
- CESA #2 – Contract amount of \$86,000 to serve in-school youth for the period July, 1, 2006 through June 30, 2007.
- CESA #3 – Contract amount of \$82,502 to serve in-school youth for the period July, 1, 2006 through June 30, 2007.
- Job Service Rock – Contract amount of \$70,200 to serve out-of-school youth for the period July, 1, 2006 through June 30, 2007.
- Job Service Southwest – Contract amount of \$64,930 to serve out-of-school youth for the period July, 1, 2006 through June 30, 2007.

Board action on the above recommendation is requested. It is recommended that each contract be awarded separately.