

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD

August 15, 2007

Minutes of Board Meeting

The Southwest Wisconsin Workforce Development Board Meeting was held on August 15, 2007 beginning at 3:00 p.m. at the Rock County Job Center in Janesville and via telephone conference. Members who attended via the teleconference call are indicated with an asterisk *. Attendance was as follows:

BOARD MEMBERS PRESENT	
Private Sector	Public Sector
Mr. Charles Elliott	Dr. Gary Albrecht
Mr. James Finley	Ms. Amy Banicki *
Mr. Richard Gruber	Mr. Randy Jacquet *
Ms. Cindy Harrington	Mr. Tom Larsen
Mr. Tom Hogan *	Ms. Suzanne Lee
Ms. Anne Hore *	Mr. Walter Orzechowski
Ms. Jennifer James-Baker	Mr. James Otterstein
Ms. Regina Prude	Mr. Bruce Palzkill
Mr. Steve Scaccia	Mr. Geoff Upperton
Mr. Tom Schraeder *	Mr. Larry Ward *
Mr. Scott Stocker *	
Ms. Margery Tibbetts	
(12)	(10)
	Total: (22)
BOARD MEMBERS EXCUSED	
Private Sector	Public Sector
Mr. Gary Bezucha	Ms. Carmen Granados
Ms. Tammie Engelke	Ms. Anne Greenheck
Mr. Ken Hendricks	Dr. Karen Knox
Ms. Shari Schaff	
(4)	(3)
GUESTS PRESENT	
Ms. Julie Funk, AFL-CIO	Mr. Josh Cox, Mercy Health System
STAFF PRESENT	
Dr. Robert Borremans	Ms. Mary Kay Runde
Ms. Amy Charles *	Mr. Mike Schultz *
Ms. Annette Meudt *	Ms. Barb Tucker *
Ms. Shannon Moe	

1. Welcome and Call to Order

Mr. Stocker called the meeting to order at 3:03 p.m.

2. Approval of SWWDB Meeting Minutes

Motion by Mr. Gruber, second by Mr. Scaccia to approve the June 13, 2007 SWWDB Meeting Minutes. **Motion carried unanimously with one abstention, (Mr. Otterstein).**

3. Financial Report

None.

4. **Unfinished Business**

None.

5. **Consent Agenda**

None.

6. **New Business**

A. **Executive Committee**

Action items recommended by the Executive Committee were addressed under Other New Business.

B. **Finance Committee**

No action items were recommended by the committee.

C. **Program Operations Committee**

No action items were recommended by the committee.

D. **Workforce Services Committee**

No action items were recommended by the committee.

E. **Other New Business**

1. **Award of Contracts for 2007-08 WIA Programs**

Mr. Stocker explained that the Executive Committee (EC) met on August 2, 2007 to develop a recommendation for the award of contracts for the remainder of Program Year 2007-08.

Dr. Borremans explained that based on a meeting with Mr. Danowski, DWD Division Administrator, the steps necessary to create and receive DWD approval for a new organization would take longer than the October 1, 2008 target date for implementation of the new organization. He added that Workforce Development Areas (WDAs) have recently been notified of possible WIA rescission that would affect 2007-08 funding. The estimated impact of the rescission would reduce SWWDB's WIA allocation and overall budget by \$167,177. While there is a possibility that the WIA rescission may not be approved, prudent management requires that SWWDB reserve the funds in the event that the rescission is approved. SWWDB took the possible rescission into consideration when calculating the amount available for awarding the contract. At this time, the amount available for the WIA services contract for October 1, 2007 through June 30, 2008 is \$250,000.

Motion by Mr. Otterstein, second by Mr. Gruber to award the contract for \$250,000 to Job Service to provide WIA services, including implementation of the Career Pathways Model, for the period October 1, 2007 through June 30, 2008.

Mr. Upperton asked for discussion on the Request for Proposals (RFP) process. He offered that the AFL-CIO's perspective is that the process was unfair. He noted that the Job Service proposal used funding from other sources to pay for personnel providing services through the Job Centers. He said that the AFL/CIO proposal was a "stand alone" proposal. He felt the proposal review process and, in fact, the entire RFP was unfair. Citing information presented at the August 2, 2007 EC Meeting

(Enclosure 3, Summary of Proposals), he said that the AFL-CIO/LETC could provide services with the same number of staff that was proposed by Job Service but at a lower cost. He asked the Board to reject the motion.

Mr. Gruber asked if the use of leveraged funding was included with the RFP. Noting the current funding situation, he said that cost and productivity efficiencies are necessary and asked if this was a consideration looked at throughout the review process. Dr. Borremans said that the Proposal Review Team (PRT) considered partner collaboration and how other resources would be used to support Job Center activities. Ms. Tucker offered that the RFP included language asking the proposer to explain what partnerships and other resources would be involved in delivery of Job Center services.

Ms. Prude spoke saying that she was a member of the PRT and the team considered opportunities for collaboration along with cost of services and program efficiencies when making this recommendation. Mr. Orzechowski, also on the PRT, recalled the team's requesting staff keep all three (3) proposers involved in service delivery. Dr. Borremans said that initially, when the PRT asked for options, staff developed scenarios involving all three proposers. Then, once the lower WIA allocation became known and following discussion on creating a new organization, he recalls that the consensus of the Program Operations Committee (POC) in May was to eliminate using 3 program operators from further consideration.

Mr. Larsen inquired why the process went to the EC instead of the POC. He felt that the Board has changed direction in doing so.

Mr. Upperton stated that the best way to achieve collaboration and cooperation would be to extend the current contracts to June 30, 2008. Dr. Borremans said that the current contracts do not include implementing Career Pathways and by extending the current contracts would delay implementation on the Career Pathways service delivery approach. He added that one goal of the new service delivery model is to break down the existing Adult, Dislocated Worker and Older Youth "silos" to create efficiencies in service delivery.

He also offered that the RFP included language that encouraged one program operator who would provide services to all three participant groups. During the review process extra points were awarded to a proposer who served all three participant categories.

Mr. Otterstein asked if members of the PRT or the POC had any frustration over the process or with the outcome.

Ms. Prude commented that she has been involved in RFP processes for a couple of decades. In her opinion, she feels that the proposers were provided adequate direction and information and they had the ability to develop creative responses. She did not feel that there was anything prohibitive about the process. The PRT came into the process with a ton of paper and an opportunity to ask them questions about the proposers' intent. There were three organizations responding and their perspectives contained in their proposals and the way they made their presentations were all completely different. The PRT liked aspects of every proposal. She felt the process was very open and very fair, and offered opportunity for innovation. She said that the PRT did not come into the process thinking they wanted to create a

separate entity. But, looked at the opportunity to find a way to effectively delivery services with less money and this led to the discussion on a separate entity. She saw this RFP as an opportunity to try things that had not been tried before. She feels very comfortable that the RFP process provided proposers with enough information and allowed them the opportunity to be competitive in their response.

Mr. Orzechowski concurred with Ms. Prude saying that the proposers had plenty of opportunity to present whatever information they wanted to present. His only concern with this process is the fact that the EC made decisions that normally would have gone to the POC. This did seem to be kind of unusual and not in sync with the way the Board normally operates. He said that he did not feel that the EC did a bad job or that they did anything wrong. He thought that the decision should have gone back to the POC. That is the only concern he had.

Mr. Stocker stated that taking the issue to the EC seemed like the right thing to do at the time because of time restraints and the necessity to expedite the process due to layoff notices being issued to current program operator staff. Dr. Borremans said that the SWWDB Bylaws authorize the EC to act on behalf of the Board on matters of urgency.

Mr. Otterstein said that assuming all things being normal operating procedures and that it went to the POC, and assuming the recommendation was to go the route we are going, then the end result is still the same. Assuming, that being the case, then we are right to the same point where we starting from, all be it, all following the normal flow.

Mr. Gruber said that the Bylaws allow EC to meet and take action in certain situations. While the normal process is to have the POC to review this type of issue and make recommendations, there is no guarantee that the Board would accept the POC recommendation. In this particular situation, a series of choices were made and, in his opinion, he is not certain that the outcome would change if the traditional process had been followed.

The RFP criteria as specified, according to the PRT, was complete and followed the direction provided by the Board. The RFP criteria did encourage collaboration and unique approaches to providing services in this era of huge reductions in funding. This Board had this discussion of a single program operator versus multiple program operators recently because the underlying logic is that every program operator has a certain administrative expenses and overhead that takes away from providing services to job seekers. The contract being recommended to Job Service is consistent with the direction of the Board and the recommendation of PRT. It is the conclusion of the PRT that the Job Service met or exceeded criterion in such a fashion that other program proposers were not able to accomplish. It is excessively clear that the Board should award this contract and get on to the next steps of providing services.

Mr. Scaccia said that he made an assumption that the RFP process was fair. After listening to the discussion, he is confident that the process was fair.

Mr. Ward offered that the POC made the recommendation based on the information at the time. The fact is that additional information came forward. This is not unique and, in fact, is often the case. He stated that he did not have problems with the EC's

actions. He stated his concerns were with the DWD actions. He noted that other workforce boards were previously allowed to create separate organizations. SWWDB is being singled out and not be allowed to do what other WDBs did, and that is inconsistent and inappropriate

Dr. Albrecht said that his concern is that the RFP process was not real pristine and asked what steps would be taken in the future to prevent a recurrence of the issues affecting this process. He asked if the Board has learned anything for the future. Mr. Stocker said that a number of members have expressed their opinion that the process was proper and fair. Mr. Scaccia said that, in response to Mr. Otterstein's earlier question, board members do not appear to have an issue with the recommendation and feel that the process was very fair.

Mr. Larsen said he wanted to clarify an earlier statement. The earlier comment was that the PRT recommended going with one provider. His recollection is that the PRT recommended the involvement of all the providers. They did recommend forming a separate organization, but absent the new organization, he believes the PRT recommended keeping the existing providers involved.

In responding to Dr. Albrecht's question, Dr. Borremans said that the circumstances of this RFP process were unique due to frequent changes in WIA allocation amounts, and the desire to implement a new service delivery structure. He said that the uniqueness of the conditions as they evolved created confusion during the process.

Mr. Otterstein said that he did not feel the process used was an intentional attempt to circumvent the intent or integrity of the Board's mission. It was done in an attempt to expeditiously respond to conditions affecting delivery services.

Mr. Upperton asked the Board to allow a member of his staff to speak. Following discussion on whether the agenda provided an opportunity for public comment, the Board agreed to allow the person to speak. Ms. Julie Funk, AFL-CIO, LETC, has worked with the Rock County Dislocated Worker Program for the past seven years. She offered her disappointment in the Board's decision in not extending the 2006-07 contracts through June 30, 2008. She stated that the decision will cause AFL-CIO, LETC to lay off three (3) hard working staff in Rock County all of which are "high wage positions". Ms. Funk thanked the Board for the opportunity to voice her opinion.

Mr. Stocker requested a roll call vote.

Yes	No
Mr. Elliott	Mr. Larsen
Mr. Finley	Mr. Upperton
Mr. Gruber	
Ms. Harrington	
Mr. Hogan	
Ms. Hore	
Ms. James-Baker	
Ms. Prude	
Mr. Scaccia	
Mr. Schraeder	

Mr. Stocker
Ms. Tibbetts
Dr. Albrecht
Ms. Banicki
Mr. Jacquet
Mr. Orzechowski
Mr. Otterstein
Mr. Ward

Motion carried on a vote of eighteen (18) yes, two (2) no, and two abstentions (Ms. Lee and Mr. Palzkill).

2. Presentation of the South Central/Southwest Wisconsin Workforce Innovation in Regional Economic Development (WIRED) Grant

Dr. Borremans presented information on the WIRED Grant received by South Central – Southwest Wisconsin (SCSW). The SCSW region has been awarded \$5 million over a 3 year period for a variety of activities under the WIRED initiative. Additional funding is available for technical assistance and support of the start-up activities.

The WIRED Initiative, launched in November 2005 by DOL, is designed to support the development of a regional, integrated approach to workforce and economic development and education. The ultimate goal of WIRED is to expand employment and advancement opportunities for workers and be a catalyst for the creation of high-skill and high-wage jobs. In February 2006, DOL announced 13 regions that comprise the 1st Generation WIRED regions. Thirteen (13) more regions were added in April 2006 as 2nd Generation WIRED regions. And, in June 2007, 13 more regions were selected to become the 3rd Generation of WIRED Regions. Each will receive a \$5 million investment over a three year period.

The WIRED Initiative provides regions with funding, ongoing technical assistance and support from a group of experts to implement a transformational approach to their workforce and economic development systems at the regional level. WIRED stresses the critical role talent development plays in creating effective regional economic development strategies. However, it goes beyond traditional strategies for worker preparation by bringing together state, local and federal entities; academic institutions (including K-12, community colleges and universities); investment groups; foundations; and business and industry to address the challenges associated with building a globally competitive and prepared workforce.

Dr. Borremans said that, with the funding of the 3rd Generation regions, there are currently thirty-nine (39) WIRED regions nationwide. He said that WIRED utilizes a six (6) step process and briefly reviewed the steps. Lastly, he explained that the SCSW region has targeted five (5) industry sectors as part of the WIRED initiative. They are: Laboratory Sciences, Healthcare, Agriculture, Utilities & Trades, and Advanced Manufacturing.

Dr. Albrecht asked about the intersection between WIRED activities and public school education. He spoke on a conference he recently attended where discussion was held on the on American Diploma Project/21st Century Skills. This project seems to be on a very similar track as WIRED. Dr. Borremans said that there is a relationship.

Dr. Borremans went on to review the service delivery structure contained in the proposal. He noted that the original proposal contained the 3 elements – sector development, system development, and talent development – and quickly reviewed some activities proposed under each element.

Dr. Borremans stressed the importance of the WIRED initiatives which must focus on being sustainable and integrate key initiatives into ongoing services in the area so once the grant has ended the initiatives can be continued.

WIRED is not just focusing on education or workforce training, like traditional employment and training programs. It is intended as a broad-based initiative that will look at a comprehensive strategy to economic development within the region. WIRED will open new funding opportunities that will address infrastructure and other conditions that impact economic growth in the region.

He said that the first step in the process is to develop an Implementation Plan using a “Leadership Team” of key community members from across the region. The Implementation Plan will take 9 months to a year to identify the key strategies important to the region. DOL must approve the Implementation Plan before the WIRED activities can begin.

DOL representatives will be in the area on September 27, 2007, to begin to address the implementation process. Dr. Borremans invited board members to attend the DOL meeting.

Mr. Otterstein said that in the Board’s quest to develop a system that is integrated – one that is seamless, demand-driven, and delivered in a real-time environment – there are two concerns. He noted that training portability seems to be defined by geographic area and expressed the need to bring training to employer sites to accommodate incumbent worker skills. He also said that the Career Pathway Academies, which are identified to work with 8th-12th grade students, should reach into the lower grades. Dr. Borremans responded saying that there will be initiatives to work directly with employers to serve incumbent workers. He also said that as work with the school systems occurs, the opportunity to work with students in the lower grades will be implemented when possible.

Mr. Stocker asked Dr. Borremans to respond to Mr. Ward’s concern that SWWDB was being treated differently compared to other WDAs that have created a separate organization. Dr. Borremans said that Mr. Ron Danowski has been Division Administrator for about 3 months, but has worked in DWD for many years and is very knowledgeable on WIA issues. He is aware of the operational issues affecting the system and is sincere in wanting to address these issues. He expressed a willingness to work with us on a new organization, but really is most interested in convincing the Board that a new organization is not the best approach. DWD is looking to implement changes to the workforce system intended to address the types of efficiencies the Board wants to achieve. Dr. Borremans said that he has worked with Mr. Danowski for many years and trusts that he will work to implement improvements.

Dr. Borremans said that while other boards have been allowed to create separate organizations, there are regulatory issues that have been overlooked or condoned in

the past. He believes Mr. Danowski wants to prevent SWWDB from “wandering down the wrong path” and become entangled in issues that would create future problems for the Board. Ms. Tibbetts said she had met with Mr. Danowski and feels he has sincere and legitimate concerns, and that SWWDB does not want to echo the mistakes of the other WDAs. While she shared concerns about being treated differently, she is convinced that Mr. Danowski wants to establish clear guidelines before allowing a WDB to create a separate organization. She felt better after meeting with Mr. Danowski at the Executive Committee. Mr. Larsen said that the analogy that was used is that “he needs to shut the barn door to keep the horses in while he rounds up the ones that got out.”

7. Executive Director’s Report

Dr. Borremans asked members to keep Ann Greenheck in their thoughts as she moves ahead with treatment on a serious illness.

8. Chairperson’s Report

Mr. Stocker spoke briefly on the WWDA Conference he and Dr. Borremans recently attended. He has been concerned about the direction and purpose of WWDA. However, he noted that the group is trying to refocus its efforts and is looking to implement a legislative agenda bring greater visibility to the current funding situation. He is optimistic that the group is heading in a good direction.

9. Adjournment

Motion by Ms. Tibbetts, second by Mr. Otterstein to adjourn the meeting at 4:25 p.m. **Motion carried unanimously.** The next SWWDB Meeting is Wednesday, October 10, 2007.