

SOUTHWEST WISCONSIN WORKFORCE DEVELOPMENT BOARD

June 13, 2007

Minutes of Board Meeting

The Southwest Wisconsin Workforce Development Board Meeting was held on June 13, 2007 beginning at 5:00 p.m. at the Lands' End Comer Center in Dodgeville.

Attendance was as follows:

BOARD MEMBERS PRESENT	
Private Sector	Public Sector
Mr. Charles Elliott	Dr. Gary Albrecht
Ms. Tammie Engelke	Ms. Amy Banicki
Mr. James Finley	Ms. Carmen Granados
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. Bruce Palzkill
Mr. Tom Schraeder	Mr. Geoff Upperton
Mr. Scott Stocker	Mr. Larry Ward
(10)	(10)
	Total: (20)
BOARD MEMBERS EXCUSED	
Private Sector	Public Sector
Mr. Gary Bezucha	Ms. Anne Greenheck
Mr. Ken Hendricks	Dr. Karen Knox
Ms. Regina Prude	Mr. James Otterstein
Mr. Steve Scaccia	
Ms. Shari Schaff	
Ms. Margery Tibbetts	
(6)	(3)
GUESTS PRESENT	
Ms. Karen Pfeil, DWD	
STAFF PRESENT	
Dr. Robert Borremans	Ms. Shannon Moe
Ms. Amy Charles	Ms. Mary Kay Runde
Ms. Annette Meudt	Ms. Barb Tucker

1. Facility Tour

Board members and staff met in the lobby of the Comer Center then took shuttles over to the Business Outfitters building for a brief tour by Ms. Hore.

2. Call to Order; Introduction of New Board Members and Guests

Mr. Stocker called the meeting to order at 5:58 p.m. Ms. Pfeil from the Department of Workforce Development (DWD) was recognized. Handouts were distributed.

3. Approval of SWWDB Meeting Minutes

Motion by Mr. Gruber, second by Mr. Albrecht to approve the March 14, 2007 SWWDB Meeting Minutes. Mr. Finley noted that the word "recuse" was spelled incorrectly. **Motion carried unanimously.**

4. **Financial Report**

Ms. Meudt presented the Financial Report for May, 2007. Discussion on the percentages for expenses to date for each of the programs with the grand total at 64%. The percentages spent by each of the program operators were provided on the second page with a total to date at 88%. The Finance Committee has reviewed the report and is recommending it to the Board for approval.

Motion by Mr. Finley, second by Mr. Palzkill to accept the Financial Report as presented.
Motion carried unanimously.

5. **Unfinished Business**

None.

6. **Consent Agenda**

The Finance Committee met prior to the Board Meeting and is recommending approval of the revisions of Policy C-301.

Motion by Mr. Finley, second by Mr. Gruber to approve the consent agenda. **Motion carried unanimously.**

7. **New Business**

A. **Executive Committee**

Mr. Larson noted that the agenda states that the minutes of the June 4, 2007 Executive Committee Meeting were to be distributed at the Board meetings. Dr. Borremans said that the minutes were complete but had forgotten to copy them for distribution. He assured the Board that copies of the minutes would be distributed first thing the next day via email.

B. **Finance Committee**

1. **Approval of 2007-08 SWWDB Budget**

The Finance Committee met immediately prior to the Board meeting to review the 2007-08 Budget. The Finance Committee is recommending approval of the budget area. Motion by Mr. Finley, second by Mr. Ward to approve the SWWDB 2007-08 Budget. **Motion carried unanimously.**

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. **Consideration of Establishing New Organization for Direct Delivery of WIA Services**

Dr. Borremans provided an overview and update on the Request for Proposal (RFP) process. SWWDB received five (5) proposals from three (3) organizations – Job Service which submitted proposals for both the Comprehensive Job Center (CJC) and Access Points of Services (APS) sites; AFL-CIO LETC which submitted a

proposals for both the CJC and APS sites; and Manpower, Inc. which submitted a proposal for the CJC site.

An ad hoc Proposal Review Team (PRT), made up of five (5) board members who volunteered to serve on the team, reviewed and scored the proposal. The PRT also met with each organization to hear oral presentations of their proposal(s). Based on their evaluation, the PRT saw benefits in all three proposers and suggested that each proposer receive a portion of the funds. They directed staff to review service delivery and funding options and develop scenarios for involving all three proposers. They also asked for a scenario to have a new, separate entity provide direct service delivery; in light of the announcement of decreased WIA allocations.

The PRT met a second time to review the scenarios created by staff. At that time, they heard that WIA funding had been reduced more than expected and that it would be difficult to "break out" funding sufficient for three organizations. They subsequently recommended to the Program Operations Committee (POC) that the Board create a separate organization to provide services.

The POC debated the various scenarios and actually developed a fifth scenario which states that if a new organization is to be created for the direct delivery of services then the current contracts should be extended until such time as a new organization can be formed and begin operation. The POC directed staff to prepare a cost analysis of the current program operators' proposals versus a new organization, and to present the data at the Board meeting.

Two handouts were distributed. One showed the cost of the SWWDB service design, staffing pattern and cost analysis for a separate entity compared to similar information presented by Job Service and AFL/CIO LETC in their proposals. The second handout is an organization chart of each scenario.

Dr. Borremans recapped the June 4, 2007 Executive Committee Meeting where Ms. Cheryl Welch from the Fox Valley WDB presented information on the formation of a separate entity in their area for the direct delivery of services. The organization is called Workforce Economics, Inc. (WE).

Mr. Orzechowski asked how a new organization would operate and questioned the relationship between that new organization and SWWDB. Dr. Borremans said that if the new organization were modeled after WE it would have a 9-member board with less than half of the board consisting of SWWDB board members. The new entity would be independent with responsibility for program operations; specifically they would provide direct services through the Job Centers. SWWDB would continue as the oversight agency with responsibility for service delivery planning and program and fiscal monitoring. He noted that currently, in addition to the FVWDB, four (4) other workforce boards operate under this type of structure and they have not faced serious challenges to the structure. He said that it would be necessary for SWWDB maintain independence from the new organization.

He added that using the WE model most staff will be employees of the new entity, while the Executive Director and Director of Finances would possibly remain under the SWWDB. Mr. Schraeder asked who the Executive Director would report to. Dr. Borremans replied that the final structure would drive that decision and that it is unclear at this early stage as to what the final structure would be, but at this time he

saw the Executive Director as reporting to the SWWDB.

Mr. Gruber offered that at the current juncture with the economics (funding) and “how we choose to do delivery of services” using the Career Pathways Model, the Board should endorse creation of a separate organization and challenge staff to get there by October 1, 2007.

Mr. Larsen inquired if the new entity is a subsidiary of SWWDB or actually a separate organization, and if there will be a conflict of interest. Dr. Borremans replied there is no compensation attached to creation of a new organization; and, therefore, he does not see any conflict of interest.

Ms. Lee asked where the numbers came from on the cost analysis handout. Dr. Borremans replied that the Information came from the proposals that had been submitted by Job Service and AFL-CIO LETC. The difference in costs between the amount for the separate entity and the two current program operators is in staffing and the amount used for administration and overhead.

Mr. Ward asked when the other regions began running programs under a separate organization. Dr. Borremans replied that each region is different – NWCEP has operated under its structure since the 1960s and 1970s; other workforce boards had organizations in place under JTPA and have continued to operate those organizations independently since the inception of WIA; and the FVWDB started a separate entity three years ago.

Mr. Upperton said it was assumed that contracts would be awarded to one of the organizations that submitted proposals. In light of lower WIA allocations, he would like to re-evaluate his numbers staff and costs just as the staff proposal took those factors into consideration. He also feels that the staff proposal is coming in "after-the-fact" and has an unfair advantage in knowing the service design and costs of the other proposers. He questioned the propriety of allowing a new scenario to be introduced at this time.

Mr. Orzechowski said he felt it was important to keep the element of competition or the “capacity to compete” in the process. Dr. Borremans responded that one idea discussed at the POC meeting was to have the new organization respond to an RFP sometime in the future so that the new organization remains focused on service delivery and accountability.

Mr. Upperton commented that he felt the RFP process was not a fair process and very flawed.

Mr. Larsen began to make a motion to award a contract extension to Job Service for \$341,060 for the 12 months July 1, 2007 through June 30, 2008. Mr. Stocker said that we needed to finish discussion and make a decision on this topic before proceeding, and he directed members back to the current agenda topic.

Dr. Borremans added that the Board has the discretion during the RFP process to reject any and all bids it considers unacceptable. The Board then has the opportunity to consider other options which may include republishing the RFP or considering a sole source contract award.

Mr. Stocker shared a memo received from Mr. Scaccia and he recommends that the Board move ahead with a new organization and extend contracts under Scenario 5. Ms. Prude also e-mailed her perspective saying that as a member of the Proposal Review Team she supports creating a new organization for direct delivery of services.

Motion by Mr. Gruber, second by Mr. Elliot to extend the current contracts under Scenario 5 for a finite period of time; at the same time direct staff to develop a separate legal entity 501(c)(3) organization for purposes of being a Program Operator with a target for that organization to be operational by the fourth quarter of calendar year 2007. Request for a roll call vote.

<u>Yes</u>	<u>No</u>
Mr. Elliott	Mr. Schraeder
Mr. Finley	Dr. Albrecht
Mr. Gruber	Mr. Jacquet
Ms. Harrington	Mr. Larsen
Mr. Hogan	Mr. Orzechowski
Ms. Hore	
Ms. Banicki	
Ms. Granados	
Ms. Lee	
Mr. Ward	
Mr. Stocker	

Motion carried on a vote of eleven (11) yes and five (5) no with two abstentions (Mr. Palzkill and Mr. Upperton). Ms. Engelke and Ms. James-Baker left the meeting prior to the vote being taken.

2. Award of Contracts for 2007-08 WIA Programs

Motion by Mr. Gruber, second by Mr. Finley to reject all RFP proposals received.

Motion carried unanimously with two abstentions (Mr. Palzkill and Mr. Upperton).

Motion by Mr. Larsen, second by Mr. Gruber to extend a contract to CESA 2 for \$66,900 for the continuation of in-school youth programming from July 1, 2007 through June 30, 2008. **Motion carried unanimously, with Dr. Albrecht abstaining.**

Motion by Mr. Larsen, second by Mr. Ward to extend a contract to CESA 3 for \$64,173 for the continuation of in-school youth programming from July 1, 2007 through June 30, 2008. **Motion carried unanimously.**

Motion by Mr. Gruber, second by Mr. Elliot to extend the contract to Job Service for \$85,265 to continue current contract activities for Older Youth, Dislocated Workers and Adults from July 1, 2007 through September 30, 2007. **Motion carried unanimously, with Mr. Palzkill and Mr. Upperton abstaining.**

Motion by Mr. Gruber, second by Ms. Granados to extend the contract to AFL-CIO LETC for \$25,875 to continue current contract activities for Dislocated Workers in Rock County from July 1, 2007 through September 30, 2007. **Motion carried unanimously, with Mr. Upperton abstaining.**

3. Approval of SWWDB Local WIA Plan Update

Ms. Tucker briefly overviewed the SWWDB 2007-08 WIA Local Plan citing some of the major changes to the plan specifically implementation of the Career Pathways service delivery model. She noted that while DWD is directing a more employer focused service delivery system, the elements of the plan still concentrate on job seeker activities. So, the plan contents are sometimes inconsistent with the direction promoted by DWD making it difficult to complete. It was noted that due to its size, copies of the plan were not provided for all board members. The Plan can be viewed on the SWWDB website. Anyone wanting a copy should contact Ms. Tucker.

Motion by Ms. Harrington, second by Mr. Finley to approve the SWWDB 2007-08 WIA Local Plan. **Motion carried unanimously.**

8. Executive Director's Report

Dr. Borremans said that the Virtual Job Center (VJC) has been operational since May 1st and that there had been over 5,400 hits during the first two weeks of operation.

9. Chairperson's Report

Mr. Stocker said that the Executive Committee had completed the review of the Executive Director and that they were satisfied with his performance.

10. Adjournment

Mr. Stocker declared the meeting adjourned at 7:20 p.m. The next meeting is scheduled for **Wednesday, October 10, 2007.**