

**Program Operations Committee Meeting
May 8, 2007
MINUTES**

The Southwest Wisconsin Workforce Development Board (SWWDB) Program Operations Committee (POC) met on Tuesday, May 8, 2007 at the Wisconsin Community Bank, Monroe.

Attendance was as follows:

Members Present:	Mr. Tom Larsen, Chairperson Mr. Rich Gruber Dr. Karen Knox Ms. Suzanne Lee	Mr. Tom Schraeder Mr. Walter Orzechowski Mr. Scott Stocker Mr. Larry Ward
Members Excused:	Mr. Gary Bezucha Ms. Carmen Granados	Ms. Margery Tibbetts
Others Present:	Mr. James Finley Mr. Bruce Palzkill	Mr. Chuck Anderson Ms. Mary Johannesen
Staff Present:	Dr. Robert Borremans Ms. Shannon Moe Ms. Annette Meudt	Ms. Barb Tucker Ms. Mary Kay Runde

Chairman Tom Larsen called the meeting to order at 2:05 pm.

1. Presentation of Local WIA Program Operator Monitoring Results

Ms. Tucker spoke on the monitoring of program operators conducted by Ms. Meudt, Ms. Moe and Ms. Tucker in late December and early January. Ms. Tucker indicated that there were few findings with most related to the inconsistency of information between client information filed in case files, data contained in the local fiscal system (PAS), and the state client tracking system (ASSET). Ms. Tucker indicated that this is often an oversight on the part of the case manager.

2. WIA Plan Updates

Ms. Tucker spoke on the Southwest Wisconsin Workforce Development Board (SWWDB) Workforce Investment Act (WIA) Local Plan which is due May 15th. The plan document is not a full plan but a modification of the plan submitted in March 2006. The updated plan is intended to address changes in operational activities for the upcoming program year. The major planning element is implementation of the Career Pathway Model. The plan must also identify how WIA allocations will be distributed for core, intensive and training services. Additionally, the plan document should identify job center partners and provide greater explanation on the roles and responsibilities of each agency.

Dr. Borremans added that the plan cannot be submitted by the May 15th deadline because of outstanding program operation issues (i.e., what agencies will receive contracts to operate programs) that still need to be resolved. SWWDB has asked for an extension of the May 15th deadline with the explanation that the final WIA plan will be presented for approval at the June Board meeting. He noted that several of the Workforce Development Boards (WDB) have asked for extensions due, in part, to the unexpected decrease in allocation amounts.

A preliminary plan will be forwarded responding to operational questions and the final plan will be presented for approval at the June Board meeting. Dr. Borremans added that the Department of Workforce Development (DWD) is undergoing reorganization in response to the Governor's plan to create a new cabinet-level department for Family and Children Services. Furthermore, DWD anticipates that an additional "regional" plan will be required in the fall which would be submitted jointly by our SWWDB and the WDB of South Central Wisconsin.

3. PY 2007- 08 Budget Estimate

An updated, revised 2007-08 WIA Funding Budget was distributed to reflect the actual WIA allocations SWWDB will receive for the 2007-08 year. Dr. Borremans pointed out that overall SWWDB lost 13.1% of its allocation. The Adult program saw a decrease of 13.3%; the Youth program decreased by 13.4%; and the Dislocated Worker program declined by 12.79% although DWD only provided 85% of the anticipated allocation due to a calculation error. For PY 2006-07, SWWDB received \$1,605,092 in WIA funding. For PY 2007-08, the allocation is \$1,394,250. This is a difference of \$210,842 or a 13.1% decrease in funding.

Dr. Borremans spoke briefly about other funding reductions. The Future Fields Program will end on June 30, 2007. Also ending are the ATK National Emergency Grant, Virtual Job Center Development Grant, and Safe Lifting Grant. It was anticipated that the Disability Navigator Grant would end but SWWDB recently heard that the program will be refunded but only at the 80 percent level. The full budget will be presented at the June Board meeting.

Mr. Larsen inquired why the budget numbers for the SWWDB staff is increasing when funds for the program operators are decreasing.

Dr. Borremans responded that staff has been cut repeatedly over the last three years with the dollars from those cuts reallocated to the program operators for the delivery of services. During this time participant numbers have declined. Dr. Borremans stated that it is necessary to retain the level of current staff in order to implement the kinds of programs and services needed to move forward – Career Pathway model, the MSSC initiative, "fee for service" business services and other demand-driven responsibilities of the Board.

4. Workforce Development System and Career Pathways Model

Dr. Borremans acknowledged that the committee had been informed of the Career Pathway model in prior meetings. He admitted that he has always considered the Job Center to have 2 customers – the job seeker and the employer. Using a business model, the Job Center actually has only one customer – the employer. The job seeker is the product delivered to the employer. The services within the Job Center represent the "value-added processes" which help provide the job seeker with the skills that meet employer specifications.

Dr. Borremans said that workforce development services should be demand-driven system and presented several new diagrams comparing workforce development to business processes. He also showed a diagram of the Career Pathway Model showing where WIA services fit within the process. He showed a flow chart type diagram showing how SWWDB can play a leadership role gathering information on worker skills needed and then use that information to direct training activities through the Job Centers and the education systems.

5. Contracts for PY 2007- 08 WIA Programs

Ms. Tucker explained to the committee that the proposal Review Team met on May 1st. After reviewing the proposals and listening to presentations by each proposing organization, the Team recommended that staff develop scenario's that would enable and fund all three (3) proposers to

provide WIA services within the Job Centers. Ms. Tucker indicated that this recommendation was made prior to the final budget announcement which cut SWWDB's WIA allocation by \$210,842. Approximately \$444,000 is available to be distributed to its agencies to deliver services.

Ms. Tucker provided the committee with two (2) handouts. The first was a summary of the RFP's received and their ranking by the Review Team. The second was five (5) different scenarios for program operator service delivery. These scenarios include:

- Scenario 1A – Job Service responsible for case management; AFL-CIO responsible for core and stage 2 workshop delivery and Manpower responsible for marketing/job development/business services.
- Scenario 1B – Job Service responsible for case management; AFL-CIO and Manpower share responsibility for core and stage 2 workshop delivery, marketing and job development.
- Scenario 2 – Job Service, AFL-CIO and Manpower share case management and job development. Job Service would have a lead case manager. All agencies would share responsibility for workshops.
- Scenario 3 – Create a new organization under oversight of SWWDB
- Scenario 4 – Implement Career Pathways Model with Job Service and AFL-CIO.

Ms. Tucker reviewed the 5 scenarios for WIA program operation with the committee indicating the strengths and weaknesses of each scenario.

Dr. Borremans stated that all three program proposers have been advised that the Review Team has recommended that all 3 agencies participate in the system. The parties were also advised that SWWDB staff has been asked to look at creating a new organization to operate programs. He noted that in the days of the Job Training Partnership Act Programs (JTPA), the Board did operate the programs. It was only with implementation of WIA that SWWDB outsourced service delivery to other agencies.

Mr. Gruber asked for more information on Scenario 3 including a financial analysis showing cost comparisons. Dr. Knox offered that taking on the operation of programs can make it difficult down the road if funding cuts make it necessary to layoff staff. This scenario also has the possibility of increasing unemployment costs. Mr. Orzechowski expressed the importance of keeping the element of competition within the process. Mr. Ward suggested offering the Board a couple of options.

Mr. Gruber stated even if programs are brought "in-house," it is good to repeat an RFP process occasionally to look for efficiencies and to test the marketplace. From his experience, it is better to control your own destiny (activities and outcomes) directly rather than contract with other agencies. In an era of turbulence with declining revenues and greater expectations of service, he is more inclined to look to the higher level of control by direct program operations.

Dr. Knox suggested that Scenario 2 be eliminated. There was consensus among the committee to no longer consider Scenario 2.

Mr. Orzechowski suggested to begin gathering information on Scenario 3 for the Board to evaluate at a future date and in the interim, we should select one of the other scenarios. Dr. Knox stated that if it is the intent to operate programs directly, she can not see bringing in a new player. Dr. Borremans added that this is why Scenario 4 was developed.

Motion by Mr. Gruber, second by Ms. Lee to proceed with Scenario 4, with the further expectation that an analysis necessary for careful review of Scenario 3 be completed by the Board meeting in June and, that as part of the analysis, costs and a timeline be established for the implementation of Scenario 3 for the Board's consideration.

Mr. Larsen offered another option for consideration – that of extending the current contracts for whatever time would be necessary to transition from the current contractors to SWWDB operating programs. He called this Scenario 5. Mr. Finley injected that maybe the Board should consider going to Scenario 3 now and sub-contracting with the present vendors during the transition period might be a better alternative.

Dr. Knox asked Dr. Borremans if running programs is where the organization needs to go. Dr. Borremans replied that, in his opinion, yes with declining resources and expected continued funding reductions having the Board operate programs would be more efficient and improve service delivery. The resources are dwindling and the “pie is being cut smaller and smaller” in all areas. He noted that as SWWDB implements the Career Pathways Model, staff that are currently involved in service delivery might not be as effective under the new model. Dr. Borremans shared thoughts from a book titled, *Moving From Good to Great*, and noted that as organizations change and seek to improve, it is important to have the “right people on the bus.” If SWWDB is going to use a more demand-driven approach, and the Career Pathways Model is an approach to focuses on employer demands, there may be a need for different players to be participating. It would be easier to implement needed changes if the Board was controlling activities rather than collaborating with a variety of organizations. So Dr. Borremans believes that the Board needs to operate programs for long-term success.

Mr. Ward added that this is such a very significant and fundamental shift in philosophy and operations. That because it is so dramatic and important more than one option should be presented to the full Board in June for consideration.

Mr. Larsen brought up program operator issues that relate to the transition to the Career Pathways Model such as staffing, learning new/changing responsibilities and personnel contracts. He said that his concern is that moving to Scenario 4, as contained in the motion, the Board would be telling program operators they would need to hire staff to perform new activities under the Career Pathways Model. Hiring staff to perform Career Pathways activities could create some staffing issues for program operators. Mr. Larsen stated that maintaining the status quo under Scenario 5 would avoid unnecessary interruption in service delivery as SWWDB moves to incorporate elements of the Career Pathways.

Mr. Finley said that if the decision is to implement Scenario 3 there is going to be a transition period and it will be uncomfortable – we either face that now, or later.

Dr. Borremans said that operating under Scenario 5 during the transition can be done. He said it was one of the scenarios discussed by staff. The only concern that staff had is an interest in implementing the Career Pathways Model soon rather than operate under the current service delivery system for another year. So, operating under Scenario 5 for a limited time and transition to direct service delivery under Scenario 3 is workable from the staff perspective.

Mr. Gruber modified his motion to include the additional option of extending the current contracts (under what is called Scenario 5) for a finite period of time to be determined, as SWWDB moves forward with the Career Pathways Program. Mr. Finley said looking at it from the private industry sector perspective taking a year to implement to career pathways under Scenario 3 you are

running a year of being a lame duck.

Mr. Ward said he feels that presenting the Board with options, having a good discussion of the options and then making a decision is the best, most respectful thing to do in consideration of the program operators. It leaves the door open and it enables staff to come back with good analysis for the Board.

Ms. Lee seconded the modification of the motion.

Revised motion by Mr. Gruber, second by Ms. Lee to extend the current contracts under Scenario 5 for a finite period of time; and to have staff prepare and present information that will enable the Board to evaluate and determine if and when Scenario 3 (direct delivery of services) should be implemented. **Motion carried unanimously.**

6. Meeting Schedule

Motion by Mr. Gruber, second by Mr. Schraeder to accept the POC Meeting Schedule as presented. POC meetings for the upcoming year are scheduled for 8/21/07, 11/20/07, 2/19/08 and 5/20/08. **Motion carried unanimously.**

7. Adjournment

Motion by Mr. Ward, second by Mr. Gruber to adjourn at 4:10 pm. **Motion carried unanimously.**