

8.E.1 Consideration of Establishing New Organization for Direct Delivery of WIA Services (Action)

The process for selecting program operators for PY 2007-08 began after the March Board Meeting with the publication of a Request for Proposals (RFP). Five (5) proposals were received on April 23, 2007 from three (3) organizations – Job Service, AFL-CIO LETC, and Manpower, Inc.

The Proposal Review Team met on May 1st. After reviewing the proposals and hearing the presentations by each proposing organization, the consensus of the Review Team was that each proposal had strengths and weaknesses, and they expressed an interest in getting all three (3) proposers involved in the system. The group also discussed the fact that declining funding made it difficult to adequately fund each organization to provide services and suggested that SWWBD might be in a better position to provide direct services more efficiently. They directed staff to prepare scenarios for funding PY 2007-08 program operations using all 3 proposers but they also directed staff to prepare one scenario that would have the possibility of SWWDB providing direct services.

At a May 7th meeting, staff presented the Review Team with five (5) different scenarios for program operations. They included:

- Scenario1A – 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.
- Scenario1B – 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.

The Review Team also heard that PY 2007-08 WIA funding allocation came in lower than anticipated by \$210,842 (-13.1%) which limited even more the ability to fund 3 organizations to operate programs. The Review Team considered the program operator scenarios in light of the lower allocation and recommended to the Program Operations Committee (POC) that SWWDB should deliver services directly.

The POC, upon receiving the recommendation from the Review team, debated the various scenarios and actually developed a Scenario 5 which states that if a new organization is to be created for direct delivery of services then the current contracts should be extended until such time as a new organization can be formed and begin operation. After much discussion, the POC unanimously approved a motion 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.**

ENCLOSURE 9

When considering the motion, it was noted that SWWDB used to provide services under CETA and JTPA. With the implementation of WIA, SWWDB along with several other workforce development boards (WDBS) gave up the delivery of services and outsourced program operations. However, five (5) of the eleven (11) WDBs currently operate programs using a separate organization under the direct supervision and oversight of the WDB. The Fox Valley Workforce Development Board (FVWDB) is the latest WDB to implement a separate organization, called Workforce Economics, Inc., to directly deliver services.

Cheryl Welch, Executive Director, Fox Valley Workforce Development Board met with the Executive Committee on June 4th to discuss the reasons why FVWDB created Workforce Economics, the steps required for implementation, the relationship between FVWDB and Workforce Economics and issues related to collaboration. **Attachment 1** is the organizational charts of Workforce Economics and FVWDB. **Attachment 2** is the cooperation agreement between FVWDB and Workforce Economics.

Staff is collecting and preparing the information requested by the POC, and will its analysis at the Board meeting. Unfortunately, the information was not available in time to include in the Board packet.

A decision on whether to establish a separate organization to provide direct service delivery is needed in order to finalize program operator contracts and approve the SWWDB WIA Local Plan Update. Therefore, action by the Board on this item is requested.