

TRANSMITTAL # 3

MEMORANDUM

January 17, 2007

TO: Workforce Development Council

FROM: Roger B. Madsen, Director 

SUBJECT: Program Year 2007 WIA Service Strategy

ACTION REQUESTED: Recommend Program Year 2007 Service Strategy

BACKGROUND

The Workforce Investment Act of 1998 requires the Workforce Development Council to make decisions regarding strategies for selection of PY 2007 service providers and method of distribution of PY 2007 funds to selected service providers in Idaho.

The following outlines possible strategies the Council may elect to deliver services and distribute PY 2007 WIA funds.

1. Continue funding existing WIA PY 2006 service providers through PY 2007;
2. Reserve 100% of the available WIA program funds for Idaho Commerce & Labor services through the one stop system; and/or
3. Issue a request for proposal to meet an unmet service or training need.

The following information is provided to assist the Council in reaching their final decision.

Workforce Program Funding

Funding for workforce programs continues to be negatively impacted at the national level. On December 9, 2006, the President signed into law a continuing resolution to fund government programs through February 15, 2007. Idaho Commerce & Labor is anticipating a minimum funding reduction of 15 percent for PY 2007 WIA operations, somewhat more in dislocated worker funding and less in adult and youth programs. This challenges the system to respond to the level of demand in the economy for training and retraining.

To further complicate matters, it is unclear whether WIA reauthorization will be approached early by the new Congress or must wait for other legislation considered a higher priority. With a change in

leadership, the form a new bill will take remains uncertain; however some legislative action is expected during the year.

Option 1

Idaho Commerce & Labor is the primary provider for WIA adults and youth and the sole provider of dislocated worker services and serves as the area one stop operator for each of the 24 One Stop Centers located throughout the state.

Other service providers receiving WIA funds include:

Region I:

- North Idaho College receives 20 percent of the adult funds in the region to provide vocational training to the adult population in north Idaho.
- Youth funding is currently awarded to four in-school projects, providing direct service to students 14-18 years of age. The primary focus is to ensure that youth stay in school, enter postsecondary education or obtain employment. USDOL is placing greater emphasis on states to serve out-of-school youth 16-21 years of age, excluding service to the younger in-school youth population group.

Region IV:

- Magic Valley Youth and Adult Services serves as the primary provider of youth services and currently receives 50 percent of the adult resources since the program closure of the WIA Agreement with College of Southern Idaho.

The attached report reflects current performance of service providers through December 31, 2006 and year-end performance goals. All service providers are on track to meet their planned year-end goals and there are no major concerns with their current performance. Existing service providers are expending a minimum of 51 percent of their adult funds and 40 percent of their youth funds on direct participant services. Idaho continues to rank at the top for regional performance in the majority of performance indicators under the current strategy.

The continuation of existing service providers would limit non-state service providers to offer services in accordance with their proposals, limiting options for new program design or services. Further, in at least one case, WIA youth programs are not adequately represented in the one stop system.

Option 2

As stated in Option 1, Idaho Commerce & Labor is the primary provider of WIA adult and youth services and sole provider of dislocated worker services. All 24 Idaho Commerce & Labor offices serve as One Stop Centers offering the full array of employment and training services to businesses and job seekers.

The Council has the authority to award all WIA program delivery funds to Idaho Commerce & Labor. This allocation of resources provides continuity in program delivery, reduction in overhead expenses and expands flexibility by one delivery source to target resources to specific high-growth industries or

population group. The one stop system would also be strengthened in the two regions that currently distribute funds to multiple service providers using this option.

Option 2 would eliminate in-school projects currently operating in North Idaho and adult and youth services offered by Magic Valley Youth and Adult Services in Region IV and North Idaho College adult programs in Region I. While Idaho Commerce & Labor could provide similar services to these recipients, this could negatively impact some of the smaller school districts that rely on these funds as part of their overall education strategy and could jeopardize the viability of MVYAS in the Magic Valley area. NIC would continue to receive students for training; however, they would lose staff who currently select and case manage their WIA participants.

Option 3

The Council may elect to issue a request for proposal targeted to a specific need that is currently being unmet through the current funding strategy. This option will require further discussion by the Council to identify the specific need and population group. Funding in PY 2007 is expected to fall to less than half of Program Year 2002 levels and tying up funding for special groups or needs will further erode the base service system operated through the one stop system.

Staff Recommendation

Staff recommends the Council authorize continued funding for all PY 2006 service providers subject to achievement of performance goals or demonstration of the capacity to achieve those goals, outlined in Option 1. This will allow for a continued high level of performance and continuity in workforce program delivery due to the continued reduction in national funding and the uncertainty of WIA reauthorization.

Staff further recommends the same distribution formula used in PY 2006 which is based on provider's relative share of the regional allocation with the contingency that service providers must expend 85 percent of their participant funds by the end of the program year or risk losing unexpended participant funds. Any additional monies made available through the withdrawal or decision to withhold a contract offer are allocated on the same relative share among those approved for funding.

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Attachment

**PY 06 WIA PERFORMANCE
AS OF DECEMBER 31, 2006**

Actual Quarter Served	Quarter Plan	Percent of Qtr plan	Actual Quarter Exited	Quarter Plan	Percent of Qtr plan	Actual Quarter Empld	Quarter Plan	Current Place Rate	Average Wage	Funds Spent (11/30/06)	Quarter Plan	Percent of Qtr plan
<i>Youth = diploma/credential/place DW avg wage = wage replace rate</i>												

AREA ONE YOUTH

CDA Alternative School	11	12	92%	3	4	75%	3	4	75%		\$18,621	\$24,683	75%
TESH	13	12	108%	5	6	83%	5	5	100%		\$21,657	\$19,624	110%
Boundary School Dist	14	16	88%	3	3	100%	3	2	67%		\$22,222	\$34,068	65%
W. Bonner School Dist	8	9	89%	3	2	150%	3	3	100%	\$8.75	\$9,908	\$13,747	72%
St. Maries School Dist	35	22	160%	5	5	100%	5	5	100%	\$10.00	\$17,556	\$25,569	69%
Commerce & Labor	130	102	127%	30	31	96%	30	30	100%	\$8.86	\$222,472	\$290,657	76%
AREA ONE ADULT													
North Idaho College	41	37	111%	12	10	120%	9	9	100%	\$12.64	\$49,600	\$55,000	90%
Commerce & Labor	190	155	123%	63	39	162%	56	34	165%	\$13.14	\$283,590	\$299,909	95%
AREA ONE DISLOCATED WORKER													
Commerce & Labor	123	130	95%	43	33	130%	43	33	130%	121%	\$178,713		

AREA TWO - Commerce & Labor Only

Youth	95	92	103%	16	26	62%	16	16	100%	\$10.55	\$135,949	\$178,399	76%
Adult	84	86	98%	28	24	116%	25	20	125%	\$11.42	\$109,610	\$167,003	66%
Dislocated Worker	44	40	10%	22	12	183%	21	11	190%	144%	\$51,848	\$65,134	80%

AREA THREE - Commerce & Labor Only

Youth	284	280	101%	76	67	113%	76	67	88%	\$9.49	\$277,464	\$335,000	83%
Adult	269	269	100%	99	86	115%	76	75	101%	\$12.66	\$292,605	\$283,000	103%
Dislocated Worker	321	313	102%	109	92	118%	89	84	106%	87%	\$243,639	\$281,000	87%

AREA FOUR YOUTH

MVYAS	78	78	100%	8	12	68.00%	8	8	100%	\$9.87	\$60,773	\$78,707	77.00%
Commerce & Labor	15	15	100%	1	5	20%	1	1	100%	\$9.76	\$19,893	\$20,066	99%

AREA FOUR ADULT

MVYAS	33	32	103%	3	3	100%	3	3	100%	\$10.28	\$29,496	\$48,310	61%
Center for New Directions	13	14	93%	4	3	133%	4	3	133%	\$11.17	\$10,425	\$10,425	100%
Commerce & Labor	40	39	102%	5	7	72%	4	6	67%	\$8.96	\$36,281	\$48,204	75%

AREA FOUR DISLOCATED WORKER

Commerce & Labor	89	100	89%	22	2	88%	22	23	96%	86%	\$153,674	\$191,333	80%
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AREA FIVE - Commerce & Labor Only

Youth	72	76	95%	24	7	342%	23	24	96%	\$10.25	\$91,821	\$72,500	126%
Adult	59	62	95%	18	12	150%	14	11	127%	\$12.63	\$70,338	\$54,106	130%
Dislocated Worker	193	165	117%	40	27	148%	38	26	145%	110%	\$125,731	\$115,093	109%

AREA SIX - Commerce & Labor Only

Youth	68	69	98%	19	18	105%	19	17	89%	\$10.05	\$88,804	\$108,509	82%
Adult	68	68	100%	20	10	105%	17	17	100%	\$12.40	\$58,762	\$70,606	83%
Dislocated Worker	57	57	100%	19	22	86%	16	20	80%	188%	\$50,818	\$59,977	85%