

TRANSMITTAL # 5

MEMORANDUM

May 11, 2005

TO: Workforce Development Council

FROM: Roger B. Madsen, Director

SUBJECT: Transition Plan for PY'05

ACTION REQUESTED: Approval of Transition Plan Activities

BACKGROUND:

The WIA 2-Year Plan covers program years 2005 and 2006. Governor Kempthorne is proposing a single statewide regional planning approach for planning for 2006. During 2005, Governor Kempthorne plans to expand the size of the Council to ensure greater representation from the substate regions and broader representation of the state's key industries. The Governor, in consultation with this Council, will determine whether to form a new Youth Council or to establish a collaborative process with the Governor's Council for Families and Children to create a new vision for serving the state's neediest youth. Because these new structures were not in place for planning activities for PY'05, it is necessary to provide for a smooth transition from the six workforce areas to the new system. Using existing local planning where possible will ensure a seamless transition and provide guidance for operation of programs during the PY'05 program year. The following transition approaches included in the WIA 2-Year Plan are included for your consideration.

PLANNING PROCESS FOR PY'05

Background

WIA requires that funds be spent in accordance with plans developed by local Workforce Boards and local elected officials as prescribed in the Act. These plans identify workforce investment needs, current and projected employment opportunities, a description of the one-stop delivery system, as well as a description of the type of adult, dislocated worker and youth activities available in the area. Last fall, local WIB staff were advised that the State would be accepting modifications to the current Five-Year plan to guide activities during the PY'05. Local WIB staff initiated the WIA planning process, applying current State policies, timeframes and

guidelines for submittal of modifications to local plans. Five of the six local boards have completed service provider selections and will submit minor plan modifications, which are due June 1, 2005. Area 3 has submitted a draft major modification to its plan, with a final plan due May 15th. Because the plans will be received after the meeting, State staff will use existing policy to review and comment on plans before recommending approval.

To facilitate a smooth transition from the six-regional areas to the statewide planning region approach, the WIA Strategic Plan proposes that the State rely upon, to the extent possible, approved WIB program decisions reflected in local plans to direct activities during PY'05. The Workforce Development Council will reconsider all local policies for possible modification prior to PY06 as it functions as the statewide regional WIB.

Recommendation

To ensure continuous service delivery into PY'05, the Council will authorize State staff to complete the current planning process and contract negotiations with local providers for PY'05 relying upon, to the extent possible, WIB program decisions reflected in approved WIB plans.

AREA ALLOCATION POLICIES

Background

Since implementation of WIA, the State of Idaho has allocated funds to the six local areas using the allocation formulas established by USDOL for allocation of funds among the states. In the WIA plan, the state has proposed the continued use of these formulas to distribute funds to the six substate planning regions. Use of these formulas distributes funds to an area based on need and adapts to changing economic conditions. Businesses and residents of an area must be able to rely on a consistent approach to fund distribution independent of the organizational structure.

Recommendation

Under the single statewide regional planning structure, State staff recommend continuation of area allocations and continued use of the federal allocation formulas to ensure ongoing, equitable distribution of funds across the State.

ONE STOP SYSTEM

Background

The Workforce Investment Act requires the local board, with the agreement of the chief elected official, and within the parameters of the Council's State Plan, to develop and enter into a Memorandum of Understanding with one-stop partners concerning the operation of the one-stop delivery system in the local area, designate the one-stop operators, and conduct oversight of the one-stop delivery system. Regulations require that each area designate at least one One Stop Center. Currently, five of the six designated One Stop Centers are Idaho Commerce and Labor local offices. Area 3's One Stop Center is located at a leased private site which also houses SAGE's WIA staff. The lease agreement for the One Stop Center will expire at the end of calendar year 2005.

After combining economic development and workforce systems within the Department of Commerce and Labor and receiving a third year of decreased WIA funds, Governor Kempthorne has asked that all Idaho Commerce and Labor offices be considered for designation as One Stop Centers to provide greater business and job seeker access while reducing overhead costs. During PY'05, the Workforce Development Council will review and possibly modify the One Stop policy framework, enter into new Memoranda of Understanding with One Stop partner organizations, and will restructure the MOU guidelines before considering designation of the additional 18 One Stop Centers.

Recommendation

Under the new WIA administrative structure, leased space for local board staff will no longer be necessary. Unless the lease is terminated, the financial burden of the leased site will remain the responsibility of the lessee, Sage Community Resources, with a portion paid by WIA and other providers who occupy space. For an immediate reduction in costs, State staff recommend the transfer of Area 3's One Stop Center designation to the Commerce and Labor office at 3rd and Main in Boise.

Staff further recommend that all other current One Stop locations, policies and MOUs remain in effect until reviewed and modified by the Council during PY'05.

ELIGIBLE TRAINING PROVIDER PROCESS

Background

The Workforce Investment requires local boards, using procedures established by the State, to identify and determine initial eligibility of training providers to receive WIA funds. Once initial eligibility is determined, the State will include the training provider's program and cost information on the Eligible Training Provider List to provide informed customer choice to Adult and Dislocated Worker participants.

Recommendation

In order to sustain a timely approval and appeals process, State staff are recommending that, effective July 1, 2005, the Council, as a local workforce board, designate the Department of Commerce and Labor to determine initial eligibility of training providers for the Eligible Training Provider List. Using the Council's current guidelines and procedures, State staff will review and initially approve qualified applications and process appeals on the Council's behalf. Formal approval of providers and other actions will take place at the following Council meeting.

ALLOCATION OF LOCAL FUNDS PY 05 v PY 04*

	PY 05 FUNDS	PY 04 FUNDS	CHANGE
AREA 1 Adult	\$ 721,845	\$ 862,109	(140,264)
AREA 1 Youth	\$ 834,618	\$1,002,064	(167,446)
AREA 1 DW	\$ 492,706	\$ 687,043	(194,337)
Total	\$ 2,049,169	\$2,551,216	(502,047)
AREA 2 Adult	\$ 269,822	\$ 236,920	32,902
AREA 2 Youth	\$ 299,014	\$ 257,865	41,149
AREA 2 DW	\$ 122,477	\$ 151,564	(29,087)
Total	\$ 691,313	\$ 646,349	44,964
AREA 3 Adult	\$ 790,260	\$ 990,998	(200,738)
AREA 3 Youth	\$ 936,095	\$1,218,708	(282,613)
AREA 3 DW	\$ 854,792	\$1,214,388	(359,596)
Total	\$ 2,581,147	\$3,424,094	(842,947)
AREA 4 Adult	\$ 260,940	\$ 223,549	37,391
AREA 4 Youth	\$ 307,566	\$ 265,215	42,351
AREA 4 DW	\$ 239,228	\$ 267,326	(28,098)
Total	\$ 807,734	\$ 756,090	51,644
AREA 5 Adult	\$ 167,318	\$ 188,520	(21,202)
AREA 5 Youth	\$ 214,926	\$ 228,788	(13,862)
AREA 5 DW	\$ 197,172	\$ 229,866	(32,694)
Total	\$ 579,416	\$ 647,174	(67,758)
AREA 6 Adult	\$ 190,363	\$ 171,941	18,422
AREA 6 Youth	\$ 258,253	\$ 222,716	35,537
AREA 6 DW	\$ 132,974	\$ 170,263	(37,289)
Total	\$ 581,590	\$ 564,920	16,670
PY TOTAL	\$ 7,290,369	\$8,589,843	\$(1,299,474)

*Does not include carry-in, incentive, special grant, or other WIA funds