

TRANSMITTAL # 7

MEMORANDUM

May 11, 2005

TO: Workforce Development Council

FROM: Roger B. Madsen, Director

SUBJECT: USDOL Waiver for a Statewide Regional Planning Area

ACTION REQUESTED: Recommend designation of a statewide regional planning area and submission of a waiver allowing the Workforce Development Council to serve as the local board for that planning area.

BACKGROUND:

Within the WIA Strategic Two Year Plan (PY05 and PY06) for Title IB and Wagner-Peyser Act Programs, the State of Idaho is formally seeking a waiver to apply 20 CFR 661.300(f) which permits a state board to carry-out the roles of a local board in a single local area to a statewide regional planning area. The shift from six regional areas to a single statewide planning area allows the Governor to address the Administration's strategic priorities and to further reforms envisioned in the Workforce Investment Act.

The Governor has announced his desire to move toward a single state area and will do so through designation of two areas which will enter into a cooperative arrangement to function as a single state area. Under WIA law, Governor Kempthorne is authorized to require development of a single regional plan for the state. He describes his desire to do so in the proposed WIA plan as a means of creating efficiencies in an era of declining federal funds. To maximize resources available for service delivery, the Governor also wishes to use the Workforce Development Council as the local workforce board for this statewide regional planning area.

No state or local policies would limit the Governor's authority to require a regional plan or utilize the Workforce Development Council as the local workforce board for the Idaho Workforce Consortium.

The State will achieve the following goals if the waiver is granted:

1. The new single statewide planning structure will reduce overhead from 14 percent to less than 3 percent, a reduction of more than \$1.3 million now spent to support the six-region structure. This efficiency maximizes the available money directed to training and services to business and job seekers in the face of the severe federal budget cuts experienced by the state in the last four years. The State has set a goal of spending 50% of local Adult and Dislocated Worker funds for direct training and support of businesses and participants.
2. The new statewide structure will enhance efforts to transform the system into a demand-driven system by further integrating economic development activities into the one stop system. The 24 Commerce and Labor offices across the state will serve as the state's One Stop Centers and will incorporate the full range of economic and community development services in their offerings. The priority for 2005 will be to ensure that all 24 offices have the training and support to become full service business centers.
3. The One Stop system will be enhanced by expanding the number of *IdahoWorks* One Stop Centers from six to twenty-four, broadening the reach to Idaho's citizens and business customers in our urban and rural areas. As indicated above, the focus in year one will be on building the capacity of these Centers to offer economic and community development services. During 2005, the Governor's Workforce Development Council will also negotiate new MOUs with One Stop Partner organizations with the goal of expanding their participation in the One Stop system in PY06 to more fully integrate the wider range of services available at the Centers.
4. The statewide delivery structure also affords an opportunity for the Workforce Development Council, working in concert with the Governor's Coordinating Council for Families and Children, to redesign youth programs, taking fuller advantage of opportunities for leveraging funds among organizations serving youth. During PY 2005, the State will, to the extent possible, honor the commitments made by the six local boards. At the same time, the Workforce Development Council will partner with the Governor's Coordinating Council for Families and Children in a strategic planning process designed to identify gaps and prioritize services to those youth who demonstrate the greatest need.
5. The new statewide structure will strengthen administrative oversight and accountability processes. Administrative deficiencies have resulted in substantial disallowed costs in Idaho's largest Workforce Investment Area. The new strengthened administrative structure will assist Idaho in avoiding future disallowed costs and thus will further enable the redirection of funds from service provider and administration to direct participant training and support.

The waiver will eliminate WIA funding for the staff of the six local workforce investment areas, estimated at 15 staff working primarily on WIA and additional administrative and executive staff whose functions are shared by WIA and other fund sources. With these reductions in overhead costs, we expect to increase training opportunities for an additional 500 or more adults, dislocated workers and at-risk youth as we add services for the business community.

The waiver is being announced to the general public as part of the plan review process which includes a process for soliciting review and comment during a three-week period and review by this Council, local elected officials and other interested parties. Announcements of the organization change, but not this specific waiver request, were issued earlier to the Chairs of Local Elected Official organizations, their WIB Chairs, Executive Directors and their WIB staff. The State maintains a sophisticated management information and oversight system that tracks progress of financial and participant goals. Progress will be reviewed on a quarterly basis to ensure that goals are achieved. The Workforce Development Council will advise the Governor on specific policy changes needed to achieve the priority areas identified above. Additional communication strategies will be devised to ensure that citizens throughout the state are informed of progress and provided an opportunity for input into the state's workforce development system.

STAFF RECOMMENDATION:

Staff recommend that the Workforce Development Council advise the Governor to:

- Develop a statewide regional planning area comprised of the two designated areas for the purpose of achieving efficiency and maximizing services; and
- Submit a waiver request to allow the Idaho Workforce Development Council to serve as the local board governing plan development for the single statewide regional planning area.

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