

Commission Agenda Date: February 25, 2014

Item No. : 12

Other Administrative Matters

WorkNet Pinellas d/b/a CareerSource Pinellas one-stop direct services provider extension.



Background:

The Federal Workforce Investment Act (WIA) allows regional boards to be designated as a direct provider of services if agreed to by both the Chief Elected Official for the workforce region and the Governor.

Effective July 1, 2008, Senate Bill 428 modified Chapter 445, Florida Statutes, providing new statutory authority for regional workforce boards to be designated as a direct provider of workforce services.

WorkNet Pinellas' original request in 2008 to become One Stop Direct Services Provider stemmed from budgetary reductions which forced several changes in how WorkNet conducts operations. Since becoming One Stop Direct Services Provider following approval by Pinellas Board of County Commissioners and WFI, WorkNet has been able to reprogram the funds saved by not paying management fees to the previous Professional Employer Organization, as well as all other funds saved through the consolidation and streamlining of programs back into programs and services for the customer. Due to continued budgetary reductions and the streamlined process for delivering services that now exists, it is in the best interest of WorkNet's customers that WorkNet continue to provide these services directly.

This request to extend the designation of WorkNet Pinellas as a direct provider of workforce services is effective for a three-year period from July 1, 2014 through June 30, 2017.

This extension request (see attached) was reviewed in depth by the WorkNet Pinellas Board's Executive Committee and approved at their October 30, 2013 meeting followed by full Board approval on December 18, 2013. A public notice was posted in the Tampa Tribune and was posted online for thirty days seeking public comment to this extension request. No comments were received.

Action Requested:

WorkNet Pinellas, Inc. is requesting a three-year extension to the designation by the Pinellas Board of County Commissioners for WorkNet Pinellas to serve as the one stop operator and/or a direct provider of certain components or all components of workforce services if deemed necessary by the WorkNet Pinellas, Inc. Board of Directors.



EXTENSION OF DESIGNATION REQUEST AS ONE-STOP DIRECT SERVICES PROVIDER

As indicated in the attached statement of intent, WorkNet Pinellas Inc., herein referred to as WorkNet, with the approval of the WorkNet Pinellas Board of Directors and the Pinellas County Board of County Commissioners, submits the following extension of designation request to Workforce Florida, Inc., for approval:

This extension request follows the outline suggested by the action requirements received from Workforce Florida, Inc. (WFI) on July 21, 2011 regarding DIRECT SERVICES EXTENSION. That guidance required:

1. A review of how the provision of direct services during the original implementation period fit the business model that the RWB proposed in its original request, and any proposed changes in the business model or the particular workforce services the RWB intends to provide during the extension period.

From the implementation of the federal Workforce Investment Act of 1998, and the state of Florida's Workforce Innovation Act of 2000, WorkNet has consistently acted to maximize the ability of the Regional Workforce Investment Board to affect continuous improvement initiatives within the One-Stop Career Center System in Pinellas County. As part of a 2 Year Plan modification request submitted to and approved by WFI pursuant to SB428 in 2008, WORKNET became the employer of record for the One-Stop personnel and giving the WorkNet Board the right to reorganize services, as well as the management for those services as needed. There are no proposed changes to this business model. However, to help improve workforce services throughout the Tampa Bay region, the Regional Workforce Investment Boards serving Pinellas, Hillsborough, Pasco and Hernando Counties are now actively coordinating efforts to further streamline programs and service delivery.

2. The effective date, not to exceed three years, for when the extension will be in effect.

This extension is to be effective for the period July 1, 2014 through June 30, 2017.

3. A review of the RWB's stated reasons in its original request why the RWB has decided to directly provide the workforce services, and an explanation of how it is in the best interest of the RWBs customers that the RWB continue to provide these services.

WORKNET'S request to become One Stop Direct Services Provider stemmed from budgetary reductions which forced several changes in how WORKNET conducts operations. Since becoming One Stop Direct Services Provider, WORKNET has been able to reprogram the funds saved by not paying management fees to the previous Professional Employer Organization, as well as all other funds saved through the consolidation and streamlining of programs back into programs and services for the customer. Due to continued budgetary reductions and the streamlined process for delivering services that now exists, it is in the best interest of WORKNET'S customers that WORKNET continue to provide these services directly.

4. A review of the effectiveness of the firewall established by the RWB to clearly separate existing roles as oversight body for the region's workforce delivery system and its role as the operational services directly provided by the RWB, and an explanation of changes to be made to the firewall.

The Board's committee structure is fully described in section IV.A. of WorkNet's five year plan, with a full description of each committee's functions and responsibilities. WorkNet's committee structure is specifically designed to allow the Board to exercise its responsibilities in a way that facilitates its fiduciary, policy and goal setting and results based monitoring. The responsibilities of program development and implementation as well as infrastructure are assigned to the One Stop Consortium with the responsibilities of budgeting, auditing and monitoring all assigned to the Finance Committee. Both of these committees report independently and make recommendations to the Executive Committee with the final approval and oversight falling to the Board of Directors. In addition, WorkNet is in a unique position as there is a separate Audit committee that was established by The Pinellas County Board of County Commissioners and WorkNet as an additional oversight committee.

The establishment of the Board's practices continues to provide an effective "firewall" between the Board of Directors of WORKNET and the conduct of operations in Pinellas County. No changes have been made.

5. An identification of the grant program(s) that currently fund the workforce service delivery model.

The following table represents current grants that fund the workforce service delivery model:

Grant/Program
Temporary Assistance for Needy Families
Workforce Investment Act (WIA Title 1)
Wagner-Peyser
Supplemental Nutrition Assistance Program (SNAP)
Trade Adjustment Assistance
Unemployment Insurance
Local Veterans Employment Representative Program
Disabled Veterans Outreach Program
Disability Navigator
YouthBuild
H1B Technical Skills Training

H1B Health Care
Reemployment and Eligibility
Jobs Access/Reverse Commute Program
New Freedom program
Disability Employment Initiative
National Emergency On the Job Training Program
Emergency Unemployment Compensation Reemployment Services
Weatherization
New Freedom program

This extension will not change the description of grant programs and/or services currently contained in the approved five year plan and subsequent modifications. All portions of the plan will remain in effect.

6. An analysis of the costs of the services that documents the actual reduction in costs with the RWB providing the services rather than contracting that service to another provider, and an estimate of such costs and savings for the upcoming period.

It is estimated that the reduction in costs associated with changing from a PEO model totaled \$43,254 each year, more than 188% of what was originally proposed at \$15,000. This was calculated by taking the average indirect cost rate of previous service providers of 10% and multiplying that by the total costs of comparative WorkNet staff engaged in program and special project management of frontline staff (\$432,540). By action of the WORKNET Board of Directors, and the Pinellas County Board of County Commissioners, these funds were re-dedicated to Individual Training Accounts (ITAs). The average ITA is set at \$3,500. It has been determined that by becoming the direct service provider, WorkNet was able to provide ITAs to an additional 12 customers each year or 36 customers over a three year period.

7. A review of any other realized improvement to service delivery and performance outcomes, and description of anticipated improvements.

Given the budgetary challenges to be met WORKNET, the streamlining of management and oversight duties was the key improvement to service delivery and performance outcomes realized since the changing from a PEO model. WorkNet continues to be one of the top performing regions in the state.

8. Documentation that the public was provided a meaningful opportunity for review and comment on the proposed extension for a period not less than 10 days. (Include any submitted comments).

The WORKNET Extension of Designation Request as One-Stop Direct Services Provider was posted for public comment on the WorkNet Pinellas website (www.worknetpinellas.org) for a period of 30 days (November 20, 2013 through December 20, 2013) and the public notice section of the local newspaper for a period of one day. In addition, customers were offered the opportunity to submit or voice comments about the proposed extension at a publicly held Pinellas County Board of County Commissioners meeting, as well as WorkNet Board of Directors and Committee meetings where this request was submitted for approval.

See Attachment 2 – Public Notice

9. Documentation that the Chief Elected Official has agreed to the planned extension.

See Attachment 1 – Request for Extension

ATTACHMENT I

REQUEST FOR AN EXTENSION

RWB Number: 14

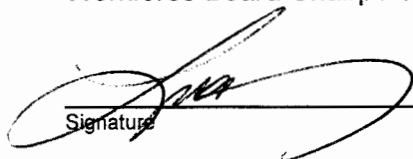
Contact Name: Edward Peachey

Contact Phone Number: 727-507-4300 ext. 3038

This extension is to be effective for the period July 1, 2014 through June 30, 2017. Note that this extension may be revoked prior to that date based on Federal and State law or policies.

The signatures below certify request for an extension submitted by the WorkNet Pinellas, Inc. Regional Workforce Board and the assurance that the Regional Workforce Board will operate in accordance with the extension, its service delivery plan, and applicable federal and state laws and regulations.

Workforce Board Chairperson



Signature

Lenne Nicklaus-Ball

Name (printed or typed)

Board Chair

Title

Date

Chief Elected Official

Signature

Name (printed or typed)

Title

Date