



Agenda Packet

*Governor
Arnold Schwarzenegger*

*Chair
Lawrence Gottlieb*

*Executive Director
Barbara Halsey*

**Wednesday
March 12, 2008
1:00 p.m. — 4:00 p.m.**

*Sacramento Public Library
Tsakopoulos Library Galleria
828 I Street
Sacramento, California*

CALIFORNIA WORKFORCE INVESTMENT BOARD



MEETING NOTICE

Sacramento Public Library
Tsakopoulos Library Galleria
828 I Street
Sacramento, CA

Wednesday, March 12, 2008
1:00p.m. – 4:00p.m.



Lawrence Gotlieb
Chair

Chris Essel
Vice Chair

Arnold Schwarzenegger
Governor

Barbara Halsey
Executive Director

INFORMATIVE PRESENTATION*

9:00 a.m.-12 p.m.

Executive Overview of Industry Cluster of Opportunity Methodology

AGENDA

1. **Welcome and Opening Remarks**
 - **Larry Gotlieb, Chair**
 2. **Update – Labor and Workforce Development Agency Report**
 3. **Update – Executive Director’s Report**
 4. **Action:**
 - **Approval of October 10, 2007 State Board Meeting Summary**
 - **Approval of Local Area Modification Request**
 - **Integration Services Framework**
 - **One Stop Career Center Cost Study**
 5. **Discussion Item – Moving Forward**
 - **Board Direction for the Future**
 6. **Public Comment**
 7. **Other Business that May Come Before the State Board**
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Meeting conclusion time is an estimate; meeting may end earlier subject to completion of agenda items and/or approved motion to adjourn. In order for the State Board to provide an opportunity for interested parties to speak at the public hearings, public comment may be limited. Written comments provided to the California Workforce Investment Board must be made available to the public, in compliance with the Bagley-Keene Open Meeting Act, §11125.1, with copies available in sufficient supply.

Individuals who require accommodations for their disabilities (including interpreters and alternate formats) are requested to contact the California Workforce Investment Board staff at (916) 324-3425 at least ten days prior to the meeting. TTY line: (916) 324-6523. Please visit the California Workforce Investment Board website at <http://www.calwia.org> or contact Daniel Patterson for additional information.

* Board Members are not required, but encouraged, to participate in this informative presentation. This presentation is separate from the Meeting of The Board.

Welcome and Opening Remarks

- **Larry Gotlieb, Chair**

Update – Labor and Workforce Development Agency Report

Update – Executive Director’s Report

- **National Governor’s Association/National Association of Workforce Boards Conferences**
- **Prison to Employment Project**
- **Legislative Report**
- **Workforce Training Act (SB 293) Implementation**
- **Status of Waiver Approvals from DOL**
- **Incentive Award Grantees**
- **WIA Rescission**
- **Transformation Plan**
- **National Governor’s Association Sectoral Policy Academy**
- **Special Committee for Accountability in Workforce Investment**
- **Carl Perkins Career Technical Education Plan**
- **Who Do U Want 2 B? - California Department of Education and California Community Colleges**

Action –

- **Approval of October 10, 2007 State Board Meeting Summary**
- **Approval of Local Area Modification Request**
- **Approval of Integration Services Framework**
- **Approval of One-Stop Career Center Study**

**California Workforce Investment Board
July 26, 2007
Meeting Summary**

The California Workforce Investment Board (State Board) met at the Tsakopoulos Library on July 26, 2007. The following members were present:

Patrick Ainsworth for Jack O'Connell
Marjorie Berte for Dale Bonner
Victoria Bradshaw
Kenneth Burt
Jerry Butkiewicz
Gaye Cobb for Assembly Member Sandré Swanson
Jamil Dada
Cesar Diaz, Designee for Bob Balgenorth
Chris Essel
Larry Fortune
Louis Franchimon
Victor Franco
Patrick W. Henning
Faye Huang
Richard Mendlen
Richard Montanez
Gayle Pacheco
Stella Premo
Tim Rainey, Designee for Art Pulaski
Richard Rubin
Barry Sedlik
Rona Sherriff, Designee for Senator Denise Ducheny
Linda Summers, Designee for the Honorable Miguel Pulido
Audrey Taylor
Willie Washington

Welcome and Opening Remarks

Board Vice-Chair Chris Essel called the meeting to order at 1:12 pm. Ms. Essel stated Board Chair Larry Gotlieb is in Washington D.C. talking with Congressman George Miller regarding important workforce issues. During introductions, Ms. Essel introduced new State Board members Mr. Richard Rubin, Mr. Louis Franchimon and Mr. Barry Sedlik. She then asked all members to introduce themselves and state their affiliation.

Update – Labor and Workforce Development Agency Report

Ms. Bradshaw provided a brief update on the status of the state budget. She also reported the Economic Strategies Panel (Panel), in partnership with the local Workforce Investment Boards, Local Economic Development groups, Department of Education, Community Colleges, local businesses, and various counties have been working to

develop growth industries in individual counties. She compared it to the state-wide industry cluster research that was discussed earlier this year. The purpose of this effort is to have individual counties do the research on what jobs will have growth over the next 8-10 years and determine what planning needs to be done for economic and workforce investments to support these growth industries.

San Joaquin and Stanislaus counties presented their findings to the Panel on July 10th, and Fresno, Merced, and Madera counties did so on July 11th. The Panel looks forward to receiving the findings from Butte, Shasta, Tehama, Riverside, San Bernardino, Orange, Kern, Tulare and Kings Counties. Additional research will continue as other counties become interested.

Update – Executive Director’s Report

Executive Director, Barbara Halsey, recognized Ed Kawahara for the work he has done through the Panel. She stated the information Ms. Bradshaw provided was timely because of the Humboldt County Workforce Investment Board’s upcoming presentation. The presentation takes information developed through the collaboration of the Economic Strategy Panel and the California Workforce Investment Board (CWIB) and shows how it is used by a local workforce area. Ms. Halsey introduced Jacqueline Debets and Cedar Ruben of Humboldt County Workforce Investment Board for their presentation.

Information Presentation

Ms. Jacqueline Debets and Cedar Ruben presented a study performed in the regional area comprising of Del Norte, Humboldt, Mendocino, Siskiyou and Trinity Counties. This regional economic study was used to identify industry clusters and targets of opportunity. (Note: The full presentation, entitled *The North Coast: Targets of Opportunity*, is available at the following web link:

http://www.humboldtwib.com/files_public/Targets%20FINALrev%20report%208.20.07.pdf)

Action – Approval April 19, 2007 State Board Meeting Summary

The Meeting Summary as recorded was approved by all members.

Action – Approval of Common Measures Waiver

Ms. Barbara Halsey explained the Common Measures directive came forward from San Diego, Imperial, and Orange County Workforce Investment Boards. The waiver request was finalized by the State waiver’s workgroup and is being moved forward for consideration. The Common Measures Waiver draft was approved by all members.

Update – Executive Director’s Report (cont.)

Ms. Barbara Halsey updated the State Board on federal legislation appropriations. The Full House approved the Fiscal Year (FY) 2008 appropriations for programs in the Department of Labor Education and Health and Human Services. The bill carries certain risks including \$335 million being taken from the Employment and Training Administration budget and moved to the Individuals with Disabilities Education Act

budget. We will follow this through the Senate and report back on any actions taken on appropriations.

Ms. Halsey stated that joint recommendations were submitted for WIA reauthorization by the National Governors Association, National Association of State Workforce Agencies, and State Board Chairs. Ms. Bradshaw explained that WIA reauthorization can adversely affect California if not done properly. She explained in the past 7 years the national WIA budget has been slashed 7%, while California has suffered a 40% cut.

Ms. Halsey moved on to state legislation being watched by the State Board: Senate Bill (SB) 302 authored by Senator Ducheny which addresses unemployment insurance code corrections in SB 293; Assembly Bill 365 authored by Assembly Member Portantino creates a post-secondary education task force on state workforce needs.

Ms. Halsey provided details of the last State Board Administrative Committee Meeting, which occurred June 18th, 2007. The Committee took action on the Local Area Modifications discussed at April 19th Board meeting concerning Carson/Lomita/Torrance (CLT), Long Beach, and South Bay Boards. The Employment Development Department (EDD) staff is conducting negotiations with the Carson and Long Beach modification and the Lomita, Torrance, South Bay modifications on the realignment and close out of the CLT programs.

Ms. Halsey also reported on the amount of matching funds leveraged through the 2006-2007 Governor's 15% fund solicitation for proposal - gaining an additional 60% match of funds. Ms. Halsey additionally reported that being added to the State Board's Special Committee on Targeting Resources' agenda will be addressing what can be done by using foundations to offset the WIA funding received.

Ms. Halsey commented that subject areas on the California Storyline have been worked on by the members of the SB 293 Partner Coordination Team (PCT). The PCT is also working on forming Regional Roundtables agreed upon at the April 19th board meeting. She also reported out on two directives which have been issued on the technical side of SB 293, and a third to be delivered July 27, 2007. All directives can be viewed on EDD's website.

Ms. Halsey continued by discussing the preliminary report on the One-Stop cost study, which will be presented at the California Workforce Association's (CWA) Meeting of the Minds Conference in September. Information on that study will be available for the Board by next meeting and is posted on the State Board's website.

Ms. Halsey wrapped up the executive report by informing the State Board on details regarding the status of the One-Stop Certification process, the CWIB annual report, and the Regional Collaborative/Local Collaborative directive.

Questions

Mr. Tim Rainey advised the Board of Targeting Resources previous workings regarding leveraging of funds. He also asked about future meetings for the State Board's Special

Committees. Ms. Halsey answered that she intended to use those committees for running the Regional roundtables in order to get those people on the Special Committees engaged with those on the local level. She also encouraged new members to get involved with the State Boards Special Committees.

Ms Rona Sherriff asked if the Special Committees will be approaching the roundtables from the committees purview or more broadly. She continued by asking if the Committees' roles and scope will be reassessed. Ms. Halsey answered that Larry Gotlieb, Chris Essel, and she will be discussing what impact SB 293 will have on the committees as well as bringing the Administrative Committee together to vet other structures that may emerge. Ms. Bradshaw continued that there is a commitment to adapt the committees' structures and focus to meet the needs of what was happening with SB 293.

Ms. Gayle Pacheco provided a brief update on the Governor's Committee for the Employment of People with Disabilities (GCEPD). She promised to get the committee's staff report and summary of recent public hearings concerning the employment and training for Disabled Veterans to the State Board members. Ms. Pacheco continued by announcing that the GCEPD is doing a 2-day retreat in September and a state symposium job fair in October.

Public Comment

One question was asked about the roll-out dates for the Strategic Planning and forums. Ms. Halsey addressed this stating the PCT will be called together to decide this.

Other Business that May Come Before the Board

Ms. Essel wrapped up by congratulating Ms. Halsey on her first meeting. The meeting adjourned at 2:48 p.m.

Approval of Local Area Modification Request by NORTEC to add Nevada County

Action Requested

The State Board approve the Northern Rural Training and Employment Consortium's (NoRTEC) request to add Nevada County to their Local Area.

Background

Section 116 of the federal Workforce Investment Act (WIA) provides the Governor with the authority and the responsibility to designate cities, counties, or consortia of cities and/or counties as Local Areas for delivering WIA services. The Governor may approve a request from any unit of general local government, including a combination of such units for designation if the State Board determines, taking into account the factors described in Section 116 of WIA, and recommends to the Governor, that such areas should be so designated. It is essential that the merger of the Nevada County into NoRTEC take place by July 1, 2008 in order for there to be no disruption of WIA services in the effected communities.

Approval of a Local Area Modification Request by NoRTEC to add Nevada County

The NoRTEC submitted a Local Area modification request application to the State Board on November 19, 2007. The application requests that Nevada County move from the Golden Sierra Job Training Agency (GSJTA) to the NoRTEC Local Area. The NoRTEC has followed all requirements for the Local Area modification process.

During the Administrative Committee meeting on February 1, 2008, the GSJTA provided a public comment of opposition due to a dispute between Nevada County and GSJTA regarding Nevada County's "share of GSJTA's unfunded liability for retiree health care and PERS pension obligations at current cost at the time of any withdraw from the JPA."

Notwithstanding GSJTA's public comment of opposition, the Employment Development Department (EDD) and State Board staff recommends that the State Board approve of NoRTEC's Local Area modification request. The issue brought forward by the GSJTA public comment is a matter that is to be resolved by GSJTA and Nevada County, and does not enter into the scope and criteria for consideration of the Local Area Modification request.

On December 6, 2007, California State Senator Sam Aanestad, Fourth Senatorial District, sent a letter to Governor Arnold Schwarzenegger supporting the modification request to shift Nevada County from GSJTA to NoRTEC, and on December 19, 2007, California Assembly Member Rick Keene, Third District, also sent a letter of support.

The GSJTA's economy is based on services and manufacturing, focusing on high-tech businesses. The area has experienced high growth in both population and business. The NoRTEC's private sector economy is comprised of tourism, small business and

agriculture; the single largest employer, however, is government. Both areas have a similar population of just over 600,000.

Nevada County stretches from the eastern end of the Sacramento Valley, across the Sierra Nevada Mountains, to the state of Nevada. The largest employment category is the services industry, with thousands of people work in retail and wholesale, trade, manufacturing, construction, other businesses, and various levels of government. The projected population for 2007 is 99,766. Nevada County borders one of NoRTEC's counties, Sierra County. Nevada and Sierra counties often collaborate on projects and programs, according to EDD's analysis, "this proximity is not a critical factor". This is due to "With the distances involved throughout the NoRTEC Local Area, a shared labor force is not likely, and not nearly as relevant as common challenges and a shared philosophy." The primary reason Nevada County wants to join NoRTEC is their belief that it will lead to a broader array and higher quality of programs and services for the job seekers and businesses of Nevada County.

If the proposed Local Area Modification Request is approved, the total 2007 projected population for GSJTA would be reduced from 604,196 to 504,430, while the total 2007 projected population for NoRTEC would increase from 621,418 to 721,184.

Approval of the NoRTEC Local Area modification request will achieve the following benefits:

- Better alignment of workforce resources. Because Nevada County borders NoRTEC county of Sierra. The Nevada County economy is more aligned with the balance of NoRTEC counties, as they are part of the Northern California Region¹. Most of the GSJTA counties economic growth (El Dorado and Placer Counties) is increasingly shifting the economic base towards the Sacramento area.
- Provide greater accessibility to services for customers in Nevada County. The NoRTEC will provide a broader array of programs and services for job seekers and businesses of Sierra County. NoRTEC, along with a full time WIA presence; will provide a nationally recognized business services program, a welfare to work program, and will provide greater capacity building for Nevada County program staff.
- Nevada County will have available more funding for direct services because NoRTEC, as an administrative entity, reserves only 6.5 percent of allocated WIA funds whereas GSJTA reserves a greater amount. The NoRTEC structure is based upon its counties running their own WIA programs and related programs, whereas GSJTA provides services directly for its counties.

¹ The economic regions as defined by the California Economic Strategy Panel.

Approval of the Integrated Service Delivery Initiative

Action Requested

The State Board:

1. Approve the Integrated Service Delivery initiative and draft policy for developing a skill-based, demand-driven, integrated service delivery model for California's One-Stop Career Center System, thereby making more effective use of shrinking resources and improving One-Stop service quality for California's workers and businesses.
2. Direct staff to develop additional policies and procedures as necessary to support the integration effort, and to bring them before the Board, as appropriate, for approval/adoption.

Background:

In early 2007, leadership from the Employment Development Department (EDD), Local Workforce Investment Boards (Local Board), the State Board, and the Labor and Workforce Development Agency (Agency) came together for the purpose of considering the development of an integrated service delivery model for California's workforce system and its One-Stop Career Centers. This group agreed that continued economic and fiscal pressures, coupled with higher demands for service and performance accountability, requires a fundamental change in California's delivery system for workforce services.

With this understanding, a larger effort was launched involving representatives from State Board staff, the EDD's Workforce Services Branch, the California Workforce Association (CWA), the Agency, and 12 Local Boards. Using the assistance of a facilitator, this planning team identified the characteristics of an effectively integrated service delivery model that will:

- Respond to 21st Century industry demand and our contemporary workforce crisis;
- Assure that our services and training are in alignment with current local and regional labor market requirements;
- Shift service priority to an emphasis on worker skills – assisting workers to gain the skills leading to self-sufficiency, and responding to employer demand;
- Cope with limited and declining funding through a more efficient use of resources and a reduction of program duplication and requirements; and
- Systematically improve the coordination of Workforce Investment Act (WIA) and Wagner-Peyser Act (WPA) funded services to achieve improved customer outcomes and more efficient and effective customer service.

With the passage of California's Workforce Training Act, the State Board is responsible for developing and implementing a statewide strategic policy framework for a more comprehensive workforce system that will ensure California's economic competitiveness into the future. A skills-based, demand-driven, integrated service delivery model, and associated policy that can be applied system-wide, are key elements of the strategic

policy framework. They also represent an important next step in advancing related State Board initiatives such as State-level One-Stop Career Center Certification and the One-Stop Career Center Cost Study.

Components of an Integrated Service Delivery System:

An integrated service delivery system has three major components:

1. A commitment to and a process for an integrated customer pool, so that all One-Stop customers (whenever eligibility permits) are registered simultaneously in the performance measures calculation of all of the following programs: WPA, WIA Adult and Dislocated Worker, Trade Adjustment Assistance (TAA), and Veteran Employment and Training services (VETs);
2. An integrated customer flow that sets clear parameters for a service delivery process with a sequence of demand-driven, universal services that does not emphasize program eligibility and program participation; and
3. An integrated staffing chart to lead and provide services to the integrated customer pool as they are served through the adopted, integrated customer flow.

Implementing an Integrated Service Delivery System:

In order to prototype an integrated service delivery system work groups comprised of State and local partners will develop policy recommendations, strategies, and operating models to be tested by twelve Local Boards who have volunteered their Local Workforce Investment Areas (Local Area) to serve as learning labs for proposed models. The target date for Learning Lab implementation is July 2008.

The Learning Labs will:

- Test a wide variety of approaches to achieve integrated service delivery;
- Capture information in the following areas:
 - ✓ Ease of data collection,
 - ✓ Increased efficiencies and effectiveness,
 - ✓ Impact on service quality,
 - ✓ Impact on performance outcomes,
 - ✓ Time required to implement integrated service delivery,
 - ✓ Resources used to meet the responsibility,
 - ✓ Increase in number of customers receiving skills and other training,

 - ✓ Impact on cost per customer served,
 - ✓ Impact on skills improvement from entry to exit,
 - ✓ Impact on customer service outcomes, and
 - ✓ Impact on duration of unemployment; and

- Use what is learned from these approaches to inform the improvement of the draft State integrated service delivery policy

The EDD/State Board will:

- Develop a general, first draft integrated service delivery policy with broad parameters (and minimums) for local integrated service delivery;
- Determine what resources and tools are available to assist Local Boards and WPA, VETs, and TAA programs in the integration of services and assist Local Boards in accessing them;
- Collaboratively define the roles, responsibilities, and priorities of WPA, TAA, and VETs program staff in support of the local integration strategy plan; and
- Continuously improve the first draft policy through the learning from the learning labs and discussion with the integration planning team.

Local Boards and local Chief Elected Officials will:

- Assume the responsibility to plan, design, and implement integrated service delivery in accordance with draft State policy; and
- Submit a local integrated services delivery plan to the EDD that is within the parameters of the draft State policy on integrated service delivery. (The EDD will accept those plans that meet the broad parameters and use the accepted plans as the basis for monitoring the local implementation of integrated service delivery.)

Integrated Service Delivery Draft Policy

It is the goal of the State Board to insure all job seekers and businesses in California have access to comprehensive services through California's One-Stop Career Centers. To that end, the State Board supports the Integrated Service Delivery Initiative undertaken by State and local partners to the One-Stop service delivery system.

In support of this effort, the EDD and the State Board have developed the following parameters for the Development of a demand-driven, skill-based, Integrated service delivery system in California's One-Stop Career Centers. Each of the 12 Local Areas that participate in this initiative as Learning Labs will apply and test the draft State integrated service delivery policy.

1. Local Boards will adopt, implement, and continuously improve a demand-driven, skill-based, integrated services plan for the Local Area's One-Stop Career Center System using these parameters as a basis for plan development. This plan will be developed with significant partner participation.
2. This plan will be embedded in all related One-Stop Career Center System documents, including Memoranda of Understanding, One-Stop Operator Agreements, and contracts for service providers.
3. One-Stop Career Center service design will be driven by the local economy and employer needs and draw on quality workforce intelligence, local labor market information, and local employer validation of data.
4. One-Stop Career Center service design will emphasize skill assessment, skill enhancement, and skill-based labor market attachment for all center customers, with the goal of transforming job seekers into even more competitive job candidates.
5. This service design and all services will be available at all locations within the local One-Stop Career Center System.
6. Integrated service delivery has three major components and the developed local plans are to include each of these:
 - a) A commitment to and a process for an integrated customer pool, so that all center customers (whenever eligibility permits) are registered simultaneously in the performance measures calculation of all of the following programs: WPA, WIA Adult and Dislocated Workers, TAA, and VETs.

All center customers will be registered in both the WPA and WIA Adult programs. All TAA customers will be registered in the WIA Dislocated Workers program; both TAA and WIA Dislocated Workers will also be registered in the WPA program and WIA Adult program. All customers who are veterans will also be registered in the VETs program.

The U.S. Department of Labor's TEGL 17-05 requires states to ensure statewide uniformity in the application of the Employment and Training Administration's Common Measures policy, and consistent determination in deciding which customers are in the WIA Title I performance calculations. Whether customers are to be included in the performance pool is determined by "whether the services, staff, facility or activity was funded whole or in-part by WIA" and by the extent of "significant staff involvement."

All California One-Stop Career Center locations are "funded whole or in-part by WIA." These parameters require that all center customers receive an initial skill assessment, which meets the definition of "significant staff involvement." Consequently, all center customers will be registered (at a minimum) in both the WPA and WIA Adult programs and included in determining both programs' performance calculations.

- b) An integrated customer flow that clearly defines a service delivery process with a sequence of demand-driven, universal services that does not emphasize program eligibility and program participation.

This flow has three required services to be offered and provided to all center customers:

- (1) an initial, standardized skill assessment from which an initial service plan is designed;
- (2) a robust menu of demand-driven, skill enhancement products (including, but not limited to, occupational training); and,
- (3) a method for attaching center customers to the labor market by responding to employer qualifications and, whenever possible, verifying skills prior to referral of job candidates to employers.

- c) An integrated staffing chart to lead and provide services to the integrated customer pool as they are served through the adopted, integrated customer flow. All centers (and locations) shall have a designated and clearly defined manager. Functional teams will staff the adopted customer flow and team membership will include staff funded by different funding sources, with affiliation by team and not by program funding. The identified manager and team leaders will be named without regard to funding source and shall coordinate the functional teams in the implementation of the integrated flow.
- 7. All local One-Stop Career Center Systems will have an integrated, employer services team that has responsibility for connecting local employers to the local One-Stop system. This team also has as a major function ensuring that all one-stop services continuously improve and are responsive to the needs of local employers and the local economy.
 - 8. Local Boards will identify clear success indicators to evaluate the shift to a demand-driven, skill-based integrated service delivery system and include those metrics in their local plans.

Approval of Proposal for Subsequent Work on the One-Stop Career Center Cost Study

Action Requested

The State Board approves the proposal endorsed by the Accountability in Workforce Investments Committee for subsequent work on the One-Stop Career Center Cost Study.

Background

At its January 28, 2008 meeting, the State Board Accountability in Workforce Investments Committee considered and approved staff recommendation that the State Board approve the proposal for subsequent work on the Cost Study. Committee members provided feedback on the attached draft proposal and endorsed subsequent work to enhance the application and use of the ABC model in the One-Stops to support continuous improvement and integrated service delivery.

To assist in improving services and integration in federal Workforce Investment Act One-Stop Career Centers (One-Stops), the State Board Accountability in Workforce Investments Committee, in partnership with the California Employment Development Department and the California Workforce Association sponsored a *One-Stop System Cost Study Report* (Cost Study) conducted by California State University Northridge researchers during 2005-07. The Cost Study was the first to look at in-kind and financial resources supporting operations and service delivery using Activity-Based Cost (ABC) accounting model to better understand the real costs of producing a product or service. It examined the administrative, infrastructure, and direct services costs incurred by partner agencies in various local One-Stops, and the outputs those costs supported. The study also established a method based on ABC accounting that allows a holistic look at One-Stops and provides a framework for continuous improvement in the system.

The Cost Study has created opportunities to better understand costs and services produced by One-Stops and can help inform and support California's budding *Integrated Service Delivery* strategy. Subsequent Cost Study work can enhance the application and use of the ABC accounting model in California One-Stops and support State Board efforts in establishing a continuous improvement process in the One-Stop system as required by California Senate Bill 293, the Workforce Training Act. Furthermore, Cost Study results have sparked national interest at the federal, state and local levels. The attached draft proposal provides more information.

**DRAFT Proposal to California Workforce Investment Board:
Subsequent Work on the One-Stop Career Center Cost Study**

SUMMARY OF PROPOSAL

To assist in improving services and integration in One-Stop Career Centers, the California Workforce Investment Board (State Board), Accountability in Workforce Investments Committee, in partnership with the California Employment Development Department (EDD) and the California Workforce Association (CWA) sponsored a *One-Stop System Cost Study Report* (Cost Study) released in 2007. The results of the Cost Study have sparked national interest at the federal, state and local levels and created opportunities to better understand the costs and services produced by One-Stops. This proposal describes subsequent Cost Study work to enhance the application and use of the Activity Based Cost (ABC) accounting model in California One-Stops. This work will support State Board efforts in establishing a continuous improvement process in the One-Stop system as required by California Senate Bill 293, the Workforce Training Act.

The project will consist of two main components, a management track and a policy track. The State Board will establish two workgroups, one for each track, comprised of One-Stop managers and staff, subject matter experts, representatives from state and local boards, and state and local partner agencies. The workgroups will be charged with becoming more familiar with the Cost Study Report, and begin identifying how the information can be enhanced to improve the One-Stop service delivery model and advance it as a key component of an integrated and comprehensive workforce development system. California State University Northridge (CSUN) research experts will conduct the one year study with assistance from the State Board and EDD staff, in addition to the local workforce area and workgroup participants.

STATEMENT OF PROBLEM

Decreased public funding and increased public scrutiny have placed pressures on government programs to better understand, explain, and manage costs while improving services and performance. Like many federal programs, traditional information systems of the Workforce Investment Act One-Stop Career Center System (One-Stop) do not provide a clear picture of the information One-Stop managers, chief elected officials, local and state boards, states or the federal government need to create operational improvements, support strategic decisions, and better integrate efforts.

The One-Stop System in California is a complex system comprised of different federal, State, and local funding streams, program requirements, and service delivery methods. The federal Workforce Investment Act intended for the partners in the One-Stop System to function as an integrated umbrella enterprise with common goals and outputs. A Memorandum of Understanding (MOU) is supposed to specify services to be provided; who will provide the services, and how operations of the One-Stop System will be financed. In reality, there is inconsistent integration of services and no centralized accounting process within the One-Stop system that effectively controls or accounts for all resources utilized to produce the outputs.

**DRAFT Proposal to California Workforce Investment Board:
Subsequent Work on the One-Stop Career Center Cost Study**

To address this issue, the State Board, in partnership with the EDD and the CWA, sponsored the Cost Study which was conducted by a CSUN led study team during 2005-07. The Cost Study was the first to look at in-kind and financial resources supporting operations and service delivery using ABC accounting model to better understand the real costs of producing a product or service. It examined the administrative, infrastructure, and direct services costs incurred by partner agencies in various local One-Stop Career Centers, and the outputs those costs supported.

A major new “Integrated Service Delivery” strategy to integrate One-Stop services and build collaboration among local partners is underway. The State Board, EDD, CWA and local workforce areas are working to develop strategies to improve service integration in One-Stops. The goals of this *Integrated Service Delivery* strategy include developing a service integration model to improve efficiencies in an era of declining resources, improving customer service by streamlining processes and progressing more toward a model of strengthening job seeker skills most responsive to business demand. California’s *Integrated Service Delivery* strategy will use learning labs to develop and test the integrated service model. One-Stop Integrated Service Delivery - Integrated Service Model Learning Lab participation is voluntary and will begin operating in June/July 2008. One purpose of the labs is to integrate WIA (adult and dislocated), Wagner Peyser Act, Trade Adjustment Assistance, and Veterans services. This statewide initiative also supports current federal efforts towards creating innovative service delivery strategies for One-Stops.

The Cost Study results have created opportunities to better understand the costs and services produced by California One-Stops. The study established a method based on ABC accounting that allows analysts to look holistically at One-Stops and provide a framework for continuous improvement in the system. The findings and methodology of the Cost Study can also help inform and support California’s budding *Integrated Service Delivery* strategy. To this end, the State Board Accountability in Workforce Investments Committee, in partnership with the EDD and the CWA, believes there is a need to sponsor subsequent study to enhance use of the ABC model in the One-Stops to support continuous improvement and integrated service delivery.

PROJECT DESCRIPTION

The project will consist of two main components, a management track and a policy track. The State Board will establish two workgroups, one for each track, comprised of One-Stop managers and staff, subject matter experts, representatives from state and local boards, and state and local partner agencies. The workgroups will be charged with becoming more familiar with the Cost Study Report, and begin identifying how cost information can be enhanced to improve the One-Stop service delivery model and advance it as a key component of an integrated and comprehensive workforce development system. CSUN research experts will conduct the study with assistance from the State Board and EDD staff, in addition to the local workforce area and workgroup participants.

**DRAFT Proposal to California Workforce Investment Board:
Subsequent Work on the One-Stop Career Center Cost Study**

Management Track: The study team will begin with the results of the initial Cost Study, and will infuse recommendations of the working group to refine the ABC approach. One goal is to design an efficient data-collection system that will allow much better analysis of the costs and outputs of the workforce system. Another goal is to develop a deeper understanding of the initial Cost Study findings, refine the ABC methodology for more intensive use in One-Stops, further analyze the Cost Study ABC data, and develop a web-based prototype for collecting and analyzing the ABC data. Finally, the study team will participate in the One-Stop *integrated service delivery* workgroups to provide advice in development of an evaluation method.

Policy Track: In the policy analysis track, the study team will use further analysis of existing data and collection of additional data to support policy analysis in the workforce system.

Management Track

Activity 1: Form a working group; review measures and methods.

The State Board will convene a group of 7-11 leaders from the field who will review the method used and results of the current cost study to achieve the following goals. The work of the group would be facilitated by researchers from CSUN.

- Review measures generated by the study to identify the measures that are most valuable for improving the management of One-Stops and local areas.
- Analyze the method and refine it to both improve accuracy of data and create an approach that is easily replicable at the local level.

Activity 2: Conduct workshop at a CWA conference.

Conduct a workshop at a CWA conference to provide a forum for testing and validating the ideas generated by the working group. The session will also stimulate interest in ongoing cost study analysis and will help disseminate the results of the study.

Activity 3: Develop a web-based prototype for collecting and analyzing ABC data.

Based on activities 1 and 2, a web-based prototype for collecting and feeding back ABC data to local One-Stops will be developed and tested on the web.

Activity 4: Participate in the *integrated service delivery* strategy workgroups.

Participate in the activities of the four “Work Groups” designing the *integrated service delivery* strategy, in order to provide advice in development of an evaluation method.

DRAFT Proposal to California Workforce Investment Board: Subsequent Work on the One-Stop Career Center Cost Study

Policy Track

Activity 1: Form a working group to guide further policy analysis.

A working group representing Local Areas, One-Stop Operators, EDD, the CWA and the State Board will be formed to guide further analysis of the cost data collected by the study and possibly further data collection and analysis.

Activity 2: Define questions for analysis.

In collaboration with the working group, researchers will develop a set of policy questions that can be explored with existing data from the study. Questions that emerged in initial discussion include:

- Do urban, suburban and rural sites have systematically different mixes of services and costs?
- How do relatively high-cost and low-cost centers differ from each other?
- How do the structure and characteristics of local areas affect costs in the One-Stops?
- What factors are associated with the level of partner contributions?
- How can we integrate the ABC process into the One-Stop Integrated Service Delivery - Integrated Service Model that the One-Stop learning labs will test?
- Would it be useful to examine longitudinally the “before and after” effects of the One-Stop Integrated Service Model Learning Labs?
- Would it be useful to compare the One-Stop Integrated Service Model Learning Labs to the One Stops that were not learning labs?

Activity 3: Analyze Data.

Based on the questions developed in Activity 2, additional data will be added to the existing data base such as the demographics or structure of local areas. Analysis will be conducted to answer the questions posed.

Activity 4: Extend the sample of One-Stops.

We can use the existing method to collect additional data from more One-Stops. This would include sampling more full-service One-Stops and One-Stops which are different from the full-service One-Stops in the initial study, such as Satellites and other less-than-full-service sites. These data would be incorporated into the existing data set, and would be benchmarked and analyzed similarly to the benchmarking analysis in the initial study.

The online prototype developed in the management track can be used to collect data for this phase.

Activity 5: Write up and report results.

The results of the analysis and relevant policy implications will be written up and presented to the working group, the State Board and other interested parties.

**DRAFT Proposal to California Workforce Investment Board:
Subsequent Work on the One-Stop Career Center Cost Study**

STUDY DESIGN

We envision completing the study in three phases over one year. The first phase will consist of the management track including forming the workgroup, developing a deeper understanding of the initial Cost Study findings, refining the ABC methodology for use in One-Stops, further analyzing the Cost Study ABC data, and developing a web-based prototype for collecting and analyzing the ABC data. The second phase will consist of the policy track and will include convening a workgroup to identify where we use further analysis of existing data and possible collection of additional data to support policy analysis in the workforce system. The third phase will include participation in the activities of the four “Work Groups” designing the Integrated Service Delivery Strategy, in order to provide advice in the development of an evaluation method.

PROJECT COSTS

Project costs will be \$100,800 and occur over the one-year project life.

ROLES OF THE CONSULTANT AND STATE STAFF

California State University Northridge researchers, Dr. Richard W. Moore, PhD. and Dr. Philip Gorman, PhD will function as the primary study principals with assistance from EDD and CWIB staff.

Proposed Budget - Subsequent Work on the One-Stop Career Center Cost Study

	Prof Days	Cost @ \$125/hour
Policy Track		
1: Form a working group to guide further policy analysis	1	\$1,200
2: Define questions for analysis	2	\$2,400
3: Analyze Data	7	\$8,400
4. Extend the sample of One-Stops	16	\$19,200
5. Write up and report results	7	\$8,400
Management Track		
1. Form a working group, review measures and methods	2	\$2,400
2. Workshop at a CWA conference	3	\$3,600
3. Develop a web-based proto-type for collecting and analyzing ABC data	12	\$14,400
4. Participate in the activities of the four “Work Groups” designing the Integrated Service Delivery Strategy, in order to provide advice in the development of an evaluation method	15	\$18,000
Travel and Supplies		\$6,000
Total Direct Costs		\$84,000
University indirect @ 20% of direct costs		\$16,800
TOTAL COST		\$100,800

DRAFT Proposal to California Workforce Investment Board: Subsequent Work on the One-Stop Career Center Cost Study

DELIVERABLES

Main deliverables include activities in the management and policy tracks. Management track deliverables include forming a working group, reviewing measures and methods, conducting a workshop at a CWA conference, developing a web-based proto-type for collecting and analyzing ABC data, and participating in the activities of the four “Work Groups” designing the *integrated service delivery* strategy, in order to provide advice in the development of an evaluation method. Policy track deliverables include forming a working group to guide further policy analysis, defining questions for analysis, analyzing data, extending the sample of One-Stops and writing up and reporting results.

BENEFITS

There are a number of benefits that would be derived from subsequent study of the One-Stop Career Center cost. These benefits include:

- An accurate picture and understanding of the level of direct and indirect costs associated with levels of services, delivery of services, and outcomes achieved within the One-Stop Career Centers.
- Further identification and development of an alternative cost-allocation and resource-sharing process for the One-Stop Career Center System would improve the MOUs by promoting enhanced integration, greater efficiencies and effective use of resources that translate to savings, increased partnerships and leveraging of resources, better business decisions, and improved programs and services for customers.
- Supports the State’s efforts to establish a continuous improvement process in the One Stop system as required by SB 293.
- Supports California’s One-Stop *integrated service delivery* strategy and development of an integrated service model for One-Stops.
- A cost study is consistent with the recommendations of the California Performance Review goals which are to restructure, reorganize, and reform state government to make it more responsive to the needs of citizens and the business community, specifically in the arenas of program performance assessment and budgeting and improving services and productivity.

RECOMMENDATION

Further study is needed to enhance the application and use of the ABC model in the One-Stops to support continuous improvement and integrated service delivery. The Accountability in Workforce Investments Committee endorsed staff recommendation that the State Board approve the proposal for subsequent work on the Cost Study at its January 28, 2008 meeting. Staff requests the State Board consider and approve the proposal for subsequent work on the Cost Study.

Discussion Item

- **Board Direction for the Future**

Public Comment

Other Business that May Come Before the State Board