

December 8, 2006

DWD ISSUANCE 13-06

Subject: Integrated Management for Missouri Career Centers

1. **Purpose:** To transmit guidance on the roles and responsibilities of One Stop Operators, DWD Regional Coordinators, Managers, and Supervisors.

2. **Background:**

The Workforce Investment Act (WIA) provides for a One-Stop delivery system “*under which entities responsible for administering separate workforce investment, educational, and other human resource programs and funding streams collaborate to create a seamless system of service delivery that will enhance access to the programs’ services and improve long-term employment outcomes for individuals receiving assistance.*” (20 CFR 662.100 a)

A great deal of progress has been made in Missouri to create a seamless One-Stop delivery system through Missouri Career Centers – both comprehensive One-Stop Centers and non-comprehensive affiliates. This has been accomplished by decentralizing service delivery decision making, pushing funding downward to Local Workforce Investment Boards (LWIB) and holding them strictly accountable for outcomes and performance. Missouri LWIBs currently oversee three WIA programs, Temporary Assistance for Needy Families Employment and Training; Wagner Peyser 7B programs (Jobs for Missouri Graduates and Youth Demonstration Projects); and Skilled Workforce Initiative projects funded by WIA Governor’s discretionary allocations.

However, a glaring weakness exists when it comes to streamlining the administration and delivery of Wagner Peyser 7A, Veterans Employment and Training, Food Stamp Employment and Training, Parent Fair Share, Trade Adjustment Assistance Act, and Unemployment Insurance Reemployment programs. These programs are managed by state staff with centralized service delivery decision making, performance accountability, and budgeting. This dual structure can limit a LWIB or One-Stop Operator’s ability to establish meaningful service integration and uniform performance management protocols.

WIA regulations provide clear guidance that Wagner-Peyser and VETS services must be provided by state-merit staff.

Sec. 652.215 Do any provisions in WIA change the requirement that State merit-staff employees must deliver services provided under the Act?

No, the Secretary requires that labor exchange services provided under the authority of the Act, including services to veterans, be provided by State merit-staff employees. This interpretation is authorized by and consistent with the provisions in sections 3(a) and 5(b) of the Act and the Intergovernmental Personnel Act (42 U.S.C. 4701 et seq.). The Secretary has exercised the legal authority under section 3(a) of the Act to set additional staffing standards and requirements and to conduct demonstrations to ensure the effective delivery of services provided under the Act. No additional demonstrations will be authorized.

However, there are also clear options for states to allow staff to report to the One-Stop Operator. This clause is often referred to as the formal versus functional clause.

Sec. 652.216 May the One-Stop operator provide guidance to State merit-staff employees in accordance with the Act?

Yes, the One-Stop delivery system envisions a partnership in which Wagner-Peyser Act labor exchange services are coordinated with other activities provided by other partners in a One-Stop setting. As part of the local Memorandum of Understanding, the State agency, as a One-Stop partner, may agree to have staff receive guidance from the One-Stop operator regarding the provision of labor exchange services. Personnel matters, including compensation, personnel actions, terms and conditions of employment, performance appraisals, and accountability of State merit-staff employees funded under the Act, remain under the authority of the State agency. The guidance given to employees must be consistent with the provisions of the Act, the local Memorandum of Understanding, and applicable collective bargaining agreements.

WIA is also clear on the responsibility and selection of the One Stop Operator. 20 CFR, Part 662.400 provides:

Sec. 662.400 Who is the One-Stop operator?

(a) The One-Stop operator is the entity that performs the role described in paragraph (c) of this section. The types of entities that may be selected to be the One-Stop operator include:

- (1) A postsecondary educational institution;*
- (2) An Employment Service agency established under the Wagner-Peyser Act on behalf of the local office of the agency;*
- (3) A private, nonprofit organization (including a community-based organization);*
- (4) A private for-profit entity;*
- (5) A government agency; and*
- (6) Another interested organization or entity.*

(b) One-Stop operators may be a single entity or a consortium of entities and may operate one or more One-Stop centers. In addition, there may be more than one One-Stop operator in a local area.

(c) The agreement between the Local Board and the One-Stop operator shall specify the operator's role. That role may range between simply coordinating service providers within the center, to being the primary provider of services within the center, to coordinating activities throughout the One-Stop system. (WIA sec. 121(d).)

Sec. 662.410 How is the One-Stop Operator selected?

(a) The Local Board, with the agreement of the chief elected official, must designate and certify One-Stop operators in each local area.

(b) The One-Stop operator is designated or certified:

(1) Through a competitive process,

(2) Under an agreement between the Local Board and a consortium of entities that includes at least three or more of the required One-Stop partners identified at Sec. 662.200, or

(3) Under the conditions described in Secs. 662.420 or 662.430.

(WIA sec.121(d), 121(e) and 117(f)(2))

(c) The designation or certification of the One-Stop operator must be carried out in accordance with the "sunshine provision" at 20 CFR 661.307.

The weakness often cited with the single Operator generally has to do with the fact that the Operator's span of control is limited to the programs contracted through the LWIBs. None of the programs delivered by state merit staff are currently allowed to be contracted to LWIBs.

The weakness often cited with the one-stop consortia model generally has to do with the fact that no single person has ultimate decision making authority for service delivery issues often leading to duplicative management structures, siloed performance management, and weak service integration strategies.

With the new One-Stop chartering process and One Stop Enhancement grants under the Skilled Workforce Initiative, a new emphasis is being placed on the single Operator/Functional Manager model. The draft One-Stop Chartering Criteria specifies that Level III quality includes the provision that a single One Stop Coordinator be in place.

It is important to note that in Program Year 2006, LWIBs and One-Stop Operators will be held accountable for six new U.S. Department of Labor definitions of performance measures. It is envisioned that WIA Title 1B programs, labor exchange programs funded under the Wagner-Peyser Act, the Veterans' Employment and Training Services, and the Trade Adjustment Assistance program will be held to the same performance definitions. These integrated workforce system performance measures will make Missouri's workforce system more efficient and effective. Currently, incongruent targets, measurement techniques, and reporting time frame discrepancies incorrectly focus Missouri Career Center staff on meeting program performance measures, rather than meeting employers' needs or on putting people to work. By refocusing performance assessment from individual program performance measures to universal outcome measures, service integration can be enhanced. In addition, employment, retention, average earnings, market penetration, and cycle time will be tracked at the center level for all programs.

3. **Substance:**

Role of LWIBs with respect to One-Stops

LWIBs are responsible for the designation, oversight, and continued operation of Missouri Career Centers in each of the 14 Workforce Investment Areas of the state. Through the chartering process, LWIBs will have the responsibility to ensure that employment and training programs in their communities operate at a high level of quality and satisfy the expectations and needs of their customers. LWIBs are also responsible for the selection of One-Stop Operators to administer one-stop programs.

Role of One-Stop Operator

With this new policy, the role of the One-Stop Operator in Missouri takes on a more stringent definition than is minimally required by 20 CFR 662.400 c.: *The agreement between the Local Board and the One-Stop operator shall specify the operator's role. That role may range between simply coordinating service providers within the center, to being the primary provider of services within the center, to coordinating activities throughout the One-Stop system. (WIA sec. 121(d).)*

While the One-Stop Operator is a designated entity, duties must be assigned to one identified person for each center with clear responsibilities. These responsibilities should include conducting on-site staff meetings; coordinating program services; developing referral procedures; managing common functions and common areas; developing program evaluations and outcome reports for the boards; and managing center resources to ensure that center objectives are met.

These duties must be assigned to a Functional Manager, who is an employee of the One-Stop Operator. If LWIBs want to assign functional management duties to an individual from organizations not designated as a single One-Stop Operator, then new One-Stop Operator must be designated so that it aligns perfectly with the assignment of functional management duties. The Functional Manager must be housed in the One-Stop. In non-comprehensive Career Centers, Managers are not required to be on-site full time, provided that the Functional Manager spends at least one day a week at the non-comprehensive site and the management strategies are outlined in the Business Plan as required by the Chartering Criteria. Because “non-comprehensive Missouri Career Centers” are not necessarily “One-Stop Centers” as defined by WIA law and regulations, LWIBs may assign Functional Managers at these Career Centers without the necessity of a formal One-Stop Operator procurement process. Nothing prohibits LWIBs from formally procuring Functional Managers at non-comprehensive Career Centers if they so choose. Please note that formal procurement is still required for the Program Operator contracts and WIBs may include One-Stop Operations duties as a part of this process. State managers and supervisors are allowed to be designated as Functional Managers, provided that they do not create an additional organizational layer within the One-stop Center chain of command.

This person should exhibit strong leadership skills. Key functions for this position should be defined by the LWIB. The LWIB should communicate a clear vision for the Career Center, with a standing committee that works with the One-Stop Operator/Functional Manager. While the

Operator manages across the rules of various programs, the overall function is still considered a single process. The Functional Manager provides day-to-day supervision of all staff that performs the function, even though formal supervision (hiring, firing, and appraisal) is done by state merit staff or agency staff. The formal supervisor confers with the Functional Manager in writing performance appraisals. In non-comprehensive career centers where the One-Stop Operator is not present, the Operator will designate a Functional Manager at the non-comprehensive center.

Waiver Provision

Areas that wish to continue utilizing the One-Stop consortia model must apply for a waiver to the Director of the Division of Workforce Development. The application must clearly show how service delivery decision making, performance accountability, and budgeting would be better managed under the consortia model than under the single Operator model.

Formal vs. Functional Supervision

DWD is exercising the option available to states under 20 CFR Sec. 652.216. Formal management focuses on *“personnel matters, including compensation, personnel actions, terms and conditions of employment, performance appraisals, and accountability of State merit-staff employees funded under the Act”*. Functional management focuses on the day to day supervision of programmatic functions (e.g., intake, case management, resource room, business services, job fairs, etc.). State merit supervisors are responsible for formal supervision of state merit staff and partner agency supervisors are responsible for formal supervision of their respective employees. The attached table provides a division of labor between formal and functional duties.

Role of State Management and Supervisory staff

Regional Coordinators and Managers will be responsible for formal personnel matters as delineated in the attachment. In addition to these roles, additional duties will be assigned by DWD. These may include program evaluation in consultation with LWIB/Contractor staff, training and technical assistance, assistance with One-Stop chartering process, and facilities management in state leased facilities.

DWD Supervisors job will not change except that they receive day to day direction from the One-Stop Operator/Functional Manager as opposed to the Regional Manager/Coordinator chain of command.

In scenarios where the LWIB opts to select state staff as the One-Stop Operator/Functional Manager, then they will serve in a dual role as both the Functional Manager for the Career Center and the formal manager for DWD staff.

Facilities Management

The management of facility and leasing issues present a significant challenge for state and local staff. This work is neither functional or formal but is determined by which entity is the leaseholder. In state leased facilities, day to day facility issues (e.g., repairs, security issues, incidences, etc.) will be coordinated by state staff (Regional Coordinators, Managers, and Supervisors) who will utilize existing protocols to work with DWD Senior Staff, Office of

Administration, and landlord to resolve issues as appropriate. In state leased facilities, long range facility issues (e.g., space planning and allocation, lease negotiations, resource sharing, Memorandums of Understanding, sublease arrangements, etc.) will be coordinated by state staff in consultation with the One-Stop Operator.

In facilities where a local partner is the leaseholder, both short term day to day and long range facility issues will be coordinated by One-Stop Operators.

Performance Management

LWIBs and their designated One Stop Operators will be accountable for federally negotiated performance measures for WIA Title I, Wagner Peyser 7A programs, Veterans Employment and Training Programs, Food Stamp Employment and Training, Parent Fair Share, Trade Adjustment Assistance Act and Unemployment Insurance Reemployment programs. Performance will be negotiated in a similar manner to WIA performance measures. LWIB contracts will be modified to reflect new performance accountability responsibilities. DWD will establish incentive awards for LWIBs/Operators who achieve all negotiated measures.

- 4. **Action:** LWIBs, Program Operators, Regional Managers, Regional Coordinators, Supervisors and Business Service Representatives must comply with this guidance. Implementation and transition strategies must be included as part of the Business Plan when applying for a Missouri Career Center Charter. Implementation begins when the One-Stop Chartering Criteria are approved by the state. Early implementation will be allowed in regions with Regional Manager Vacancies and regions that were awarded One-Stop Enhancement Grants through the Skilled Workforce Initiative.

- 5. **Contact:** If you have any questions regarding this Issuance, please contact Mark Bauer, Program Administrator, Field Operations at (573) 526-8256.



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