

Transition to a Two Workforce Investment Board System in Indiana

Questions and Answers

Last Updated: 04/11/06
Changes annotated in red.

General (G)

G1 What performance measures will be in place?

Response: Performance measurements will evolve as we move forward with this system. Measurements associated with the level of integration, increased jobs, employment, earnings, and customer satisfaction will most certainly be part of future performance measurements. Federally required performance measurements will also be required.

G2 Who will be responsible for performance management?

Response: For funding granted directly to the RWB, the RWB/RO will be responsible for performance associated with those funding streams. For funding in the WorkOne that is not directly granted to the RWB, the responsibility for performance will be negotiated in the MOUs. If not mentioned in the MOUs, the responsibility will reside with the funded entity.

G3 Will there be an incentive policy which will reward regional performance similar to what is now in place or will all incentive funds be retained at the State WIB level?

Response: Yes. The intent is to reward for performance. There will be an incentive policy that rewards at the WIB level (IPIC) and at the RWB level.

G4 Historical data on WIA allocations to the states is shown with a county breakdown. Does that mean that the regions must allocate/spend the funding according to that county breakdown?

Response: No. The easiest way to show historical allocations to the new regions was to break past allocations down to the county level and then aggregate them for the new regions. Grants to the RWBs will not mandated spending patterns by counties. The objective of the grants is to develop the workforce for the region.

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Local Elected Officials (LO)

LO1 Will disallowed costs assigned to LEO's based on the population of their counties as under the WIB's or will it be handled differently?

Response: For those regions where the LEOs elect to procure a local fiscal agent, the State will pursue disallowed cost with the region's lead elected official. The local elected official agreements for the area may negotiate terms for distributing that liability among the local elected officials in the area. Whether that is done and how liability is assigned is totally up to the local elected officials. For those regions where the LEOs elect to use the state procured fiscal agent, the liability will be from the state directly to the parties causing the liability such as the fiscal agent or the RWB. They in turn will either accept that liability or push it down to the RO and SP.

LO2 Who can advise the local elected officials on procurement issues while developing the RFPs?

Response: Questions may be directed to DWD's support personnel for the LEOs and RWBs during the transition period. Those questions that cannot be answered directly by the support personnel can be directed to DWD Career Services for an answer.

LO3 What if a current WIB area is in a deficit situation? What entity is responsible for making up the short fall? Is it the Chief Local Elected Official?

Response: We do not anticipate any of the WIB areas being in a deficit situation on June 30, 2006. The current spending trends plus the flexibility that we now have with the waiver that allows us to transfer up to 100% between the adult and dislocated worker programs, make deficit spending highly unlikely. To help insure that WIB areas do not get into a deficit situation, the State will continue to monitor spending trends and will initiate corrective action when necessary. If an area does go deficit, the State will treat the situation just the same as we have to date under WIA. If there are deficit situations, the State will be addressing the situation with the chief elected official for the workforce service area. Liability for the funding does reside with the local elected officials.

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Workforce Investment Boards and Regional Workforce Boards (RB)

RB1 Where will the start up costs associated with the new Regional Boards, their Regional Operator, and their Service Providers come from?

Response: We are working on that issue at this time. DWD is using existing WIA funding (WIA Governor's discretionary funding) to provide transition funding for the formation of the RWBs, selection of the Regional Operators and service providers, and associated transition costs. We will be looking at all available funding sources. Each RWB has been allotted \$50,000 in start up cost funds. The funding is WIA 15%.

RB2 Will there be advance payments to the boards, operators, and providers for start up costs?

Response: See answer to question above. Advance payments can have multiple meanings especially when related to accounting. The intent is to provide transition funding to the new regional boards.

RB3 At what level will DWD support the existing Work One Centers and the Work One Express Centers?

Response: We are not sure we understand the question. It appears that you are asking if DWD will mandate that existing offices remain. If so, the answer is that the decision on WorkOne Centers and Express sites will be a regional decision. At most, DWD might require some level of stability during the transition and might require business planning for changes in WorkOne Centers and Express sites. Neither of these actions is intended to interfere with regional decision making, but would be in the form of policy to insure smooth transition and sound business decision making.

RB4 Can DWD Legal Support review our RO/FA RFP and clear it for release on the street?

Response: The Legal Support personnel at DWD are DWD's lawyers. Since DWD through the SHRIC will be entering into contractual agreements with the RWBs, it is inappropriate for DWD to provide legal advice to the RWBs.

RB5 Do RWB's have legal status now and prior to 7/1/06?

Response: RWBs were established under the State Two-Year Strategic Plan for WIA and Wagner Peyser. This plan has been accepted by the U. S. Department of Labor. The RWBs do have the authority to move forward with transition activities that will prepare them for full implementation on July 1, 2006

RB5 Is DWD providing liability coverage for RWB members now and prior to 7/1/06?

Response: No.

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RB6 Is there any problem with a RWB seeking permission from a WIB to transfer its 501 C-3 not-for-profit status to the RWB?

Response: There is no problem with seeking permission from a WIB to transfer their 501 C-3 status to the RWB. Legal advice should also be sought.

RB7 Can RWB members sign valid Conflict of Interest forms if the RWB has no formal legal status?

Response: Yes. The RWBs are being established under the State Two-Year Strategic Plan. The RWB members are simply being asked to sign a conflict of interest statement.

RB8 Are RWB's under any mandate to have representation from female, minority and other groups?

Response: No mandates currently exist in the State Plan or in DWD policies. This question was not raised during the U. S. Department of Labor review of Indiana's plan. Mandates of this nature do not exist in federal/state law or regulation/policy related to the Workforce Investment Boards (WIBs).

RB9 Entities would like to receive all RFPs issued by the regions – both for RO and Service Providers. How can this be accomplished?

Response: The entity responsible for the issuance of the RFPs is responsible for public notice that in part tells interested parties how to get copies of the RFP. DWD will be allowing the RWBs to post their RFPs on DWD's website. In addition, DWD will make arrangements to allow for the posting of the Regional Operator RFPs on DWD's website, at least for this first year.

RB10 Will there be a State-level MOU or will individual regions need to develop and sign MOUs?

Response: Both. State level MOUs will be developed when possible. In many cases, there is not a state-level entity for a state level MOU. In those cases local MOUs will need to be developed.

RB11 May the RWB use transitional funding to pay for costs associated with incorporation of the RWB?

Response: Yes. The RWBs were established as an entity by the State of Indiana in the Two-Year Strategic Plan. Their purpose is to oversee the development of the workforce in their regions including the oversight of WIA and other workforce development funding. However, WIA funding may not be used for incorporation costs for a regional operator, fiscal agent, or service provider.

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RB12 Who is contracting with whom? When the RWB contracts with the RO is the contract actually between the FA and the RO?

Response: The contract should be between the RWB and the Regional Operator. The fiscal agent has responsibilities to serve as the check writer, accountant, financial advisor, etc. for the RWB, but the contract with the regional operator is between the RWB and the regional operator.

RB13 Is the RWB supposed to contract for auditing of the fiscal agent?

Response: Under the current system the fiscal agents are responsible for paying for their own audits. We do not see this changing under the new structure.

RB14 Does a conflict of interest exist if a RWB member is also a WIB member?

Response: Simply being on both boards does not constitute a conflict of interest. However, as an example, if the WIB is bidding to be the regional operator for the RWB, then a conflict of interest does exist. The board member cannot be a member of the entity issuing the RFP and also a member of the entity responding to the RFP.

RB14 What do we need to do now that we have selected a regional operator?

Response: Once a RWB has selected a bidder from the RFP process, the board needs to enter into contract negotiations with that entity. DWD suggest that the RWB utilize legal counsel in these negotiations and in developing the contract. In addition, the selected Regional Operator needs to come to contract negotiations with at least a draft RFP for Service Providers.

RB15 Does the State Board or DWD need to approve our selection?

Response: Neither the State Board nor DWD needs to approve your selection unless there was only a single bidder in response to your competitive solicitation. In the cases where there was only a single bidder, the RWB needs to request prior approval from DWD to enter into a contact with the bidder. The RWB will need to substantiate that the solicitation for bids was competitive and that the single bid is comparable to costs for similar services in the area. Competitive solicitation includes all actions taken to solicit competitive bids including advertising the solicitation, posting the bid on the web, length of time to respond, direct notifications to prospective bidders, etc. This requirement for prior approval is based on federal mandates when federal funds are involved.

RB16 Do the LEO's have to approve the selection of the Regional Operator?

Response: This is a local decision. DWD does not require LEO approval. As a courtesy to the LEOs they should be kept informed of the progress and decisions made.

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RB17 What is the RWB role in the selection of the service providers?

Response: The RFP for the service providers is to be issued by the Regional Operator. The RWB must approve the Regional Operator RFP being issued and may participate in the selection process at the level it desires.

Additional Response: Option One - The RWB will competitively procure and contract with a Regional Operator. The Regional Operator will competitively procure and contract with service providers. The Regional Operator's RFP for service providers must be reviewed and accepted by the RWB and the RWB may elect to participate in the proposal review and service provider selection processes.

Option Two - The RWB will competitively procure and contract with a Regional Operator. The Regional Operator will competitively procure service providers and, at the discretion of the RWB, the service provider contracts may be between the RWB and the service providers under the following three conditions:

- The Regional Operator's RFP for service providers must be reviewed and accepted by the RWB.
- The RWB must actively participate in the proposal review and selection processes for service providers.
- The Regional Operator must serve as the RWB's agent in the oversight, direction and monitoring of the service providers and the service provider contracts.

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Regional Operators (RO)

R01 What will the role of the DWD (Commissioner) be in the selections of Regional Operator in the new areas?

Response: The selection of the Regional Operator is the responsibility of the regional workforce board. DWD staff is providing consultation to them primarily with the development of the RFP, but will not play a role in the selection. If there are excessive delays in the formation of the RWBs or selection processes, DWD may need to play a more active role in the delivery of services to the area, but this will only be a last resort. The intent is for regional control and decision making.

R02 Will there be a DWD mandated standard contract the Regional Boards will be required to use in the selection of the Regional Operator?

Response: At this time we do not plan on providing mandated standard contracts. We will/are providing samples of contracts and RFPs that have been used in other areas and we do reserve the right to set some requirements for contracts and RFPs in policy. For limited samples of RFPs and contracts, contact your DWD support person.

R03 If there is to be a new reporting system will it allow the Regional Operator management and control over enrollments, etc?

Response: The intent of any good case management system is to provide good management information at all levels – case managers, service providers, regional operators, regional workforce boards, state board and state government.

R04 What management controls will the Regional Operator have over the personnel in the Work One Centers? Over the one stop providers? (Hiring, firing, disciplining?)

Response: The Regional Operator will be responsible for the operation of the WorkOne Centers and Express sites in their Region. The intent is to give them as much flexibility as possible to integrate service provision to increase efficiencies and services to the clientele of the WorkOne system. The actual control over one-stop providers/partners will be dependent on state and local MOUs that are yet to be developed. Since the Regional Operator will be selecting the WIA service provider they will have a high level of management control over that entity. With an entity like Vocational Rehabilitation, the level of control will be dependent on a state-level MOU. In the case of a partner like Community Service Block Grant, the level of control will be tied to the local MOU.

R05 What control will the Regional Operator have over the budgeting and expenditure approval for one stop funds? (Not just WIA funds)

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Response: This will be based on a) the number of funds that are directly granted to the RWB for service provision, b) the financial and cost sharing provisions in the state and local MOUs, and c) potential changes in federal WIA reauthorization on sharing of costs for the One-Stop system.

R06 Should the WIB release the RFP for youth services (normally done in late January/early February) or wait and let the Regional Operator do so?

Response: For WIBs being aggregated into the balance of state WIB, the WIB is responsible for having service providers available through June 30, 2006. At that time, the Regional Operator will be responsible for service providers. A contract between a WIB and a service provider will not be a binding contract for the Regional Operator.

R07 Is it the Regional Operator's responsibility to issue the RFP for service providers?

Response: Yes. RWBs select the Regional Operator and the Regional Operator selects the service providers.

R08 Once the regional operator is selected, what role will DWD's support staff (regional directors) play in working with the RWBs and ROs?

Response: The role of DWD's support staff should be less once the regional operator is selected. The regional operator should take over as staff to the board. However, the transition will take time and may not be completed until July 1, 2006. In all cases, DWD will remain as a support resource for the RWB and the RO as needed.

R009 How can the Regional Operator issue a RFP for service providers without knowing the final budget for the coming year?

Response: While this is not the ideal situation, it is the reality of the situation and has been for years. The U.S. Department of Labor (USDOL) does not release allotments to the states until March or April prior to the start of the next program year (July 1). Once received, DWD must calculate the allocation for each of the two WIBs and each of the 11 RWBs. At this point in time (March 25, 2006), allotments from USDOL have not yet been received. To assist areas in estimating allocations, DWD has provided estimated allocations to the new RWBs based on historical data.

The estimates DWD is providing only include WIA formula allocations. Funding from the Strategic Skills Initiative, Rapid Response grants, National Emergency grants, carry-in funds, and other granting opportunities are also not known. RWBs and ROs will need to be flexible with their contracts to allow for fluctuation in funding levels. We do feel that the estimates are baseline. Many other funding opportunities are available to the RWBs and we encourage the boards to apply and compete for those

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additional funding opportunities.

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Fiscal Agents & Financial (FA)

FA1 What will be the process for reallocation of funds remaining after June 30, 2006? Will those funds be reallocated on a county basis? Will they simply revert to the DWD which will then reallocate?

~~Response: Our financial people will play a significant part in this process, but we expect the funds to be returned to DWD. The returned funds will then be reallocated to the counties within the WIB returning the funds and then that will be aggregated and allocated back to the new Regions.~~

Response: This will be discussed in more depth in the transition strategy document being developed. Essentially, the WIBs (except IPIC) will have a 60-day close-out period. At the end of that period, WIA formula carry-in funding that is not two years old will be returned to DWD for reallocation. The reallocation will redistribute the funding by county using the PY2006 distribution formula. Those county allocations will be aggregated at the region level and be granted to the RWBs. Funds other than WIA formula will be handled on a case by case basis.

FA2 What will the policy be in regard to existing inventory of equipment used in the Work One and Work One Express sites? Since that equipment was purchased with Federal funds will that inventory revert to the Federal surplus property center? At what point will the existing responsible party for that inventory be relieved of responsibility for accounting for it?

Response: A team at DWD has been assigned the responsibility for addressing that issue. The inventory will be transferred to RWB Operators/Service Providers. The exact process is under development.

FA3 What will be the process for implementing the annual settlement and closeouts for WIA funds currently awarded to local elected officials and the WIB and which are generally due by the first of September?

Response: A team at DWD had been assigned the responsibility for addressing that issue. A financial close-out plan is under development.

FA4 Who will be responsible for each level of expenditure, i.e., who will be responsible for payment processing to the Service Providers, The one stop providers? The Regional Operator?

Response: The RWB is responsible for all funding granted to them. The Regional Operator will have two major functions – serving as staff to the RWB and as the One-Stop Operator for the Regional WorkOne system. As such the Regional Operator will be highly involved in the budgetary/expenditure process for the WorkOne entities. For those entities in the WorkOne where the funding does not flow through the RWB, the RWB/RO responsibility will be limited to those aspects covered by the MOUs.

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FA5 Who will review and approve expenditures for the various entities?

Response: The RWB/RO will be responsible for expenditures associated with grants to them and/or covered by MOUs. Funding that is not covered by direct grants or MOUs, will remain with the entities responsible for that funding.

FA6 When will the state make a decision on the State procured fiscal agent that will be used by five regions?

Response: The State is required to competitively bid for the fiscal agent. The Request for Proposal was issued on March 24, 2006. It may be viewed at www.in.gov/idoa/proc - Current Solicitation Opportunities, RFP-6-65. A basic time table for selection is contained in the RFP.

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Service Providers (SP)

SP1 What is the timetable for the turnover of clients, records, files, etc., to the new providers?

~~**Response:** We are still planning to have the transition occur prior to July 1, 2006. We believe that this will be possible in most locations. A transition team is being put together with local representation.~~

Response: Each region is transitioning at a different rate. Therefore a set timetable for all regions is not possible. We are working on this strategy and will be publishing it in the near future. Generally, we are looking at a 60-day transition period beginning near the point of contractual agreement with the new service provider. We understand that there are many issues related to that 60-day transition if it occurs after May 1st. Those issues are being addressed with the intention of minimizing the impact on the customers.

SP2 What will be the process for assuring continuation of training for those individuals whose training program extends beyond June 30, 2006? What entity will be responsible for assuming the cost of their training?

Response: The details on the various transition situations will be developed by the transition team. It is my expectation that the costs for the training will be transitioned to the new service provider.

Additional Response: The objective is to minimize any adverse affect on the customer. As such, it is intended that all customers continue with existing plans for services. To insure minimal disruption, during the 60-day transition new enrollees will require approval of the new service provider. Prior to the 60-day transition period, there may be an additional period for dual sign-off by the new Regional Operator or his/her designee. After the 60-day transition period, the new service provider will be responsible for the costs of training. Discrepancies will be evaluated and decided on a situational basis.

SP3 What will the role of the DWD (Commissioner) be in the selections of Service Provider in the new areas?

Response: The selection of the service providers is the responsibility of the Regional Operator. DWD will not play a role in that selection. If there are excessive delays in the formation of the RWBs or selection processes, DWD may need to play a more active role in the delivery of services to the area, but this will only be a last resort. The intent is for regional control and decision making.

SP4 Will there be a DWD mandated standard contract the Regional Boards will be required to use in the selection of the Service Provider?

Response: At this time we do not plan on providing mandated standard contracts. We will/are providing samples of contracts and RFPs that have been used in other

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areas and we do reserve the right to set some requirements for contracts and RFPs in policy.

SP5 Will there be a replacement for the current client reporting system and if so, when will it be operational so that client records can be included? What entity will bear the cost of developing and implementing the new system?

~~**Response:** DWD is in the process of reviewing proposals to a competitive bid for a statewide case management system. Both state and local personnel are participating in the review. It is the intention that this case management system will include client reporting system that meets federal reporting requirements. At this time, we do not have a firm date for the implementation. It should be during 2006, but I cannot give a firm date at this time. At this time I do not have an answer to the question of cost. I am consulting with our finance people on that question.~~

Response: It is intended that the new case management system will include functionality to replace the current client reporting systems. It is targeted to be operational on July 1, 2006. DWD will be responsible for developing the case management system. Costs for developing and implementing the new system will be shared costs.

SP6 May service providers use WIA administrative funds?

Response: No. The regulations related to WIA administrative funds limit the use of that funding category to the boards and to board contractors that do only administrative duties, such as a the regional operators and fiscal agents. That is not to say that the service providers do not have administrative costs, but those costs are not defined as administrative for WIA reporting purposes and such costs are to be charged as program costs.

It is permissible for administrative funds to be used to provide program services, but program service funds may not be used for administrative services.