

# Workforce Innovation Fund (WIF)

## TERMS AND CONDITIONS

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## 1. Order of Precedence

The terms and conditions of this Notice of Award and other requirements have the following order of precedence if there is any conflict in what they require: (1) Consolidated and Further Continuing Appropriations Act, 2013 (P.L. 113-6); (2) Consolidated Funding Act, 2014 (P.L.113-76); (3) other applicable Federal statutes and their implementing regulations; (4) terms and conditions of award.

## 2. Solicitation for Grant Application

The Solicitation for Grant Application and any amendments (<http://doleta.gov/grants/pdf/SGA-DFA-PY-13-06.pdf>) are hereby incorporated into this Grant Agreement. Grantees are bound by the authorizations, restrictions, and requirements contained in the Solicitation for Grant Applications.

## 3. Approved Statement of Work

The awardee's project narrative is taken as the Statement of Work. If there is any inconsistency between items in this project narrative and any Department of Labor (DOL) regulation, guidance or OMB cost principle, the DOL regulation, guidance or cost principle will prevail.

## 4. Approved Budget

The awardee's budget documents are attached in this Notice of Award Package. The documents are: 1) the SF-424; 2) the SF-424 A; and 3) the Budget Narrative. The awardee must confirm that all costs are allowable before expenditure. Approval of the budget as awarded does not constitute prior approval of those items requiring prior approval, including those items specified in the cost principles or this grant award as requiring prior approval. The Grant Officer is the only official with the authority to provide prior written approval (prior approval).

## 5. Evaluation, Data, and Implementation

The awardee must cooperate with the DOL in the conduct of a third-party evaluation, including providing to DOL or its authorized contractor appropriate data and access to program operating personnel and participants in a timely manner.

## 6. Indirect Cost Rate and Cost Allocation Plan

**URGENT NOTICE:** Estimated indirect costs specified on the SF-424A, Section B, Object Class Category "j" in the amount of \$438 will be released to support indirect costs in the absence of a NICRA or CAP approved by the cognizant agency. The awardee must provide a signed copy of the NICRA or CAP. Upon receipt of the NICRA or CAP, ETA will issue a grant modification to the award to remove the restriction on those funds.

The awardee must submit an indirect cost rate proposal or CAP. These documents should be submitted to DOL's Division of Cost Determination (DCD), or to the awardee's Federal Cognizant Agency. In addition, the awardee must notify the Federal Project Officer that the documents have been sent. Contact information for the DCD is available at <http://www.dol.gov/oasam/boc/dcd/>. If this proposal is not submitted by January 1, 2015, no funds will be approved for the reimbursement of indirect costs. Failure to submit an indirect cost proposal by the above date means the grantee will not receive further reimbursement for indirect costs until a signed copy of the federally approved NICRA or CAP is provided and the restriction is lifted by the Grant Officer. All indirect charges must be returned through the Payment Management System and no indirect charges will be reimbursed.

The total amount of DOL's financial obligation under this grant award **will not** be increased to reimburse the awardee for higher negotiated indirect costs.

If DOL is your FCA, grantees should work with DOL's DCD, which has delegated authority to negotiate and issue a NICRA or CAP on behalf of the Federal Government. More information about DOL's DCD is available at <http://www.dol.gov/oasam/boc/dcd/>. This website has guidelines to develop indirect cost rates, links to the applicable cost principles, and contact information. The DCD also has Frequently Asked Questions providing general information about the indirect cost rate approval process and due dates for provisional and final indirect cost rate proposals at <http://www.dol.gov/oasam/faqs/FAQ-dcd.htm>.

## 7. Federal Project Officer

This grant award is assigned to the Region 3 Atlanta Regional Office, which will assign a Federal Project Officer to your award. Please contact the Regional Office for more information at [RO3-RA-ATL@dol.gov](mailto:RO3-RA-ATL@dol.gov) or (404)302-5300.

The FPO is not authorized to change any of the terms or conditions of the award or approve prior approval requests. Any changes to the terms or conditions or prior approvals must be approved by the Grant Officer through the use of a formally executed award modification.

## 8. Restrictions

This award is issued with the following requirements:

The grantee may not drawdown more than 25% of the total award amount from the HHS Payment Management System (PMS). These funds may only be used to cover the costs of Phase I implementation. Grantees may, however, request additional funds be made available for Phase I implementation with prior approval of the Grant Officer.

The grantee must pay specific attention to the requirements and the timeline for Phase I of the grant period, as outlined in Section II. Award Information, Part C.1 and 2 of the Workforce Innovation Fund (WIF) Solicitation of the Grant Applications. These required start-up activities must take place within the first twelve months of grant award.

The grantee and its third-party evaluator must submit the Initial Evaluation Design Report as early as possible, but no later than nine months after grant award (May 1, 2015). Further, the grantee and its third-party evaluator must submit the Final Evaluation Design Report, final performance data template, and final evaluation budget as early as possible, but no later than eleven months after grant award (July 1, 2015). The grantee and its third-party evaluator must work with the DOL WIF National Evaluation Coordinator (NEC) to strengthen the evaluation design through conference calls, webinars and discussion forums.

## **9. Funding Restrictions**

### **a. Consultants**

For the purposes of this award, fees paid to a consultant shall be limited to \$585 per day without additional Grant Officer approval. Regulations regarding the determining of a consultant's rate of pay are located at 5 CFR 304.104 with the calculation for a maximum amount located at 5 CFR 304.105.

### **b. Salary and Bonus Limitations**

Under Public Law 113-76 Section 105 none of the funds appropriated under the heading "Employment and Training" shall be used by a recipient or sub-recipient of such funds to pay the salary and bonuses of an individual, either as direct costs or indirect costs, at a rate in excess of Executive Level II. The Executive Level II salary may change yearly and is located on the OPM.gov website (<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2014/executive-senior-level>). The salary and bonus limitation does not apply to vendors providing goods and services as defined in OMB Circular A-133. Where States are recipients of such funds, States may establish a lower limit for salaries and bonuses of those receiving salaries and bonuses from subrecipients of such funds, taking into account factors including the relative cost-of-living in the State, the compensation levels for comparable State or local government employees, and the size of the organizations that administer Federal programs involved including Employment and Training Administration programs. See Training and Employment Guidance Letter No. 5-06 for further clarification, available at [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2262](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2262)

### **c. Budget Line Item Flexibility**

Flexibility is allowed for all line items within the grant budget, except personnel, fringe benefits, and indirect cost rates, provided no single line item is increased or decreased by more than 20%. Any changes in excess of 20% and any changes in personnel, fringe benefits, and indirect cost rates must receive prior written approval from the Grant Officer. Failure to obtain such prior written approval may result in cost disallowance.

Any changes to personnel costs within the personnel line item do not require a grant modification unless the changes result in a change to the amount listed on the SF 424a Personnel line. It is recommended that your assigned Department of Labor (DOL) Federal Project Officer (FPO) review within-line changes prior to implementation to ensure they do not require a modification.

## 10. Administrative Requirements

### a. Central Contractor Registration and Universal Identifier Requirements

#### 1. Requirement for Central Contractor Registration (CCR)

Unless you are exempted from this requirement under 2 CFR 25.110, you as the awardee must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

#### 2. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

- i. Must notify potential subrecipients that no entity (see definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
- ii. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

#### 3. Definitions

For purposes of this award term:

- iii. Central Contractor Registration (CCR) means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at <http://www.sam.gov>).
- iv. Data Universal Numbering System (DUNS) number means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
- v. Entity, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
  - a. A Governmental organization, which is a State, local government, or Indian Tribe;
  - b. A foreign public entity;
  - c. A domestic or foreign nonprofit organization;
  - d. A domestic or foreign for-profit organization; and
  - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- vi. Subaward:

- a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
  - b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. ----.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
  - c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
- vii. Subrecipient means an entity that:
- a. Receives a subaward from you under this award; and
  - b. Is accountable to you for the use of the Federal funds provided by the subaward.

## **b. Federal Funding Accountability and Transparency Act**

### **1. Reporting of first-tier subawards.**

- i. Applicability. Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).
- ii. Where and when to report.
  - a. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrc.gov>.
  - b. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)
- iii. What to report. You must report the information about each obligating action that the submission instructions posted at <http://www.fsrc.gov> specify.

### **2. Reporting Total Compensation of Recipient Executives.**

- i. Applicability and what to report. You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—
  - a. the total Federal funding authorized to date under this award is \$25,000 or more;
  - b. in the preceding fiscal year, you received—
    - (A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance

subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

c. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

ii. Where and when to report. You must report executive total compensation described in paragraph b.1. of this award term:

a. As part of your registration profile at <http://www.sam.gov>.

b. By the end of the month following the month in which this award is made, and annually thereafter.

### 3. Reporting of Total Compensation of Subrecipient Executives.

i. Applicability and what to report. Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

a. in the subrecipient's preceding fiscal year, the subrecipient received—

(A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and

b. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

ii. Where and when to report. You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

a. To the recipient.

By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

#### 4. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. Subawards, and
- ii. The total compensation of the five most highly compensated executives of any subrecipient.

#### 5. Definitions. For purposes of this award term:

- i. Entity means all of the following, as defined in 2 CFR part 25:
  - a. A Governmental organization, which is a State, local government, or Indian tribe;
  - b. A foreign public entity;
  - c. A domestic or foreign nonprofit organization;
  - d. A domestic or foreign for-profit organization;
  - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
- ii. Executive means officers, managing partners, or any other employees in management positions.
- iii. Subaward:
  - a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
  - b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. ---- .210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
  - c. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.
- iv. Subrecipient means an entity that:
  - a. Receives a subaward from you (the recipient) under this award; and
  - b. Is accountable to you for the use of the Federal funds provided by the subaward.



- v. Total compensation means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
  - a. Salary and bonus.
  - b. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
  - c. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
  - d. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
  - e. Above-market earnings on deferred compensation which is not tax-qualified.
  - f. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

### c. Personally Identifiable Information

Grantees must recognize and safeguard personally identifiable information except where disclosure is allowed by prior written approval of the Grant Officer or by court order. Grantees must meet the requirements in Training and Employment Guidance letter (TEGL 39-11, Guidance on the Handling and Protection of Personally Identifiable Information (PII), (located at [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=7872](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=7872)).

### d. Audits

Organization-wide or program-specific audits shall be performed in accordance with the Single Audit Act Amendments of 1996, as implemented by OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" adopted by DOL in 29 CFR parts 95 and 97. Awardees that are subject to the provisions of OMB Circular A-133 and that expend \$500,000 or more in a year in Federal awards shall have an audit conducted for that year in accordance with the requirements contained in OMB Circular A-133.

### e. Equipment

Awardees must receive **prior approval** from the DOL/ETA Grant Officer for the purchase of any equipment with a per unit acquisition cost of \$5,000 or more, and a useful life of more than one year. This includes the purchases of ADP equipment. Equipment purchases must be made in accordance with 29 CFR 95 or 29 CFR 97, as applicable.

This grant award **does not** give approval for equipment specified in an awardee's budget or statement of work unless specifically approved above. If not specified above, the awardee must submit a detailed description list to the FPO for review within 90 days of the Notice of Award

date. Failure to do so will necessitate the need for approval of equipment purchase on an individual basis.

Awardees may not purchase equipment in the last year of performance. If any approved acquisition has not occurred prior to the last year of performance, approval for that item(s) is rescinded.

#### **f. Program Income**

The awardee is required to utilize the addition method if any Program Income is generated throughout the duration of this award. The awardee is allowed to deduct costs incidental to generating Program Income to arrive at a net Program Income [29 CFR Part 95.24(c) or 29 CFR Part 97.25(c)(g)(2)].

#### **g. Pre-Award**

All costs incurred by the awardee prior to the start date specified in the award issued by the Department are incurred at the awardee's own expense.

#### **h. Reports**

All ETA awardees are required to submit quarterly financial and narrative progress reports for each grant award.

- A. Quarterly Financial Reports. Pursuant to 29 CFR parts 95.52 and 97.41, all ETA awardees are required to report quarterly financial data on the ETA 9130. ETA 9130 reports are due no later than 45 calendar days after the end of each specified reporting quarter. Reporting quarter end dates are June 30, September 30, December 31, and March 31. A final financial closeout report is required to be submitted no later than 90 calendar days after the grant period of performance ends. For guidance on ETA's financial reporting, reference Training and Employment Guidance Letter (TEGL) 13-12.

ETA requires all grant recipients to submit the 9130 form electronically through an on-line reporting system. Expenditures are required to be reported on an accrual basis, cumulative from the beginning of the life of a grant, through the end of each reporting period.

The instructions for accessing both the on-line financial reporting system and the HHS Payment Management System can be found in the transmittal memo accompanying this Notice of Award. To gain access to the online financial reporting system, a request for a password and pin must be submitted via e-mail to [ETApasword.pin@dol.gov](mailto:ETApasword.pin@dol.gov). The Financial Report Access Document, copies of the ETA 9130, and detailed reporting instructions are available at [www.doleta.gov/grants/financial\\_reporting.cfm](http://www.doleta.gov/grants/financial_reporting.cfm).

- B. Quarterly Narrative Progress Reports. Awardees are required to submit a narrative quarterly and final report to the designated Federal Project Officer (FPO) on grant activities funded under this award. All reports are due no later than 45 calendar days after the end of each specified reporting quarter. Reporting quarter end dates are June

30, September 30, December 31, and March 31.

1. The last quarterly progress report that awardees submit will serve as the grant's Final Performance Report. This report should provide both **quarterly and cumulative** information on the grant's activities. It must summarize project activities, employment outcomes and other deliverables, and related results of the project.
2. The awardee shall use any standard forms and instructions to report on training and employment outcomes and other data relating to the progress reports as provided by ETA.
3. The awardee shall utilize standard reporting processes and electronic reporting systems to submit their quarterly progress reports as provided by ETA.

#### **i. Managing Subawards**

*Subaward* means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

The provisions of the Terms and Conditions of this award will be applied to any subrecipient under this award. The awardee is responsible for the monitoring of the subrecipient, ensuring that the Terms and Conditions are in all subaward packages and that the subrecipient is in compliance with all applicable regulations and the terms and conditions of this award (29 CFR 95.5, 29 CFR 95.51 and 29 CFR 97.40).

#### **j. Final Year/ Closeout Requirements**

At the end of the grant period, the awardee will be required to close the grant with ETA. The awardee will be notified approximately 15 days prior to the end of the period of performance that the initiation of closeout will begin at the end of the grant. Information concerning the awardee's responsibilities at closeout may be found in ETA's Closeout Frequently Asked Questions at <http://www.doleta.gov/grants/docs/GCFAQ.pdf>. Also, a sample closeout/end user manual is provided at <http://www.doleta.gov/grants/docs/GCS.pdf>. Awardees will be provided the end user manual specific to their grant at the initiation of closeout.

#### **k. Publicity**

No funds provided under this grant shall be used for publicity or propaganda purposes, for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress or any state or local legislature or legislative body, except in presentation to the Congress or any state or local legislature itself, or designed to support or defeat any proposed or pending regulation, administrative action, or order issued by the executive branch of any state or local government, except in presentation to the executive branch of any state or local government itself. Nor shall

grant funds be used to pay the salary or expenses of any awardee or agent acting for such awardee, related to any activity designed to influence the enactment of legislation, appropriations, regulation, administrative action, or Executive Order proposed or pending before the Congress, or any state government, state legislature, or local legislature body other than for normal and recognized executive-legislative relationships or participation by an agency or officer of a state, local, or tribal government in policymaking and administrative processes within the executive branch of that government.

## **I. Public Announcements**

When issuing statements, press releases, requests for proposals, bid solicitation, and other documents describing project or programs funded in whole or in part with Federal money, all awardees receiving Federal funds, shall clearly state (1) the percentage of the total cost of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) the percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

## **m. Procurement**

The Uniform Administrative Requirements (29 CFR Parts 95 and 97) require all awardee procurement transactions to be conducted in a manner to provide, to the maximum extent practical, open and free competition. If the statement of work identifies a specific entity to provide goods or services, the DOL ETA's award does not provide the justification or basis to sole-source the procurement, i.e., avoid competition.

## **n. Vendor/Contractor**

The term "vendor", also referred to as a contractor, is defined in OMB Circular A-133 as a dealer, distributor, merchant or other seller providing goods or services that are required for the conduct of a Federal program. These goods or services may be for an organization's own use or for the use of beneficiaries of the Federal program. Additional guidance on distinguishing between a subrecipient and a vendor/contractor is provided in OMB Circular A-133 §.210. When procuring vendor/contractor provided goods and services, DOL ETA grantees and subgrantees must follow the procurement requirements at 29 CFR 95.40-48 and 29 CFR 97.36, which call for free and open competition.

## **o. Intellectual Property Rights**

The Federal Government reserves a paid-up, nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use for federal purposes: i) the copyright in all products developed under the grant, including a subgrant or contract under the grant or subgrant; and ii) any rights of copyright to which the grantee, subgrantee or a contractor purchases ownership under an award (including but not limited to curricula, training models, technical assistance products, and any related materials). Such uses include, but are not limited to, the right to modify and distribute such products worldwide by any means, electronically or otherwise. Federal funds may not be used to pay any royalty or license fee for use of a copyrighted work, or the cost of acquiring by purchase a copyright in a work, where the Department has a license or rights of free use in such work, although they may be used to pay

costs for obtaining a copy which is limited to the developer/seller costs of copying and shipping. If revenues are generated through selling products developed with grant funds, including intellectual property, these revenues are program income. Program income is added to the grant and must be expended for allowable grant activities.

If applicable, the following needs to be on all products developed in whole or in part with grant funds:

This workforce product was funded by a grant awarded by the U.S. Department of Labor's Employment and Training Administration. The product was created by the grantee and does not necessarily reflect the official position of the U.S. Department of Labor. The Department of Labor makes no guarantees, warranties, or assurances of any kind, express or implied, with respect to such information, including any information on linked sites and including, but not limited to, accuracy of the information or its completeness, timeliness, usefulness, adequacy, continued availability, or ownership. This product is copyrighted by the institution that created it. Internal use by an organization and/or personal use by an individual for non-commercial purposes is permissible. All other uses require the prior authorization of the copyright owner."

#### **p. Special Requirements for Conference and Conference Space**

The awardee must obtain prior approval from ETA before holding any conference (which includes meeting, retreat, seminar, symposium, training activity or similar event held in either Federal or non-Federal space), or any activity related to holding a conference, including, but not limited to, obligating or expending ETA funds, signing contracts for space or services, announcing ETA's involvement in any conference, and using DOL/ETA official's name or DOL/ETA's name or logo. ETA retains the right to obtain information from the awardee about any conference that is funded in whole or in part with ETA funds. Awardees must submit requests to appropriate Department officials through their Federal Project Officer.

#### **q. Funding for Travel to and From Meetings with an Executive Branch Agency**

Grant funds may not be used for the purposes of defraying the costs of a conference held by any Executive branch department, agency, board, commission, or office unless it is directly and programmatically related to the purpose for which the grant or contract was awarded.

No funds made available through DOL appropriations may be used for travel and conference activities that are not in compliance with Office of Management and Budget Memorandum M-1-12 dated May 11, 2012. (P.L. 113-6, 3003 (c)(d)(e)).

### **11. Program Requirements**

The Solicitation for Grant Applications contains the program requirements for this award.

### **12. Public Policy**

#### **a. Executive Orders**

12928: Pursuant to Executive Order 12928, the awardee is strongly encouraged to provide subcontracting/subgranting opportunities to Historically Black Colleges and Universities and other Minority Institutions such as Hispanic-Serving Institutions and Tribal Colleges and Universities; and to Small Businesses Owned and Controlled by Socially and Economically Disadvantaged Individuals.

13043: Pursuant to Executive Order 13043, Increasing Seat Belt Use in the United States, dated April 16, 1997, recipients are encouraged to adopt and enforce on-the-job seat belt policies and programs for their employees when operating company-owned, rented, or personally owned vehicles.

13153: Pursuant to Executive Order 13153, Federal Leadership On Reducing Text Messaging While Driving, dated October 1, 2009, recipients and subrecipients are encouraged to adopt and enforce policies that ban text messaging while driving company-owned or -rented vehicles or GOV, or while driving POV when on official Government business or when performing any work for or on behalf of the Government. Recipients and subrecipients are also encouraged to conduct initiatives of the type described in section 3(a) of this order.

13166: As clarified by Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, dated August 11, 2000, and resulting agency guidance, national origin discrimination includes discrimination on the basis of limited English proficiency (LEP). To ensure compliance with Title VI, recipients must take reasonable steps to ensure that LEP persons have meaningful access to programs in accordance with DOL's Policy Guidance on the Prohibition of National Origin Discrimination as it Affects Persons with Limited English Proficiency [05/29/2003] Volume 68, Number 103, Page 32289-32305. Meaningful access may entail providing language assistance services, including oral and written translation, where necessary. Recipients are encouraged to consider the need for language services for LEP persons served or encountered both in developing budgets and in conducting programs and activities. For assistance and information regarding your LEP obligations, go to <http://www.lep.gov>.

## **b. Veteran's Priority Provisions**

The Jobs for Veterans Act (Public Law 107-288) requires grantees to provide priority of service to veterans and spouses of certain veterans for the receipt of employment, training, and placement services in any job training program directly funded, in whole or in part, by DOL. The regulations implementing this priority of service can be found at 20 CFR part 1010. In circumstances where a grant recipient must choose between two qualified candidates for a service, one of whom is a veteran or eligible spouse, the veterans priority of service provisions require that the grant recipient give the veteran or eligible spouse priority of service by first providing him or her that service. To obtain priority of service, a veteran or spouse must meet the program's eligibility requirements. Grantees must comply with DOL guidance on veterans' priority. ETA's Training and Employment Guidance Letter (TEGL) No. 10-09 (issued November 10, 2009) provides guidance on implementing priority of service for veterans and eligible spouses in all qualified job training programs funded in whole or in part by DOL. TEGL No. 10-09 is available at [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2816](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2816).

### **c. Flood Insurance**

The Flood Disaster Protection Act of 1973, as amended, 42 U.S.C. 4001 et seq., provides that no Federal financial assistance to acquire, modernize, or construct property may be provided in identified flood-prone communities in the United States, unless the community participates in the National Flood Insurance Program and flood insurance is purchased within 1 year of the identification. The flood insurance purchase requirement applies to both public and private applicants for DOL support. Lists of flood-prone areas that are eligible for flood insurance are published in the Federal Register by FEMA.

### **d. Architectural Barriers**

The Architectural Barriers Act of 1968, 42 U.S.C. 4151 et seq., as amended, the Federal Property Management Regulations (see 41 CFR 102-76), and the Uniform Federal Accessibility Standards issued by GSA (see 36 CFR 1191, Appendixes C and D) set forth requirements to make facilities accessible to, and usable by, the physically handicapped and include minimum design standards. All new facilities designed or constructed with grant support must comply with these requirements.

### **e. Drug-Free Workplace**

The Drug-Free Workplace Act of 1988, 41 U.S.C. 702 et seq., and 2 CFR 182 require that all organizations receiving grants from any Federal agency maintain a drug-free workplace. The recipient must notify the awarding office if an employee of the recipient is convicted of violating a criminal drug statute. Failure to comply with these requirements may be cause for suspension or debarment.

### **f. Hotel-Motel Fire Safety**

Pursuant to 15 USC 2225a, the recipient must ensure that all space for conferences, meetings, conventions or training seminars funded in whole or in part with federal funds complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act (P.L. 101-391, as amended). Recipients may search the Hotel Motel National Master List at <http://www.usfa.dhs.gov/applications/hotel/> to see if a property is in compliance, or to find other information about the Act.

### **g. Buy American Notice Requirement**

In the case of any equipment or product that may be authorized to be purchased with financial assistance provided using funds available under the Workforce Investment Act, it is the sense of the Congress that entities receiving the assistance should, in expending the assistance, purchase only American-made equipment and products, as required by the Buy American Act (41 USC 10a et seq.). See WIA Section 505—Buy American Requirements.

## **13. Attachments**

**Application for Federal Assistance SF-424**

* 1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	* 2. Type of Application: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	* If Revision, select appropriate letter(s): <input type="text"/> * Other (Specify): <input type="text"/>
--	--	--

* 3. Date Received: <input type="text" value="06/18/2014"/>	4. Applicant Identifier: <input type="text"/>
--	--

5a. Federal Entity Identifier: <input type="text"/>	5b. Federal Award Identifier: <input type="text"/>
--	---

**State Use Only:**

6. Date Received by State: <input type="text"/>	7. State Application Identifier: <input type="text"/>
---	---

**8. APPLICANT INFORMATION:**

* a. Legal Name: <input type="text" value="Florida Department of Economic Opportunity"/>	
* b. Employer/Taxpayer Identification Number (EIN/TIN): <input type="text" value="36-4706134"/>	* c. Organizational DUNS: <input type="text" value="9689306640000"/>

**d. Address:**

* Street1: <input type="text" value="107 E. Madison Street"/>
Street2: <input type="text"/>
* City: <input type="text" value="Tallahassee"/>
County/Parish: <input type="text" value="Leon"/>
* State: <input type="text" value="FL: Florida"/>
Province: <input type="text"/>
* Country: <input type="text" value="USA: UNITED STATES"/>
* Zip / Postal Code: <input type="text" value="32399-6545"/>

**e. Organizational Unit:**

Department Name: <input type="text"/>	Division Name: <input type="text" value="Workforce Services"/>
---------------------------------------	--

**f. Name and contact information of person to be contacted on matters involving this application:**

Prefix: <input type="text" value="Mrs."/>	* First Name: <input type="text" value="Vickie"/>
Middle Name: <input type="text"/>	
* Last Name: <input type="text" value="Smith Underwood"/>	
Suffix: <input type="text"/>	

Title: <input type="text" value="Senior Management Analyst"/>
---

Organizational Affiliation: <input type="text"/>
--

* Telephone Number: <input type="text" value="(850) 245-7129"/>	Fax Number: <input type="text"/>
---	----------------------------------

* Email: <input type="text" value="vickie.smithunderwood@deo.myflorida.com"/>
---



**Application for Federal Assistance SF-424**

**\* 9. Type of Applicant 1: Select Applicant Type:**

A: State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

\* Other (specify):

**\* 10. Name of Federal Agency:**

Employment and Training Administration

**11. Catalog of Federal Domestic Assistance Number:**

17.283

CFDA Title:

Workforce Innovation Fund

**\* 12. Funding Opportunity Number:**

SGA-DFA-PY-13-06

\* Title:

Workforce Innovation Fund Grants

**13. Competition Identification Number:**

Title:

**14. Areas Affected by Project (Cities, Counties, States, etc.):**

Add Attachment

Delete Attachment

View Attachment

**\* 15. Descriptive Title of Applicant's Project:**

Incentivizing Performance Outcomes in the Modern Workforce Environment: Designing and Implementing a Performance Funding Model for the CareerSource Florida Network

Attach supporting documents as specified in agency instructions.

Add Attachments

Delete Attachments

View Attachments

**Application for Federal Assistance SF-424**

**16. Congressional Districts Of:**

\* a. Applicant

\* b. Program/Project

Attach an additional list of Program/Project Congressional Districts if needed.

Add Attachment

Delete Attachment

View Attachment

**17. Proposed Project:**

\* a. Start Date:

\* b. End Date:

**18. Estimated Funding (\$):**

* a. Federal	<input type="text" value="3,000,000.00"/>
* b. Applicant	<input type="text" value="0.00"/>
* c. State	<input type="text" value="0.00"/>
* d. Local	<input type="text" value="0.00"/>
* e. Other	<input type="text" value="0.00"/>
* f. Program Income	<input type="text" value="0.00"/>
* g. TOTAL	<input type="text" value="3,000,000.00"/>

**\* 19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

a. This application was made available to the State under the Executive Order 12372 Process for review on

b. Program is subject to E.O. 12372 but has not been selected by the State for review.

c. Program is not covered by E.O. 12372.

**\* 20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes," provide explanation in attachment.)**

Yes  No

If "Yes", provide explanation and attach

Add Attachment

Delete Attachment

View Attachment

**21. \*By signing this application, I certify (1) to the statements contained in the list of certifications\*\* and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances\*\* and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001)**

\*\* I AGREE

\*\* The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

**Authorized Representative:**

Prefix:  \* First Name:

Middle Name:

\* Last Name:

Suffix:

\* Title:

\* Telephone Number:  Fax Number:

\* Email:

\* Signature of Authorized Representative:  \* Date Signed:

**BUDGET INFORMATION - Non-Construction Programs**

OMB Number: 4040-0006  
Expiration Date: 06/30/2014

**SECTION A - BUDGET SUMMARY**

Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)	Estimated Unobligated Funds		New or Revised Budget		
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	Total (g)
1. Workforce Innovation Fund Grant	17.283	\$ 3,000,000.00	\$	\$	\$	\$ 3,000,000.00
2.						
3.						
4.						
<b>5. Totals</b>		\$ 3,000,000.00	\$	\$	\$	\$ 3,000,000.00

**SECTION B - BUDGET CATEGORIES**

6. Object Class Categories	GRANT PROGRAM, FUNCTION OR ACTIVITY				Total (5)
	(1)	(2)	(3)	(4)	
	Workforce Innovation Fund Grant				
<b>a. Personnel</b>	\$ 99,375.00	\$	\$	\$	\$ 99,375.00
<b>b. Fringe Benefits</b>	38,647.00				38,647.00
<b>c. Travel</b>	9,000.00				9,000.00
<b>d. Equipment</b>	0.00				
<b>e. Supplies</b>	10,000.00				10,000.00
<b>f. Contractual</b>	2,841,450.00				2,841,450.00
<b>g. Construction</b>	0.00				
<b>h. Other</b>	1,090.00				1,090.00
<b>i. Total Direct Charges (sum of 6a-6h)</b>	2,999,562.00				\$ 2,999,562.00
<b>j. Indirect Charges</b>	438.00				\$ 438.00
<b>k. TOTALS (sum of 6i and 6j)</b>	\$ 3,000,000.00	\$	\$	\$	\$ 3,000,000.00
<b>7. Program Income</b>	\$ 0.00	\$	\$	\$	\$

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**SECTION C - NON-FEDERAL RESOURCES**

	(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e)TOTALS
8.	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
9.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
10.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
11.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
12. TOTAL (sum of lines 8-11)		\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

**SECTION D - FORECASTED CASH NEEDS**

	Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
13. Federal	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
14. Non-Federal	\$ <input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
15. TOTAL (sum of lines 13 and 14)	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

**SECTION E - BUDGET ESTIMATES OF FEDERAL FUNDS NEEDED FOR BALANCE OF THE PROJECT**

	(a) Grant Program	FUTURE FUNDING PERIODS (YEARS)			
		(b)First	(c) Second	(d) Third	(e) Fourth
16.	<input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>
17.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
18.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
19.	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
20. TOTAL (sum of lines 16 - 19)		\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>	\$ <input type="text"/>

**SECTION F - OTHER BUDGET INFORMATION**

21. Direct Charges: <input type="text"/>	22. Indirect Charges: <input type="text"/>
23. Remarks: <input type="text"/>	

Personnel and Fringe Benefits (\$138,022) – The following personnel will be assigned to manage the grant.

*Administrative Management and Oversight – (\$40,625)*

- (1) Administrative Assistant whose annual salary is \$48,000 will charge .025% of their time for a total of \$6,000 over the life the grant.
- (2) Governmental Operations Consultant III whose annual salary is \$66,000 will charge .05% of their time to the grant for a total of \$16,500 over the life of the grant.
- (3) Accountant III whose annual salary is \$54,000 will charge .025% of their time to the grant for a total of \$6,750 over the life of the grant.

The Administrative Management and Oversight staff salary costs total \$29,250. With fringe benefits (38.89%) at \$11,375, the total is \$40,625 over the life of the grant.

*Program Administration and Data Integration (\$97,397)*

- (1) A Program Administrator whose annual salary is \$99,600 will charge .05% of their time to the grant over the five-year period for a total cost to the grant of \$24,900.
- (2) A Senior Data Analytics Administrator whose annual salary is \$87,600 will charge .1% of their time to the grant over the five-year period for a total cost to the grant of \$43,800.

The staff salary costs to the grant are \$68,700. With fringe benefits (38.89%) included at \$26,717, the total staff salary costs are \$95,417.

*IT Staff Cost Pool*

The IT Cost Pool is estimated at \$285 per year for a total of \$1,425 for the five-year period. Fringe benefits (38.89%) on the IT Cost Pool are \$554 for a total cost to the grant of \$1,979.

Fringe Benefits (38.89%)

**Benefit Type**

Pretax Administrative Assessments	.33%
Social Security	7.33%
State Disability Employer's Contributions	.00%
State Health-Employer's Contributions	23.72%
State Life-Employer's contributions	.16%
State Retirement	6.63%
Public Employees Optional Retirement Plan	<u>.71%</u>
<b>Total Fringe</b>	<b>38.89%</b>

Travel(\$9,000)

- (1) Two trips to Washington, D.C., as required in the grant solicitation – two people estimated at \$5,200 for airfare, hotels, transportation and per diem.
- (2) Six estimated in-person focus group meetings in-state with the CareerSource Florida Network partners to discuss metrics and other issues associated with developing the PFM – two people estimated at \$3,800 for hotels, transportation, per diem and airfare where required.

Total travel costs are \$9,000.

Other (\$1,090)

The “other” includes the estimate for DMS Human Resource fees totaling \$375 (\$75 per year) which is based on the costs assessed against grants of similar size in prior years and represents .01% of the annual operating budget for SFY 14-15 for these services. It also includes the estimate for DMS Risk Management Insurance totaling \$715 (\$143 per year) is based on the costs assessed against grants of similar size in prior years and represents .01% of the annual operating budget for SFY 14-15 for these services.

Supplies (\$10,000) – DEO staff anticipate purchasing the following items:

Two laptops at \$2,000 each	\$4,000
Software for two laptops at \$500 each	1,000
Reproduction Services	900
Office Furniture (Desk and Chair)	1,500
Two CPU’s and Monitors at \$1,000 each	2,000
Two Desktop Printers @ \$300 each	<u>600</u>
Total	\$10,000

Indirect (\$438) – The indirect rate is .3176% x total salaries/wages, fringe benefits, and pass through.

Contractual (\$2,741,208) - The contractual budget is comprised of three separate pieces:

- (1) *Independent Evaluator* (\$500,000). The independent evaluator will be selected by DEO utilizing standard state procurement policies per the guidelines established in the Program Evaluation Plan.



(2) *Data Analyst (\$240,000)*. DEO will contract with a data analyst to assist DEO's Performance Evaluation Unit in designing the data-integration structures for transition between the PFM and the state's workforce management information system and will conduct research and analysis on the required data.

(3) *CareerSource Florida (\$2,101,450)*. The grant request includes \$2,101,450 in funding for CareerSource Florida to design and implement the PFM. The contract executed between CareerSource Florida and DEO will require CareerSource Florida to provide the resources (staff, financial and contractual) necessary to meet the goals and objectives identified in the grant application by DEO. DEO will monitor progress and ensure compliance with all federal and state laws, rules and regulations and also ensure that deliverables related to the PFM project are met according to the established contract schedule.

## **Summary**

The receipt of this grant by DEO will cause a significant shift in the traditional operations of the statewide CareerSource Florida Network. Not only will the grant funds provide funding to develop and implement a multi-phased Performance Funding Model – but the funds will also ensure that regional workforce boards are exposed to data (both performance and decision data) which are housed on a data interface that is custom designed to be both accessible and interpretable by those boards. Moreover, in addition to the grant request highlighted here, CareerSource Florida will recommend that its Board devote a portion of total state WIA set-aside funds to funding the PFM once it is in place.

CareerSource Florida will also target additional state budget revenues to match the CareerSource Florida funding applied to the model (utilizing a model successfully adopted by Florida's University and College Systems). This will represent significant leverage, and significant additional funding (if

successful) from the State of Florida. Lastly, once the Workforce Innovation and Opportunity Act – WIOA - is passed and implemented, CareerSource Florida will examine the potential to submit a federal waiver request which would require regional workforce boards to match CareerSource Florida’s PFM funding commitment utilizing Federal WIOA funds. Thus, for example, if CareerSource Florida contributed \$10 million in PFM funding incentives to the regions, the State Board could retain \$10 million in regional funds as match bringing total federal PFM funding incentives to \$20 million.

Finally, we note that CareerSource Florida, in addition to valuable staff time not funded by this grant, will devote an additional \$375,000 in the initial two years of the grant to provide resources not otherwise funded by the grant in order to ensure the successful data development and successful PFM implementation. CareerSource Florida, via DEO, is committed not only to the adoption of a PFM to ensure that regional workforce boards provide the highest quality service to jobseekers and businesses, but is also sensitive to the need to ensure that regional workforce boards have both the funding and the tools necessary to take success to the next level.

Research into the design of a PFM model was recently approved unanimously by the CareerSource Florida Board of Directors. If the PFM proves successful over the time horizon of this grant, CareerSource Florida staff will recommend that the Board continue to fund the activities otherwise supported directly by these grant funds utilizing state WIA dollars, state revenue and other program revenues as appropriate.

## Abstract

- 1) **Applicant:** Florida Department of Economic Opportunity; 2) **Applicant City/State:** Tallahassee, Florida; 3) **Grant Service Area:** State of Florida; 4) **Project Name:** Incentivizing Performance Outcomes in the Modern Workforce Environment: Designing and Implementing a Performance Funding Model for the CareerSource Florida Network; 5) **Total Funding Request:** \$3,000,000. *Project Costs:* \$2,500,000. *Evaluation Costs:* \$500,000; 6) **Project Type:** Type A.
- 7) **Project Description:** The project will result in the design and implementation of a Performance Funding Model (PFM) for Florida's state workforce development system known as CareerSource Florida. The overarching objective is to leverage funding resources to incentivize regional workforce boards to deliver services in a more effective and efficient manner while preserving their abilities to interact in a tailored fashion with Florida's exceptionally diverse local economies. The adoption of the PFM will result in the accomplishment of three major objectives associated with this project. Those objectives include:
  - A. The creation of a performance funding model which correctly incentivizes regional workforce boards to work towards common, identified goals.
  - B. The expansion of current data collection systems and the integration of new data collection tools which capture the data necessary to measure progress towards the incentivized goals and the integration of these tools into a web-based PFM status monitor.
  - C. The creation of a comprehensive, easy to understand web-based data portal which provides regional boards with the data necessary to inform their decision making processes, which allows them to benchmark and track their performance, which encourages collaboration to maximize the potential of shared resources and which ensures clear and effective communication.

Project success will result in better system wide performance along the dimensions that are selected for inclusion into the model as performance metrics. This will include better job placements for Floridians, increased placement quality (wages), sustained efforts to ensure continued service and workforce advancement among those served, lower costs of services, baseline increase in workforce knowledge and skills, improved collaboration with economic development partners and increased collaboration across workforce regions.

- 7) **Evaluation Strategy:** The evaluation strategy is multifaceted and adopts a variety of approaches to leverage the data towards a maximum understanding of project outcomes. Because long data histories are unavailable for each metric, we will utilize the appropriate modeling techniques for pre/post implementation tests of effectiveness. This includes: for measures with long data histories - an interrupted time series cross sectional (ITSCS) panel data approach; for measures with shorter data histories - applicable difference in means strategies accompanied by summary statistics graduating to more sophisticated approaches as data are available; process evaluation to measure the effectiveness of implementation and cost analysis to determine the degree to which strategies reduce costs (overall, and by type to include administrative, operational, etc.)
- 1) **Public Contact:** Ms. Vicki Smith Underwood will be the contact for this initiative. Her contact information is (850) 245-7129, email, [Vicki.smithunderwood@deo.myflorida.com](mailto:Vicki.smithunderwood@deo.myflorida.com). Ms. Smith Underwood is the liaison between the Department of Economic Opportunity (DEO) and CareerSource Florida (CSF) and as such has solid communication lines between the two organizations. This will ensure that DEO and CSF work closely on this project to achieve the objectives outlined in the grant narrative.

## Project Narrative

### *a) Statement of Need*

*Introduction.* Florida's Workforce System, branded as the CareerSource Florida Network, is headed by CareerSource Florida (as rebranded from its former name, Workforce Florida, Inc.). CareerSource Florida serves as the state workforce system's policy-making board. The Florida Department of Economic Opportunity (DEO) is the state workforce agency and serves as the administrative entity to CareerSource Florida. DEO, as the state workforce agency, is the grant applicant. The 24 locally controlled regional workforce boards (regions) assist CareerSource Florida in their core mission to help Floridians enter, remain, and advance in the workforce. CareerSource Florida's two sister entities which assist with achieving its mission objectives include DEO and Enterprise Florida, Inc. (EFI). EFI, serves as the state's economic development organization. DEO provides both CareerSource Florida and EFI with administrative support including policy implementation and core data collection functions.

CareerSource Florida routinely partners with EFI and DEO to support economic growth and development; leveraging federal and state-level funds under its control to provide workforce training as part of a holistic industry recruitment and retention package. Florida's regional workforce boards are instrumental in the design and execution of many of these programmatic opportunities – mostly on an ad-hoc basis.

*The Core Issue.* Because Florida is a diverse state that ranges from rambling rural areas which are sparsely populated to major metropolitan centers like Miami, Tampa, and Orlando which are home to millions, state-level policy has traditionally centered on the devolution concept. A core principle of state-level workforce policy, the devolution concept is one in which regional workforce boards are given the flexibility to serve local populations in a manner that best assists that population in entering, remaining, and advancing in the workforce while advancing core statewide objectives.

Beyond Common Measures and a few other statistics developed by CareerSource Florida and provided by DEO, there has been little holistic effort to a) develop a suite of measures to establish how well the regional workforce boards assist Floridians in entering, remaining, and advancing in the workforce; b) strategically align all workforce boards towards common, statewide goals; c) determine how best to incentivize the regional workforce boards to accomplish those key objectives in the most efficient manner; and, d) design policy mechanisms to support them in these efforts. This lack of cohesion has led to varying outcomes by workforce region, even when controlling for the challenges that those regions face

REGION	TOTAL PLACEMENTS	AVERAGE WAGE PER PLACEMENT	TOTAL EXPENDITURES (INVESTMENT)	COST PER PLACEMENT	Cost Per Dollar of Wages Earned
	A	B	C	D=C/A	E=D/B
1	14,991	\$7.22	\$ 7,563,796	\$ 505	\$ 70
2	7,469	\$7.68	\$ 2,426,304	\$ 325	\$ 42
3	4,549	\$6.40	\$ 1,512,639	\$ 333	\$ 52
4	10,722	\$7.24	\$ 3,369,405	\$ 314	\$ 43
5	11,496	\$6.87	\$ 5,277,687	\$ 459	\$ 67
6	5,151	\$6.42	\$ 1,767,400	\$ 343	\$ 53
7	3,748	\$6.66	\$ 1,868,997	\$ 499	\$ 75
8	41,492	\$7.84	\$ 17,927,779	\$ 432	\$ 55
9	10,255	\$7.60	\$ 4,361,950	\$ 425	\$ 56
10	16,317	\$7.29	\$ 8,445,704	\$ 518	\$ 71
11	19,877	\$7.76	\$ 9,350,113	\$ 470	\$ 61
12	62,590	\$8.22	\$ 24,874,938	\$ 397	\$ 48
13	22,631	\$9.43	\$ 7,859,440	\$ 347	\$ 37
14	35,682	\$9.37	\$ 13,159,544	\$ 369	\$ 39
15	57,460	\$8.94	\$ 19,614,826	\$ 341	\$ 38
16	22,900	\$8.50	\$ 8,506,187	\$ 371	\$ 44
17	21,863	\$7.19	\$ 9,418,766	\$ 431	\$ 60
18	18,870	\$8.25	\$ 8,378,991	\$ 444	\$ 54
19	5,396	\$6.79	\$ 2,493,496	\$ 462	\$ 68
20	18,124	\$7.79	\$ 9,030,186	\$ 498	\$ 64
21	32,863	\$9.30	\$ 19,260,112	\$ 586	\$ 63
22	42,604	\$9.08	\$ 26,331,670	\$ 618	\$ 68
23	82,309	\$8.18	\$ 51,840,483	\$ 630	\$ 77
24	26,513	\$7.93	\$ 12,940,191	\$ 488	\$ 62
<b>State</b>	<b>588,437</b>	<b>\$8.26</b>	<b>\$ 277,580,604</b>	<b>\$ 472</b>	<b>\$ 57</b>

in light of their core economic and demographic characteristics. Given available resources, some regions simply function more effectively than others.

Consider, for example the data displayed in Table 1. These data determine the total costs to place someone in a job relative to the total expenditures (by region) for the state workforce system. As the data show, the average cost per placement varies substantially from a low of \$314 in Region 4 (a sparsely populated rural region) to a high of \$630 in Region 23 (a major metropolitan area) – an extreme variance. Moreover, Regions 1 and 2, even though they are co-located in Northwest Florida and share common economies based on the defense establishment and tourism, have widely different service costs. Total cost per placement in Region 1 is approximately \$180 higher than the cost per

placement in Region 2 – a difference that would be difficult to explain in any comparative analysis in light of their similar economic and social environments. Looking at costs per wage dollar earned by placement (column E – which is simply cost per placement divided by average wage earned by the placements), a wide variance is noted even though a wage-based cost measure should theoretically help control for total cost of doing business as higher wage areas tend to be those areas which also require higher administrative costs (salaries) for the regional workforce boards that serve them.

As a thought experiment, let’s focus on placement costs per wage dollar earned. Assume, for those regions highlighted in red in Table 1 (which have above average cost per dollar of wages earned), they

could be incentivized to close half the gap between their average cost per dollar of wages earned and the state average of \$57 (Column E in Table 1).

This would yield the data presented in Table 2. So, for example, the Cost per Dollar of Wage Earned would shrink from \$70 in Region 1 to \$63 thereby closing half the distance between the initial figure of \$70 in Table 1 and the initial state average of \$56 from Table 1. Applying this same formula to all of the regions in which the costs currently exceed the state average (as highlighted in red in Table 2), yields the revised cost data presented in red.

REGION	TOTAL PLACEMENTS	AVERAGE WAGE PER PLACEMENT	REVISED TOTAL EXPENDITURES (INVESTMENT)	Old Cost Per Placement	Revised Cost Per Dollar of Wages Earned	New Cost Per Placement
	A	B	C = F*A	D	E	F=E*B
1	14,991	\$ 7.22	\$ <b>6,818,806</b>	\$ 505	\$ <b>63</b>	\$ <b>455</b>
2	7,469	\$ 7.68	\$ 2,426,304	\$ 325	\$ 42	\$ 325
3	4,549	\$ 6.40	\$ 1,512,639	\$ 333	\$ 52	\$ 333
4	10,722	\$ 7.24	\$ 3,369,405	\$ 314	\$ 43	\$ 314
5	11,496	\$ 6.87	\$ <b>4,896,606</b>	\$ 459	\$ <b>62</b>	\$ <b>426</b>
6	5,151	\$ 6.42	\$ 1,767,400	\$ 343	\$ 53	\$ 343
7	3,748	\$ 6.66	\$ 1,647,471	\$ 499	\$ <b>66</b>	\$ <b>440</b>
8	41,492	\$ 7.84	\$ 17,927,779	\$ 432	\$ 55	\$ 432
9	10,255	\$ 7.60	\$ 4,361,950	\$ 425	\$ 56	\$ 425
10	16,317	\$ 7.29	\$ <b>7,612,860</b>	\$ 518	\$ <b>64</b>	\$ <b>467</b>
11	19,877	\$ 7.76	\$ <b>9,100,486</b>	\$ 470	\$ <b>59</b>	\$ <b>458</b>
12	62,590	\$ 8.22	\$ 24,874,938	\$ 397	\$ 48	\$ 397
13	22,631	\$ 9.43	\$ 7,859,440	\$ 347	\$ 37	\$ 347
14	35,682	\$ 9.37	\$ 13,159,544	\$ 369	\$ 39	\$ 369
15	57,460	\$ 8.94	\$ 19,614,826	\$ 341	\$ 38	\$ 341
16	22,900	\$ 8.50	\$ 8,506,187	\$ 371	\$ 44	\$ 371
17	21,863	\$ 7.19	\$ <b>9,117,308</b>	\$ 431	\$ <b>58</b>	\$ <b>417</b>
18	18,870	\$ 8.25	\$ 8,378,991	\$ 444	\$ 54	\$ 444
19	5,396	\$ 6.79	\$ <b>2,271,608</b>	\$ 462	\$ <b>62</b>	\$ <b>421</b>
20	18,124	\$ 7.79	\$ <b>8,471,158</b>	\$ 498	\$ <b>60</b>	\$ <b>467</b>
21	32,863	\$ 9.30	\$ <b>18,337,554</b>	\$ 586	\$ <b>60</b>	\$ <b>558</b>
22	42,604	\$ 9.08	\$ <b>23,984,348</b>	\$ 618	\$ <b>62</b>	\$ <b>563</b>
23	82,309	\$ 8.18	\$ <b>45,110,271</b>	\$ 630	\$ <b>67</b>	\$ <b>548</b>
24	26,513	\$ 7.93	\$ <b>12,404,637</b>	\$ 488	\$ <b>59</b>	\$ <b>468</b>
<b>State</b>	<b>588,437</b>	<b>\$8.26</b>	<b>\$ 263,532,515.69</b>	<b>\$ 472</b>	<b>\$ 54</b>	<b>\$ 448</b>

As the data in Table 2 indicate, simply reducing the costs per wage dollar earned by participants in regions which exceed the state average would result in total statewide service costs shrinking from \$277.6 million as indicated in Table 1 to \$263.5 million as indicated in Table 2. This would be a substantial net cost savings of over \$14 million which could be reapplied to assisting others in their quest to enter, remain and advance in the workforce. Reduced service costs could theoretically be achieved in many ways – not the least of which *could* include shared administrative services across regional lines.

Although this may be an over-simplification of the challenge involved in measuring and increasing performance across the workforce system in Florida, it does highlight a) the fact that the various regional workforce boards achieve markedly different outcomes at substantially different costs and b) even fractional improvements in performance in a handful of regions on one dimension can result in increased availability of resources for those regions. The cost/benefit example presented above is but one of many. The system is replete with similar examples that span multiple available measures ranging from the federal common measures through to market penetration and client (jobseeker and industry) satisfaction with regional workforce board performance (measured on a mostly ad-hoc basis). The devolved system, as currently constructed, offers little incentive among *regional* boards to seek ways to holistically improve *system-wide* performance. We propose a model that will change that.

*A Model for Change.* Florida's workforce system, as currently constructed, has devolution as a core principle. The great benefit of a devolved system is that it allows regional workforce boards great autonomy to serve constituents in the fashion that best suits the region. This is a model very familiar to Florida – the Florida State University System operates in much the same fashion with the 13 universities' boards of trustees functioning in a highly autonomous environment. For many years the system struggled to achieve the statewide benchmarks necessary to ensure the development of the



intellectual capital required to support Florida's future workforce needs. This, however, changed with the adoption of a Performance Funding Model (PFM) for the State University System (SUS).

The PFM model, as adopted by the SUS, is one in which a substantial financial incentive is offered to Universities for meeting certain benchmarks universally agreed upon and shaped by the System's statewide Board of Governors (with University input). The PFM, as designed by the SUS, possesses two attractive characteristics: First, it creates an incentive for the state's universities to work towards common goals which are important to the state. Second, it provides sufficient flexibility for each of these universities to adapt to their local environment and tap their unique market niches. Thus, it preserves many of the benefits of devolution (local control is of paramount importance to Florida communities) while coalescing the SUS around a series of performance measures which incentivize them to achieve goals that are important to the state as a whole.

Performance funding models are not unique to the Florida higher education setting. According to the National Conference of State Legislatures, performance funding models have been (more or less) successfully adopted by higher education institutions in precisely half the American states. Moreover, they are not unique to government or quasi-governmental systems. In the private sector, these models are often associated with commissions or profit sharing arrangements and are becoming increasingly implemented in the healthcare sector as P4P (Pay for Performance) models which are focused primarily on reducing medical costs. Thus, these models are not unknown to the private or the public sector – but appear to be unknown to state workforce systems. Florida seeks to change that by designing and implementing a PFM for the CareerSource Florida Network.

Such a model would have many benefits, not the least of which would be retaining the local/regional control which is so attractive to Florida communities, while incentivizing behaviors which:

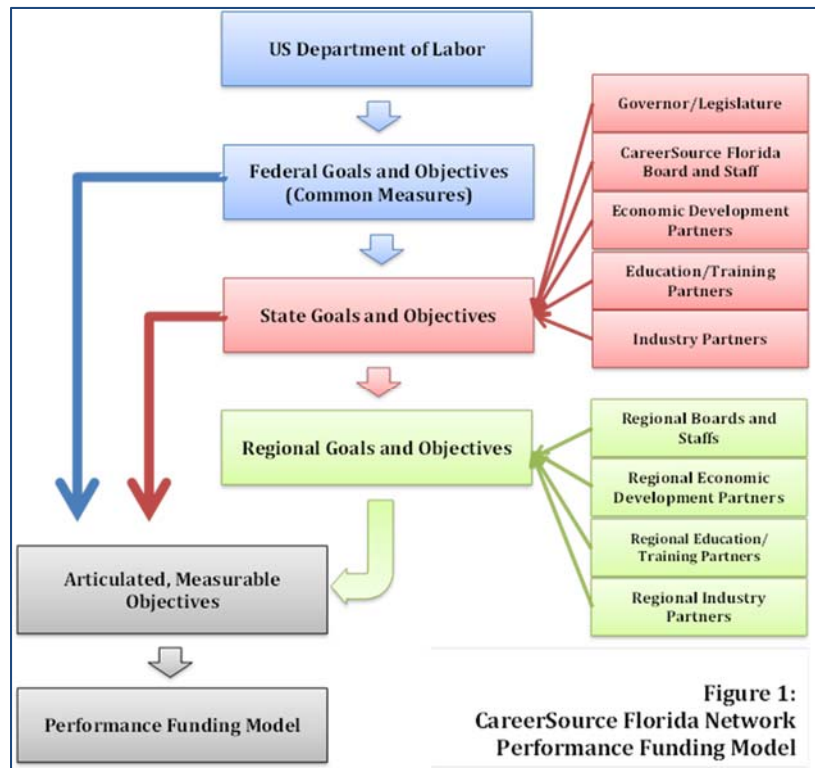
- a. align with statewide strategic economic and workforce development goals thereby multiplying the impact of allocated statewide resources;

- b. overlap with the talent production goals of partners in the state college and state university systems, again multiplying the impact of resources allocated statewide and measuring accountability among all partners;
- c. aid in controlling and reducing costs via a shared incentive structure; and,
- d. introduce other key performance indicators into the workforce system (as outlined below) which reach beyond the federal common measures.

***b) Strategic Approach***

Based on the successful adoption of a performance funding model by the SUS, a system-wide PFM for the CareerSource Florida Network can be leveraged to incentivize regional workforce boards to achieve common goals without imposing a strict, statewide one-size-fits-all operational model on the system. In Figure 1, key sources of inputs into a PFM are identified which will allow us to honor the commitments of all partners with the overarching goal of improved outcomes across goals shared within the CareerSource Florida Network.

*i) Project Outcome Goals.* The overarching goal of adopting the PFM is to improve the system-wide ability of the CareerSource Florida Network to ensure that Floridians are able to enter, remain and advance in the workforce while, at the same time, providing regional workforce boards the autonomy necessary to adapt these goals to the local political, social and economic



environments in which they operate. Success will require, within the confines of the PFM design and adoption process, the accomplishment of three major objectives:

- A. The creation of a performance funding model which correctly incentivizes regional workforce boards to work towards common, identified goals.
- B. The expansion of current data collection systems and the integration of new data collection tools which capture the data necessary to measure progress towards the incentivized goals and the integration of these tools into a web-based PFM status monitor.
- C. The creation of a comprehensive, easy to understand web-based data portal to provide regional workforce boards with the data necessary to inform their decision making processes. This allows them to benchmark and track their performance, which encourages collaboration to maximize the potential of shared resources and ensures clear and effective communication.

Objective A. Based on a comprehensive review of the federal, state and local inputs as indicated above, potential outcomes, listed in Table 3, have been identified as relevant to each of the system partners. These outcome goals will be utilized to inform the overall development of the measures associated with the PFM. We realize that these goals, and their potential measures are relatively broad. As outlined in the strategic approach in the section that follows, the process adopted will be phased and will include significant input from the regional workforce board partners. Thus, the goals (and associated measures) that are outlined below as key to the success of the PFM are not **all** designed to be benchmarked, measured and instituted in the first year of model adoption.

Each of the potential identified measures is color coded to indicate the degree to which current data systems capture data relevant to the proposed goal. Data-capture color codes are divided into three key parts: measures that currently exist, measures for which the data are largely extant, but which would need to be created, and measures for which data do not exist.

As the table suggests, the proposed goals and objectives of the PFM expand well beyond the common measures. For example, goals related to the PFM deal with the quality of employment as measured by retention, earnings and earnings growth. The PFM also creates incentives for regional workforce boards to identify individuals who would benefit from continued services and additional training and rewards these boards for aiding those individuals in obtaining that training. The model introduces multiple new concepts which encourage regional workforce boards to reach more businesses, provide higher quality services to these businesses and handle transactions with businesses and jobseekers in a manner that is satisfactory to them. Costs of services also factor into the model with regional workforce boards rewarded for reducing the costs of services, globally, by type of service and by type of expense. The model also incentivizes regional workforce boards to reach the broadest possible number of jobseekers and provide services to those individuals by incentivizing placement. Moreover, the model seeks to reward regions who coordinate with economic development entities by rewarding them based on their placement successes within Florida’s target industry clusters.

<b>Table 3: Goals and Metrics Associated with the Adoption of a Performance Funding Model for the CareerSource Florida Network</b>	
<b>Goal</b>	<b>Potential Measures to be Further Refined.</b>
1. Improve Employment Outcomes	Entered Employment Rate
2. Improve Quality of Employment (Placements)	Employment Retention Rate
	Earnings Rate (First Six Months)
	Sustained Growth in Earnings Rate
3. Develop and Grow Continued Service (Advancement)	Number of Individuals Receiving Continued Service (after placement) Which results in Increased Skills and Knowledge Along with Better Job Placement
4. Improve Market Penetration of CareerSource Florida Network, Quality of Services Provided and Customer Satisfaction	Number of Businesses Served by Type and Level of Service
	Percentage of Businesses Served that Return to Network for Other Services
	Percentage of Jobseekers Satisfied with System Performance
	Percentage of Businesses Served Satisfied with System Performance
5. Reduce Costs of Services	Total Global Cost Per Placement (and by cost type to include administrative, service costs, etc.)
	Cost per Placement by Service Type (and by cost type to include administrative, service costs, etc.)
	Cost per Placement by Funding Stream (and by cost type to include administrative, service costs, etc.)
6. Increase Number of Individuals Placed	Global Number of Jobseekers Placed in Jobs
7. Improve Ties with Economic Development	Percentage of Total Placements Landing in one of Florida's Target Industry Clusters
8. Target Hard-to-Serve Populations	Percentage of Total Placements coming from hard-to-serve populations (by demographic type)
<ul style="list-style-type: none"> <li><span style="color: blue;">●</span> Metric currently exists.</li> <li><span style="color: green;">●</span> Metric would need to be created but data currently (or mostly) exist.</li> <li><span style="color: red;">●</span> Data creation would require the merger of disparate systems, the creation of new data systems or substantial alteration of current systems.</li> </ul>	

The proposed PFM also rewards regions that seek to provide a balanced approach. For example, those regions who seek to maximize total job placements without also considering the quality of those

placements will find that they score high on the placement measure – but slip on the employment quality measure. Those who concentrate on the provision of continued services to jobseekers who have been in contact without determining whether those jobseekers can actually benefit from those services will likewise score high on continued service to jobseekers while slipping on sustained income growth measures. Although these are draft measures which are subject to additional research on how best to measure and incentivize appropriate outcomes, the final construction of the PFM will encourage regions to concentrate on a holistic approach rather than forcing trade-offs which lead to declining services on particular dimensions in favor of success on a more narrow and limited front.

Objective B. As Table 3 indicates, only a handful of the metrics by which we would seek to measure performance on the indicated dimensions, are currently available. This grant application, as will shortly be described, includes requests for substantial funding to improve current data reporting systems which will capture the additional data necessary to create metrics related to Goals 2, 3, 5, 7 and 8. Moreover, this grant request includes funding to design, create and implement a process which will enable Florida to measure customer satisfaction (Goal 6).

Objective C. This objective contains two major components as well. The first is the development of a web-based data portal which will allow regional workforce boards to obtain and monitor data they deem important to their success on the PFM in a timely fashion. These data could include labor market information statistics including labor force supply and demand projections, updates on target industry clusters, the types of in-demand occupations and skills associated with the support of those clusters, best practices identified by other regional workforce boards, etc. The second key component is the design and publication of a real-time data tool which allows regions to track their performance on each of the key measures which are related to success as defined by the PFM.

The PFM, by its design, will directly incentivize regions to provide better employment outcomes for jobseekers and better results for employers. This will be measured not only in terms of employment

success and wage outcomes, but also in terms of overall jobseeker and employer satisfaction with the system. The introduction of cost-reduction measures into the PFM will also incentivize regional workforce boards to find ways to more efficiently deliver services. The juxtaposition of these cost-reduction incentives against the service quality incentives will ensure that regions strike the proper balance. And lastly, the production of measures which encourage cost reduction and quality improvement both within and across funding streams will ensure that regional workforce boards seek to maximize the utilization of available funding sources.

*ii. Project Type and Strategic Approach.* In this application, funding for a Type A project is requested to support the creation and implementation of a PFM for the CareerSource Florida Network. The key hypothesis to be tested over the life of the grant is:

*Financial rewards attached to clear performance metrics will result in system-wide performance improvement on those key metrics.*

The creation of the PFM (Objective A) will require, as supporting mechanisms, the creation of the appropriate data collection frameworks (Objective B) and the creation of the appropriate data dissemination frameworks (Objective C). The adoption of the PFM will lead (long-term) to improved outcomes across the system-wide selected goals to include: improved employment outcomes, improved quality of jobs obtained, improvements in continued services to jobseekers after placement, improved market penetration of the CareerSource Florida Network, better quality of services to jobseekers and employers, increased customer satisfaction among jobseekers and employers, an increased number of individuals placed in jobs, and a cohesive approach that supports existing economic development efforts.

In the near term, interim project outputs will include:

- Design and development of new output measures which capture jobseeker and employer satisfaction as well as levels of continued support to ensure workforce advancement;

- Design and development of measures which benchmark and measure costs (administrative, services, etc.) across the system; and,
- Design and development of communication tools which provide regional workforce boards with better and more consistent access to data enabling them to achieve better outcomes.

As with any venture that attempts to affect system-wide change by introducing new evaluation metrics which are tied to future funding opportunities, challenges are expected. Just as a one-size-fits-all approach to the provision of services is not feasible in a state as diverse as Florida, some regions will have inherent weaknesses which lie beyond their control that may prevent them from functioning competitively in a PFM that adopts a holistic approach. Moreover, it may be the case that Florida will lack funding to sufficiently “energize” the model. That is, the performance funding offered in support of the model may not be enough to induce wholesale changes in behavior along the incentivized dimensions of the model. Florida will, in that case, seek additional state-level revenues to add additional incentives and explore the possibility of a federal waiver to induce regional workforce boards to match PFM funds offered at the state level.

In order to ensure a more level playing field, the PFM will adopt a TIE (Target, Improve, Excel) rewards approach in which regional workforce boards can achieve success by a) reaching their target goals as established by the designed model; and/or b) showing substantial improvements in their overall metrics over an annual period relative to their peers and/or c) residing among the most excellent performers in the CareerSource Florida Network in their suite of metrics. Moreover, included in the grant application is substantial funding to ensure critical communication between regional workforce boards, DEO and CareerSource Florida.

Finally, the approach to adopting the PFM will occur over at least the first three fiscal years of the life of the grant allowing regions adequate time to adjust to the new measures and adequate time to prepare strategies for success. Thus, those measures for which data history are readily available and are

associated with a short time horizon will be adapted for implementation in the 2015-2016 fiscal year. Those measures which require a longer time-horizon (such as sustained service commitment) as well as those for which a comparative data history are unavailable (such as business and jobseeker satisfaction) will be adapted in subsequent years. This will ensure adequate time for boards to adapt to change and plan measures to improve performance on long-horizon metrics.

The Department of Economic Opportunity will work closely with CareerSource Florida, its regional workforce boards, and the outside evaluation team to closely monitor the impacts of the PFM model on system-wide performance and will utilize the entire life cycle of the grant to continually improve performance metrics, data collection and dissemination and communications across the CareerSource Florida Network. This will ensure that any unintended negative consequences associated with the adoption of a PFM model (such as gaming the system or gaming the metrics) are identified as early as possible and corrected or minimized in a timely fashion.

iii. *Evidence Base for Strategy.* There are no identifiable examples, as noted in the initial statement of need, of a PFM functioning as a solution for a workforce system which a) wishes to incentivize common goals through performance funding while b) preserving critical authority for regional workforce boards to serve specific local interests as actors within a diverse statewide system. Multiple examples of PFMs functioning in other public arenas around the U.S. do exist. The closest link between the CareerSource Florida Network PFM and an extant, functional PFM lies in the education arena.

The National Conference of State Legislatures<sup>1</sup> (NCSL) notes that 25 states have adopted performance based funding models primarily in an effort to refocus the center of base funding away from simply measuring the number of full-time equivalent college students enrolled at the beginning of the semester towards other important targets such as graduation rates, production of STEMM (Science,

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<sup>1</sup> <http://www.ncsl.org/research/education/performance-funding.aspx>



Technology, Engineering, Math and Medical) graduates, etc. Based on their extensive research, the NCSL has produced a list of factors that will lead to successful adoption of PFM models – many of which are applicable to the efforts Florida makes here. These include: engage the broadest possible set of stakeholders, utilize a phased approach to model implementation, keep the funding formula simple, reward progress and success, and include targets which encourage service to underserved populations. As Florida’s approach to model structure and development presented above, reflects, we have incorporated these “elements of success” into the model here.

Performance based funding has also been utilized with success in the medical community as well. A report sponsored by ViPs, Inc., and Med-Vantage<sup>2</sup> regarding the application of PFM in the health community unsurprisingly documented many of the same factors necessary for success that were observed with models related to the higher-education system. These factors included a phased approach to implementation which encouraged the introduction in Year 1 of measures which are simple, easy to understand, and have low complexity. At the next stage, medical experts encourage the adoption of more complex measures related to efficiency and quality with a strong focus on ROI (return on investment) and longer-term outcomes. By stage 3 (3 to 5 years), the most sophisticated measures should be implemented to the accompaniment of actionable, detailed, and local information which is widely available to consumers. Again, much of this approach has been adopted into Florida’s model building process.

The study also notes that there should be multiple measures of success adopted (similar to the collegiate approach) which encompasses both rank-type scoring and threshold scoring. Florida mirrors that approach above with the focus on a TIE model which incentivizes targets, improvements and excellence. Moreover, and perhaps most critically, the study notes, that “valid, reliable, comparable, and salient quality measures...have been shown to be a potent stimulus for clinicians and

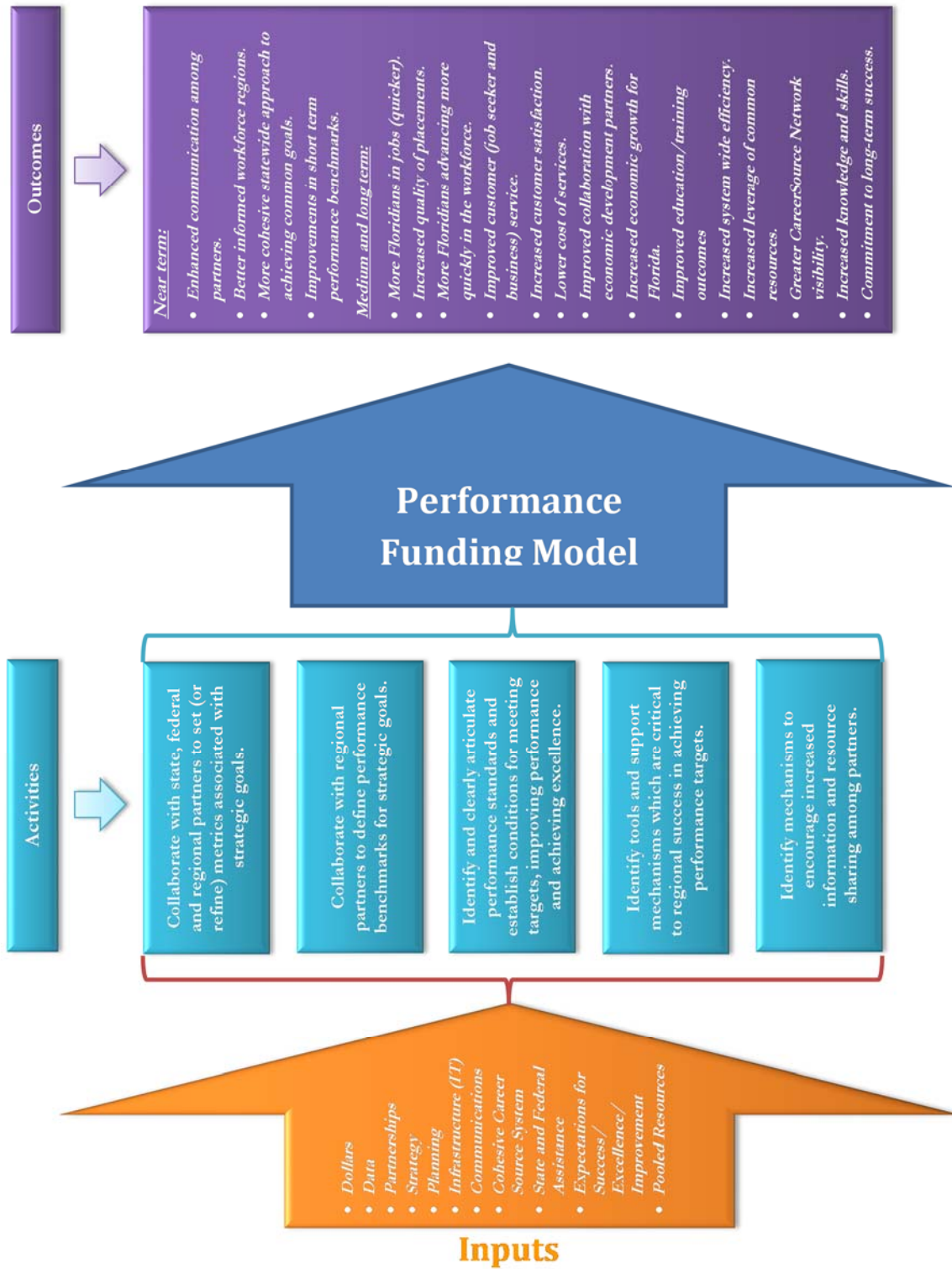
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<sup>2</sup> [http://www.leapfroggroup.org/media/file/Leapfrog-Pay\\_for\\_Performance\\_Briefing.pdf](http://www.leapfroggroup.org/media/file/Leapfrog-Pay_for_Performance_Briefing.pdf)

providers to improve the quality of care they provide...” Thus, the model appears to work successfully in the medical industry.

The success of any PFM or P4P scheme rests on a fundamental and simple concept: the notion that behaviors can be incentivized and shaped utilizing financial rewards. We know from centuries of the human experience, and volumes of academic research, that such is possible. It happens every day. The proposed PFM is a (by definition) complex, statewide application of that same fundamental concept. As the proposed Logic Model on the page following demonstrates, the PFM is comprised of a series of inputs which includes funding, data, common goals, clear expectations and quality resources. These specific elements will be leveraged towards meeting the three objectives outlined previously; objectives which are closely aligned with the initial activities as displayed in the logic model. These activities include collaboration with partners to create metrics associated with the strategic goals (as outlined previously), collaboration to define and refine associated benchmarks which will lead to clearly articulated performance standards with established conditions for meeting targets,

Figure 2: CareerSource Florida Network Performance Based Funding Program Logic Model



improving performance, and achieving excellence. This will then allow partners to identify the tools and support mechanisms which are critical to informing and achieving regional and statewide success in meeting performance targets. The design and production of these critical data resources, combined with the creation of mechanisms to encourage increased information and resource sharing among partners will complete the development of the Performance Funding Model. It is important to note that the Model, as conceived here, is not simply designed to impose itself as an immediate structural reform on the workforce system. Rather, it is to be implemented in a deliberate fashion and accompanied by the mechanisms and tools that are designed to encourage the system-wide pursuit of targeted goals coupled with continuous improvement and the pursuit of excellence.

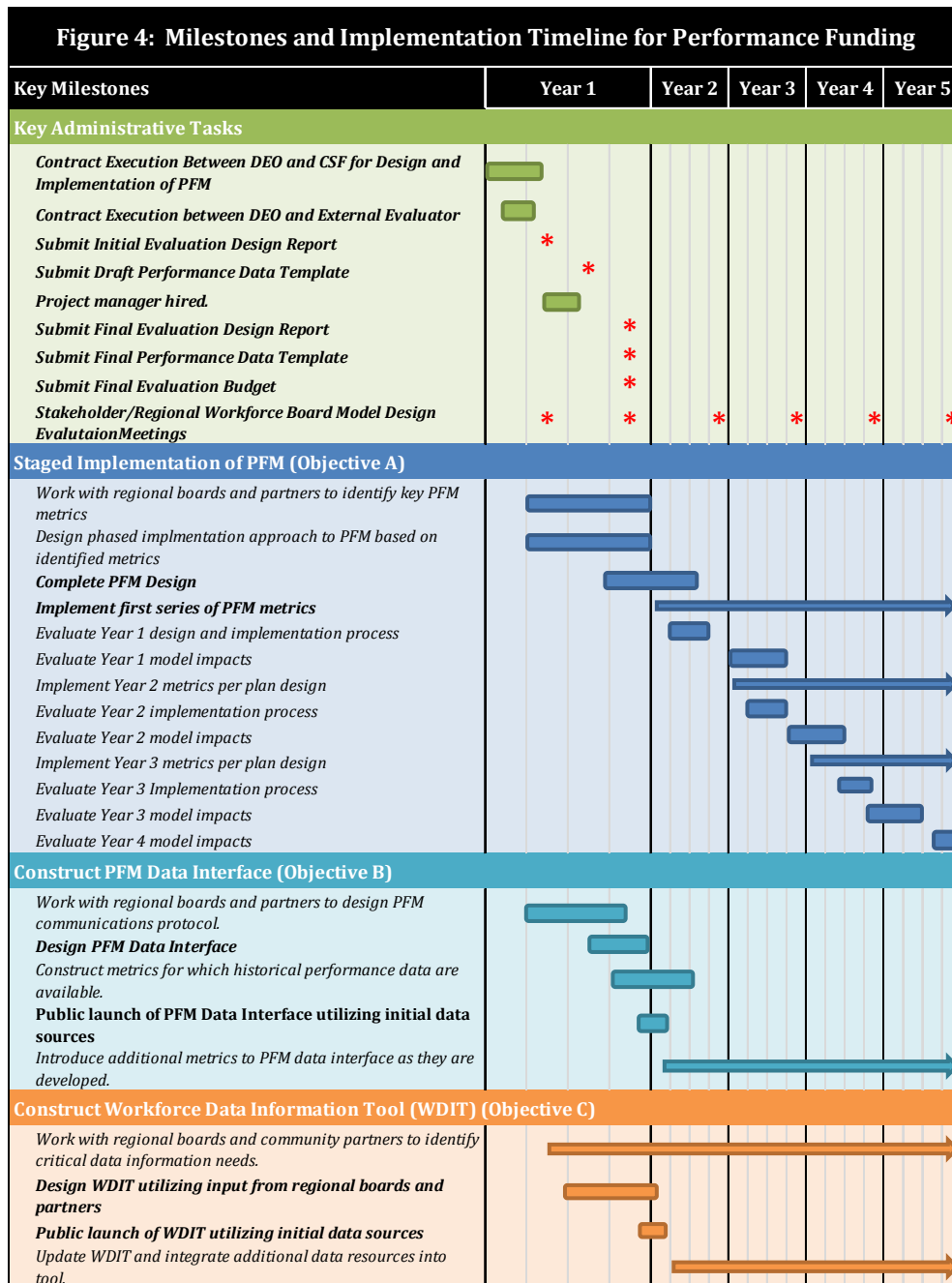
The PFM will lead to enhanced system-wide performance on a number of critical dimensions as are outlined in the model and which are hinted at in the strategic approach – but success will come if, and only if, it is the case that regional workforce boards respond to financial stimulus attached to clearly defined performance measures. Based on outcomes achieved in other systems, it is believed that this will be the case. This proposal offers the first opportunity to test a complete PFM in a modern state workforce development environment.

### ***c) Work Plan and Project Management***

*i. Work Plan.* The work plan is derived from the three outcomes that are integrated into this project plan. These outcomes are listed below and the milestones associated with these outcomes are highlighted in bold on the timeline below (Figure 4).

- A. The creation of a performance funding model which correctly incentivizes regional workforce boards to work towards common, identified goals.
- B. The expansion of current data collection systems and the integration of new data collection tools which capture the data necessary to measure progress towards the incentivized goals along with the integration of these tools into a web-based PFM status monitor.

- C. The creation of a comprehensive, easy to understand web-based data portal which provides regional workforce boards with the data necessary to inform their decision making processes, which encourages collaboration to maximize the potential of shared resources and which ensures clear and effective communication.



Milestones and Timeline. The relevant administrative tasks (associated with contractual and planning obligations) are highlighted in green in Figure 4. These Year 1 tasks are timed to align with the requirements of this application and assist in quickly preparing CareerSource Florida, DEO and the regional workforce board partners for the process of implementing a PFM. Milestones associated with Objective A include the completion of the design of the PFM (by the end of Year 1) and the implementation of the PFM (beginning in Year 2). Remaining years involve data gathering and evaluation of the performance of the model.

The construction of the PFM data interface (Objective B) has two major milestones: the design of the PFM interface (to be completed by the end of Year 1) and the public launch of the PFM Data interface utilizing initial data (to be completed before the end of the first quarter of Year 2). Staff/contractor resources will be firmly committed to maintaining and updating the PFM interface over time so that regions can monitor their progress on key performance dimensions. Objective 3 has two major milestones: the completion of the design of the Workforce Data Information Tool (WDIT) by the first quarter of Year 2 and the public launch upon design completion. As with the other Objectives, data associated with Objective 3 will be continuously updated and expanded over the five-year life cycle of the grant.

Alignment of Costs. DEO will contract with CareerSource Florida and provide them with a \$2,101,450 million via the grant over five years to develop and implement the PFM. DEO will retain the remaining grant funds to support data reporting and analysis as well as data integration into the systems created in implementing objectives B and C, along with the costs associated with the independent evaluator. These grant funds will be leveraged by CareerSource Florida who will contribute a minimum of \$375,000 in additional funds to the project for the first two years of the grant to ensure the project is adequately funded. The bulk of the resources will go into creating and monitoring expanded measures (such as customer satisfaction) and creating the data environment and

communications tools necessary to ensure success. CareerSource Florida will also subsidize regional workforce board executive director's travel to the statewide meetings indicated in Figure 4. Thus, the grant and the additional CareerSource Florida resource commitments will total over \$3.4 million which is exclusive of the human capital investments which will be made by existing CareerSource Florida staff in the overall development of the PFM. Finally, CareerSource Florida staff will recommend that its board utilize a portion of its state WIA set-aside to fund the PFM upon its implementation.

Readiness for Implementation. The CareerSource Florida Board of Directors recently (and enthusiastically) endorsed research into creating a PFM for the CareerSource Florida Network. DEO also has a very close working relationship with CareerSource Florida and has an existing contract in place which forms the basis of the relationship. Because CareerSource Florida's Board of Directors has just signaled its intent to move forward with a PFM if funds can be found, DEO staff have already been working closely with CareerSource Florida to identify resources to ensure success. Thus CareerSource Florida and DEO, the two key partners, have already formed a core understanding of the project's overall direction and are poised, once resources are identified, to build and implement a PFM.

*ii. Project Management Approach.* Florida's DEO along with CareerSource Florida have the fiscal and administrative structure need to effectively and efficiently manage the PFM initiative. DEO will be the fiscal agent responsible for all fiscal compliance and reporting requirements to the U.S. Department of Labor (USDOL). DEO directly administers federal programs with an annual budget in excess of \$385 Million, including WIA, UI, Wagner-Peyser, TANF, SNAP and LMI. DEO also works with the regions to support statewide service delivery at Florida's nearly 100 CareerSource Centers (American Job Centers) and routinely partners with CareerSource Florida, the education infrastructure, economic development partners, etc. to achieve common, statewide aims.

DEO utilizes strict accounting standards for funds management and has an internal audit unit that ensures that all federal and state laws, statutes, regulations, circulars, etc., are strictly followed. DEO has a history of submitting financial and program reports on time as it manages large formula grants as well as discretionary grants. DEO also works closely with the regional USDOL Employment and Training Administration (ETA) office and has a positive working relationship with technical assistance, evaluation and oversight. In this capacity, DEO will collect all of the data and information necessary to ensure that USDOL requirements are strictly met for the lifetime of this grant. These activities will be closely managed by DEO's Division of Finance and Administration.

DEO will contract with CareerSource Florida to build and execute the PFM. The PFM initiative will be led by Rod Lewis, PhD, who serves as Vice President for Strategic Initiatives at CareerSource Florida. Dr. Lewis has a long history of involvement in the federal grants process and will provide the project oversight necessary to ensure success of the project in meeting the proposed timeline.

CareerSource Florida will appoint a PFM project manager who will report directly to Dr. Lewis. Specifically, the Project Manager will need the following experience and qualifications: 1) ability to work independently and with partners, contractors and staff; 2) core knowledge of the federal grants and budgeting process; 3) ability to manage, develop and coordinate a highly complex project administered over a multi-year period; 4) general technological knowledge associated with the construction and maintenance of data collection tools and data dissemination and communication platforms; 5) excellent oral and written communications skills; 6) ability to build consensus among stakeholders with diverse interests; 7) ability to work with a broad range of entities including USDOL, state agencies, educational leaders, and labor market experts; 8) core knowledge of basic principles and practices of original data collection via mixed-mode survey platforms; and, 9) core knowledge of statistics and basic measurement theory.



The key partners, staff and stakeholders are identified in the attachment entitled “ATTACHMENT: Organizational Chart.” The various participating key organizations and stakeholders are identified in the chart. This includes the USDOL (orange) which will contract with DEO (grey) for the grant and will receive, from DEO the required reports and output. DEO will contract with the CareerSource Florida (light blue) Board for PFM model development and implementation as well as the external evaluator (light red). The core of the PFM development and implementation is identified in lavender. The PFM Initiative will be led by a project manager (TBD) who will manage the three core elements which are associated with the three key objectives – PFM design and implementation, data production, and data interface (communications, etc.). CareerSource Florida’s Vice President for Programs and Policy will work to adjust CareerSource Florida’s policies and procedures to accommodate the new PFM and CareerSource Florida’s Vice President for Communications will advise on the design and development of communications protocols to ensure that all stakeholders are kept fully informed. DEO’s existing data infrastructure which resides in its Performance Unit and the Labor Market Information (LMI) Unit will feed core data into the data production tool and will support the development of the new databases necessary to accommodate new metrics associated with the PFM. Key stakeholders will interface with the process directly – with CareerSource Florida’s business-led board and PFM Board sponsor providing strategic counsel directly to the Program Director and assisting with model design. In a similar fashion, regional workforce boards will interact with the Project Manager, on a more granular level, in support of PFM development. In turn, the outcomes of work supported by the Program Director, the Project Manager and the External Evaluator feedback through to USDOL via DEO. As the organizational chart suggests, beyond the input of stakeholders and partners through the CareerSource Florida Network, DEO and CareerSource Florida are the key actors. Their long standing, highly effective working relationship should ensure that the project is executed quickly and seamlessly.

On the process side, DEO will ensure that the third-party independent evaluator is secured in a timely fashion and that the independent evaluator has the experience necessary to design and implement the project evaluation plan as proposed and approved. DEO will follow standard state procurement policies (to which it is bound by state law) in procuring a third-party independent evaluator. The qualifications of the third-party independent evaluator, identified in the Program Evaluation Plan and Evaluation Budget submitted separately, shall be utilized in the assessment of applicants for the third party evaluator. DEO has significant experience with procurement activities and routinely utilizes the state's RFP (Request for Proposal) and ITN (Invitation to Negotiate) processes in awarding contracts which range from several thousand dollars to tens of millions of dollars. Thus, DEO has the experience necessary to secure a highly-qualified, effective, independent third-party evaluator in a timely fashion.

***d) Project Impact***

The PFM is unique in that if it is successfully adopted and implemented by CareerSource Florida based on the three objectives outlined in this proposal it will, by definition, produce the data necessary to demonstrate the impact of the project. The data structure necessary to capture some of these data elements (employment, wages, training outcomes, etc.) have been developed and are part of DEO's core Management Information System (MIS) data structure. These data reside in DEO's Performance Unit and are supported by funding from CareerSource Florida. As noted in Table 3, data exist to develop additional metrics which will be integrated into the PFM, but the measures themselves have not been developed. Finally, beyond existing metrics and those metrics which are easily obtained, there is a third class of metrics. These are metrics for which primary data collection will be necessary (customer satisfaction, for example) in order to develop the measures. It is important to note that the infrastructure necessary to integrate those data into the current MIS structure must be built as well.

Talent existing in DEO and CareerSource Florida, supported by additional personnel as necessary, will be utilized to improve the data infrastructure in anticipation of the receipt of those data.

Two key objectives of the project (B and C) are specifically tailored towards the development of the data necessary to evaluate regional workforce board performance (and by extension, success of the PFM) and the development of the web portals necessary to communicate these data and supporting data to the regions and the broader public. Because the PFM itself (the development of which is the overarching goal of the grant application) is heavily reliant on accurate data for success, the actual development of the PFM will result in more effective and efficient data collection, enhanced measurement of outcomes and the dissemination of those outcomes – not just to USDOL, but to the state, to the regions and to the broader public.

As we note in Table 3, more efficient delivery of services is one of the key indicators which is supported by the CareerSource Florida Network for inclusion into the PFM. Current data infrastructure, housed within DEO, allows for the measurement of costs per placement as we demonstrated in section (a) of this proposal. Although those measures were fairly blunt, they demonstrate that CareerSource Florida is interested in leveraging the PFM to reduce costs across regional workforce boards in order to be able to devote additional resources to helping Floridians enter, remain and advance in the workforce. The development of the PFM data infrastructure will allow DEO to more effectively track costs by type (programmatic, administrative, etc.) and the funding incentives will encourage regional workforce boards to control these costs relative to outcomes (placements, average earnings, etc.). The inclusion of other measures of success, including Common Measures and service to underserved populations should encourage regional workforce boards to strike the appropriate balance between cutting costs and ensuring service to hard-to-serve populations.

#### **e) Strategic Leadership**

*i. Strategic Relationships and Leadership Buy-In.* A major advantage that DEO will have in guiding the implementation of the PFM is that the mechanisms and partnerships to design and implement the PFM are already in place across the two entities (DEO and CareerSource Florida). CareerSource Florida's Board of Directors, upon which the executive director of DEO serves, very recently approved the study of the adoption of a PFM and appointed a "board champion" to support the effort to find the resources necessary to build and structure the PFM. This grant provides a unique opportunity to ensure that this support and these partnerships are leveraged into quick action. Additionally, the fact that these relationships exist and are well documented ensures that design and implementation of a PFM for Florida's workforce system can occur efficiently. The PFM will be institutionalized over the life of the grant and will remain in place per CareerSource Florida and DEO policy well beyond the grant period of performance. A letter of support from CareerSource Florida to DEO is attached. It outlines CareerSource Florida's support of this grant application, CareerSource Florida's support of a PFM model for the workforce system and documents recent board action to this effect.

*ii. Strategic Communication.* The goal of the communication strategy will be to keep stakeholders fully engaged in the development of the PFM, informed of progress and cognizant of the impacts of the adoption of the model. As we note in this application, two objectives support the development of better communications infrastructure in terms of data to inform the decision making process and outcomes data which informs regions of performance relative to the model. Thus, the adoption of the PFM as designed here ensures that communication will occur in a more effective and efficient manner on a number of dimensions which are critical to overall project success.

In addition, in the application and timeline we note heavy regional and state board engagement in the design and development of the PFM. This includes a series of statewide meetings involving regional workforce board partners as well as opportunities for identified stakeholders to have input in the

process (see the organizational chart attached). Moreover, CareerSource Florida will incorporate, as part of its deliverable structure, regularly scheduled updates of progress to the CareerSource Florida Board of Directors as well as regional workforce boards; regularly scheduled updates via electronic communication to education and training partners, public dissemination of quarterly reports prepared for USDOL, updates on the PFM into CareerSource Florida publications and press releases and other mechanisms which may include workshops, focus groups and tailored presentations to interested stakeholders.

*iii. Integration into Formula-Funded Activities.* The PFM is designed to be sustainable over the long term. Securing these grant funds will provide the opportunity for CareerSource Florida and DEO to develop the model in a more effective and efficient fashion and aid the national workforce system in understanding the potential benefits associated with a PFM model. Because the PFM will be designed to incentivize targeted goals, ensure continuous improvement and the achievement of excellence, it is applicable (and will be designed to be applied) to all formula funding streams. Thus, all formula funding streams should see more effective and efficient service delivery because of the incentive mechanisms created via the adoption of the PFM. Moreover, the communication mechanisms built into the model's core structure should incentivize greater cooperation among regions in an effort to achieve efficiencies across multiple funding streams.

## **Program Evaluation Plan and Budget Narrative**

### **a) Description of Evaluation Plan**

The project proposed here provides an opportunity, for the first time, to evaluate the impacts of the implementation of a Performance Funding Model (PFM) in a state workforce system. The PFM, as designed for Florida's workforce system, is designed to incentivize holistic improvements in overall outcomes while, at the same time, providing regional workforce boards with the flexibility necessary to serve diverse regions in a highly diverse state. There are multiple angles (qualitatively and quantitatively) from which to evaluate the introduction of a PFM such as the one proposed here and we will highlight many of those opportunities in turn below.

Because this is a Type A project proposal which is not tried and tested and does not enjoy a long history of quantitative research, the methodologies adopted on the evaluation side will not, for the most part, enjoy the level of rigor of formal econometric studies. Unfortunately (from the data generation perspective) it is not feasible to randomly assign half of Florida's regional workforce boards to a PFM system over the next five years while the other half continues under the current system. Our project evaluation approach will seek to maximize extant data and combine those data with qualitative approaches which will add to the richness of the evaluative process.

The Program Logic Model introduced in the project narrative contained a series of inputs which range from funding, data, partnerships, strategies, communications, pooled resources, etc. These resources will be leveraged in the grant execution process to conduct certain activities which align with the three key objectives. These activities include:

- Collaboration with state, federal and regional partners to set (or refine) metrics associated with strategic system-wide goals.
- Collaborate with regional workforce board partners to define performance benchmarks for strategic goals.

- Identify and clearly articulate performance standards and establish conditions for meeting targets, improving performance and achieving excellence.
- Identify the tools and support mechanisms which are critical to regional success in achieving performance targets.
- Identify mechanisms to encourage increased information and resource sharing among partners.

These activities will lead to the creation of a performance funding model which will be accompanied by the creation of identified data and communication tools which are necessary to foster success. The PFM will draw on state WIA set-aside dollars to create a pool of performance funds. These funds will be utilized to reward regions for a) meeting established targets within the PFM; b) demonstrating that they are improving relative to their peers on certain metrics and c) rewarding those regions which reach a target level of excellence or best in state.

Assuming that the financial incentive is sufficient to induce behavioral change and improved performance among regions we should see data shifts occur on the dimensions targeted by the metrics associated with the PFM which should manifest itself in the data environment. Based on the final construct of the PFM, we should, for example, observe: better quality job placements (wages); Floridians entering the workforce more quickly; lower cost of services at the regional workforce board level; improved collaboration with the regions; increased knowledge and skills relative to Florida's target industry cluster targets; increased customer satisfaction with the Career Source Florida Network system performance; greater alignment between workforce and statewide educational partners; and a more informed public on workforce supply demand. Below, we discuss the methodologies for measuring these and other important impacts that are potentially associated with the adoption of the PFM for Florida's workforce system.

*Measuring Quantitative Impacts.* For some of the metrics associated with the PFM (employment outcomes, wage outcomes, placements, etc.) the data history stretches for a long period of time for each of Florida's regional workforce boards. These particular metrics offer us the opportunity to leverage more sophisticated econometric modeling techniques, such as interrupted Time Series Cross Sectional (TSCS) into the outcome measurement strategy. So, for each of the metrics for which a sufficiently long time series of data exists, we propose to create the TSCS data necessary to model, at the regional workforce board level, the effects of the interruption (introduction of the PFM) on the performance of the individual series.

In this case, we would include as the panel, the regional time series of data for each of the 24 regions in the dataset and model the effects of the interruption on the series by regressing the measure on the variable which marks the introduction of the PFM into the time series. After adequately compensating for issues associated with serial and spatial correlation, a significant coefficient on the variable which times the introduction of the PFM would indicate that the introduction of the PFM changed behavior and the direction of the coefficient would indicate whether the change was positive or negative.

Moreover, the TSCS approach offers us the opportunity to study the interactive effects of core demographic characteristics of the regions on the effects of the introduction of the PFM. To accomplish this, we would simply interact a series of demographic variables with the variable which marks the interruption in the time series and observe the results. So, for example, we could determine whether rural (or smaller) regions were more heavily affected by the PFM by introducing a measure of regional size (population, for example) and interacting that with the interruption. A significant coefficient on the interaction term in this case would indicate that population (or region size) has a mitigating impact on the performance of the model. The size and the direction of the coefficient would tell us whether, for example, the PFM had more of an effect among the rural regions than the urban regions, etc.



These TSCS approach will allow for a fairly sophisticated pre/post analysis of the impact of the PFM on certain performance dimensions – but only for those for which measures current exist or for which historical data will allow the reconstruction of those measures. Moreover, we would need to observe at least two years of performance data post-intervention to have data sufficient to truly begin to understand the impacts from a quantitative perspective. Despite these drawbacks, the PFM is a Type A project which offers a significant opportunity to do some sophisticated analytics on certain dimensions. Moreover, the project is designed to produce the data necessary to allow this analysis to take place.

Other variables, such as customer (jobseeker and business) satisfaction will not offer a long performance history. In order to allow for at least some pre/post data comparisons on these newly created metrics we will leverage the benefits of the phased approach to collect data on these metrics for at least one year before they become part of the performance model by not phasing them into the model prior to Year Three. This will allow us to establish at least some baseline for a pre/post impact analysis but it is highly unlikely that the data will permit an analysis with the level of sophistication associated with a formal TSCS approach. However, by the end of Year Five, for most of these measures, we will have an annual time series for each region that is at least three periods long.

The PFM requires constant analysis to determine performance rewards and, by extension, will ensure that as these data histories are extended past the life of this grant, more sophisticated analyses can be applied as the data collection grows. It is important to note that the mere act of measuring customer satisfaction for the first time across the system and publishing the results will most likely alter behavior among the regions. This, in turn, will make pre/post analyses especially difficult unless the confounding effects of data production on behavior can be effectively teased out by leveraging an instrumental variable approach. It is unlikely that we will be successful in producing as clean analysis as will be possible utilizing the long established series discussed above.

*Process Evaluation.* The timeline presented in Figure 4 of the project narrative outlines the process of designing and implementing the various components of the PFM as it will be executed by the Florida workforce system. Process evaluation is a critical part of the overall evaluative process because (unlike outcome evaluation) it checks the fidelity of project execution, allowing us to verify whether or not the project is actually being executed as intended. In process evaluation, the execution of the various components of the PFM (including design and implementation) will be assessed in order to provide descriptive data about the planning and implementation process.

There will be direct communication between the regions, DEO and CareerSource Florida as the PFM takes shape and is implemented. Process evaluations will be leveraged to gather relevant data for ongoing feedback related to the grant delivery and the team will gather data continuously to detect barriers to PFM implementation, track the use of implementation science, and track modifications and enhancements of the PFM implementation process while monitoring the effects of the innovation. DEO and CareerSource Florida will work closely with the regions to ensure that barriers, once identified, result in modifications that are appropriate to overcome the challenge.

The evaluation design report, the budget, the performance data template and the DEO/CareerSource Florida contract timeline will be routinely reviewed to measure progress and ensure that the grant is being executed per the requirements. We will leverage the annual meetings with regional workforce board executive directors (along with intermediate surveys of executive directors and staffs) to determine the perceived effectiveness of the PFM and highlight potential improvements that can be made to the next phase of the implementation process. Since the implementation of the PFM is designed to be iterative, collecting and cataloging data at each step of the process will be critical to ensuring that each implementation phase is more successful than the last.

On the cost side, the aim is to absorb the cost of gathering data and ensuring a uniformly informed statewide workforce system leaving regions the ability to develop the strategies that will lead to

improved performance among the metrics included in the PFM. One of the key indicators that will be included in the PFM is related to cost. Because budget histories are available at the regional workforce board level, the analytics team will be able to offer a fairly sophisticated cost/benefit analysis of the model implementation and determine, for example, the relative costs of statewide improvement on each program given the reforms instituted at the regional workforce board level to support improved performance on that particular dimension. This will, in turn, allow us to measure not only the overarching impacts of the model on reducing costs of services, but also allow us to determine the price at which improved service delivery was truly purchased. Such a model allows us to ensure that we are not incentivizing regions to serve only those who are most easily served at the expense of populations that are in desperate need of services but who have expensive challenges to overcome.

**b) Contribution to the Evidence Base.** As we noted in the project narrative, there is no quantitative research, as far as we are aware, which examines the performance of a PFM in a statewide workforce system. Even the education community, for which PFMs are just now beginning to mature offer little in the way of quantitative, scholarly research to inform the debate. The data that are collected within the confines of this project, although they have limitations on certain dimensions, offer the opportunity to overcome some of these research limitations. The PFM has, at its very core, the requirement that regions adopt an evidence/data-based decision-making process in order to be successful within the confines of the PFM. So, this is first-of-its-kind research which will yield solid data on the impacts of a PFM on workforce system performance.

Because the project is constructed to induce free, open and frequent communication over the five-year implementation and evaluation period and because the qualitative research on process evaluation will be so detailed, this project also offers a unique opportunity to identify best practices across the

system. As upward (and downward) trends are observed in a particular region the natural question that follows among researchers is: “Why?”

Communications protocol will ensure that these questions flow freely not only in the interest of identifying problems associated with the model and the execution of its implementation, but also in the interest of identifying ways to improve global workforce system performance. Regions that excel will be those that identify the innovative strategies that lead to success. Spreading those strategies to other regions which are likely to benefit from them not only benefits those regions, but the statewide system as a whole. Regions will hopefully be induced to become even better “laboratories” of innovation raising the bar and the level of performance statewide through advancement.

**c) Evaluator Procurement and Deliverable Plan.** Upon receipt of the grant, DEO will initiate a process for procuring the services of a third-party evaluator. The evaluator will be chosen utilizing the standard DEO procurement process. The process requires DEO to provide a Request for Proposal (RFP) or Invitation to Negotiation (ITN) detailing the purpose and scope of the project, background as to why the project is being proposed, legal and agency information, timelines for proposed submissions, project length, terms and conditions of contracts, presentation options, etc., and defines the requirements for submittal.

The RFP or ITN associated with this project will outline the specific requirements and qualifications of the third-party evaluator. These qualifications will be utilized in the scoring process. Overall, the evaluator must have knowledge and expertise in qualitative and quantitative social science methods and knowledge in the science of project design and implementation related to evaluating how agencies and programs effectively plan, implement, and evaluate structural/policy changes.

The evaluator must have knowledge and expertise in formative process evaluation and strong statistical/analytics skills. Knowledge of and experience with the workforce system would be particularly helpful as is the ability to engage the various actors without conflict of interest.

Once proposals have been received, 1) the selection committee will review all proposals and the proposals will be scored, 2) committee members will discuss proposals to ensure agreement among members, 3) oral presentations will be scheduled as necessary and evaluated and 4) award will be made to prime contractor after negotiations. Upon successful selection and project award, a final contract will be negotiated consistent with the terms and conditions of the grant requirements established by DEO and USDOL.

As we noted in the organizational chart for this project, the external evaluator has a critical role to play not only in determining success from a third-party perspective, but in feeding observations and data outcomes back into the overall structure. Thus, our internal evaluations coupled with the third party evaluations will be utilized to shape the next stage of PFM implementation as the process is executed. It is therefore critical that the evaluator possess the skills, experience, and intelligence necessary to perform to a high level of excellence.

**d) Evaluation Budget Narrative.**

The budget request is designed to provide holistic support to the overall development of the Performance Funding Model including the development of new, non-traditional metrics, as well as the data tools and communications apparatus necessary to ensure that regions and partners remained fully informed throughout the process. The budget is also designed to support meetings and communications between CareerSource Florida and its network of regional workforce boards regarding the PFM.

- DEO Grant Administration – DEO will provide grant administration and oversight of this project including compliance with federal reporting requirements. DEO will manage this project using contractual services. Although DEO plans to conduct this project using several contractors, CareerSource Florida, its workforce partner, will be the primary contractor for this initiative. DEO grant costs include:

Personnel and Fringe Benefits (\$138,022) – The following personnel will be assigned to manage the grant.

*Administrative Management and Oversight – (\$40,625)*

- (1) Administrative Assistant whose annual salary is \$48,000 will charge .025% of their time for a total of \$6,000 over the life the grant.
- (2) Governmental Operations Consultant III whose annual salary is \$66,000 will charge .05% of their time to the grant for a total of \$16,500 over the life of the grant.
- (3) Accountant III whose annual salary is \$54,000 will charge .025% of their time to the grant for a total of \$6,750 over the life of the grant.

The Administrative Management and Oversight staff salary costs total \$29,250. With fringe benefits (38.89%) at \$11,375, the total is \$40,625 over the life of the grant.

*Program Administration and Data Integration (\$97,397)*

- (1) A Program Administrator whose annual salary is \$99,600 will charge .05% of their time to the grant over the five-year period for a total cost to the grant of \$24,900.
- (2) A Senior Data Analytics Administrator whose annual salary is \$87,600 will charge .1% of their time to the grant over the five-year period for a total cost to the grant of \$43,800.

The staff salary costs to the grant are \$68,700. With fringe benefits (38.89%) included at \$26,717, the total staff salary costs are \$95,417.

*IT Staff Cost Pool*

The IT Cost Pool is estimated at \$285 per year for a total of \$1,425 for the five-year period. Fringe benefits (38.89%) on the IT Cost Pool are \$554 for a total cost to the grant of \$1,979.

Fringe Benefits (38.89%)

**Benefit Type**

Pretax Administrative Assessments	.33%
Social Security	7.33%
State Disability Employer's Contributions	.00%
State Health-Employer's Contributions	23.72%
State Life-Employer's contributions	.16%
State Retirement	6.63%
Public Employees Optional Retirement Plan	<u>.71%</u>
<b>Total Fringe</b>	<b>38.89%</b>

Travel(\$9,000)

- (1) Two trips to Washington, D.C., as required in the grant solicitation – two people estimated at \$5,200 for airfare, hotels, transportation and per diem.
- (2) Six estimated in-person focus group meetings in-state with the CareerSource Florida Network partners to discuss metrics and other issues associated with developing the PFM – two people estimated at \$3,800 for hotels, transportation, per diem and airfare where required.

Total travel costs are \$9,000.

Other (\$1,090)

The “other” includes the estimate for DMS Human Resource fees totaling \$375 (\$75 per year) which is based on the costs assessed against grants of similar size in prior years and represents .01% of the annual operating budget for SFY 14-15 for these services. It also includes the estimate for DMS Risk Management Insurance totaling \$715 (\$143 per year) is based on the costs assessed against grants of similar size in prior years and represents .01% of the annual operating budget for SFY 14-15 for these services.

Supplies (\$10,000) – DEO staff anticipate purchasing the following items:

Two laptops at \$2,000 each	\$4,000
Software for two laptops at \$500 each	1,000
Reproduction Services	900
Office Furniture (Desk and Chair)	1,500
Two CPU’s and Monitors at \$1,000 each	2,000
Two Desktop Printers @ \$300 each	<u>600</u>
Total	\$10,000

Indirect (\$438) – The indirect rate is .3176% x total salaries/wages, fringe benefits, and pass through.

Contractual (\$2,741,208) - The contractual budget is comprised of three separate pieces:

- (1) *Independent Evaluator* (\$500,000). The independent evaluator will be selected by DEO utilizing standard state procurement policies per the guidelines established in the Program Evaluation Plan.



(2) *Data Analyst (\$240,000)*. DEO will contract with a data analyst to assist DEO's Performance Evaluation Unit in designing the data-integration structures for transition between the PFM and the state's workforce management information system and will conduct research and analysis on the required data.

(3) *CareerSource Florida (\$2,101,450)*. The grant request includes \$2,101,450 in funding for CareerSource Florida to design and implement the PFM. The contract executed between CareerSource Florida and DEO will require CareerSource Florida to provide the resources (staff, financial and contractual) necessary to meet the goals and objectives identified in the grant application by DEO. DEO will monitor progress and ensure compliance with all federal and state laws, rules and regulations and also ensure that deliverables related to the PFM project are met according to the established contract schedule.

## **Summary**

The receipt of this grant by DEO will cause a significant shift in the traditional operations of the statewide CareerSource Florida Network. Not only will the grant funds provide funding to develop and implement a multi-phased Performance Funding Model – but the funds will also ensure that regional workforce boards are exposed to data (both performance and decision data) which are housed on a data interface that is custom designed to be both accessible and interpretable by those boards. Moreover, in addition to the grant request highlighted here, CareerSource Florida will recommend that its Board devote a portion of total state WIA set-aside funds to funding the PFM once it is in place.

CareerSource Florida will also target additional state budget revenues to match the CareerSource Florida funding applied to the model (utilizing a model successfully adopted by Florida's University and College Systems). This will represent significant leverage, and significant additional funding (if

successful) from the State of Florida. Lastly, once the Workforce Innovation and Opportunity Act – WIOA - is passed and implemented, CareerSource Florida will examine the potential to submit a federal waiver request which would require regional workforce boards to match CareerSource Florida’s PFM funding commitment utilizing Federal WIOA funds. Thus, for example, if CareerSource Florida contributed \$10 million in PFM funding incentives to the regions, the State Board could retain \$10 million in regional funds as match bringing total federal PFM funding incentives to \$20 million.

Finally, we note that CareerSource Florida, in addition to valuable staff time not funded by this grant, will devote an additional \$375,000 in the initial two years of the grant to provide resources not otherwise funded by the grant in order to ensure the successful data development and successful PFM implementation. CareerSource Florida, via DEO, is committed not only to the adoption of a PFM to ensure that regional workforce boards provide the highest quality service to jobseekers and businesses, but is also sensitive to the need to ensure that regional workforce boards have both the funding and the tools necessary to take success to the next level.

Research into the design of a PFM model was recently approved unanimously by the CareerSource Florida Board of Directors. If the PFM proves successful over the time horizon of this grant, CareerSource Florida staff will recommend that the Board continue to fund the activities otherwise supported directly by these grant funds utilizing state WIA dollars, state revenue and other program revenues as appropriate.



Dwayne Ingram  
Chairman

Chris Hart IV  
President & CEO

June 13, 2014

Mr. Jesse Pannucio  
Executive Director  
Florida Department of Economic Opportunity  
107 East Madison Street  
Tallahassee, Florida 32399

Dear Mr. Pannucio:

On behalf of the CareerSource Florida Team, I am happy to confirm our support for the Department of Economic Opportunity's (DEO) response to the Solicitation for Grant Applications for Workforce Innovation Fund Grants (FFO: SGA/DFA PY-13-16). CareerSource Florida staff, at our most recent board meeting in May, received the unanimous endorsement of the Board of Directors for a project to create a state-wide Performance Funding Model (PFM) for the CareerSource network.

Consistent with DEO's grant application, we believe that the creation of a PFM will result in better service outcomes across the state-wide workforce system as we look to aid Floridians in their efforts to enter, remain and advance in the workforce. In addition to providing additional funding to ensure the grant's success, CareerSource Florida will provide all of the staff and other resources necessary to ensure that project outcomes meet the terms and conditions of the grant application. We will confirm this by executing the appropriate contractual agreements between DEO and CSF once the grant is awarded.

We look forward to expanding our partnership with DEO and working together to ensure that the PFM is executed effectively and efficiently per grant guidelines. We are grateful to you and to DEO for your decision to pursue this timely opportunity on behalf of the CareerSource Network.

Sincerely,

A handwritten signature in blue ink, appearing to read "Chris Hart IV".

Chris Hart IV  
President and CEO  
CareerSource Florida

1580 Waldo Palmer Lane, Suite 1 • Tallahassee, FL 32308

p: (850) 921-1119 f: (850) 921-1101

[careersourceflorida.com](http://careersourceflorida.com)    



# CHRISTOPHER “ROD” LEWIS, PH.D.

1862 Stella Lane, Unit 123 • Fort Walton Beach, FL 32548 • (850) 510-0771 • rlewis@careersourceflorida.com

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**Research Director • Research Analyst • Research Associate • Statistical Analyst**

## PROFILE

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Highly accomplished, results-focused Research Analyst with proven record of success in managing research programs and projects. Special expertise in economic, business, workforce, tourism and political studies, surveys and analyses. Well-developed research skills with particular proficiency in nonparametric statistics, regression analysis, statistical modeling, survival analysis, and research design. Excellent problem solving and leadership skills.

### **Core Competencies:**

Statistics • Regression Analysis • Research & Survey Design • Survival Analysis  
Experimental Design • Limited Dependent Variable Models • Public Opinion  
Basic & Advanced Time Series • Mass-Elite Linkages • Political Psychology • Facilitation

## ~ PROFESSIONAL EXPERIENCE ~

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**CAREERSOURCE FLORIDA**, Tallahassee, FL

2014 – Present

### **Vice President, Strategic Initiatives**

Leads the Analytics Unit at CareerSource Florida which oversees strategic planning, data development and analysis, planning facilitation and community and business outreach with respect to research opportunities.

- Leads CareerSource Florida’s strategic plan development.
- Monitors organizational performance that supports business strategy and operational goals
- Collects business intelligence data and analyzes industry trends with business strategy implications.
- Develops reports and presentations summarizing business, financial and economic data.
- Develop opportunities to support community and business organizations with unique data analytics needs.

**THE UNIVERSITY OF WEST FLORIDA**, Fort Walton Beach, FL

2007 - 2014

### **Director, Hass Center for Business Research & Economic Development** (2011-present)

### **Interim Director, Hass Center for Business Research & Economic Development** (2010-2011)

Plan and lead wide variety of research projects in economic and political areas for private and government client base. Supervise all internal and subcontracted work and personnel. Negotiate prices with contractors. Personally manage major projects and lead client-site presentations. Moderate all focus groups. Serve as expert panelist and speaker on workforce and economic development topics. Administer \$1.2M budget. Supervise staff of 16.

- Completely restructured Center’s operating model to self-funded, project-team oriented, to compensate for loss of state funding. Grew reserves from \$60,000 to \$600,000 in 3 years.
- Tripled annual contract revenues in less than 3 years by significantly expanding client base.
- Personally acquired Center’s largest-ever competitively bid project, \$1.2M.
- Lowered costs by consolidating staff into 1 office and reducing headcount.
- Subsequently grew staff from 2 full and 1 part-time to 8 full and 8 part-time.
- Personally delivered or recruited more than \$6M in funded research since 2007.
- Founded region’s first full-service, mixed-mode survey research lab.

### **Research Analyst & Faculty Research Associate (2008-2009)**

Promoted to supervisory role, overseeing all personnel at Fort Walton Beach location and charged with acquiring business. Represented Center at community events. Administered \$220,000 budget. Managed workforce and economic development projects, including workforce analytics, industry cluster studies and analyses, and economic impact studies.

- Recognized for meeting or exceeding funding goals each year.
- Delivered higher revenues than main office with less than half the staff.
- Led office to first-ever surplus of funds at end of year.
- Instructed continuing education workshops for clients on topics such as workforce analysis, basic statistics, and spreadsheets.
- Acquired Center's first-ever out of state project.

### **Research Analyst (2007-2008)**

Conducted economic impact studies, carried out high-end statistical analysis and dataset manipulation, and managed survey research efforts for Center. Worked closely with regional workforce development agencies, school districts, career academy development programs, and economic development entities on survey creation and execution. Supervised 1 research assistant. Conducted presentations.

- Led as many as 20 focus groups per year for clients.

### **Consultant (2007)**

Part-time research associate. Supported Haas Center staff members. Assisted with workforce development projects and economic impact studies.

**KILE CONSULTING**, Tallahassee, FL

2004 - 2008

#### **Director of Research**

Oversaw quantitative research projects and surveys for large consulting firm. Served as Focus Group Moderator for all clients. Conducted statistical analyses and survival analyses. Led projects relating to health care and medical sectors.

**THE FLORIDA STATE UNIVERSITY**, Tallahassee, FL

2005 - 2007

#### **Fellow, Interdisciplinary Social Sciences**

Carried out research in politics and policy, including political psychology. Designed research projects. Served as backup for Associate Dean as needed. Directed 2005 National Jury Survey. Produced several publications and presentations.

### **~ ADDITIONAL EXPERIENCE ~**

**President**, DISCOVER ANALYTICS, Fort Walton Beach, FL

2010 - Present

**Election Analyst**, WFSU TV, THE FLORIDA STATE UNIVERSITY, Tallahassee, FL

2004

**Instructor**, THE FLORIDA STATE UNIVERSITY, Tallahassee, FL

2003 - 2005

### **~ EDUCATION ~**

**Ph.D. in American Politics with minor in Methods (Econometrics)**, The Florida State University

- Fellow in Interdisciplinary Social Sciences.

**MS in Political Science**, The Florida State University

- Leroy Collins Fellow, Dept. of Political Science.

**BA in History & Political Science, cum laude**, The University of Alabama

**~ AFFILIATIONS ~**

The American Political Science Association  
The Midwest Political Science Association  
The Southern Political Science Association  
American Association of Public Opinion Researchers  
Workforce Development Board Business Competitiveness Council – FL Workforce Region II  
Deans Council, The University of West Florida

**~ ADDITIONAL INFORMATION ~**

**Publications, Projects and Presentations:** Complete list of more than 50 available on request  
**Computers:** SPSS, Stata, EViews, R, IMPLAN, REMI, MS Office

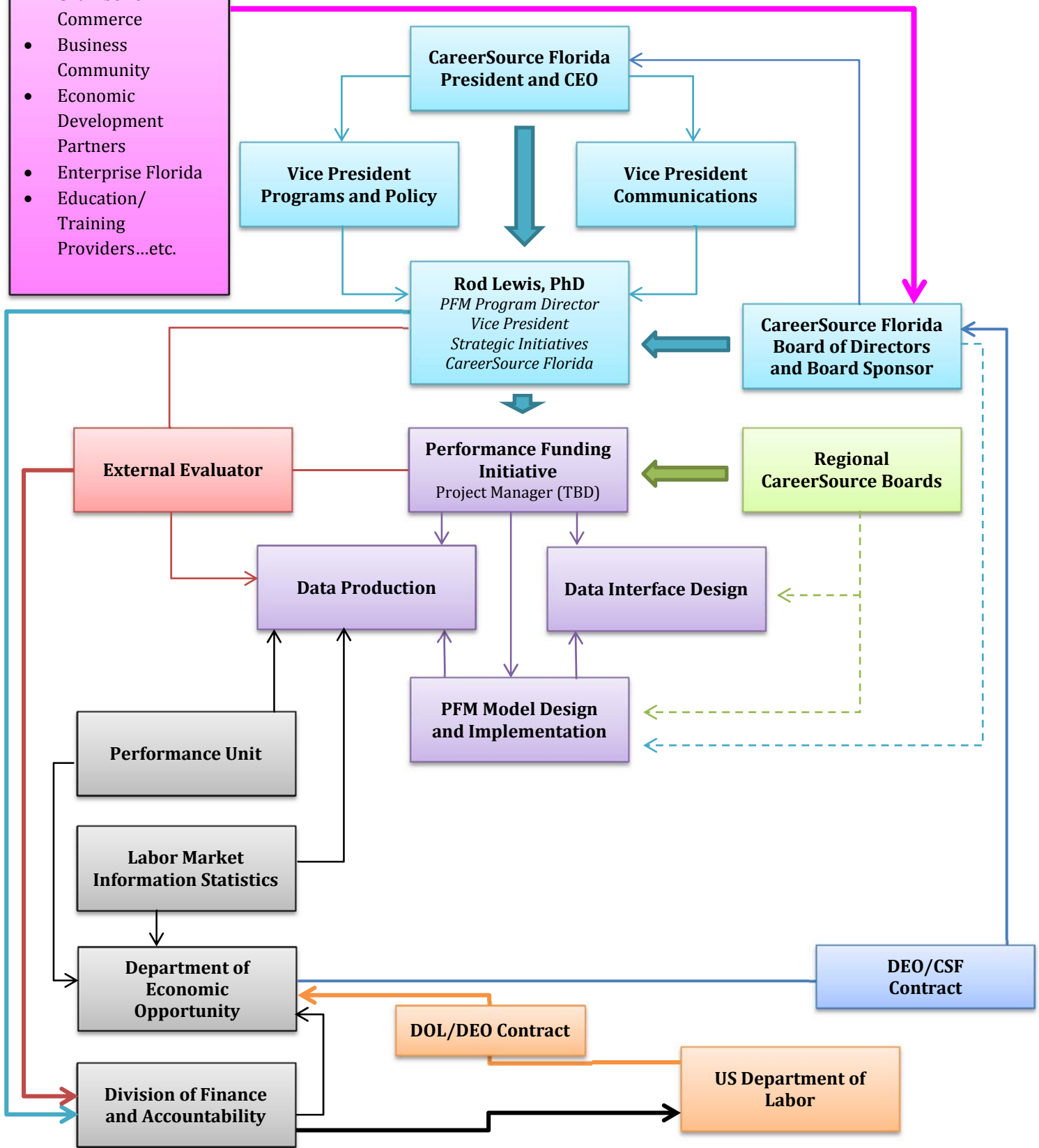
**~ CERTIFICATIONS & TRAINING ~**

Certificate in Project Management  
Teaching Certificate, Florida State University Program for Instructional Excellence

**Stakeholders and Partners:**

- Governor
- Legislature
- Chamber of Commerce
- Business Community
- Economic Development Partners
- Enterprise Florida
- Education/ Training Providers...etc.

**Partners, Stakeholders and the CareerSource Florida Network:  
Organizing the Creation of a Performance Funding Model**



### Project/Performance Site Location(s)

**Project/Performance Site Primary Location**  I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

\* ZIP / Postal Code:  \* Project/ Performance Site Congressional District:

**Project/Performance Site Location 1**  I am submitting an application as an individual, and not on behalf of a company, state, local or tribal government, academia, or other type of organization.

Organization Name:

DUNS Number:

\* Street1:

Street2:

\* City:  County:

\* State:

Province:

\* Country:

\* ZIP / Postal Code:  \* Project/ Performance Site Congressional District:

**Additional Location(s)**