



Executive Committee

Phone Meeting

Thursday, February 11, 2016 / 10:00 a.m. – 11:00 a.m.

Conference Call-in phone number: (866) 576-7975 / Participant Access Code: 299848

Strategic Goals developed by the Board:

- *CareerSource Central Florida will become business focused in all efforts*
- *CareerSource Central Florida will identify ways to measure progress and Return On Investment (ROI)*
- *CareerSource Central Florida will become the backbone organization for workforce development in Central Florida*

Agenda Item	TOPIC	Action Item	Info Item	Presenter
1	Welcome			Eric Jackson
2	Roll Call / Establishment of Quorum			Kaz Kasal
3	Public Comment			
4	Discussion on Youth Contract			Pam Nabors
5	Other Business			
6	Adjournment			Eric Jackson

Upcoming Meetings:

- Executive Committee Meeting: 4/14/16, 9:00am – CareerSource Central Florida – Admin Office / 390 N. Orange Ave., Suite 700, Orlando, FL 32801



Action Item

To: Executive Committee

From: Mimi Coenen

Subject: Response to H&M – Contract Reassignment and Budget Modification Request

Date: February 11, 2016

Purpose:

To notify the Executive Committee of contractual changes with one of its youth service providers. CareerSource Central Florida's (CSCF) subcontractor Henkel's & McCoy's (H&M) intends to dissolve its training and services group division and will be donating that portion of the business to Eckerd Youth Alternative. CSCF has received a written request for contract re-assignment and budget modification from Henkel's and McCoy. In order for the Executive Committee to make an informed decision, staff will be providing general background, current contractual performance, and a recommendation.

Background:

On February 4, 2016, an official letter was received from Ron Goss and David Dennis, President /CEO of Eckerd Youth Alternatives officially informing CSCF of the change in ownership, effective April 1, 2016. The letter included two requests to CSCF:

1. To reassign the contract from Henkel's & McCoy Training Services Group to Eckerd Youth Alternatives.
2. To reduce the current contract budget by \$550,557, roughly 25% of the total \$2.5M contract.

The initial step taken by CSCF staff was to review the contract language to determine options; the options are:

- CSCF has the ability to reassign an existing contract per section 4.7.1, with written approval.
- CSCF can terminate a contract per section 4.12.1 for convenience upon thirty day prior written notice. Furthermore, CSCF may terminate the contract at any time for failure to make sufficient progress per section 4.12.1c.

Current Contractual Performance:

Currently there are 254 active and open young adults being served under this contract with another 408 being case managed with follow-up services, which directly impacts CSCF overall performance under the Workforce Innovation and Opportunity Act (WIOA).

Based on a mid-year performance evaluation of the H&M contract, results show that the subcontractor is not meeting performance based on the following factors:

- From a budget to actual standpoint H&M is not performing as of mid-year results. Expenditures are tracking at 33% spent; of which 47% is attributed to staff and related cost, and 17% relates to participant cost. Participant costs includes direct participant expenditures such as career pathway/tuition, credentialing, incentives, and support services.

- H&M has requested a budget decrease of 25% or roughly \$550,000. The decrease is comprised of roughly \$168,000 in salary and related cost, and the remaining \$382,000 in participant cost, indirect charges and contract profit. The proposed decrease in participant cost would put the contract out of compliance with the WIOA Youth requirement that 20% of the contract be spent in work experience activities.
- H&M had challenges in the previous year with the management of the budget. As a result it overspent the contract by over \$160,000. Based on current expenditure rates and the request to decrease the contract amount, CSCF is concerned with H&M's ability to meet budget requirements by the end of the fiscal year.
- The H&M contract is performing below contract performance requirements. Although it is meeting the overall enrollment goals, it is not meeting in the qualitative categories of training and program completion defined as "Positive Outcome" (placement, high school credential, post-secondary enrollment).
- The original procurement was awarded to H&M based on years of industry experience and expertise. Based on research of Eckerd Youth Alternatives, it is a behavioral health and child welfare services organization. Its area of expertise is focused on at-risk in school youth and transitional housing. CSCF can find no specific information related to experience in workforce development.