



# One-Stop Operator Request for Proposal

## Inquiries & Responses

Last Updated July 28, 2017

### Inquiry #1

**From:** Balkwill Matthew R [mailto:MATTHEW.R.BALKWILL@dhsosha.state.or.us]

**Sent:** Monday, July 24, 2017 6:40 PM

**To:** Jim Fong <JimF@rogueworkforce.org>; Sherri Stratton <sherri.l.stratton@oregon.gov>; JERNIGAN Rosemary <Rosemary.JERNIGAN@dhsosha.state.or.us>; Tabitha Carlson <TabithaC@worksourcerogue.org>

**Cc:** KARPA Pete <Pete.KARPA@dhsosha.state.or.us>; Haun Daniel R <DANIEL.R.HAUN@dhsosha.state.or.us>; James Pfarrer <james.f.pfarrer@oregon.gov>; Matt Sneed <mattsneed@rescare.com>; Miller Joseph W <JOSEPH.W.MILLER@dhsosha.state.or.us>

**Subject:** VR is not interested in entering into a consortium bid for One Stop Operator - OSO operations

Hi Jim, Sherri, Rosemary & Tabitha

I have had several conversations with my executive team the past few days regarding the notion of VR becoming part of a consortium OSO operator. The decision (indicated by both the VR Deputy & VR Director) is that it is not in the best interests of the agency nor the disabled Oregonians we serve, to engage in that capacity. The rationale for that decision is encapsulated in the bullet points below.

1) It is outside the purview of the VR legislative mandate. In essence, VR is mandated to collaborate with established WIOA partners and participate in shared costs related to specific services active VR clients receive within that system. The VR Scope of Work (CFR 361.48(b)) consists of 21 distinct services of which only 2 intersect with OSO directly. So there is a genuine concern that if VR was to enter into an active OSO role that we would be acting outside of those regulations and be in violation.

2) Not enough management within the current VR structure. Right now, VR branches consist of one manager per branch. That Branch Manager is assigned a spot on the board to represent the Director in regional meetings/activities. To participate in OSO operations there would need to be another level of management introduced to "separate" the Branch Manager from those oversight responsibilities of the Board to the OSO. In addition, the day to day activities would demand a specific managerial focus that VR is not structured to provide in its current format.

3) Federal/State Budgetary constraints: VR money is set up on a "4/1" match where the Feds match the state GF contribution at a ratio of 4 to 1. When that money is obligated by the state it comes under Federal control for audit purposes. That money (known as the 110 grant) is mandated by RSA (fed oversight) to only be spent on "active" VR clients. Because OSO is a general population type service *MY* costs (payroll, etc) would have to be paid out of only state GF \$\$ and the budgetary system is not set up to separate those costs. In other words, we don't have the money to just spend on OSO operations because we didn't request it from the legislature.

4) This is only one part of what we do: VR works with a lot of different population groups that fall outside of the OSO scope (as it were) which are a predominate part of our service delivery. By taking an active part in OSO operations it would be pulling me from those other focus points – leaving the agency vulnerable to complaint by advocacy organizations supporting those population groups.

5) There is no precedence for VR to take an active OSO role: We've made some inquiries to our Fed liaisons to find out if anyone else in the country is even attempting this within VR. We have not heard a response from them (as of yet) however a cursory search of the nation indicates there are no other VR agencies contemplating an active participation of OSO at this level.

6) The ROI does not match up with the costs: This is a purely economic response but I still think it is valid in that the return on investment (ROI) does not correlate with what I am anticipating is going to be a major investment of time. Right now I have very few clients actually utilizing OSO services and I don't know if I see a material change to that in the near term (1-3 years). Conversely, I do see a whole bucket load of work that will be unrelated to the clients I serve which begs the question "why"? This will also be asked by RSA/DRO – especially during those times when I am resolving service disputes with clients. Basically it will come down to "you are spending too much time with OSO issues and not enough time resolving my issue".

7) My classification will have to be reviewed: Right now I am a PEM-C level branch manager within the VR agency. By taking on a role (in addition to my current tasking's) as a consortium OSO operator it is going to change my duties to a point where that job description will have to be significantly modified and most likely subject to a classification review by HR. Our agency budget does not have that in place and will involve actions which is presumably going to take a considerable amount of time and could easily lead to a reclassification of the position. There is no telling what impacts that will have on the VR management system, particularly if I am the only one to go through this process simply to be part of something (like running the OSO as part of the LLT).

That about sums up the VR position and, regretfully, I must inform you and the other core partners of the Agency's decision. Having said that, it is our intention to participate in a fully collaborative role within the RWP and look forward to contributing to the excellent work already being done by our other core partners. Please feel free to contact either Pete Karpa or the Agency Director, Trina Lee should further clarification be necessary.

In highest regard,

Matt Balkwill  
Rogue Valley Branch  
Oregon Vocational Rehabilitation  
541-776-6035

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## **Response to Inquiry #1**

**From:** Jim Fong

**Sent:** Friday, July 28, 2017 4:09 PM

**To:** 'Balkwill Matthew R' <MATTHEW.R.BALKWILL@dhsosha.state.or.us>; Sherri Stratton <sherri.l.stratton@oregon.gov>; JERNIGAN Rosemary <Rosemary.JERNIGAN@dhsosha.state.or.us>; Tabitha Carlson <TabithaC@worksourcerogue.org>

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**Subject:** RE: VR is not interested in entering into a consortium bid for One Stop Operator - OSO operations

Hi Matt:

Thanks for our phone conversation last Friday and your thorough email on this matter.

I want to respond in some greater detail, and in order to do so and still maintain the integrity of the One-Stop Operator (OSO) procurement process we're now in the midst of, we're also going to post your email and this response on the RWP website as part of the inquires and responses related to the OSO Request for Proposal.

First, let me say that I sincerely appreciate you and the VR Executive Team for having these conversations and taking serious consideration of your organizations role as a member of our region's Local Leadership Team (LLT), and possibly being part of a consortium proposal to serve as the region's One-Stop Operator. I completely respect, honor and understand the decision you've all made not to participate in an OSO LLT consortium proposal.

That being said, I also want to respond to your rationales to provide some countervailing points of view so that all potential proposers will have the benefit of this perspective. So, I've copied the "headlines" from the VR rationales below, and provided the RWP's thinking and rationales in relation to the LLT and OSO:

1. *"It is outside the purview of the VR legislative mandate."*

While I understand and can appreciate VR's perspective on this, I would contend that being a member of a region's Local Leadership Team (LLT) is completely within the purview of the VR legislative mandate, as well as within your agency's current policies and practice, and the direction of the Governor. VR agency leaders have long supported and required their Branch Managers participating in regional LLT's across the state.

The concept that you and I were discussing on Friday, was to simply have the LLT in our region submit a consortium proposal to become the designated One-Stop Operator. As we discussed, our region's LLT is highly functional and, from my perspective, is already doing the exact body of work that we as a region want the OSO to be doing. So, this concept is really all about streamlining, efficiency, and cost-effectiveness--simply using what already exists and what's working in our region to meet this new federal OSO compliance requirement.

The citation you reference of 34 CFR 361.48 describes the “Scope of vocational rehabilitation services for individuals with disabilities.” This is an excerpt from the federal regulations governing VR programs only, and pertains to the specific scope of services VR provides to its customers.

Every WIOA partner agency program has similar regulations defining the scope of work within their particular program silo. We are all bound and required to comply with similar “program-specific” regulations. But In addition to these “program-specific” regulations, WIOA-required partners must also collaborate to create a more seamless and integrated workforce system for common customer success. As you say: “VR is mandated to collaborate with established WIOA partners. . .”

Being a member of LLT constitutes this collaboration. And, “program-specific” regulations like 34 CFR 361.48 do not limit a partner agency from engaging in this necessary and required collaboration. It would be like DHS Self-Sufficiency, Title II, or WIOA IB administrators or service providers saying that the program-specific regulations that govern their specific scopes of work in serving customers prevents them from doing anything collaborative that’s outside the scope of just providing services to their specific customers. This reasoning flies in the face of the intent and scope of WIOA.

I also understand that the thinking that the LLT could be part of a consortium to serve as the OSO is a bit “outside the box.” Most other states don’t have functioning LLT’s, and the Rogue Valley’s LLT is leading Oregon in partnership functionality. In fact, when the original WSET group did their initial “road show” across the state, they specifically didn’t come to the Rogue Valley because they said we were already doing what they were trying to kick-start in other regions to catalyze functional LLT partnerships.

Because of this historical partnership strength, the RWP wants to leave itself very open to the option of this kind of consortium proposal (*either from all the LLT partners or a subset of at least 3 LLT partners*). We continually want to seek highly innovative, cost-effective and efficient solutions in all things, including the selection of an OSO.

Also, to get clarification on the matter, I’d be happy to put in a call to our regional U.S.D.O.L office to get their guidance on how best to get technical guidance to us on the matter. I know from numerous national conferences I’ve attended focused on WIOA, that federal VR leaders have strongly encouraged the kinds of service integration partnerships that Oregon is already doing. We could ask our federal partners to weigh in on this particular point of concern you have about you violating 34 CFR 361.48 if you were to be a consortium partner OSO.

2. “Not enough management within the current VR structure”

As you and I discussed, if the LLT were to serve as the OSO, I do not believe any additional work or cost is required, nor would I see any need for an additional layer of management. The RWP believes that the LLT is already doing the “coordination” work of the OSO for example – coordinating the Workforce Academy among all the WIOA partners and other partners).

The reason the RWP is open to an LLT consortium model is because we see that the LLT is already doing this work, and that it aligns perfectly with what we believe to be the on-going work of a OSO. So, we see no need to add any additional management layers or associated cost.

In addition, we recognize that every partner and organization is stretched to the maximum in its management and staff capacities. As a small non-profit LWB, we especially resemble and empathize with these circumstances. That is why we believe there is great strength in a team-based approach. As we discussed, even if the VR Branch Manager or other partner managers can't attend every LLT meeting, it means the work still carries forward with those who are meeting, and then you can catch-up and add-in as you can.

To reiterate, we do not see the OSO work to be additional workload for any partner. So, we have a very differing point of view on VR's perceived need to create another level of management oversight.

3. "Federal/State Budgetary constraints"

Once again, in a LLT consortium model, we don't see the need for any partners to incur any additional work or cost over and above what they're currently doing, and funded to do.

4. "This is only one part of what we do"

Once again, in an LLT consortium model, we don't envision that any of the current managing partners, including the VR manager, need to do any additional work other than what they're currently doing as part of LLT. In this model, we envision that the current LLT scope of work and the OSO's work would be synonymous, or one and the same. So, the VR manager would not be pulled away from "other focus points," nor would they be "leaving the agency vulnerable to complaint by advocacy organizations supporting those populations."

VR has already committed its Branch Managers to participate in the LLT's throughout the state, at no detriment or risk to its customers or agency. In fact, one could argue (*and federal and state agency leaders frequently do*) that by participating in such WIOA required collaborative efforts, VR is actually enhancing services to its customers by leveraging resources, eliminating duplication, and improving the quality service and the success for its customers. This is the value of collaboration and integrated services that WIOA envisions.

5. "There is no precedence for VR to take an active OSO role"

Yes, we would anticipate that there would be no existing precedence. WIOA is a new law and OSO implementation is a new phenomenon. As with all things new, there will be a bell curve from "early adoption" innovators to "I'll never change" practitioners of the status quo. Speaking personally, lack of precedence has never been a reasonable rationale for not doing something that actually makes sense.

In addition, Oregon's DNA is that of being pioneers and national innovators – from early settlers on the Oregon Trail, to the bottle bills and statewide land use planning, to senior care innovation, and now CCO's and healthcare reform. Many innovations have worked, and for the ones that don't, we make adjustments and apply ourselves again to improving things.

I would advocate in this circumstance that a lack of precedence should not be a reason for trying something that might actually work better than the way everybody else is doing it.

I've helped to facilitate improved service integration in public human service and workforce agencies all across the nation for many years now (*I can send you links to multiple national studies and citations that I've been part of*). Southern Oregon is unique in its long history of great

partnerships that are the forefront of what WIOA intends. The fact that our region's LLT already performs much of the work that WIOA and our LWB wants the OSO to accomplish is a testament to this leadership reality. So instead of being a follower of precedence, our region can take leadership in establishing a pioneering precedence that can later be viewed as a national best practice model.

6. *"The ROI does not match up with the costs"*

Once again, our sense is that the LLT serving as the OSO will not be "a major investment of time" beyond what's currently being invested by the LLT. And, while VR has "very few clients actually utilizing" WorkSource Rogue Valley services, and you don't know if you see "a material change to that in the near term," continuing your participation in the LLT to further this usage transition would make a tremendous amount of sense. In fact, the proposal you discussed recently with Sherri Emitte and me on how to use VR's program/customer investment model to create alignment in the purchasing of WSO services would be a highly relevant conversation to have with LLT partners.

I also disagree that there is "a whole bucket of work that will be unrelated to the clients" you serve. If there is, then that shouldn't be the work of LLT, or you should excuse yourself from these meeting agenda items. LLT has been a self-defining group. Partner members have set their own collective agendas and priorities. So, as an active member of LLT, I'd expect that you'd express your opinions, and exercise your free will in participating in those part of LLT that are relevant and value-added to the VR mission.

Furthermore, it seems that LLT, or subsets of LLT partners, would be a perfect forum to resolve issues involving service disputes related to clients. These are exactly the system misalignment/realignment issues LLT should be addressing, whether they're a consortium that serves as the OSO or not.

I believe that you and I are just having an honest misunderstanding / miscommunication of each other's mental model for what we see as the OSO role and responsibility. WIOA says that "at a minimum, the one-stop operator must coordinate the service delivery of required one-stop partners and service providers." Coordinating the service can mean and be defined in any number of ways.

What the RWP is very open to is defining "coordinating the service" as exactly the work that LLT is already doing – nothing more and nothing less. And, that LLT (and you as an equal partner in it) can continue to self-define what "coordinating the service" means. For our part, the RWP will never define it as work beyond the scope of any individual partner agency's usual and customary collaborative work that they naturally want to do to improve integrated service delivery and success for their customers.

In this manner, ROI does match up with the costs, because the costs are the ones you determine you can make (*and that you're already making as a member of LLT*), and the ROI is defined by you as an equal partner, in the benefits you want to see come out of the collaborative effort.

7. *"My classification will have to be reviewed"*

Once again, I disagree with the concept that there will be any need to take on any additional role beyond your current tasks as a LLT member. If LLT partners serve as a consortium OSO, there will be no additional work beyond the kind of work LLT is currently conducting. That would be the expectation of the RWP. So, no changes in personnel classification would be needed or warranted.

This sums up the RWP response to the VR position. As I said earlier, I completely respect, honor and understand the decision VR has made to not to participate in an OSO LLT consortium proposal. In writing this response, it is not my intention to change your decision, or disparage or disrespect the rationales in your decision-making. My intention has been to add an alternative countervailing perspective to the ones you've shared, so the you and our other WIOA partners have the full benefit of this robust and respectful dialogue. I want to ensure that all partners and potential RFP proposal submitters have the opportunity to understand all the diverse perspectives, opinions, peculiarities and nuances of these new and fairly complicated WIOA requirements.

In addition, I'd reiterate what's said in our OSO-RFP. We are very open to any and all proposals from any and all entities. We are not fixated or biased on only a consortium model for the OSO – whether by LLT and any other set of partners. We want to receive proposals that represent a wide range of approaches and that demonstrate high-value and cost-effective use of resources.

In my preliminary conversations with you and other partners, my intention was merely to engage in exploratory dialogue about the potential benefits of an LLT – OSO consortium proposal. The goal was to generate thinking and further dialogue by LLT partners to consider partnering together in such a proposal, so that the RWP would have the benefit of considering this as one of many proposal options.

Regardless of the outcome of the OSO selection process, RWP's commitment and focus is on continuing our great regional partnerships in order to generate even greater success for our common customers. I sincerely appreciate the time and energy you've spent on this matter, and look forward to our continue work together as partners in creating an even better public workforce system for the Rogue Valley.

In highest regard,  
Jim

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