

Appendix C: Individual Case Study Reports

**Appendix C-1:
Case Study 1 – Southern California Urban One-Stop
Report**

SoCal Urban One-Stop Case Report

Background

The SoCal Urban One-Stop is part of a local area which includes eight cities and some county territory in a large metropolitan area in Southern California. The local area, which we will call the Multi-City WIB, operates four full service One-Stops. Three are operated by contracting with local cities, and a fourth (SoCal Urban One-Stop) is managed by the city government which also manages the WIB and the local area.

The Multi-City local area is very entrepreneurial. It has won contracts and grants from a number of agencies at the State and county level. While the Multi-City formula grant from WIA in 2004-05 was less than 44 million, the WIB's total revenues were over \$14 million.

SoCal Urban One-Stop Description

The SoCal Urban One-Stop serves three cities and a piece of county territory with a diverse population. It is located in a multi-story office building, on a busy street in the center of the largest of the cities. The One-Stop is spread out over three floors within the building. The facilities include a large resource room, a computer lab, numerous offices for counselors, and several classrooms and meeting rooms. The One-Stop is busy, averaging 100 visits a day to its resource room.

The list below shows the agencies which are official partners of the One-Stop. The agencies in bold are agencies which provide significant measurable contributions to the One-Stop's operations and are featured in our analysis.

Table C1-1: Partners Who Contribute and Do Not Contribute in the One-Stop

Measurable Contributions In One-Stop

- **State of California Employment Development Department,**
- **California Department of Rehabilitation,**
- **Small Business Development Corporation (at local Community College)**
- **City Adult School**

Without Measurable Contributions in One-Stop

- Local Community College,
 - California State University, Local,
 - County Department of Social Services,
 - City Housing Services,
 - US Veterans Administration,
 - City Action Agency,
 - Regional Occupation Center ,
 - the Youth Collaborative, and the
 - Regional Native American Center.
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Defining the One-Stop Boundaries

For the purposes of our analysis we had to define what was inside and what was outside the One-Stop. For example, down the street from the One-Stop was a Salvation Army facility to which the One-Stop referred people. Should the costs of that operation be in our analysis? Similarly, the Community College operated programs in the One-Stop building, but these programs did not serve One-Stop customers except incidentally, while the City Adult Education unit in the One-Stop ran General Education Development (GED) and other programs just for One-Stop Clients in the One-Stop. To make these decisions consistent we developed an “operational definition” of what was and what was not considered a One-Stop activity for the purpose of our analysis:

Activities and agencies are included in the analysis if they provide workforce services to One-Stop clients and if the services meet one of the following conditions: (1) under the One-Stop's Roof or (2) Provide customized services to One-Stop clients based on a formal agreement.

Based on this definition the Community College operation is excluded and the City Adult Education operation is included. It is also important to note that while the local area's youth program was under the supervision of the One-Stop manager, it was not physically in the One-Stop in the year studied, so it is excluded. Similarly most training is provided through ITAs (Individual Training Accounts) where the One-Stop will contract with another agency to train a client. Hence, we included in our analysis the cost of assessing the client and supervising the ITA, but the actual cost of training - because it occurred outside the One-Stop - was excluded.

One-Stop Structure

The One-Stop is managed by a center director. Based on our observations and discussion with WIB and One-Stop staff we broke the work of the center into five responsibility centers¹:

1. **The Resource Room:** The operation provides walk-in services such as on-line job searching, computers and printers for producing resumes and letters, career information, and referral information. Most clients self-serve, but staff from the One-Stop and the on-site EDD unit are available for brief one-on-one assistance. Any one who walks in and provides their name, address and social security number may use these services.
2. **Registered Services:** The registered services area provides one-on-one case management and referral to training and other services for clients who are formally registered in WIA or a county funded employment program for welfare recipients.
3. **Employer and Placement Services:** This unit markets the One-Stop's services to employers while it also develops job prospects for clients. Members of this unit also provide direct placement assistance to clients as well as deliver services directly to employers, including rapid response services.

¹ In the 2004-05 fiscal year, which was studied, the One-Stop director was also responsible for a Youth program which was housed at a separate site, with its own supervisor. While the payroll for this program was included in the One-Stop's budget it is not included in our analysis.

4. **Director's Office and Administration:** The Director and her staff administer the One-Stop, manage relations with the central office and partner agencies, and interact with the public on behalf of the One-Stop.
5. **Partners:** Partners with significant operations under the One-Stop's roof such as EDD and the Local Adult Education program were treated as their own responsibility center in the fiscal analysis.

In the year we studied, 2004-05, the One-Stop had 32 people on its payroll. In addition there were EDD employees who worked under the One-Stop's roof providing services to clients. The local Adult Education unit had an operation in the One-Stop that included two classrooms and four staff that provided basic education to One-Stop clients. A Department of Rehabilitation (DOR) counselor was as at the center one morning a week. A Local Community College sub-let a substantial amount of space from the One-Stop. Its space included a computer lab and classroom which were used for various college activities, but since these activities were not specifically for One-Stop participants we did not include the space or the activities in our analysis.

Activity data gives an additional sense of the level of activity of the One-Stop. In the 2004-05 year studied there were over 24,500 visits to the One-Stop; about 100 visits a day. Over 6,600 individuals used the One-Stop. One thousand sixty-eight individuals were registered into various programs, 455 exited a program and 253 were placed. The One-Stop contacted 4,297 companies, and visited 480. Staff conducted 21 on-site recruiting events in which 2,441 job seekers participated leading to 280 being hired into jobs.

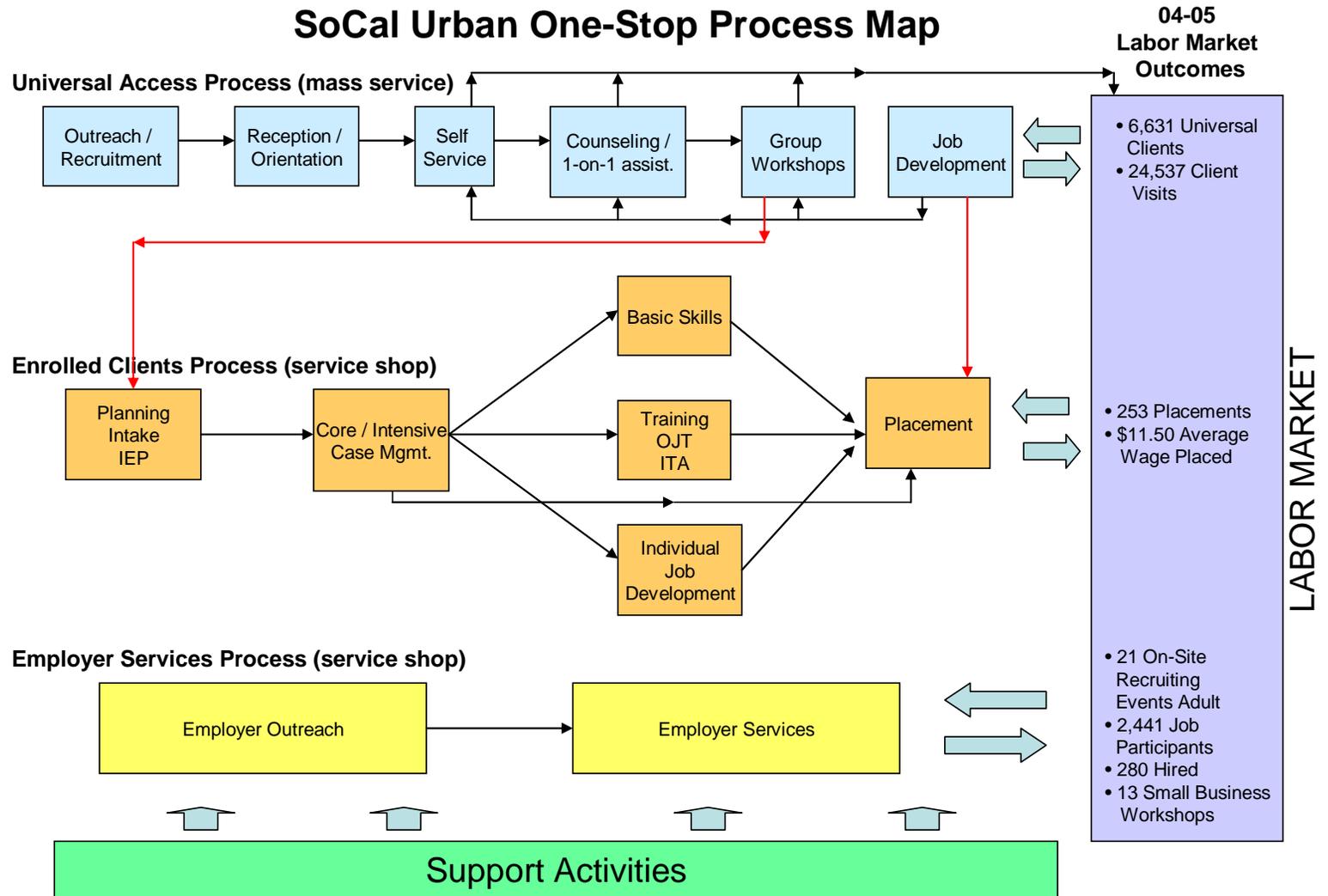
One-Stop Processes and Activities

We began our analysis by mapping the processes we observed in the One-Stop. We asked the One-Stop staff to validate this process map and help us define specific activities. Figure C1-1 shows the final process map, with the key measures of what the processes produce. This process map was the framework we used for estimating the costs of each activity and ultimately the costs of producing different products.

We found three major processes in the One-Stop:

1. **Universal Access Process:** This process served any citizen who came to the One-Stop seeking help. It provided a wide range of resources in a resource room, including career and labor market information, access to computers for job searching and resume preparation, access to phones and fax machines, limited one-on-one coaching and advice, and career oriented workshops.
2. **Registered Services Process:** This process provided longer-term services for clients who were registered in any of the various WIA or County funded workforce programs offered by the center.
3. **Employer Services Process:** This process provided a variety of services to businesses including 'Rapid Response Services' to businesses who were closing or laying off a significant number of workers, help hiring through referrals or setting up on site screening interviews, and referrals to other business assistance services.

Figure C1-1: SoCal Urban One-Stop Process Map



Process Cost Analysis

We began by taking the traditional line item budget for the One-Stop and the costs assigned to the One-Stop for support services and putting them into “responsibility centers”. These centers were recognized organizational units to which personnel and other costs could be assigned. Other responsibility centers were identified when there were significant shared resources such as classrooms, or in-house partners with significant contributions. Table C1-2 shows the total cost by responsibility center.

Partner Contributions

We attempted to measure the cost of each partner’s activities within the One-Stop. We found five partners that seemed to make a substantial contribution within the One-Stop. For DPSS, we were unable to get data on their contribution, but we expect that these contributions were relatively small. As the table indicates, while partners make a substantial contribution—over a quarter of all costs, the bulk of the resources come from a single partner, EDD. Other partners’ contributions are relatively small.

Table C1-2: Costs by Responsibility Center

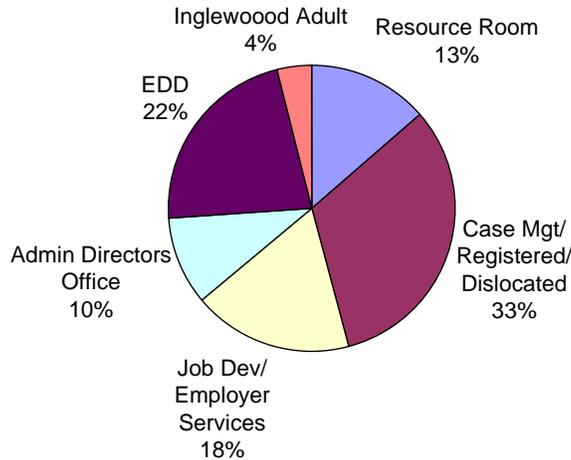
<i>Responsibility Center*</i>	<i>Cost</i>	<i>Percent of All Costs</i>
Resource Room	\$534,639	13.4%
Case Management (Registered, Dislocated)	\$1,277,836	31.8%
Job Dev / Employer services	\$723,210	18.1%
Admin Directors Office	\$392,436	9.9%
EDD	\$888,918	22.1%
Local Adult Education Program	\$149,000	3.7%
Local CC- SBDC	\$12,000	0.3%
Rehab	\$10,138	0.3%
Classrooms	\$16,387	0.4%
Total	\$4,004,564	100.0%

*The WIB administers the county’s welfare to work program. The funds expended in the One-Stop have been accounted for, but we attempted to get the costs of DPSS for administering the contract, but were unable to get an estimate.

As the table indicates, total cost for the 2004-05 program year was slightly above \$4 million dollars. In establishing these responsibility centers and costs, we distributed all support costs, such as accounting or rent, to the cost centers listed above, so is there is no responsibility center for support costs.

Figure C1-2 below indicates the percent of cost attributable to each responsibility center. As the Figure shows local area costs were 74% of all costs with partners making up the remaining 24%. EDD was the largest partner by far, accounting for 22% of all costs. Minor partners (Department of Rehabilitation and Local Community College) were less than one percent and are not portrayed in the figure.

Figure C1-2: Percent of Costs by Responsibility Center



Cost By Process and Activity

Our next step was to trace the costs of each responsibility center back to the activities that generated the costs. To understand the cost of each process, and the activities within each process we identified a number of “cost drivers” that allowed us to trace costs back to activities. The most important cost driver was staff time, since that was the largest budget item. We asked managers and many staff members to estimate the time they spent on different activities. We also looked at the physical space used for various activities and traced the cost of that space back to the various activities. We used the judgment of senior managers to distribute support cost across the activities. We used the same process with partners who made significant contributions to the One-Stop. Table 1-3 shows the cost of each activity, and also shows how much of those costs were supported directly by the One-Stop and WIB, as well as the portion attributable to partner contributions.

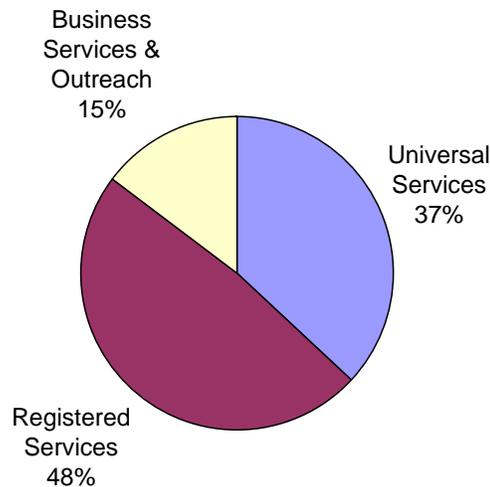
Table C1-3: Costs by Activity, One-Stop and Partner

<i>Activity</i>	<i>Total cost</i>	<i>One-Stop + WIB Support cost</i>	<i>Partner</i>
<i>Universal Activities</i>			
Outreach / Recruitment / Eligibility workshops	\$353,758	\$277,094	\$76,664
Reception Orientation	\$251,048	\$225,868	\$25,180
Self Service	\$179,289	\$167,693	\$11,596
Counseling 1-on-1 Assistance	\$577,882	\$262,537	\$315,345
Group Workshops	\$121,196	\$83,383	\$37,813
<i>Universal Total</i>	<i>\$1,483,173</i>	<i>\$1,016,575</i>	<i>\$466,598</i>
<i>Registered Activities</i>			
Planning / Intake / IEP	\$19,622	\$19,622	\$0
Core and Intensive Services (Case Mgt.)	\$1,081,158	\$892,815	\$188,343
Basic Skills	\$156,692	\$7,692	\$149,000
Training / OJT / ITA	\$69,867	\$46,864	\$23,003
Placement	\$446,804	\$373,436	\$73,368
Job Development	\$160,421	\$124,250	\$36,171
<i>Registered Activities Total</i>	<i>\$1,934,564</i>	<i>\$1,464,679</i>	<i>\$469,885</i>
<i>Business Services</i>			
Outreach	\$157,189	\$138,632	\$18,556
Services to Employers	\$429,461	\$324,445	\$105,017
<i>Business Services Total</i>	<i>\$586,650</i>	<i>\$463,077</i>	<i>\$123,573</i>
Grand Total	\$4,004,387	\$2,944,331	\$1,060,056

This table adds some valuable insights into how this One-Stop's costs are structured. Of the roughly \$4 million of costs, about \$1 million came from partner contributions. The great bulk of that came from EDD, which contributed over \$800,000, and much smaller contributions from three other partners. In a later section we look at partner contributions in more detail.

As Figure C1-3 below indicates, the largest investment was made in the registered services process, which consumed almost half of all costs, followed by universal activities, which consumed a little more than a third of all costs, and lastly business services, which consumed less than 15%.

Figure C1-3: Percent of Costs by Major Process



When we look at the cost of specific activities, we find that the highest costs in the Universal Access process were generated by “counseling and one-on-one assistance”. We can see that both One-Stop staff and EDD staff put substantial time into this activity, generating high costs. Outreach, recruitment and eligibility workshops were the second highest cost activity in this process.

In the registered process the largest costs by far were in core and intensive services activity, which generated well over half the costs in this process. It appears these large costs reflect the labor intensive nature of case management across all the various programs.

In the business services process the bulk of the costs were generated by providing services to businesses.

Cost By Product

The final step in our analysis is to estimate the costs of particular One-Stop products that are produced by processes and activities described before. One-Stops are a service business and it is often hard to distinguish between activities and products. For example, when a client has a one-on-one session with a counselor to review her resume, is the product a counseling session or is this event merely an activity leading to a product such as placement in a job? We did not worry too much about this distinction. In this case we were constrained by what the One-Stop measured; we could only estimate costs for products which were measured by the One-Stop. We could also only estimate costs when One-Stop staff could assign cost drivers – usually their time – to specific products. We were also interested in products that were likely to be found in other One-Stops, such as a universal access visit, or a workshop. The list of products in Table C1-4

below are thus those products on which we had measures of volume and which we thought would be common to other One-Stops and thus could provide some valuable insights about managing One-Stops.

Before we could calculate the costs for each activity or product, we needed to deal with an additional methodological problem, the problem of “joint costs” (see Text Box C1-1). Joint costs are those costs that are shared by various products. For example, reception is an activity that supports many products such as universal access visits, case management, job placement and others. It is difficult to break that cost down to get an accurate estimate of the cost of reception for each product.

Text Box C1-1: The Problem of Joint Costs

Some of the “cost-per” calculations are afflicted by a condition known as the “joint cost” or “joint product” or “joint revenue” problem. This condition occurs when two or more products are produced using a single, indivisible input (or are associated with a single bundled revenue stream). This creates ambiguity when we try to compute the cost-per of the separate outputs.

A common example is that of raising chickens. An input is the feed. Outputs include chicken wings, chicken legs, and chicken breasts. We may know the chicken ate 9 pounds of food, but we do not know exactly how much of that food went to the chicken’s wings, legs, or breasts. In this example, the cost-pers would likely be approximated by apportioning the cost of the chicken feed according to either the weight of each of the component outputs, or the revenue associated with the component outputs. So, an approximation in this example is only an estimate, but is possible.

However, other cases of joint costs are more difficult to solve. These more difficult cases occur when the revenue for a component product is hard to determine (or when there is no revenue associated with a particular product), and when the product has no physical weight (or when the weight is not clearly related to revenue). This is the nature of a One-Stop’s operations. Consider the resource room, for example. We can determine the total amount a One-Stop spent on the resource room. We can even calculate how much it cost to make the resource room available, on a per-person basis, for the year. But then some people who use the resource room will end up producing a resume, and others will end up producing a job search plan. There is no good way—as far as we can see at this point—to know how to apportion the cost of the resource room across those separate outputs. These outputs have no apparent revenue associated with them, and they have no physical weight. So, a calculation of the “cost per resume” or “cost per job search plan” would be very difficult.

In making our estimates we tried to get as close as possible to the unique costs of a product. In cases where we could not break down the joint costs we assigned the whole pool of costs to multiple products. The tables below include notes on how we made our decisions. In some cases we were not able to isolate the costs of the product but we did have measures of how much of the product was produced. In these cases we reported the amount of the product without a cost estimate.

Table C1-4: Cost for Universal Access Products

<i>Product</i>	<i>Cost Per Unit</i>	<i>Number of Units</i>	<i>Total Cost</i>	<i>Note</i>
Number of unique visitors	\$224	6,631	\$1,483,173	1
Total of visits	\$41	36,686	\$1,483,173	2
Service events	\$19.40	76,434	\$1,483,173	3
Individuals attended orientation sessions		1,547		
Self-service service events	\$2.35	76,434	\$179,289	4
Self-service self-administered assessments		900		
Counseling & 1-on-1 assistance events	\$28	21,000	\$577,882	5
Group workshops - # workshops	\$2,886	42	\$121,196	6
Group workshops - # people served	\$235	516	\$121,196	7
Job development - # job openings identified	\$334	480	\$160,421	8

*refer to Table C1-7 for further explanation of calculations

The analysis of Universal Access products provides some valuable insights into the costs of this One-Stop. A Universal Access client was served for about \$224, and a single visit to the resource room cost about \$41, a self-serve event such as looking at job listings or faxing a resume costs about \$7. Brief one-on-one counseling events cost \$28. The cost of running a workshop was \$2,886.

Table C1-5: Cost of Registered Service Products

<i>Product</i>	<i>Cost Per Unit</i>	<i>Number of Units</i>	<i>Total Cost</i>	<i>Note</i>
Lower-bound estimates (excludes placement & job development)				
Registered clients	\$1,243	1,068	\$1,327,339	9
New registered clients	\$2,212	600	\$1,327,339	
Exited	\$2,917	455	\$1,327,339	
Placed	\$5,246	253	\$1,327,339	
Mid-range estimate (including placement & job development)				
Registered clients	\$1,811	1,068	\$1,934,563	10
New registered clients	\$3,224	600	\$1,934,563	
Exited	\$4,252	455	\$1,934,563	
Placed	\$7,646	253	\$1,934,563	
Upper-bound estimate (further adds outreach, employer services)				
Registered clients	\$2,361	1,068	\$2,521,213	11
New registered clients	\$4,202	600	\$2,521,213	
Exited	\$5,541	455	\$2,521,213	
Placed	\$9,965	253	\$2,521,213	
Other Registered Services				
Average wage at placement		\$11.50		
Registered customers placed	\$1,766	253	\$446,804	12
# STEP clients		124		
# Individual Employment Plans (IEPs)		150		
Case management - # services reported	\$1,223	884	\$1,081,158	13
Case management - # cases managed	\$3,266	331	\$1,081,158	14
Basic Skills - GED - # people		51		
Basic Skills - GED - total # person-hours		13,260		
Basic Skills - ESL - # people		25		
Basic Skills - ESL - total # person-hours		6,500		
Basic Skills - ABE - # people		21		
Basic Skills - ABE - total # person-hours		5,460		
Basic Skills - Citizenship - # people		2		
Basic Skills - Citizenship - total # person-hours		104		
Basis Skills - total # people served	\$1,583	99	\$156,692	15
Basic Skills - total # person hours	\$6.19	25,324	\$156,692	16
Training/OJT - # training enrollments		130		
Training/OJT - Adult Ed		0		
Training/OJT - Occ. Skills		110		
Training/OJT - OJT		16		
Training/OJT - Services		2		
Training/OJT - Co-enrolled training		2		
Placement - staff-assisted		253		
Job development - # participants	\$1,234	130	\$160,421	17

*refer to Table C1-7 for further explanation of calculations

For a variety of reasons we found it much more difficult to estimate the cost of Registered products, in part because it was not possible to completely break down the mix of services received by each individual and hence we could not solve the joint cost problem. We have estimated that on the whole, it cost between \$1,243 and \$2,361 to serve a registered client and about \$3,266 to provide case management services to a single client. The cost per case managed is based on JTA data indicating the number of cases managed; however, it is not completely clear that only 331 cases were managed during the year.

Table C1-6: Cost of Employer Services

<i>Product</i>	<i>Cost Per Unit</i>	<i>Number of Units</i>	<i>Total Cost</i>	<i>Note</i>
Companies contacted		4,297		
Companies visited		480		
Business expos & job fairs		23		
Mixers & events		75		
Phone contacts re: rapid response		900		
Flyers / newsletters mailed		3,760		
On-site recruiting events		21		
Job-seekers participated in on-site recruiting events		2,441		
Jobs Developed		496		
Job-seekers hired thru on-site recruiting events		280		

*refer to Table C1-7 for further explanation of calculations

Business services was the area where it was hardest to trace costs back to products because staff was unable to estimate the time they spent on various products. While we were able to estimate the total costs of business services we could not trace cost to individual outreach or service activities.

This final table presents our notes on how our calculations were made and serves as a reference for tables C1-4, C1-5 and C1-6.

Table C1-7: Notes on product Cost Calculations

<i>Note</i>	<i>Numbers</i>	<i>Formula for Numerator</i>
1	\$534,638 - \$16,387	total of the following activities: outreach/recruitment/eligibility workshops, self-service, counseling/1-on-1 assistance, group workshops, reception/orientation
2	\$534,638 - \$16,387	total of the following activities: outreach/recruitment/eligibility workshops, self-service, counseling/1-on-1 assistance, group workshops, reception/orientation
3	\$534,638 - \$16,387	total of the following activities: outreach/recruitment/eligibility workshops, self-service, counseling/1-on-1 assistance, group workshops, reception/orientation
4	\$179,289	total of self-service activity cost
5	\$577,882	total counseling / 1-on-1 assistance activity cost
6	\$121,196	total group workshop activity cost
7	\$121,196	total group workshop activity cost
8	\$160,218	total job development activity cost
9	\$19622 + \$1,081,158 + \$156,692 + \$69,867	total of the following activity costs: planning/intake/IEP, plus intensive services, plus basic skills, plus training/OJT/ITA
10	#9 + \$446,804 + \$160,421	same as #9 but adds costs of the following activities: placement, job development
11	#10 + \$157,189 + \$429,461	same as #10 but adds costs of the following activities: outreach, employer services
12	\$446,804	total of "placement" activity
13	\$1,081,158	total of case management activity cost
14	\$1,081,158	total of case management activity cost
15	\$156,692	total of Basic Skills training activity cost
16	\$156,692	total of Basic Skills training activity cost
17	\$160,421	job development responsibility activity cost

Table C1-8 – SoCal Urban One-Stop Cost Tracing Worksheet - Dollars

Responsibility Center	Total Costs for Each Responsibility Center	ACTIVITIES												
		Outreach / Recruitment / eligibility workshops	Reception Orientation	Self Service	Counseling 1-1 Assistance	Group Workshops	Planning/ Intake/ IEP	Core and Intensive Services (case mgt)	Basic Skills	Training / OJT / ITA	Placement	Job Development	Outreach	Services to Employers
One-Stop														
Resource Room	\$534,639	\$84,636	\$157,593	\$136,887	\$58,220	\$22,137	\$0	\$16,554	\$0	\$675	\$20,078	\$6,090	\$3,393	\$27,957
Classrooms	\$16,387					\$16,387								
Case mgt/ Registered/Dislocated	\$1,277,836	\$17,010	\$26,284	\$0	\$142,705	\$29,476	\$0	\$830,071	\$0	\$0	\$157,172	\$4,645	\$21,723	\$48,718
Job Dev/ Employer services	\$723,210	\$144,642	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$180,803	\$90,401	\$90,401	\$216,963
Admin Directors Office	\$392,436	\$30,806	\$41,991	\$30,806	\$61,612	\$15,383	\$19,622	\$46,190	\$7,692	\$46,190	\$15,383	\$23,114	\$23,114	\$30,806
One-Stop subtotal	\$2,944,508	\$277,094	\$225,868	\$167,693	\$262,537	\$83,383	\$19,622	\$892,815	\$7,692	\$46,864	\$373,436	\$124,250	\$138,632	\$324,445
Expense by activity as %	100.0%	9.4%	7.7%	5.7%	8.9%	2.8%	0.7%	30.3%	0.3%	1.6%	12.7%	4.2%	4.7%	11.0%
Partner Contributions														
EDD	\$888,918	\$76,258	\$24,775	\$11,596	\$306,221	\$37,813	\$0	\$188,343	\$0	\$23,003	\$73,368	\$35,968	\$18,556	\$93,017
Rehab														
Local Adult Education	\$149,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$149,000	\$0	\$0	\$0	\$0
Local- SBDC	\$12,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$12,000
DPSS- Step Indirect														
Partner contribution subtotal	\$1,049,918	\$76,258	\$24,775	\$11,596	\$306,221	\$37,813	\$0	\$188,343	\$0	\$172,003	\$73,368	\$35,968	\$18,556	\$105,017
Partner contribution by activity as %	100.0%	7.3%	2.4%	1.1%	29.2%	3.6%	0.0%	17.9%	0.0%	16.4%	7.0%	3.4%	1.8%	10.0%
Total cost for activity	\$3,994,426	\$353,353	\$250,642	\$179,289	\$568,758	\$121,196	\$19,622	\$1,081,158	\$7,692	\$218,867	\$446,804	\$160,218	\$157,189	\$429,461
Total cost by activity as %	100.0%	8.8%	6.3%	4.5%	14.2%	3.0%	0.5%	27.1%	0.2%	5.5%	11.2%	4.0%	3.9%	10.8%

Table C1-9 – SoCal Urban One-Stop Cost Tracing Worksheet – Percent of Effort

Responsibility Center	Total Costs for Each Responsibility Center	ACTIVITIES												
		Outreach / Recruitment / eligibility workshops	Reception Orientation	Self Service	Counseling 1-1 Assistance	Group Workshops	Planning/ Intake/ IEP	Core and Intensive Services (case mgt)	Basic Skills	Training / OJT / ITA	Placement	Job Development	Outreach	Services to Employers
One-Stop														
Resource Room	\$534,639	15.8%	29.5%	25.6%	10.9%	4.1%	0.0%	3.1%	0.0%	0.1%	3.8%	1.1%	0.6%	5.2%
Classrooms	\$16,387													
Case mgt/ Registered/Dislocated	\$1,277,836	1.3%	2.1%	0.0%	11.2%	2.3%	0.0%	65.0%	0.0%	0.0%	12.3%	0.4%	1.7%	3.8%
Job Dev/ Employer services	\$723,210	20.0%									25.0%	12.5%	12.5%	30.0%
Admin Directors Office	\$392,436	7.9%	10.7%	7.9%	15.7%	3.9%	5.0%	11.8%	2.0%	11.8%	3.9%	5.9%	5.9%	7.9%
One-Stop subtotal	\$2,944,508													
Partner Contributions														
EDD	\$888,918	8.6%	2.8%	1.3%	34.4%	4.3%		21.2%	0.0%	2.6%	8.3%	4.0%	2.1%	10.5%
Rehab	\$10,138													
Local Adult School	\$149,000									100.0%				
Local- SBDC	\$12,000													100.0%
DPSS- Step Indirect														
Partner contribution subtotal	\$1,060,056													

Appendix C-2: Case Study 2 – Northern California Suburban One-Stop Report

NoCal Suburban One-Stop Case Report

Background

The NoCal Suburban One-Stop serves a consortium of several largely suburban cities in Northern California. The local economy is characterized by a large number of high-tech companies and a manufacturing sector that has experienced substantial change in the last 10 years. A Workforce Investment Board provides policy direction.

The vision of the center focuses on serving as a hub to bring together a large array of public agencies and private employers to promote economic growth and opportunity in the region.

The One-Stop has been aggressive in seeking funding beyond its formula grant. Overall One-Stop costs in 2004-05 were slightly less than \$10 million, including the costs of all partners.

NoCal Suburban One-Stop Description

The One-Stop has a large welcoming facility. The One-Stop is adjacent to a civic center and on several bus lines. Staff take great pride in the One-Stop and the quality of its services.

The One-Stop operates, in a sense, under two brands or two organizations. The first is the NoCal Suburban Training Association, which is an employment and training agency. The second is an association of over 30 partner agencies which serves businesses and individuals through the One-Stop. The local WIB leads both programs. The programs are marketed to the community separately but delivered through the One-Stop.

The One-Stop prides itself in being at the hub of a large network of local agencies, public and private. The list below shows the agencies which are official partners of the One-Stop. The agencies in the first section are agencies which provide significant measurable contributions “under the roof” of the One-Stop in the 2004-05 program year and are featured in our analysis. The rest are agencies that partner with the One-Stop in various ways but do not provide services in the One-Stop which we were able to measure.

Table C2-1: List of Partners² 2004-05

Partners with a Measurable Cost Contribution in the One-Stop

- State of California Employment Development Department,
- City Adult Schools, (3 partners, 1 measurable contributor)
- Local Community Colleges (3 partners, 1 measurable contributor),
- Employment services for the disabled
- Local Job Corp
- State Department of Rehabilitation

Partners Without a Measurable Cost Contribution in the One Stop

- County Social Service Agency
- University of California, Local, Extension
- Public Library
- Care Community Employment Services (mental health and employment services)
- Applied Tech Services (customized training)
- Options Inc. (disabled services)
- Credit Counseling (non-profit community based credit counseling)
- Optimism Services (employment service to the disabled)
- County Housing authority
- National Council on Aging
- Step Up Center (veterans services)
- Youth employment office (youth program partially funded by local government and WIA)
- Job Training Institute (employment services for disadvantaged students)
- Professional Development Services (customized training)
- Employment Club (job club)
- Older Worker Organization (no-fee referral service for people over 55)
- Vision Foundation (services for the blind and visually impaired)
- Brain Injury Services (services for people who have suffered brain injuries)
- Local Independent Living Centers (services to help the disabled live independently)
- Small Business Development Center
- Employment Help (career services for the working poor)
- Access (services for the disabled)

Defining the One-Stop Boundaries

For the purposes of our analysis we had to define what was inside and what was outside the One-Stop. For example, the nearby library was available to One-Stop clients and provided computer access when the One-Stop was closed or full, but since it was not “under the One-Stop roof”, it is not included in our analysis. To make these decisions consistent we developed an “operational

² Names of some partners have been changed to protect the anonymity of the One-Stop.

definition” of what was and what was not considered a One-Stop activity for the purpose of our analysis:

Activities and agencies are included in the analysis if they provide workforce services to One-Stop clients and if the services are provided in the One-Stop facility.

Based on this definition the activities of many partners are not included in this analysis because they take place away from the facility. While these partnerships are real, we were not able to put a cost on the services provided. To do so would mean tracing costs of services received by One-Stop clients through a large system of support agencies, requiring us to analyze innumerable budgets. For example, if a client walks to the local library and uses a computer to search for jobs, we would have to calculate the cost of that event and somehow count the number of times this happened. Or in another case, a housing agency may have given a client advice about how to find housing; again we would have to find out how many such events took place and attempt to cost the event. This type of tracing through the large complex employment and social service network found in the county was simply not possible.

We analyzed the youth services differently. Youth services are mostly delivered away from the One-Stop center, but by staff that are often housed in and managed by staff in the One-Stop. Since this is viewed by the staff as core program, and managed as part of the One-Stop, it is included in our analysis, even though much of the activity did not take place “under the roof”. Doing this also allowed us to include a youth program in one of case studies which we viewed as important for setting up the larger survey which would come later in study, and would need to include youth.

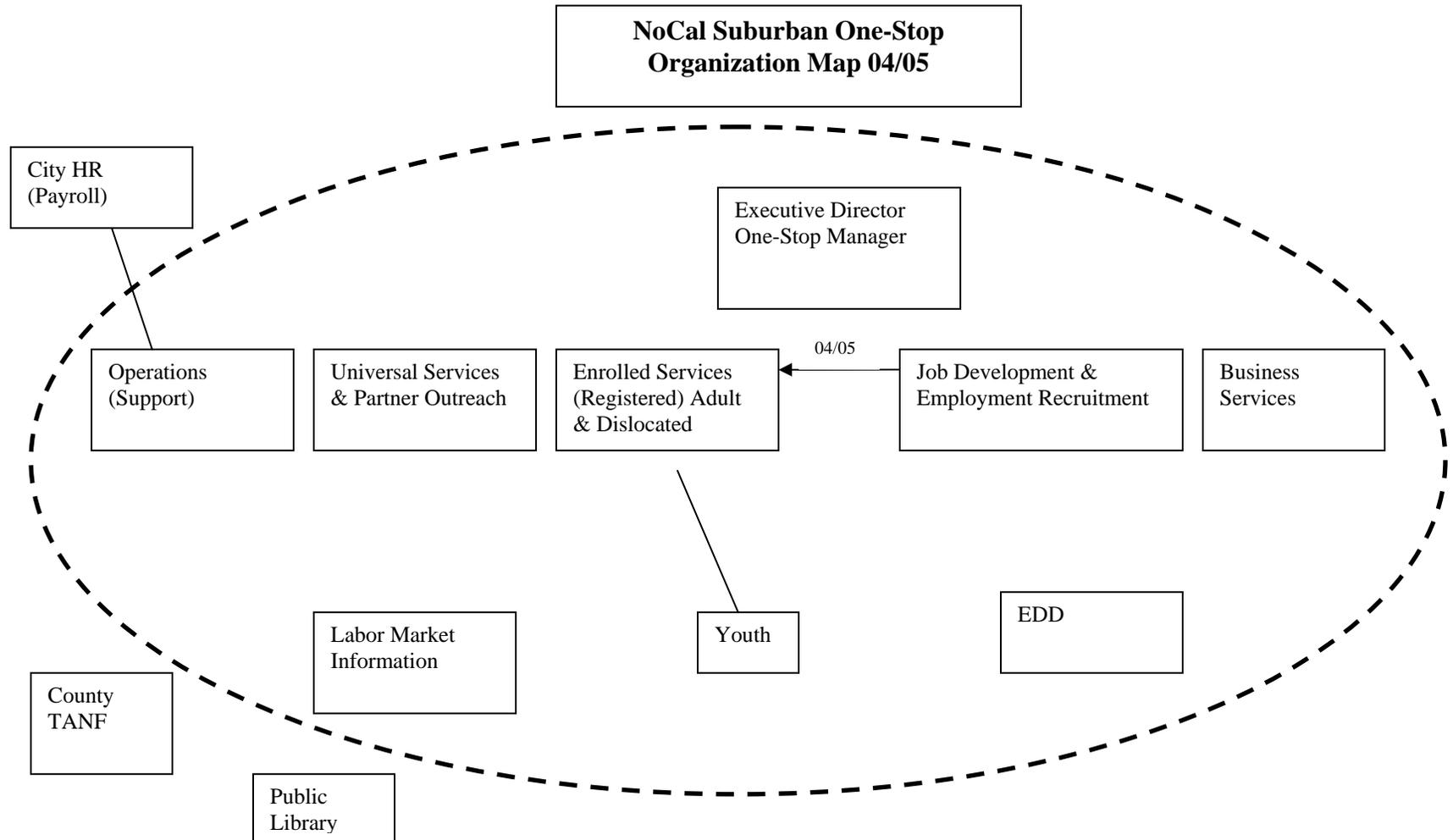
One-Stop Structure

The local area has an Executive Director in the One-Stop but the One-Stop itself is managed by the One-Stop manager. The graphic below shows our initial map of the One-Stop, as the local staff saw it. Units inside the oval are “inside” the One-Stop and units outside the One-Stop are outside the oval. The goal of our analysis was to understand the costs of each unit and what they produced.

After discussion with staff and analysis of available data we reduced this map to seven responsibility centers for which we could reliably identify costs and services produced. The responsibility centers are the units through which the city-paid One-Stop staff deliver services and the partners who have measurable operations under the roof. The final list of responsibility centers used in our analysis is:

- Universal Services Unit (includes staff and facilities providing universal services)
- Enrolled Services Unit (includes staff and facilities providing WIA Adult and Dislocated workers services)
- Business Services (includes staff and facilities providing business services)
- Youth Services (includes staff and facilities providing youth services)
- EDD (includes EDD staff and facilities “under the One-Stop roof”)
- Local Adult Education (includes local school district staff providing ESL classes)
- Local Job Core (includes staff providing information about Job Corp and serving participants).

Figure C2-1: NoCal Suburban One-Stop Organization Map 04/05



In the year we studied, 2004-05, the One-Stop had 99 people directly on its WIA funded payroll and spent a total of \$8.6 million. In addition there were 10-12 EDD employees who worked under the One-Stop's roof providing services to clients, who accounted for about \$1.2 million in costs. Other partners occasionally had staff working under roof, seeing clients, offering workshops, participating in job fairs etc.; these costs totaled about \$77,000.

Activity data gives an additional sense of the level of activity of the One-Stop. We look at activities as taking place within four processes (defined later): A "Universal Services Process", "Enrolled Services Process", "Youth Services Process" and "Business Services Process". Below we provide some of the key indicators of level activity for each process.

The One-Stop is a busy place. In the 2004-05 year studied in the "Universal Process" there were over 53,000 visits to the One-Stop; over 200 visits a day. Over 6,600 individuals used the One-Stop, and over 77,000 service events took place. The One-stop has a swipe card system which it uses to keep track of visits and attendance at various activities.

Universal Service Process Activities

- 6,676 unique clients visited center
- 5,688 new members joined the center
- 53,614 unique center visits (one visit per client per day)
- 77,355 member services provided (includes Job Club attendance)

In Enrolled Services almost 2,000 clients received some form of individualized services.

Enrolled Services Activities

- 1,838 registered clients (including 1,090 new clients)
- 964 exiters
- 1,424 intake interviews
- 1,090 Individual Employment Plans (IEPs) developed
- 1,547 clients got intensive case management

The Business Services reached over 140 businesses.

Business Services Activities

- 115 new business clients established a strategic alliance with the One-Stop and received multiple services
- 24 returning clients got new service
- 98 rapid response events, reached 3,802 employees

Youth activities reached a over 3,000 youth while approximately 300 formally enrolled in WIA

Youth Activities

- 3,078 youth attended workshops
- 313 formally enrolled in WIA
- 133 placed in work experience
- 120 youth exited program

One-Stop Processes and Activities Analysis

We began our analysis by mapping the processes we observed in the One-Stop. We asked the One-Stop staff to validate this process map and help us define specific activities. Figure C2-2 shows the final process map, with the key measures of what the processes produced. This process map was the framework we used for estimating the costs of each activity and ultimately the costs of producing different products.

As we said previously, we found four major processes in the One-Stop:

- 1. Universal Access Service Process:** This process served any citizen who came to the One-Stop seeking help. It provided a wide range of resources in a resource room, including career and labor market information, access to computers for job searching and resume preparation, access to phones and fax machines, limited one-on-one coaching and advice, career oriented workshops and a large job club.

Within the Universal Access Service Process are a number of activities, as indicated on the process map. After passing through reception, clients may participate in any or all of these activities in any order. Key activities we identified included EDD help, where clients received help accessing EDD services such as filing an unemployment insurance claim, posting a resume on Cal Jobs, and getting information about specialized programs such as the Trade Adjustment Act or veterans programs. The center has touch screen kiosks which provide information about jobs and related programs services. Staff have drop-in appointments with clients where they orient new clients (or members as they are called) to the center's services and also provide information about enrolling in WIA funded programs, or other programs. The center offers a wide range of workshops, ranging from personal finance to interviewing skills to job search strategies. There is also self-service, where clients use the resources of the center to look for and apply for jobs. This is the most common activity. Clients search job listings, and they use computers to prepare letters and resumes. Clients also use phones and email to contact employers. While clients are self-serving they may seek and get some quick one-on-one assistance from staff who work in the center. One-on-one assistance may include help with writing a resume, help resolving a computer problem, or how to locate resources in the center. Finally, the center has a large job club which holds regular meetings. In the meetings job seekers help each other search for a job and learn from experts who make presentations to the club.

- 2. Enrolled Services Process:** This process provided longer-term services for clients who were registered in any of the various WIA, EDD or County funded workforce programs offered by the center.

Activities in the enrolled services process tend to move in a regular sequential pattern. Registered services begins with a formal intake process where clients' eligibility for particular programs is assessed and a plan for their program is developed in conjunction with a detailed needs assessment, which may involve skill testing. After the intake and assessment activities, clients' paths diverge. Some clients will be referred out to training, perhaps at a local community college or other training provider. Other clients will get case management, where a staff person will work intensively with them, helping them identify employment opportunities and coach them through the job search process. They may also get assistance with related problems such as transportation, child care or housing. Some clients will go directly to placement services. Clients who complete training, or who are in case management, will also get placement services in order to help them land a job. Finally, after clients are placed, staff follow up on clients to make sure they are making a successful adjustment to employment and they arrange additional support services as needed.

- 3. Business Services Process:** This process provided a variety of services to businesses beginning with outreach and recruitment of businesses to make them aware of the center's business services. 'Rapid Response Services' are for businesses who were closing or laying off a significant number of workers; in this case staff will go to the business site and provide services to employees who are facing layoffs. "Staff Services and Assistance" help companies hire by referring applicants or setting up on-site screening interviews. Business service staff will also receive job listings from employers and help them fill positions by posting them in the One-Stop. The center has a large network of partners who provide other business services such as help with small business loan applications or developing business plans. The "Information and Resources" activities connect business with referrals to other business assistance services.
- 4. Youth Services Process:** The youth services process has two paths. The first path is called youth "universal" services. In this path youth are not registered in WIA but receive services such as workshops related to careers and employment. In the other path, youth are registered in WIA and receive case management, some get placement in work experience, and then youth are followed up to make sure they are successful in work or school after exiting the program. Many of these services were paid for with funds from local government. Youth services were managed from the One-Stop but principally delivered away from the One-Stop so are presented in a separate process map.

Figure C2-2: NoCal Suburban One-Stop Process Map

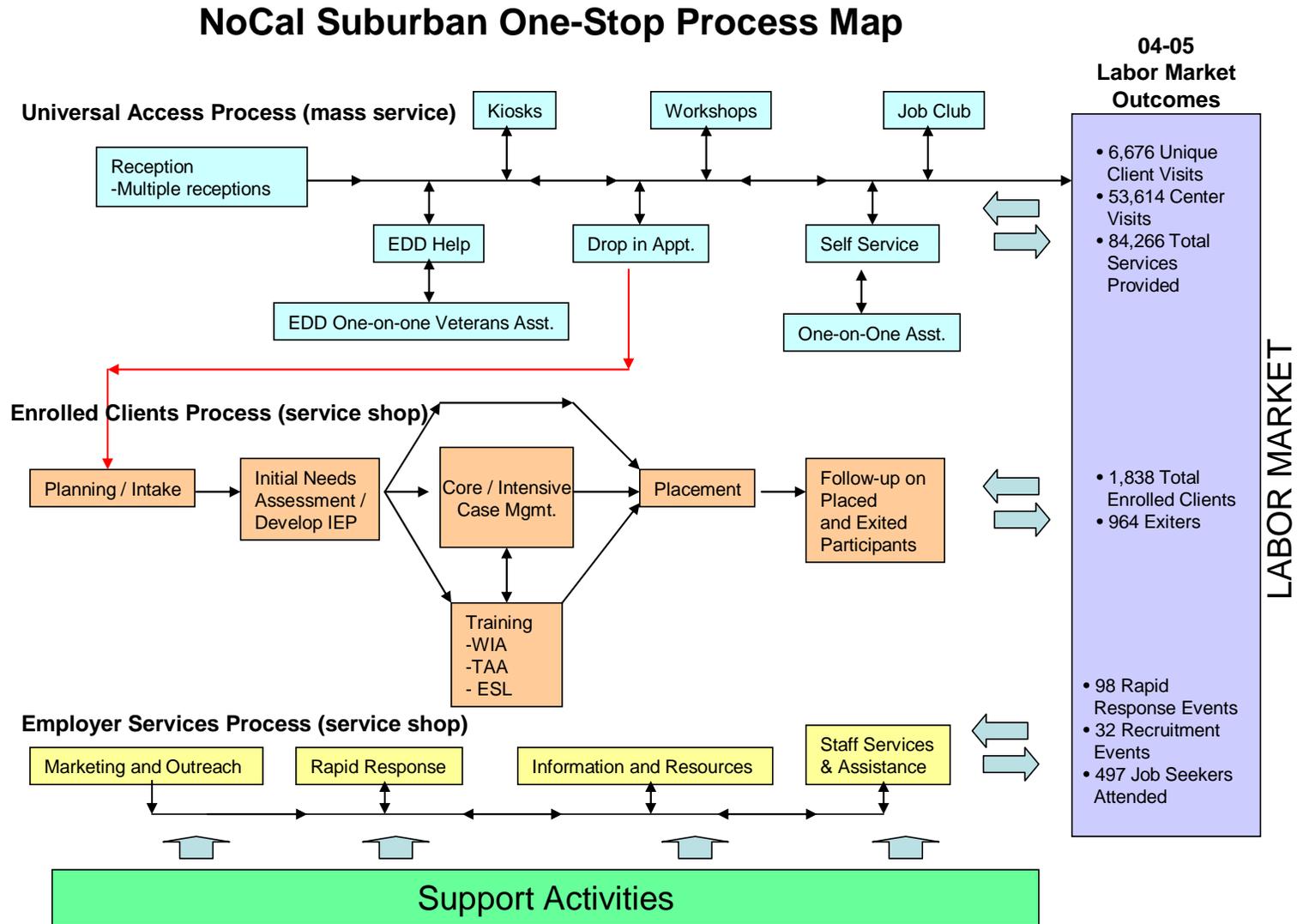
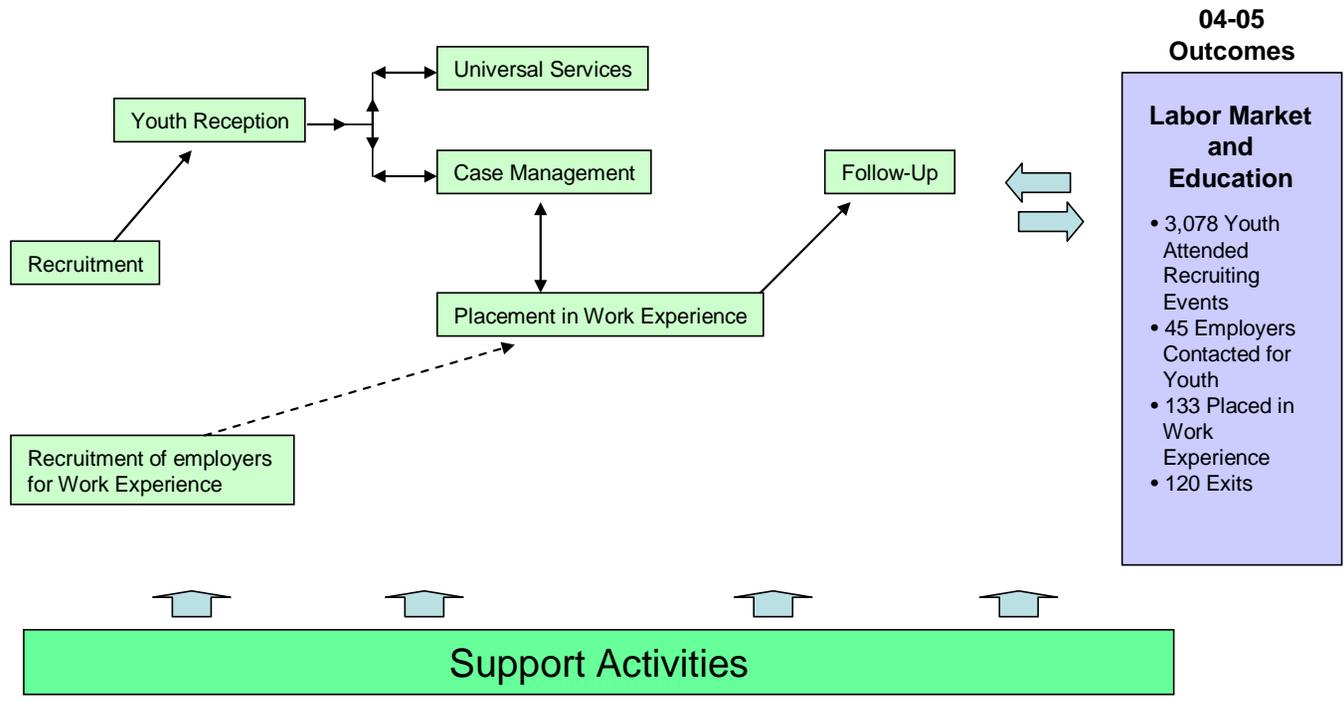


Figure C2-2: NoCal Suburban One-Stop Process Map - Youth

NoCal Suburban One-Stop Process Map - Youth



We attempted to measure what was produced by each activity we identified in the activity mapping exercise. In Table C2-2 we show the activity identified and the best available measures of services produced. This One-Stop kept much better track of its activities than most other sites but still, as the table indicates, we were unable to identify output measures for some activities, and we found multiple measures for others.

Table C2-2: NoCal Suburban One-Stop Processes and Activities with Measures of Services

<i>Activity</i>	<i>Service Unit Measure 2004-05</i>
Universal Service Process	6,676 unique clients visited center 53,614 unique center visits by clients (one visit per client per day) 5,688 new members 6,911 non-member services provided 58,408 member services provided 77,355 member services provided (including Job Club) 84,266 services provided 39,924 career center visits
Reception: Receiving of visitors/ Scheduling appointments in-person/ Answering phone inquiries	60 local college appointments. 124 DOR appointments. 117 disability navigator appointments. 171 IAW 365 PJSA 936 intake appointments. 43 Project Hired appointments
Self Service: Clients use resources of One-Stop to search for jobs, write resumes and letters, contact employers	6,676 unique clients visited center 53,614 unique center visits by clients (one visit per client per day)
One-on-one assistance: Drop-in appointments Orientation/ help completing One-Stop membership applications/ Referrals to partners and outside agencies. Help with Labor Market Information and EDD programs such as registering in CalJobs, checking out & troubleshooting computers, website maintenance	4,798 appointments 2,996 first appointments 1,802 repeat appointments 282 people not seen 25 BPAO appointments (Social Security issues) 2,593 service events 7,553 registered in CalJobs 20,049 total one-on-one assistance events
Job club activities:	18,947 Job Club services provided

<i>Activity</i>	<i>Service Unit Measure 2004-05</i>
Scheduling and arranging job club meetings, managing volunteers	2,402 member visits 200 meetings 72 orientation sessions 342 members reporting return to work 3,120 member volunteer hours Estimated 8,000 peer advising volunteer hours
Workshops Developing , delivering and supporting workshops Workshop Topics: Job Search Skills Workshops (Ace the Interview, Career Exploration, Holiday Job Search, Job Applications, Planning Your Job Search, Resume Facts, Strategize Your Job Search) Labor Market Info Workshops, Employment Shift: Public / Private, Entrepreneurship (SCORE) Self Assessment Workshops – (workshops – Discover You, Managing Your Bills, New Employee Success Tactics, Who Am I) Resume Critique Workshop	793 people attended Foundations workshop 5,316 people attended Universal workshops 148 EDD provided workshops
Job Development: Receive job listings and enter into CalJobs	12,624 jobs entered into CalJobs
Activities for Enrolled Clients (Adult, Dislocated, Other EDD Program, etc.)	
Enrolled WIA services	1,838 total registered clients 1,090 new registered clients 964 exiters
Planning/ intake/ developing IEP WIA participants	1,424 intake interviews
Initial needs assessment: Developing Individual Employment Plans (IEP) Soft skills assessment	1,090 IEPs developed 127 soft skills assessment
Managing cases / delivering other	1,441 core case management enrollments

<i>Activity</i>	<i>Service Unit Measure 2004-05</i>
core and intensive services WIA participants	1,547 intensive case management enrollments 1,061 veterans served by EDD Staff
Providing training services	465 new ITAs 85 ITAs carried over from previous year Trained adult school: 57 adult, 224 dislocated workers 173 soft skills workshop participants 14 clients x 216 hours of instruction = 2,024 hrs of ESL training 100 clients served with training from Trade Adjustment Act by EDD
Following up placed and exited WIA participants.	964 exiters
Activities for Youth	
Marketing and outreach for youth participants	160 new WIA youth enrollments 3,078 youth attended workshops
Managing cases	2986 visits 391 universal appointments
Managing work experience program	133 Youth placed in work experience
Recruiting employers for work experience	45 employers contacted 17 employers recruited
Universal services: Designing and delivering training and workshops	3 youth communication skills tutoring 4 youth 279 youth job search (universal) 3,078 attended off site workshops
Follow up participants	120 exiters followed up
Business Services	
• Marketing and Outreach	
Marketing and outreach to new and existing business clients	115 new recruited and received services. 65 marketing events for rapid response 24 existing clients receive new service
• Rapid Response	
Planning a Rapid Response	
Delivery of Rapid Response Services	98 companies served 3,802 employees served
Reporting and Follow-up	
• Network Services	
Network: Building partnerships with providers	
Assessing Business needs and matching resources	3 existing business clients referred to SBDC 8 new businesses referred to SBDC
Ongoing Account Management and Follow-up	

<i>Activity</i>	<i>Service Unit Measure 2004-05</i>
• Recruitment	
Get and distribute job listings	58 new companies had listing distributed 4 existing business clients had listings distributed
Set up employer presentations at One-Stop	31 recruitment events at One-Stop 497 clients attend 31 hires estimated
Economic Development Promotions and Networking	

Process Cost Analysis

Our cost analysis began by taking the traditional line-item budget for the One-Stop and the costs assigned to the One-Stop for support services and putting them into “responsibility centers”. These centers are recognized organizational units to which the costs of personnel and other resources are assigned. In-house partners with measurable contributions were treated as separate responsibility centers. If you refer back to Figure C2-1 you can see the organizational units from which we began. Working with One-Stop managers, we assigned all units on that organizational map to one of the responsibility units below. The costs of support units’ “operations and support” were tracked to the responsibility units listed in Table C2-3. These units parallel the processes described earlier, since most staff work exclusively with universal, enrolled or business services. Table C2-3 shows the total cost by responsibility center and the percent of total cost that could be traced to each center.

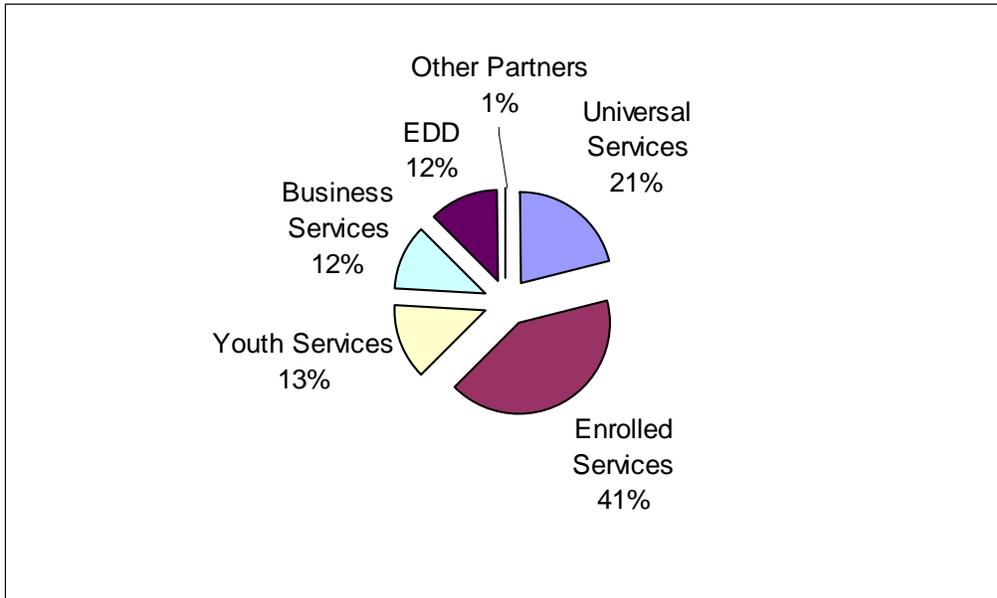
Table C2-3: Costs by Responsibility Center

<i>Responsibility Center</i>	<i>Cost 2004-05</i>	<i>Percent of Total Costs</i>
Universal Services	\$2,078,454	20.57%
Enrolled Services	\$4,095,043	40.54%
Youth Services	\$1,340,863	13.27%
Business Services	\$1,281,470	12.69%
EDD	\$1,227,850	12.15%
State Dept. of Rehabilitation	\$42,191	0.09%
Local Adult Education	\$9,200	0.22%
Local Job Core	\$21,947	0.05%
Local Disability Services	\$4,926	0.42%
Total	\$10,101,944	100.00%

As the table indicates, total cost for the 2004-05 program year was about \$10.1 million dollars. In establishing these responsibility centers and costs, we distributed all payroll as well as all

support costs, such as accounting or rent, to the responsibility centers listed above; so is there is no responsibility center for support costs. Figure C2-3 shows graphically the distribution of costs across responsibility centers.

Figure C2-3: Cost By Responsibility Center



The graph above shows that Enrolled Services consumed about 40% of all the costs with Universal services consuming about half as much, around 20%. EDD was the most significant partner by far, accounting for over 12% of all costs, while all other partners accounted for less than 1% of One-Stop costs

Cost By Process and Activity

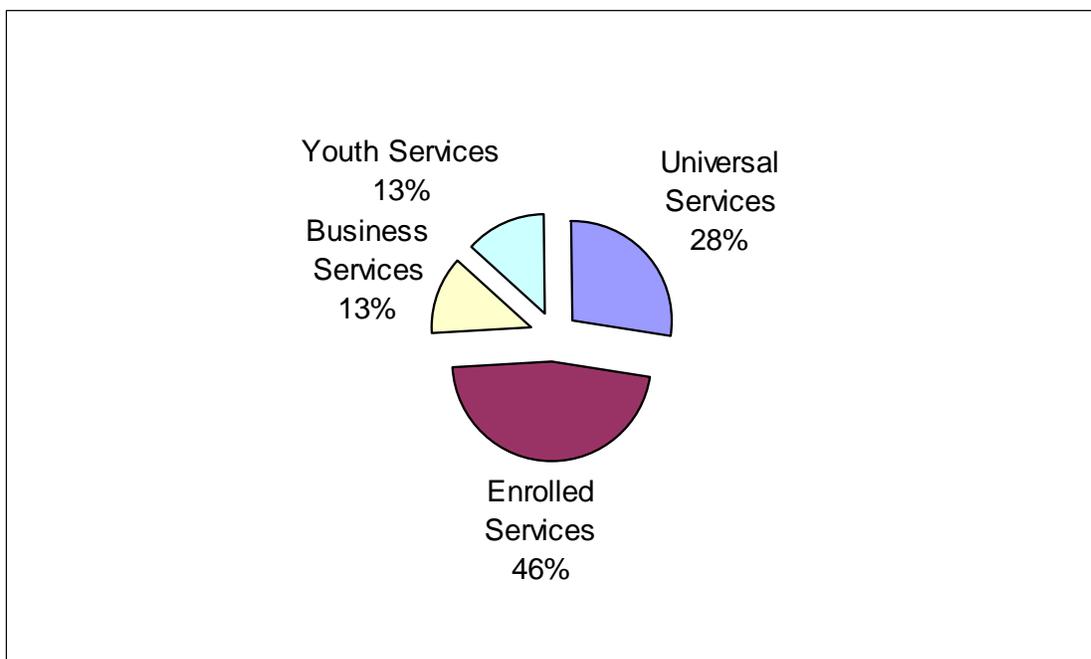
Our next step was to trace the costs of each responsibility center back to the processes and activities that generated the costs. To understand the cost of each process, and the activities within each process, we identified a number of cost drivers that allowed us to trace costs back to activities. The most important cost driver was staff time, since that was the largest budget item. To identify how staff time was spent we asked managers and many staff members to estimate the time they spent on different activities. We also estimated the amount of physical space used for various activities and traced the cost of that space back to the various activities. We used the judgment of senior managers to distribute support cost across the activities.

We used the same process with EDD and the Department of Rehabilitation, we asked senior managers to attribute staff time to the processes and activities we had mapped, then we had them estimate how support costs were used. In the case of smaller partners such as the Adult Education District, which were involved in only one or two activities, we had partners simply calculate their fully loaded costs for activities in which they were involved.

Our mapping of the processes and activities permits us to look at how resources are used at different levels of aggregations and how they relate to different outputs. For example, we can estimate the entire cost of the universal service process and calculate the average cost of serving a universal client. At a more disaggregated level we can look at the specific costs of job club activity and estimate the cost of serving a single job club member.

Figure C2-4 shows a highly aggregated analysis of the costs by each major process: universal service process, enrolled services process, business services process, and youth services process. Remember that we have now combined the costs of all responsibility centers and partners by process.

Figure C2-4: Percent of Cost By Process



As the figure indicates, the enrolled services process accounted for almost half the costs, while universal services process accounted for a bit more than a quarter. Youth and business services were each about one-eighth.

Table C2-4 shows a more disaggregated analysis of costs. Here you can see the cost of each activity. It also shows how much of those costs were supported directly by the local area, EDD and other partners. It's important to note that here we put partner costs into the processes and activities they support, unlike in the responsibility centers, where we broke out partner costs independent of activity. The activities here go into greater level of detail than in the original process map, as we found managers were able to trace costs, in some cases, to specific sub-activities. For example, within the enrolled services process, managers could trace the cost of providing case management activities to veterans in a specific EDD program. In this analysis we went to the most disaggregated level for which managers could estimate.

Table C2-4 shows a detailed break down of costs by processes, specific activities, and the contribution of various partners. A reminder: costs presented include labor, space, supplies and expenses, and support costs such as accounting. The table is broken out to show the costs of the local area, EDD and smaller partners. Overall the One-Stop had costs of about \$10 million in 2004-05.

Table C2-4: Cost Detail by Process and Activity

	<i>Local Area Cost</i>	<i>EDD Costs</i>	<i>Other Partner Costs</i>	<i>Total Cost</i>
Universal Services Process	\$2,078,454	\$684,270	\$34,038	\$2,796,762
Outreach and recruitment for participants			\$843	\$843
Reception: Answer point coverage – non-Job Seeker Center	\$332,553			\$332,553
Reception: At Job Seeker Center: receiving visitors, scheduling appointments, answering phone	\$374,122		\$1,668	\$375,810
Drop-in appointments	\$374,122			\$374,122
Information and referral Kiosks	\$62,354			\$62,354
One-on-one assistance in the resource room, help with LMI and EDD programs, checking out & troubleshooting computers, website maintenance	\$290,984	\$243,012	\$27,288	\$561,284
Assistance with CalJobs		\$127,901		\$127,901
Developing, delivering and supporting workshops	\$270,199	\$31,976		\$302,175
Job Development		\$140,691	\$4,219	\$144,910
Supporting job club activities	\$311,768	\$127,900		\$439,668
One-Stop support and administration for Universal activities	\$62,354	\$12,790		\$75,144
Activities for Enrolled Clients (Adult, Dislocated, Other EDD Program, etc.)	\$4,095,043	\$530,790	\$43,805	\$4,669,638
Planning / Intake	\$491,405			\$491,405
Initial Needs Assessment / Developing IEP	\$491,405			\$491,405
Managing cases / Delivering other core and intensive services (non EDD programs)	\$1,105,662		\$12,658	\$1,118,320
Providing training services	\$1,023,761			\$1,023,761
Soft Skills assessment / Training (PEP)	\$286,653			\$286,653
One-on-one services to Veterans		\$332,543		\$332,543
Trade Adjustment Act participant services		\$198,247		\$198,247
Learning Lab	\$122,851			\$122,851
ESL training (Adult Ed)			\$9,200	\$9,200
Following up placed and exited participants.	\$573,306		\$21,947	\$595,253

	<i>Local Area Cost</i>	<i>EDD Costs</i>	<i>Other Partner Costs</i>	<i>Total Cost</i>
Business Services	\$1,281,470	\$12,790	\$421	\$1,294,681
<i>Marketing and Outreach (Subtotal)</i>	\$291,243			\$291,243
Marketing and outreach to new business clients	\$232,995			\$232,995
Marketing to existing clients	\$58,249			\$58,249
<i>Rapid Response (Subtotal)</i>	\$582,486	\$12,790		\$595,276
Planning a Rapid Response	\$104,848			\$104,848
Delivery of Rapid Response services	\$122,322			\$122,322
Reporting and Follow-up	\$122,322			\$122,322
Information and resources	\$232,995			\$232,995
<i>Building partnerships with providers (Subtotal)</i>	\$116,497		\$421	\$116,918
Assessing Business needs and matching resources	\$46,599			\$46,599
Ongoing Account Management and Follow-up	\$69,898		\$421	\$70,319
<i>Staffing (Subtotal)</i>	\$291,243			\$291,243
Get and distribute job listings	\$101,935			\$101,935
Recruiter Services	\$87,373			\$87,373
Set up employer presentations at One-Stop for adult, dislocated worker and universal clients	\$72,811			\$72,811
Economic Development Promotions and Networking	\$29,124			\$29,124
Activities for Youth	\$1,340,863			\$1,340,863
Youth Answerpoint	\$67,043			\$67,043
Recruitment of youth participants	\$268,173			\$268,173
Universal Services for Youth	\$134,086			\$134,086
Managing cases	\$536,345			\$536,345
Recruitment of employers for work experience	67,043			\$67,043
Placement in work experience	67,043			\$67,043
Following up youth	201,129			\$201,129
TOTAL	\$8,795,830	\$1,227,850	\$78,264	\$10,101,944

Looking within the processes we gain some additional insights about where the \$10 million in costs were generated. Within the Enrolled Services Process, the largest costs were generated by case management and the provision of training services, over \$1 million each, out of total costs of \$4.6 million. (It is important to note that training costs do not include the costs of Individual Training Accounts (ITAs) and the vouchers that pay for training in the WIA system, because training is not provided “under the roof”). The costs of bringing clients into the programs were substantial, the cost developing plans and assessing clients amounts to almost \$1 million.

The next highest cost process was Universal Services at nearly \$2.8 million. Simply receiving clients, answering questions and managing the high volume of clients in the Universal Process

was the highest cost activity, with over \$700,000 in costs. It is important to note that due to the facility's structure and setting there are several reception areas and walk up stations where clients can get questions answered. Another high cost activity was the job club, which had costs of \$439,668. Job club costs include substantial investments from both the local area, over \$311,000, and EDD, about \$128,000. Providing workshops cost about \$300,000 dollars.

The Business Service Process had almost \$1.3 million in costs. In that area the highest costs were found in Rapid Response services, with costs over \$595,000. General marketing and outreach to businesses cost \$291,000 while marketing to new clients cost \$233,000.

In the Youth Services Process, case management was the most costly activity by far, \$536,000 out of a total cost of \$1.3 million. Recruitment of participants cost \$268,000 and follow-up cost an additional \$201,000.

Cost By Service Line

The final step in our analysis was to estimate the costs of particular One-Stop services produced by processes and activities described before. One-Stops are a service business and it is often hard to distinguish between activities and services. For example, when a client has a one-on-one session with a counselor to review her resume, is the product a counseling session or is this event merely an activity leading to a product such as placement in a job? We did not worry too much about this distinction. In this case we were constrained by what the One-Stop measured, we could only estimate costs for services which were measured by the One-Stop. We could also only calculate costs for specific services when One-Stop staff could assign cost drivers – usually their time – to specific activities that directly linked to measured service lines. We were also interested in services that were likely to be found in other One-Stops, such as a universal access visit, or a workshop. We begin our cost-per-service estimates with the services that we view as produced by a whole process, not just an individual activity, we also focus on services we thought would be common to other One-Stops and thus could provide some valuable insights about managing One-Stops.

Before we could calculate the costs for each service, we needed to deal with an additional methodological problem, the problem of “joint costs” (see Text Box C2-2). Joint costs are those costs that are shared by various products. For example, reception is an activity that supports many products such as universal access visits, case management, job placement and others. It is impossible to actually break that cost down to get an accurate estimate of the cost of reception for each product.

Text Box C2-2: The Problem of Joint Costs

Some of the “cost-per” calculations are afflicted by a condition known as the “joint cost” or “joint product” or “joint revenue” problem. This condition occurs when two or more products are produced using a single, indivisible input (or are associated with a single bundled revenue stream). This creates ambiguity when we try to compute the cost-per of the separate outputs.

A common example is that of raising chickens. An input is the feed. Outputs include chicken wings, chicken legs, and chicken breasts. We may know the chicken ate 9 pounds of food, but we do not know exactly how much of that food went to the chicken's wings, legs, or breasts. In this example, the cost-pers would likely be approximated by apportioning the cost of the chicken feed according to either the weight of each of the component outputs, or the revenue associated with the component outputs. So, an approximation in this example is only an estimate, but is possible.

However, other cases of joint costs are more difficult to solve. These more difficult cases occur when the revenue for a component product is hard to determine (or when there is no revenue associated with a particular product), and when the product has no physical weight (or when the weight is not clearly related to revenue). This is the nature of a One-Stop's operations. Consider the resource room, for example. We can determine the total amount a One-Stop spent on the resource room. We can even calculate how much it cost to make the resource room available, on a per-person basis, for the year. But then some people who use the resource room will end up producing a resume, and others will end up producing a job search plan. There is no good way—as far as we can see at this point—to know how to apportion the valid cost of the resource room across those separate outputs. These outputs have no apparent revenue associated with them, and they have no physical weight. So, a calculation of the “cost per resume” or “cost per job search plan” would be very difficult.

In making our estimates we tried to get as close as possible to the unique costs of a service. In cases where we could not break down the joint costs, we only assigned the costs directly attributable to the product. Table C2-9 below includes notes on how we made our calculations. In some cases we were able to identify costs that went with a particular activity but did not have measures of the services produced by that activity so no cost per service calculations were possible. The tables below show the best cost per service calculations we could make by the four processes identified earlier.

Universal services are produced in a high volume at relatively low cost. You can see in Table C2-5 that if we take all universal costs and simply divide by all universal clients we get a cost per client of \$419, if we look further and track the number of visits made for universal services we get a cost per of \$52 per visit. Providing one-on-one assistance in the resource room was a significant cost item and costs per service were \$28 an event.

A significant universal activity at this One-Stop, in which EDD was a major partner, is the large and active job club. The cost of planning and hosting a job club meeting as \$2,198, and it cost \$183 per job club member visit. Similarly developing and delivering a workshop cost \$2,042. EDD provides a service which benefits both businesses and job seekers in that it enters jobs into the internet based job bank CalJobs, we calculate it costs about \$11 to enter a job into the system.

Table C2-5: Cost of Universal Access Services

<i>Universal Services</i>	<i>Cost</i>	<i>Units</i>	<i>Cost Per Unit</i>	<i>Notes*</i>
Serving a Universal Access client	\$2,796,762	6,676	\$419	1
Providing a Universal Access visit	\$2,796,762	53,614	\$52	1
Job club member visit	\$439,668	2,402	\$183	2
Providing a Job Club meeting	\$439,668	200	\$2,198	3
One-on-on assistance in resource room	\$561,284	20,049	\$28	4
Developing and delivering workshops	\$302,175	148	\$2,042	5
Serving a client in a workshop	\$302,175	6,109	\$49	6
Enter job into CalJobs	140,697	12,624	\$11	6a

*refer to Table C2-9 for further explanation of calculations

It was, not surprisingly, much more costly to serve clients formally enrolled in a WIA or EDD program. If we consider the costs of recruiting, assessing, and providing case management and other intensive services to WIA clients we find a per client cost of \$2,252. The cost of case management alone averages \$715. Placing clients in training and managing them during training cost \$1,861 for a client receiving training; remember this does not include the direct cost of training usually paid for through and ITA (voucher). Following up participants who have completed their planned program cost \$595 per participant.

Participants receive different packages of services and these cost-per measures help us understand the costs of the various packages. For example, a client who went through initial enrollment and got case management and related intensive services and who was followed up cost \$2,212. A client who got those services plus training cost \$4,073.

Similarly, we are able to estimate the costs of servicing enrolled clients in two EDD programs, Veterans Services and Trade Adjustment Act (TAA). Veteran client services were less costly averaging only \$313 per veteran, while TAA clients were more similar to WIA clients in case management, averaging costs of \$1,982 per client.

Some training services were provided in the One-Stop by partners “under the roof” of the One-Stop. The local adult education program provided ESL training, the costs of serving an ESL student was \$657 per student and the cost of an hour of instruction was \$43.

Table C2-6: Cost of Enrolled Services

<i>Enrolled Service</i>	<i>Cost</i>	<i>Number of Units</i>	<i>Cost Per Unit</i>	<i>Note*</i>
Serving an Enrolled WIA client	\$4,138,848	1,838	\$2,252	7
Enrolling a client and developing and Individual Plan	\$982,810	1,090	\$902	7a
Providing case management and other intensive services	\$1,105,662	1,547	\$715	7b
Providing training services	\$1,023,761	550	\$1,861	7c
Providing soft skills assessment and training	\$122,851	173	\$710	7e

<i>Enrolled Service</i>	<i>Cost</i>	<i>Number of Units</i>	<i>Cost Per Unit</i>	<i>Note*</i>
Follow up exited participants	\$573,306	964	\$595	7d
EDD serving a veteran	\$332,543	1,061	\$313	8
Serving an EDD Trade Adjustment Act client	\$198,247	100	\$1,982	9
Providing ESL training per client	\$9,200	14	\$657	10
Providing ESL training per instructional hour	\$9,200	216	\$43	11

*refer to Table C2-9 for further explanation of calculations

Business services account for about 13% of the One-Stop's costs. The data available on services provided allowed us to make a number of cost calculations. Recruitment costs are estimated at \$232,995 spent to recruit 115 business clients, yielding a client acquisition cost of \$2,427. Similarly outreach to existing clients cost of \$2,427 per existing client who received additional services.

We estimate providing Rapid Response Services, which is usually done in conjunction with EDD, cost \$3,697 per company served and \$95 per worker reached.

The One-Stop gets and distributes job listings for companies; we estimate costs of serving each company that used this service at \$1,644. In addition the One-Stop host events where multiple companies can come into the One-Stop and recruit employees, we estimate the cost of these events at \$2,349, and cost per individual job seeker who attends these events is \$147.

Table C2-7: Cost of Employer Services

<i>Business Service Produced</i>	<i>Cost Per Unit</i>	<i>Number of Units</i>	<i>Total Cost</i>	<i>Note*</i>
New business clients recruited	\$232,995	115	\$2,026	12
Existing clients recruited for service	\$58,249	24	\$2,427	13
Provide Rapid Response service for a company	\$362,282	98	\$3,697	14
Provide Rapid Response services to an individual worker	\$362,282	3,802	\$95	15
Distribute companies job listings per company	\$101,935	62	\$1,644	16
Provide recruitment event at One-Stop	\$72,811	31	\$2,349	17
Serve an individual client at recruitment event	\$72,811	497	\$147	18

*refer to Table C2-9 for further explanation of calculations

This One-Stop runs an active youth program. The program serves both youth who are formally enrolled in WIA and youth who are not. The program is funded with money from both WIA and local government. Overall the average cost of serving a youth in the program is \$414. A major program expense is case management where staff work one-on-one with youth. We were able to get the number of case management visits made and we estimate the cost of a case management visit at \$159. An important service for enrolled clients is work experience. We estimate the cost of finding work experience jobs and placing students in them at \$1,008 per youth participant.

Table C2-8: Cost of Youth Services

<i>Youth Services</i>	<i>Cost</i>	<i>Units Produced</i>	<i>Cost Per Unit</i>	<i>Note*</i>
Serve an individual youth client	\$1,340,000	3,238	\$414	19
Provide a case management visit	\$536,345	3,377	\$159	20
Provide work experience for youth client	\$134,086	133	\$1,008	21
Following up youth exiters	\$201,129	120	\$1,676	22

*refer to Table C2-9 for further explanation of calculations

Table C2-9 below show notes on the calculations reported in earlier tables.

Table C2-9: Notes on Service Cost Calculations

<i>Number</i>	<i>Calculation</i>
1	Divides total services events by total cost of Universal process.
2	Cost of the job club divided by number of members served, does not include joint costs such as reception.
3	Cost of job club divided by number of meetings held, does not include joint costs like reception.
4	Number of one-on-one assistance events (including orientation, drop in appointments, assistance with CalJobs, etc.) divided by the cost of one-on-one assistance, does not include other costs such as reception, does include clients and costs from EDD and Dept of Rehab as well as local area costs.
5	Cost of developing and delivering workshops divided by number of workshops delivered, does not include other joint costs such as reception.
6	Cost of developing and delivering workshops divided by number of clients attending, does not include other joint costs such as reception.
6a	Cost of entering jobs into CalJobs divided by number of jobs entered.
7	Cost of services for WIA clients divided by number of clients served, does not include joint costs such as reception.
7a	Sums the cost of planning and in-take, plus the cost of needs assessment and developing IEP, and the cost of case management and divides by all WIA enrolled adults and dislocated workers.
7b	Cost of case management and other core and intensive services divided by the number of clients enrolled in intensive case management.
7c	Cost of providing training services not including the cost of contracted training services (ITAs) which occurred away from the One-Stop divided by the number of clients receiving training.
7d	Cost of following up clients who exited the program divided by the number of exiters.
7e	Cost of providing soft skills assessment and training divided by the number of clients that completed training, only 127 out of 173 trainees received assessment.
8	EDD's reported cost of serving veterans divided by number of veterans served.
9	EDD's reported cost of serving Trade Adjustment Act participants divided by number of veterans served.

<i>Number</i>	<i>Calculation</i>
10	The Adult School's loaded cost of provided training divided by number of clients served, does not include One-Stop support costs such as space.
11	The Adult School's loaded cost of provided training divided by number of instructional hours, does not include One-Stop support costs such as space.
12	Cost of marketing and outreach activities for new business clients divided by number of new business clients who received services.
13	Cost of outreach to existing business clients who got additional services during the year.
14	Total cost of Rapid Response services divided by number of companies served, does not include outreach and marketing costs.
15	Total cost of Rapid Response services divided by number of individual workers served, does not include outreach and marketing costs.
16	Total cost of getting and distributing job listings divided by number of companies who had job listings distributed.
17	Total cost of a recruitment event divided by the number of events.
18	Total cost of a recruitment event divided by the number of individual clients attending.
19	Total cost of youth services divided by total number of youth served.
20	Cost of case management divided by the number of appointments.
21	Cost of developing work experience sites and placing youth in work experience divided by number of youth served.
22	Cost of follow-up activities for youth divided by number of youth exiters.

Appendix C-3: Case Study 3 – Central California Rural/Suburban One-Stop Report

Central California Rural One-Stop Case Report

Background

The Central California Urban One-Stop is part of a local area, which we will call the Central Valley WIB, which operates multiple full-service One-Stops. The WIB works in very close partnership with the County government. One-Stop employees are County employees, and some of the space in the One-Stop's building is used for County activities other than those typically performed by One-Stops. On the whole, the working relationship between the One-Stop and the County appears very close and seamless.

Central California Urban One-Stop Description

The Central California Urban One-Stop serves an area whose population is growing fairly rapidly, and in which the agriculture industry is a major economic force. The region served by the One-Stop is economically well below the rest of the state, and the workforce on the whole is not highly skilled; English as a Second Language ("ESL") training is popular in the area.

The One-Stop itself occupies two buildings. One building is a multi-story structure that houses One-Stop administration and some other County services. The other building is a single-story structure in which the bulk of the One-Stop's services occur. The multi-story structure does contain some classroom and conference-room space that is sometimes used for providing One-Stop services. The single-story structure is quite expansive, and contains the full range of facilities normally associated with a good-size One-Stop. For example, there is a large resource room, which was buzzing with activity during our visit, right at the building's entrance, and there is classroom space toward the back of the building. The One-Stop is busy, averaging over 100 visits a day to its resource room and also over 100 visits per day of various other types (e.g., enrolled customers, businesses). The costs generated by this operation during the year studied were about \$4.2 million.

The Central California Urban One-Stop is unique in its relatively heavy use of subcontracts to provide some enrolled services. Specifically, what is typically called "case management" at a One-Stop is largely outsourced to a number of specialized partners, and occurs largely away from the One-Stop's building and therefore those costs are excluded by definition from our analysis.

The list below shows the agencies which are official partners of the One-Stop. Table C3-1 lists agencies that provided measurable contributions on One-Stop premises and are featured in our analysis. The table also lists partners in the WIA program that may provide valuable service to clients but do not provide services "under the one-stop roof" and hence are outside the scope of our analysis.

Table C3-1: Central California Rural One-Stop Partner List

Partners Providing Measurable Contribution to the One-Stop, On-Premises

- State of California Employment Development Department,
- Community Services and Training Agency
- Farm Workers Assistance
- Department of Rehabilitation
- Deaf and Hard of Hearing
- American Association of Retired People
- Department of Health and Human Services
- Employment Services Agency

Partners Contributing to the One-Stop, Off-Premises

- Services to Individuals with Disabilities
- Local Community College,
- County Child Support Services
- Job Training for ex-Offenders
- Small Business Development Center

Defining the One-Stop Boundaries

For the purposes of our analysis we had to define what was inside and what was outside the One-Stop. More so than any of our other three case study sites, this One-Stop tested our definition of what is included in the cost study and what is excluded. This One-Stop—more specifically, the WIB—has significantly large contracts with a number of third-party partners to provide “enrolled services” to One-Stop customers.

Our study team had previously developed an “operational definition” of what was and what was not considered a One-Stop activity for the purpose of our analysis:

Activities and agencies are included in the analysis if they provide workforce services to One-Stop clients and if the services are provided under the roof of the One-Stop.

Based on this definition, partners’ activities that are performed on One-Stop premises are included in our calculations. However, partners’ activities that occur off One-Stop premises are excluded from our calculations. This rule is not intended to make any judgment one way or the other about the effectiveness of these contracting arrangements toward achieving either a cost-efficiency or a quality objective. We implemented the rule strictly as a way of treating the various One-Stops in our study in a way that is consistent and that therefore can provide useful benchmarking data.

The Local Area has more than one One-Stop and, on behalf of the set of One-Stops, engages in contracts with a series of off-site service providers, primarily to provide services to enrolled

customers (e.g., case management, job search assistance, some workshops and training). The service providers are differentiated from one another by their focus on specific and distinct sub-groups of the One-Stop's customers. The dollar amounts of the contracts between the Local Area and the off-site service providers are significant in size, which might be expected since "enrolled services" tend to be considerably more costly on a per-person basis than "universal services."

One-Stop Structure

The One-Stop is managed by a center director. Based our observations and discussion with WIB and One-Stop staff, we broke the work of the center into four responsibility centers.³

- Universal Services Unit
- Enrolled Services
- Business Services
- Administrative Director Office

The responsibility centers are the units through which the city-paid One-Stop staff delivers services and the partners who have a measurable contribution operate under the roof. A responsibility center has one person who, on a One-Stop's organization chart, is primarily responsible for operations within that responsibility center.

In the year we studied, 2004-05, the One-Stop had 29 people on its payroll, not including personnel listed as being WIB administration. These 29 people generally are those who are on the floor providing services to customers. In addition, a series of partners had personnel working in the One-Stop's building to serve One-Stop clients, and therefore these partners are treated as responsibility centers in our study:

- EDD: seven FTE
- Employment Services Agency: one person full-time, a second person three days a week
- Services to Individuals with Disabilities: one person, two hours per week
- Department of Health and Human Services: two full-time employees
- Department of Rehabilitation: one person, twelve hours per week
- Deaf and Hard of Hearing: one FTE
- American Association of Retired People: one full-time employee
- Farm workers Assistance: 0.75 FTE

Activity data gives an additional sense of the level of activity of the One-Stop. In the 2004-05 year studied there were a total of over 60,000 visits to the One-Stop, which works out to about 240 visits per day. There were about 14,400 first-time visits to the One-Stop, which are about 58 per day.

³ In the 2004-05 fiscal year, which was studied, the One-Stop director was also responsible for a Youth program which was housed at a separate site, with its own supervisor. While the payroll for this program was included in the One-Stop's budget it is not included in our analysis.

A total of 1,282 individuals were served as “WIA enrolled” customers. Of these, 788 were new registrants and 845 exited.

There were 860 new visitors to the “Business Services” function, and a total of 1,355 visitors during the year. It is not clear how many of these visitors represented businesses and how many were individual job-seekers.

One-Stop Processes and Activities

We began our analysis by mapping the processes we observed in the One-Stop. We asked the One-Stop staff to validate this process map and help us define specific activities. Figure C3-1 shows the final process map, with the key measures of what the processes produce. This process map was the framework we used for estimating the costs of each activity and ultimately the costs of producing different products. We found three major processes in the One-Stop:

One-Stop Processes and Activities Analysis

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As we said previously, we found four major processes in the One-Stop:

- 1. Universal Services Process:** The operation provides walk-in services such as on-line job searching, computers and printers for producing resumes and letters, career information, and referral information. Most clients engage in self service, but at any given time there are multiple staff members from the One-Stop, the EDD unit, and other partners, engaged in one-on-one assistance. Anyone who walks in and provides their name, address and social security number may use these services.

Within the Universal Access Service Process are a number of activities, as indicated on the process map. After passing through reception, clients may participate in any or all of these activities in any order. While most activity is self-service, where clients access information or work on resumes and cover letters, staff is available for one-on-one assistance. The assistance ranged from help accessing the internet, to feedback on resumes and letters, to quick referrals for other types of help.

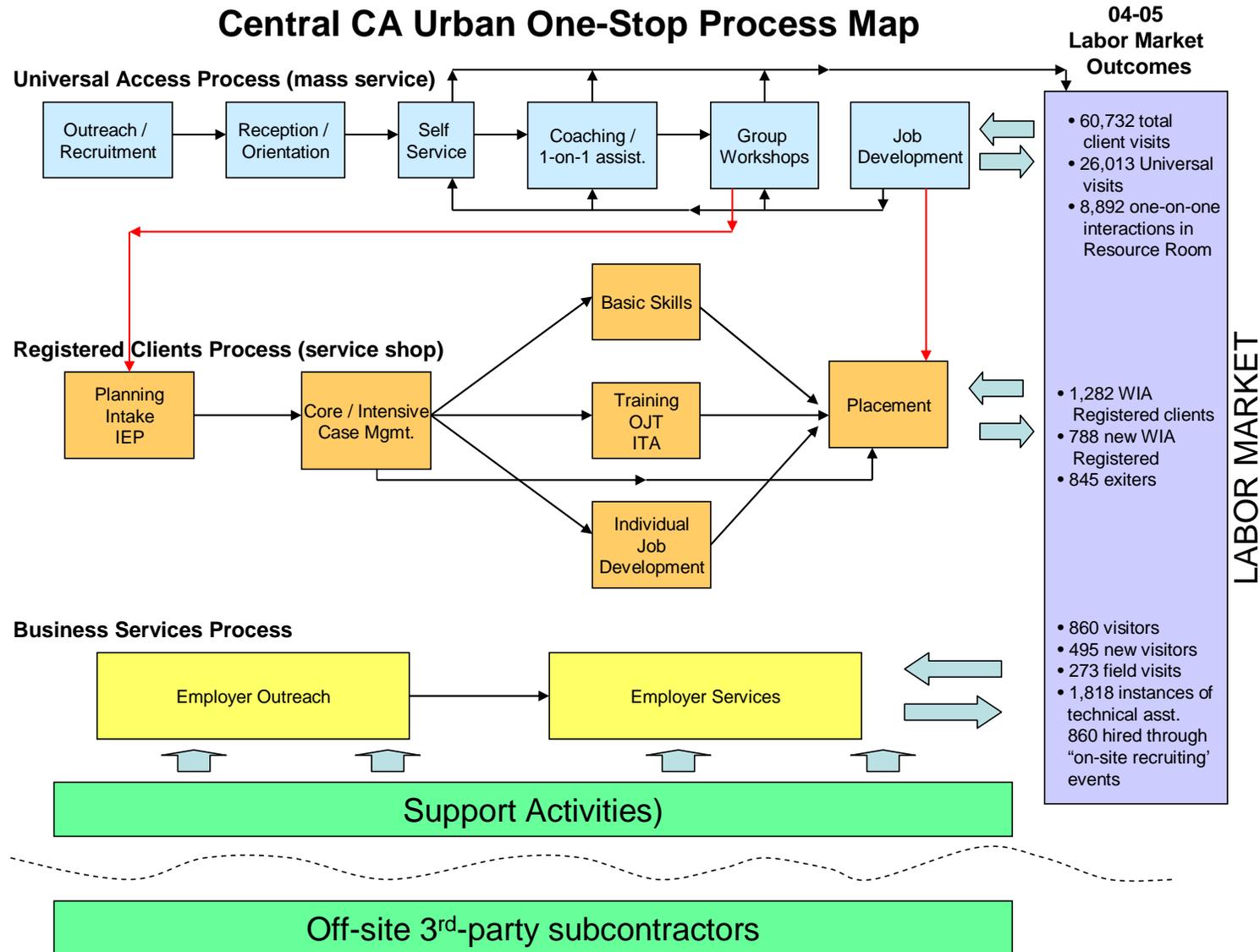
The center offers a range of workshops, and generally runs in the range of five to ten workshops monthly. The Universal Services process incorporates the daily activities of a wide array of One-Stop personnel; some One-Stop personnel work more or less full-time on Universal Services activities, and many others that are assigned primarily to other activities also spend some portion of their time contributing to the Universal Access Process. Partly

for this reason, the Universal Access Process also includes Outreach and Recruitment activities.

- 2. Enrolled Services Process:** The enrolled services area provides some training and case management activities, though a large portion of the case management activity is sourced to a series of local subcontractors who specialize in serving various identifiable sub-groups who can benefit from services customized to their particular needs and the particular industry/ies in which they seek work. This is a key way in which the Central California Urban One-Stop differs in a major way from other case study sites. Much of the activity performed as “enrolled services” at the Central California Urban One-Stop is performed by partners under contract, off-premises. Placement activities are conducted in close cooperation with the “Business Services” process, as Business Services includes reaching out to employers to define employer needs and to define opportunities for One-Stop customers.
- 3. Business Services Process:** This unit markets the One-Stop’s services to employers, develops job prospects for clients, and compiles information and reports intended to be useful to businesses. Members of this unit also conduct outreach activities and sometimes provide Rapid Response services. Rapid Response services are customized for businesses that are considering closing or laying-off a significant number of workers.

Other “Employer services” include generating reports that provide information on local economic trends and provide economic forecasts. These reports are designed to be useful for local business, most of which who lack the resources and capacity to do such research themselves.

Figure C3-1: Central CA Urban One-Stop Process Map



Process Cost Analysis

We began by taking the traditional line item budget for the One-Stop and the costs assigned to the One-Stop for support services and putting them into “responsibility centers”. These centers were recognized organizational units to which personnel and other costs could be assigned. Other responsibility centers were identified when there were significant shared resources such as classrooms, or in-house partners with significant contributions. Table C3-2 shows the total cost by responsibility center.

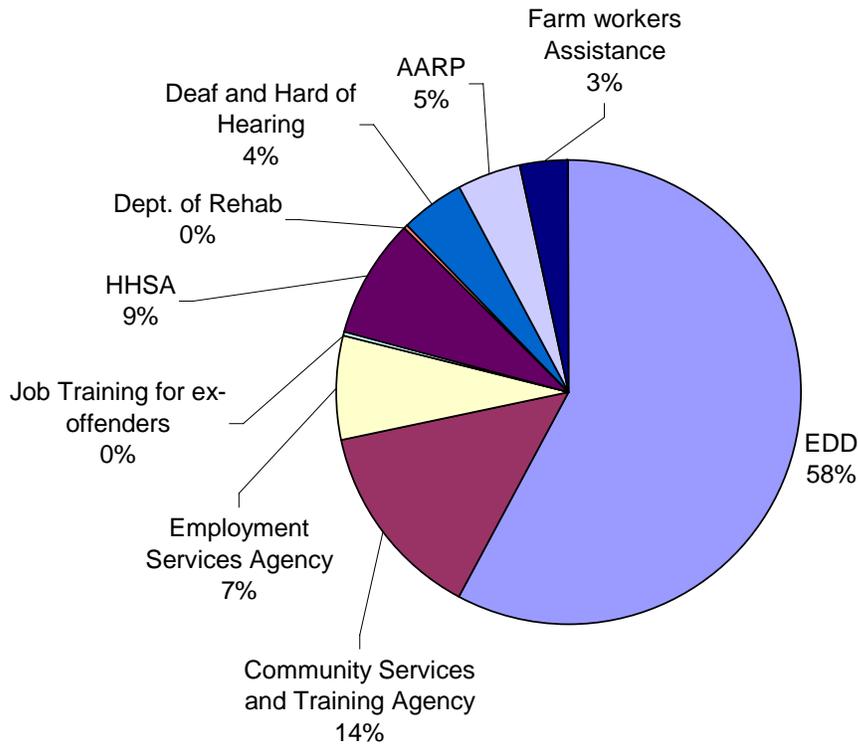
Table C3-2: Costs by Responsibility Center

<i>Responsibility Center</i>	<i>Cost</i>	<i>Percent of total</i>
Resource Room	\$1,684,732	40.1%
Enrolled Services	\$612,525	14.6%
Business Resources	\$379,788	9.1%
Admin Directors Office	\$417,805	10.0%
EDD	\$617,692	14.7%
Community Services and Training Agency	\$149,037	3.6%
Employment Services Agency	\$77,322	1.8%
Job Training for ex-offenders	\$1,560	0.0%
HHSA	\$91,500	2.2%
Dept. of Rehab	\$30,413	0.7%
Deaf and Hard of Hearing	\$46,323	1.1%
AARP	\$48,326	1.2%
Farm workers Assistance	\$36,245	0.9%
Total	\$4,193,268	100.0%

As the table indicates, total cost for the 2004-05 program year was slightly above \$4 million dollars. In establishing these responsibility centers and costs, we distributed all support costs, such as accounting and rent, to the responsibility centers listed above, so there is no cost center for “support costs.”

Partners listed on Table C3-1 are all lines from “EDD” downward. The total partner contribution to the One-Stop’s operations is \$1,098,417. Figure C3-2 shows the amount each partner contributed to the One-Stop’s operations, as a percentage of the total partner contribution.

Figure C3-2 – Contributions by Partners as a Percentage of Total Partner Contribution



Cost By Process and Activity

Our next step was to trace the costs of each responsibility center back to the activities that generated the costs. To understand the cost of each process, and the activities within each process, we identified a number of cost drivers that allowed us to trace costs back to activities. The most important cost driver was staff time, since that was the largest budget item. We asked managers and many staff members to estimate the time they spent on different activities. We also looked at the physical space used for various activities and traced the cost of that space back to the various activities. We used the judgment of senior managers to distribute support cost across the activities. We used the same process with partners who made significant contributions to the One-Stop. Table C3-3 shows the cost of each activity, and also shows how much of those costs were supported directly by the One-Stop and WIB, as well as the portion attributable to partner contributions. Figure C3-3 shows the same data but in chart form.

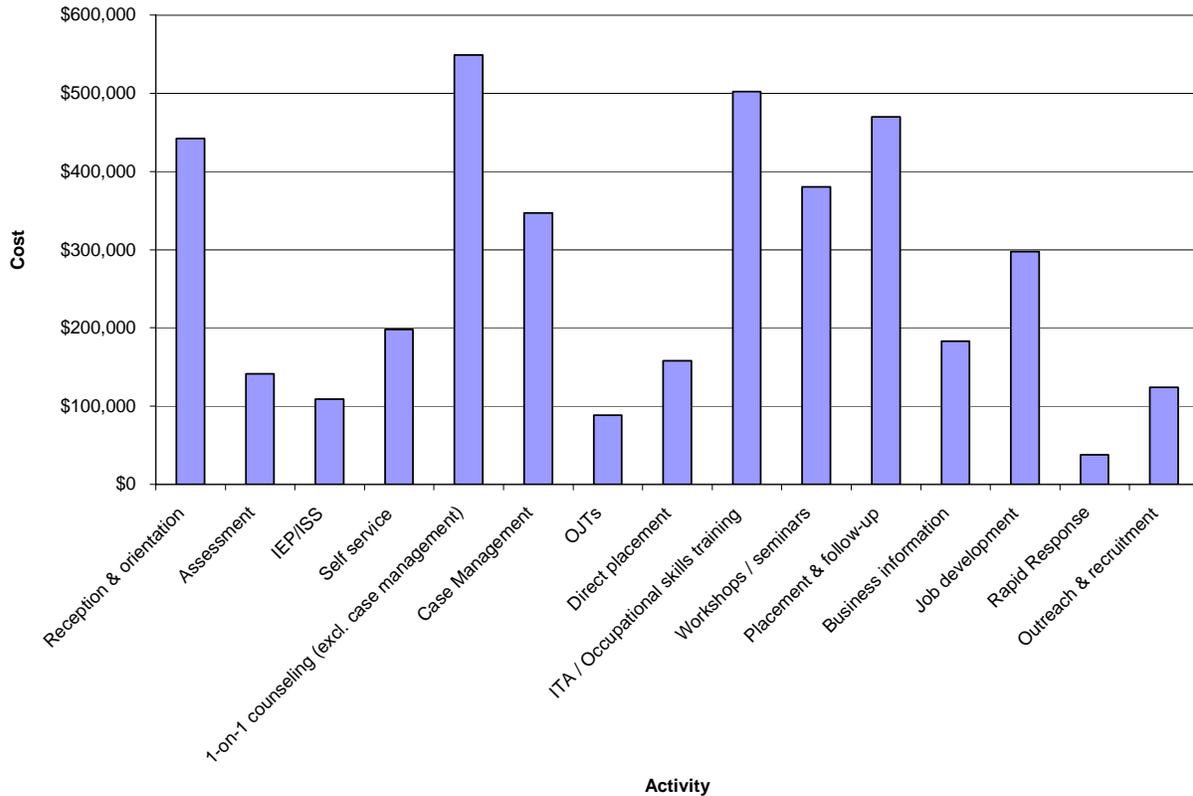
Table C3-3: Costs by Activity

<i>Activity</i>	<i>Total cost</i>	<i>One-Stop + WIB Support Cost</i>	<i>Partner contribution</i>
Universal Activities	\$1,619,118		
Reception & orientation	\$531,057	\$399,617	\$131,439
Assessment	\$123,923	\$123,923	\$0
IEP/ISS	\$20,890	\$20,890	\$0
Self service	\$197,720	\$197,720	
1-on-1 coaching (excl. case management)	\$745,528	\$421,183	\$324,345
Enrolled Activities	\$1,789,559		
Case Management	\$279,589	\$181,007	\$98,582
OJTs	\$0	\$0	\$0
Direct placement	\$254,429	\$69,609	\$184,821
PLACEMENT/ Occupational skills training	\$501,974	\$501,974	\$0
Workshops / seminars	\$358,238	\$263,604	\$94,634
Placement & follow-up	\$395,329	\$360,587	\$34,742
Business Services	\$784,590		
Business information	\$94,947	\$94,947	\$0
Job development	\$527,548	\$297,694	\$229,854
Rapid Response	\$37,979	\$37,979	\$0
Outreach & recruitment	\$124,116	\$124,116	\$0
Total Cost	\$4,193,267	\$3,094,850	\$1,098,417

Of the \$4.2 million total cost of operating the One-Stop, about \$1.6 million (38.6%) was traceable to Universal Activities, about \$1.8 million (42.7%) was traceable to Enrolled Activities, and about \$0.75 million (18.7%) was traceable to Business Services.

When we look at the cost of specific activities, we find that the highest costs in the Universal Access process were generated by “coaching and one-on-one assistance.” We can see that both One-Stop staff and EDD staff put substantial time into this activity, generating high costs. Outreach, recruitment and eligibility workshops were second highest cost activity in this process.

Figure C3-3 – Cost by Activity



Cost By Service

The final step in our analysis is to estimate the costs of particular One-Stop services. In each case study, we were constrained by what the One-Stop measured, so we could only estimate costs for services which were measured by the One-Stop. We could also only estimate costs when One-Stop staff could assign cost drivers – usually their time – to specific services.

Before we could calculate the costs for each activity or services, we needed to deal with an additional methodological problem, the problem of “joint costs” (see Text Box C3-2). Joint costs are those costs that are shared by various services. For example, reception is an activity that supports many services such as universal access visits, case management, job placement and others. It is difficult to break that cost down to get an accurate estimate of the cost of reception for each service.

Text Box C3-2: The Problem of Joint Costs

Some of the “cost-per” calculations are afflicted by a condition known as the “joint cost” or “joint product” or “joint revenue” problem. This condition occurs when two or more products are produced using a single, indivisible input (or are associated with a single bundled revenue stream). This creates ambiguity when we try to compute the cost-per of the separate outputs.

A common example is that of raising chickens. An input is the feed. Outputs include chicken wings, chicken legs, and chicken breasts. We may know the chicken ate 9 pounds of food, but we do not know exactly how much of that food went to the chicken’s wings, legs, or breasts. In this example, the cost-pers would likely be approximated by apportioning the cost of the chicken feed according to either the weight of each of the component outputs, or the revenue associated with the component outputs. So, an approximation in this example is only an estimate, but is possible. So the solution in this example is relatively

However, other cases of joint costs are more difficult to solve. These more difficult cases occur when the revenue for a component product is hard to determine (or when there is no revenue associated with a particular product), and when the product has no physical weight (or when the weight is not clearly related to revenue). This is the nature of a One-Stop’s operations. Consider the resource room, for example. We can determine the total amount a One-Stop spent on the resource room. We can even calculate how much it cost to make the resource room available, on a per-person basis, for the year. But then some people who use the resource room will end up producing a resume, and others will end up producing a job search plan. Some will do both; others will do neither. There is no good way—as far as we can see at this point—to know how to apportion the cost of the resource room across those separate outputs. These outputs have no apparent revenue associated with them, and they have no physical weight. So, a calculation of the “cost per resume” or “cost per job search plan” would be very difficult.

In making our estimates, we tried to get as close as possible to the unique costs of a product. In cases where we could not break down the joint costs we assigned the whole pool of costs to multiple services. The tables below include notes on which costs were traced to which services. In some cases we were not able to isolate the costs of the services but we did not have measures of how much of the service was delivered. In these cases we reported the amount of the service delivered without a cost estimate.

Table C3-4 shows costs of some Universal Access services.

Table C3-4: Cost for Universal Access Services

<i>Service</i>	<i>Cost per unit</i>	<i>Total Cost</i>	<i>Number of units</i>	<i>Note*</i>
Total visits to the One-stop	\$69	\$4,193,267	60,732	1
Total # of visits to resource room	\$70	\$1,832,542	26,013	2
1-on-1 coaching (excl. case management)	\$84	\$745,528	8,892	3
# of participants trained (resource room count)	\$1,035	\$501,974	485	4
# participated in workshops (unique SSNs)	\$172	\$358,238	2,080	5
Workshop attendees (includes duplicates)	\$51	\$358,238	7,035	5
# attended orientation sessions	\$224	\$531,057	2,369	6

*refer to Table C3-7 for further explanation of calculations.

Note that some of the outputs listed in Table C3-4 are not directly attributable to the Resource Room. For example, “total visits to the One-Stop” clearly involves much more than just the activities of the Resource Room.

The analysis of Universal Access products provides some valuable insights into the costs of this One-Stop. The One-Stop’s cost for serving the “average” Universal Access customer visit was about \$69. Approximately one-third of those visits included direct contact with Resource Room staff (other than front-desk reception), and the average fully-loaded cost per interaction of this sort was about \$170. The cost per person participating in workshops was about \$172. Since the average person participating in a workshop participated in about 3.5 workshops, the per-person-workshop cost appears to be about \$51.

Table C3-5 displays costs of some Enrolled Services at Central California Urban One-Stop.

Table C3-5: Cost of Enrolled Service

<i>Service</i>	<i>Cost Per Unit</i>	<i>Total cost</i>	<i>Number of units</i>	<i>Note*</i>
Lower-bound estimates (excludes placement & job development)				
Enrolled clients	\$808	\$1,035,993	1,282	7
New enrolled clients	\$1,315	\$1,035,993	788	
Exited	\$1,226	\$1,035,993	845	
Placed	\$428	\$1,035,993	2,420	8
Mid-range estimate (adds placement & job development)				
Enrolled clients	\$1,528	\$1,958,870	1,282	9
New enrolled clients	\$2,486	\$1,958,870	788	
Exited	\$2,318	\$1,958,870	845	
Placed	\$809	\$1,958,870	2,420	
Upper-bound estimate (further adds outreach, employer services)				
Enrolled clients	\$1,699	\$2,177,933	1,282	10
New enrolled clients	\$2,764	\$2,177,933	788	
Exited	\$2,577	\$2,177,933	845	
Placed	\$900	\$2,177,933	2,420	

*refer to Table C3-7 for further explanation of calculations

For a variety of reasons we found it much more difficult to estimate the cost of specific Enrolled Services products. The key reason for this is the difficulty of calculating a cost for the particular services. In One-Stops generally, Universal Access customers typically can be found physically in a certain area of the One-Stop – the Resource Room. Costs of providing services typically associated with Universal Access customers therefore are somewhat contained in a certain physical area of the One-Stop. But while there typically is a certain area where “case management” is conducted for Enrolled customers, these Enrolled customers also frequently receive or directly benefit from services at various other areas of the One-Stop, such as the “business services” area. So, the costs of serving Enrolled customers tend to be much more dispersed across the physical facilities of the One-Stop and are difficult to trace specifically to whether or not the funds were being deployed to serve Registered customers. We have estimated that on the whole, it cost between \$808 and \$1,699 to serve an enrolled client. This cost is considerably lower than at other case study sites, most likely due to the fact that a large amount of case management (which we have found to be quite costly at other sites) is excluded from our calculations here, due to our “under the roof” definition of a One-Stop’s activities. We’ll note again that this study has arrived at no conclusion at all about the efficiency or effectiveness of the contracting arrangement. Also, note that the placements number (2,420) includes more than WIA enrolled customers.

Table C3-6 shows some analysis of costs incurred in providing Business Services.

Table C3-6: Cost of Business Services

<i>Service</i>	<i>Cost Per Unit</i>	<i>Number of Units</i>	<i>Total Cost</i>	<i>Note*</i>
New visitors	\$110	\$94,947	860	11
Repeat visitors	\$192	\$94,947	495	
Total visitors	\$70	\$94,947	1,355	
Number of companies served through Rapid Response	\$9,377	\$37,979	4	12
Appointments	\$131	\$94,947	722	
Technical assistance to businesses	\$52	\$94,947	1,818	
Hiring/training events	\$133	\$94,947	715	
Field visits to businesses	\$348	\$94,947	273	

*refer to Table C3-7 for further explanation of calculations

Cost-per-unit calculations for Business Services are badly afflicted by the “joint cost” problem. For example, an “appointment” may be an appointment either with an Enrolled customer to explore business opportunities, or may be an appointment with personnel from a business who are not Enrolled Customers. Likewise, field visits to businesses may benefit businesses, and/or may benefit Enrolled or even Universal customers. Therefore, with the current data, it is not possible to strongly associate the costs with the particular services.

Tables C3-4, C3-5, and C3-6 contain calculations derived from data that appears in Table C3-8. If you want to see how a certain calculation in Table C3-4, C3-5, and C3-6 was made, refer in those tables to the “Note” column. Then take the number in the “Note” area and find it in Table C3-7. Then in the right-hand column of Table C3-7, you see that the total cost included in the calculation is the sum of the costs of one or more activities. These activities correspond to the very top line of Table C3-8. This information is supplied to allow a reader to understand exactly which costs are included in each cost-per calculation, and which are not.

Table C3-7: Notes on product Cost Calculations

<i>Note</i>	<i>formula for total cost</i>
1	Total One-Stop cost, including partner contributions
2	Reception & orientation + Self service + 1-on-1 coaching (excl. case management) Workshops / seminars
3	1-on-1 coaching (excl. case management)
4	Occupational skills training
5	Workshops / seminars
6	Reception & orientation
7	Case Management + OJTs + Direct placement + Occupational skills training
8	Note: number placed obtained from EDD; includes more than the number of WIA enrolled
9	Case Management + OJTs + Direct placement + Occupational skills training + Placement & follow-up + Job development
10	Case Management + OJTs + Direct placement + Occupational skills training + Placement & follow-up + Job development + Outreach & recruitment + Business information
11	Business information
12	Rapid Response

Table C3-8: Central California Urban One-Stop Cost Tracing Worksheet - Dollars

Responsibility Center	Total Costs for Each Responsibility Center	Reception & orientation	Assessment	IEP/ISS	Self service	1-on-1 counseling (excl. case management)	Case Management	OJT's	Direct placement	ITA / Occupational skills training	Workshops / seminars	Placement & follow-up	Business information	Job development	Rapid Response	Outreach & recruitment
One-Stop																
Resource Room	\$1,684,732	\$336,946	\$0	\$0	\$168,473	\$421,183	\$168,473	\$0	\$0	\$252,710	\$84,237	\$168,473	\$0	\$0	\$0	\$84,237
Registered Services	\$612,525	\$0	\$61,252	\$0	\$0	\$0	\$0	\$0	\$61,252	\$61,252	\$61,252	\$183,757	\$0	\$183,757	\$0	\$0
Business Resources	\$379,788	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113,937	\$0	\$94,947	\$113,937	\$37,979	\$18,989	
Admin Directors Office	\$417,805	\$62,671	\$62,671	\$20,890	\$29,246	\$0	\$12,534	\$0	\$8,356	\$188,012	\$4,178	\$8,356	\$0	\$0	\$0	\$20,890
One-Stop total	\$3,094,850	\$399,617	\$123,923	\$20,890	\$197,720	\$421,183	\$181,007	\$0	\$69,609	\$501,974	\$263,604	\$360,587	\$94,947	\$297,694	\$37,979	\$124,116
One-Stop expense by activity, %		12.9%	4.0%	0.7%	6.4%	13.6%	5.8%	0.0%	2.2%	16.2%	8.5%	11.7%	3.1%	9.6%	1.2%	4.0%
Partner Contributions																
EDD	\$617,692	\$88,242				\$88,242	\$88,242		\$110,302		\$88,242			\$154,423		
Community Services and Training Agency	\$149,037								\$74,519					\$74,519		
Employment Services Agency	\$77,322					\$72,489					\$4,833					
Job Training for ex-offenders	\$1,560										\$1,560					
HHSA	\$91,500					\$91,500										
Dept. of Rehab	\$30,413	\$912				\$18,248	\$10,340							\$912		
Deaf and Hard of Hearing	\$46,323					\$11,581					\$34,742					
AARP	\$48,326	\$24,163				\$24,163										
Farm workers Assistance	\$36,245	\$18,122				\$18,122										
Partner contribution total	\$1,098,417	\$131,439	\$0	\$0		\$324,345	\$98,582	\$0	\$184,821	\$0	\$94,634	\$34,742	\$0	\$229,854	\$0	\$0
TOTAL COST for activity	\$4,193,267	\$531,057	\$123,923	\$20,890	\$197,720	\$745,528	\$279,589	\$0	\$254,429	\$501,974	\$358,238	\$395,329	\$94,947	\$527,548	\$37,979	\$124,116
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P

Appendix C-4: Case Study 4 – Northern California Rural One-Stop Report

NoCal Rural One-Stop Case Report

Background

The NoCal Rural One-Stop serves a sparsely populated Northern California County. The entire workforce in 2005 was made up of about 43,000 workers, and the county had a higher than average unemployment rate of about 7%. The local economy is largely made up of small businesses. No single industry sector dominates. Government is the biggest employer accounting for 24% of employment in 2004. Trade, transportation and utilities make up an additional 18% and manufacturing 10%. There is a good deal of tourism in the area, so leisure and hospitality industries account for 12% of employment.

The County WIA program is governed by a local WIB appointed by the board of supervisors. The WIB has 34 members, many from the public sector, and a number of representatives from small and mid-sized businesses. The county operates six One-Stops; most are small and have a handful of staff. There is a substantial full-service One-Stop in the county seat which is the site of this study. All the One-Stops are operated by a non-profit corporation, which we will call WIA Non-Profit or WIA NP for short, whose only purpose is operating One-Stops in the County.

The county WIB has the following mission statement:

To improve the quality of the local workforce, to increase employment opportunities and earnings, and to enhance the productivity and competitiveness of business for the benefit of all residents...

The One-Stop we visited has a strong partnership with the county Department of Social Services; in fact, the WIB is housed in that department. A staff of three within the Department oversees the WIA program, supports the WIB and is housed in the One-Stop we studied. In 2004-05 costs for the One-Stop we studied were about \$3.2 million including the costs of all partners.

NoCal Rural One-Stop Description

The One-Stop is located in a modern one story office building, a little away from the center of the county seat. The One-Stop is co-located with the county's Department of Social Services' (DSS) CalWorks program which is integrated into the One-Stop. EDD also has an operation within the One-Stop. Thus the One-Stop is a hub for local workforce activity. Staff are committed to providing a high level of professional service.

The list below shows the agencies which are official partners of the One-Stop. The agencies in the first section are agencies which provide significant measurable contributions "under the roof" of the One-Stop in the 2004-05 program year and are featured in our analysis. The rest are agencies which partner with the One-Stop in various ways but do not provide services in the One-Stop which we were able to measure.

Table C4-1: List of Partners⁴ 2004-05

Partners with a Measurable Cost Contribution in the One-Stop

- WIA NP (Funded with WIA funds)
- EDD
- DSS WIA Administration (county administrative unit for WIA)
- DSS Job Alliance
- DSS Drug and Alcohol Program
- DSS Mental Health
- Good Will
- Calif. Human Development Corporation Agriculture
- Local Rehab Assoc
- California Dept. of Rehab

Partners Without a Measurable Cost Contribution in the One Stop

- Local Community College
- Local Community Foundation
- Community Resources for Independence
- Consumer Credit Counseling
- Local Economic Development Corporation
- Older Worker Non-profit
- County Department of Mental Health
- County Department of Public Health
- County Office of Education
- Country Transit Authority
- Our House Non-Profit
- Project Sanctuary
- Local Adult School
- Local Community Services

Defining the One-Stop Boundaries

For the purposes of our analysis we had to define what was inside and what was outside the One-Stop. To make these decisions consistent we developed an “operational definition” of what was and what was not considered a One-Stop activity for the purpose of our analysis:

Activities and agencies are included in the analysis if they provide workforce services to One-Stop clients and if the services are provided under the roof of the One-Stop.

Based on this definition the activities of many partners are not included in this analysis because they take place away from the campus. While these partnerships are real we were not able to put a cost on the services provided. To do so would mean tracing costs of services received by One-

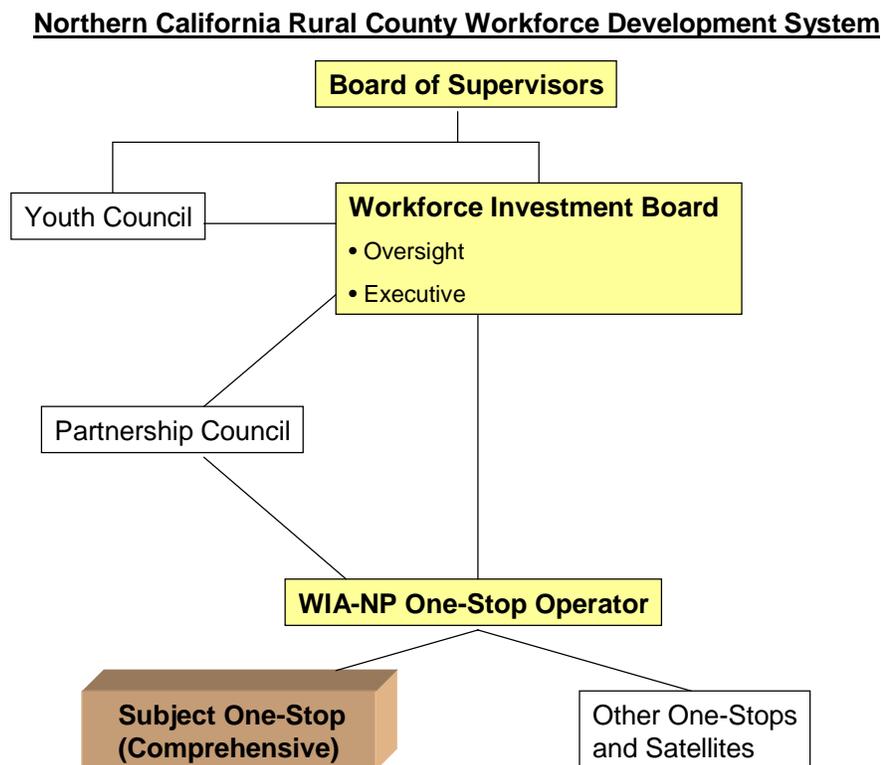
⁴ Names of some partners have been changed to protect the anonymity of the One-Stop.

Stop clients through a large system of support agencies requiring us to analyze innumerable budgets. For example, if a client is referred to the local adult education program to get ESL classes and these classes help her get a job, the partnership is real but the costs of that service is not included in our analysis. Or in another case, the One-Stop may refer a client to a housing agency to get advice about how to find housing, again the cost of making the referral would be included in our analysis but the cost of providing the advice about housing would not be, because tracing these cost through the large complex social service system is beyond the scope of this study.

One-Stop Structure

The local WIB has a staff of three county employees who oversee WIA in the county and thus the work of the One-Stop we studied. The One-Stop is actually operated by the WIA-NP which employs an Executive Director who manages the One-Stop, and had 21 employees working in the One-Stop in 2004-05. Most of these employees were full time in the One-Stop, a few had some time allocated to other One-Stops. The graphic below shows how the One-Stop is situated within the local area.

Figure C4-1: NoCal Rural County Workforce Development System



As noted before, the One-Stop is managed by the executive Director from WIA-NP. But the One-Stop also houses large units from the county Department of Social Services and EDD. In

addition several specialized non-profits, such as Good Will, have limited operations in the One-Stop. After discussion with staff and analysis of available data we identified ten responsibility centers for which we could reliably identify costs and services produced. The responsibility centers are the contractors hired to run the One-Stop (WIA-NP) and partners who have measurable operation under the roof. The final list of responsibility centers used in our analysis is shown in Table C4-2.

Table C4-2: Responsibility Centers 2004-05

Responsibility Centers

WIA-NP
 EDD
 DSS WIA Admin
 DSS Job Alliance (CalWorks services)
 DSS Drug and Alcohol Program. (Counseling)
 Good Will (Job placement for CalWorks clients)
 DSS Mental Health (Counseling)
 CHDC Agriculture (Migrant and seasonal farm workers services under WIA)
 Local Rehab Assoc
 State Dept. of Rehabilitation

In the year we studied, 2004-05, the One-Stop had costs of \$3.2 million including the contributions of all partners meeting the “under the roof” definition.

Activity data gives an additional sense of the level of activity of the One-Stop. We look at activities as taking place within three processes (defined later): A “Universal Services Process”, “Enrolled Services Process”, and “Business Services Process”. Below we provide some of the key indicators of level activity for each process.

The One-Stop is a busy place. In the 2004-05 year studied in the “Universal Process” there were over 18,000 visits to the One-Stop; over 70 visits a day. It is interesting to note that the average Universal Access client visited the center almost 12 times; this is a higher average number of visits than found at other case study sites.

Universal Service Process Activities

- 1,590 unique clients visited center
- 18,845 unique center visits (no more than one visit per client per day counted)
- 130 workshops provided

In Enrolled Services, because of the co-location with the county CalWorks, we see a lot of case management and counseling activities.

Enrolled Services Activities

- 1,569 individual plans developed
- 1,569 clients received case management
- 9,408 meetings with case managers

- 3,194 individual counseling sessions

The Business Services reached 510 mostly small businesses.

Business Services Activities

- 510 businesses received consulting services
- 192 businesses visited the business service center
- 22 companies and 369 workers were served by rapid response services

One-Stop Processes and Activities Analysis

We began our analysis by mapping the processes we observed in the One-Stop. We asked the One-Stop staff to validate this process map and help us define specific activities. Figure C4-2 shows the final process map, with the key measures of what the processes produced. This process map was the framework we used for estimating the costs of each activity and ultimately the costs of producing different products.

As we said previously, we found three major processes in the One-Stop:

- 1. Universal Access Service Process:** This process served anyone who came to the One-Stop seeking help. It provided a wide range of resources in a resource room, including career and labor market information, access to computers for job searching and resume preparation, access to phones and fax machines, limited one-on-one coaching and advice, career oriented workshops and a job club. In this center, unlike other case study sites, many clients lacked basic computer skills and staff spent a good deal of time helping clients learn to use on-line resources.

Within the Universal Access Service Process are a number of activities, as indicated on the process map. After passing through reception, clients may participate in any or all of these activities in any order. While most activity is self-service where clients access information or work on resumes and cover letters, staff are available for one-on-one assistance. The assistance ranged from help accessing the internet, to feedback on resumes and letters, to quick referrals for other types of help. Unfortunately, staff were unable to estimate the time they spent in this activity so we were unable to assign a cost to one-on-one assistance at this site.

The center offers a wide range of workshops, ranging from “Career Exploration” to “Retail Sales Skills”. In addition, the center offers video and computer based, self-paced training, which may be available free or for a small fee. This type of individual self-pace training includes: Windows 95, Excel, Word, Microsoft Office, Typing Tutorials and other topics. Data on how many clients used the various self-paced training modules were not available and staff could not break out their costs so we were unable to analyze them separately from other universal activities. Finally, the center has a job club which holds regular meetings. In the meetings job seekers help each other search for a job and learn from experts who make presentations to the club.

- 2. Enrolled Services Process:** This center has extensive enrolled services since there was a large CalWorks program delivering services as well as WIA funded services at the site.

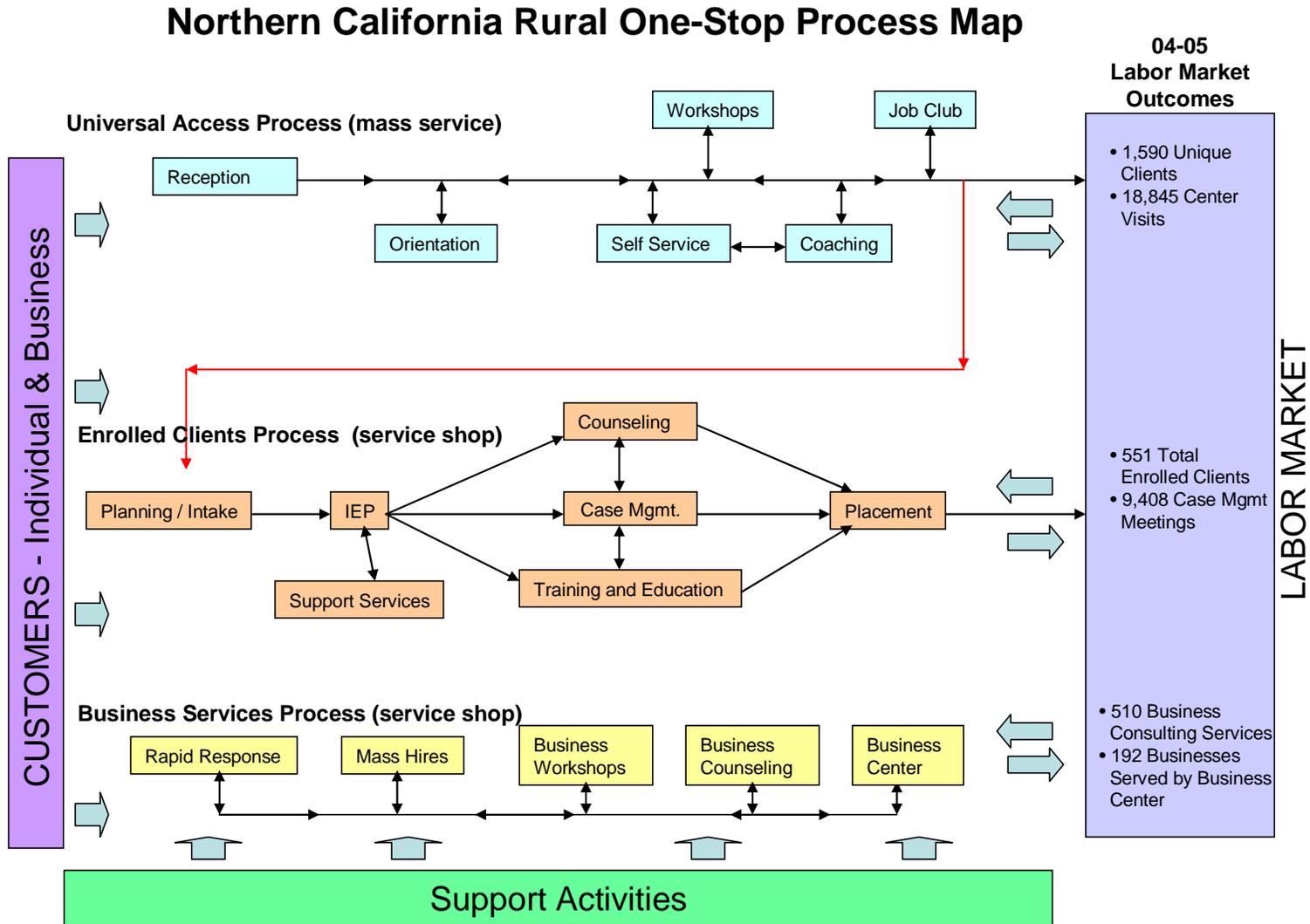
Activities in the enrolled services process tend to move in a regular sequential pattern. Enrolled Services begins with an initial screening for eligibility; then most WIA participants will get a comprehensive assessment of their skills, aptitudes and career preferences. Clients then get an individual service plan which will vary based on the program in which they enroll. At this point clients' paths diverge. Some clients will be referred out to training perhaps at a local community college or other training provider. Other clients will get case management, where a staff person will work intensively with them, helping them identify employment opportunities and coaching them through the job search process. Other clients may be referred to counseling for a variety of issues. They may also get assistance with related problems such as transportation, child care or housing. Some clients will go directly to placement services. Clients who have completed training, or who are in case management, will also get placement services, to help them land a job. Finally, after clients are placed, staff follows up clients to make sure they make a successful adjustment to employment and staff will arrange additional support services if needed.

- 3. Business Services Process:** This process provided a variety of services to businesses beginning with outreach and recruitment of businesses to make them aware of the center's business services. 'Rapid Response Services' are for businesses that were closing or laying-off a significant number of workers. In this case staff will go to the business site and provide services to employees who are facing layoffs.

Business services are shaped by the reality that most local businesses are small and have limited internal resources. The center provides a walk in service where businesses can come into the One-Stop and get free consulting help, such as help with business plans, or simply access to the internet.

The DSS WIA Administration responsibility center is the small unit that oversees the WIA program for the county. The costs reported here are the costs attributable to this One-Stop, for business sustaining costs. These costs would include the costs of the supporting the WIB, administering contract with WIA-NP, and other necessary business costs that can't be traced to any other responsibility center.

Figure C4-2: NoCal Rural One-Stop Process Map



We attempted to measure what was produced by each activity we identified in the activity mapping exercise. In Table C4-3 we show the activity identified and the best available measures of services produced.

Table C4-3: NoCal Rural One-Stop Processes and Activities with Measures of Services

Activities By Process with Measure of Activity	Total
Universal Activities	
Universal Access clients total	1,590
Universal Access visits in 2004/2005	18,845
Universal Access service events in 2004/2005	20,478
Number of one-on-one coaching events in 2004/2005	NA
Number of workshops provided in 2004/2005	130
Number of clients attending workshops	680
Number of clients attending Job Clubs	350
Total number of attendance incidences	480
Enrolled Activities	
Number of enrolled clients	1,569
Number of comprehensive assessments conducted	296
Number of plans developed (IEP, work-plan or other name)	296
Number of clients assigned to case management	1,569
Number of client meetings held by case managers	9,408
Number of client counseling sessions total	3,189
Individual sessions	3,194
Group sessions	5
Number of training referrals (ITA, OJT, Adult School, Community College, ...)	1,373
Number of clients referred	1,373
Number of clients receiving support services to stay in training	909
Number of Clients Placed in Employment (Other than from Self Services)	628
Business Service Activities	
Number of businesses receiving Rapid Response services	22
Number of workers that received Rapid Response information	369
Number of mass hire events held	10
Number of applicants interviewed	320
Number of applicants hired	120
Number of Job Fairs held	12
Number of companies participating	12
Number of businesses receiving business consulting assistance	510
Number of hours used to provide consulting assistance	2,680
Number of businesses visiting business service center	192
Number of service events provided to businesses	575

Process Cost Analysis

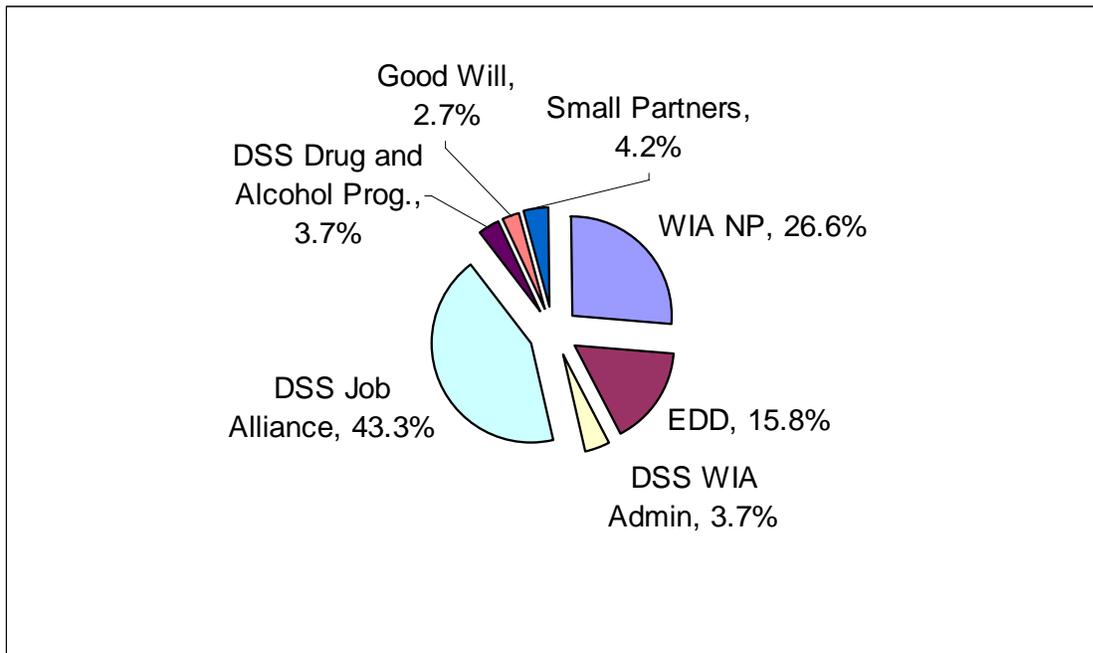
Our cost analysis began by taking the traditional line-item budget for the One-Stop and the costs assigned to the One-Stop for support services and putting them into “responsibility centers”. These centers are recognized organizational units to which the costs of personnel and other resources are assigned. We treated the staff from the WIA-NP, which managed the center for the local area, as a single responsibility center, each in-house partner with measurable contributions was also treated as a separate responsibility center. The local Department of Social Service program was large enough to break up into multiple responsibility centers because there were clear units each with its own supervisor. The costs of support units “operations and support”, such as information technology or accounting, were tracked to the responsibility units listed in Table C4-4. Table C4-4 shows the total cost by responsibility center and the percent of total cost that could be traced to each center.

Table C4-4: Costs by Responsibility Center

<i>Responsibility Center</i>	<i>Cost in Dollars</i>	<i>Percent of all Costs</i>
WIA NP	\$873,841	26.6%
EDD	\$517,038	15.8%
DSS WIA Admin	\$120,241	3.7%
DSS Job Alliance	\$1,420,809	43.4%
DSS Drug and Alcohol Program	\$121,553	3.7%
Good Will	\$89,789	2.7%
DSS Mental Health	\$56,616	1.7%
CHDC Agriculture	\$17,829	0.5%
Local Rehab Assoc	\$53,664	1.6%
Dept. of Rehab	\$10,138	0.3%
Total	\$3,281,518	100.0%

As the table indicates, total cost for the 2004-05 program year was about \$3.2 million dollars. In establishing these responsibility centers and costs, we distributed all payroll as well as all support costs such as accounting or rent, to the responsibility centers listed above, so there is no responsibility center for support costs. Figure C4-3 shows graphically the distribution of costs across responsibility centers. To simplify the graph we have put into a “small partner” category all the partners who contributed less than 2% of costs.

Figure C4-3: Cost by Responsibility Center



Of the four case study sites, this site had partners who made the largest contribution to costs. The graph above shows that WIA-NP the contractor who operated the center accounted for only 26.6% of the costs, while the responsibility centers in the Department of Social Service Units accounted for about half of all costs. EDD accounted for an additional 15.8% of costs. All other partners accounted for only 6.9% of costs.

Cost By Process and Activity

Our next step was to trace the costs of each responsibility center back to the processes and activities that generated the costs. To understand the cost of each process, and the activities within each process we identified a number of cost drivers that allowed us to trace costs back to activities. The most important cost driver was staff time, since that was the largest budget item. To identify how staff time was spent we asked managers and many staff members to estimate the time they spent on different activities. We also estimated the amount of physical space used for various activities and traced the cost of that space back to the various activities. We used the judgment of senior managers to distribute support cost across the activities.

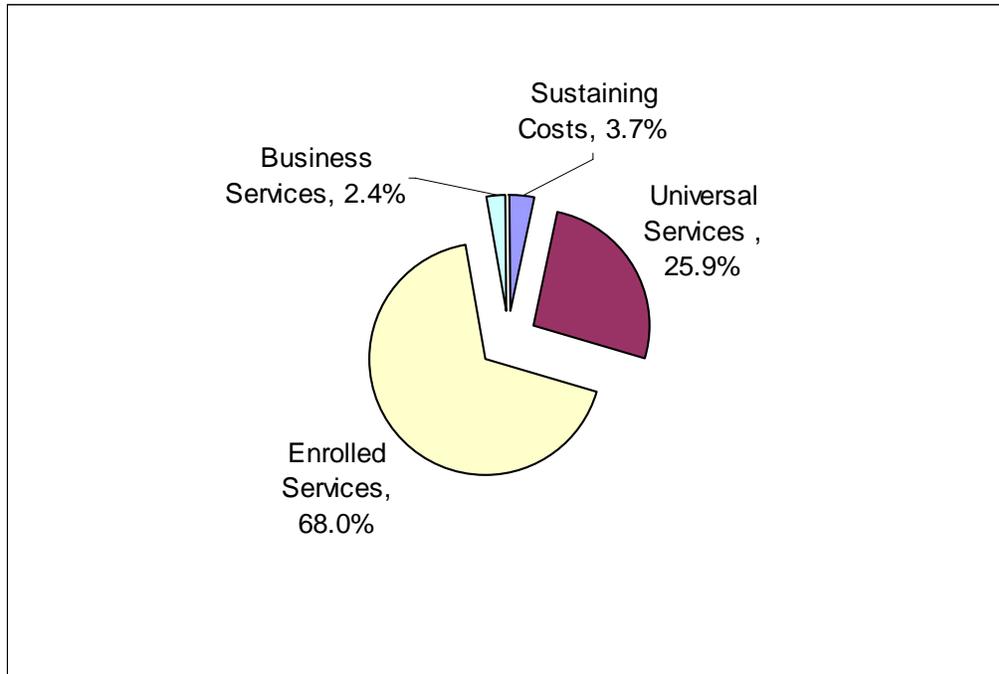
We used the same process with the Department of Social Services, EDD, Good Will and the other partners, we asked senior managers to attribute staff time to the processes and activities we had mapped, and then had them estimate how support costs were used.

Our mapping of the processes and activities permits us to look at how resources are used at different levels of aggregations and how they relate to different outputs. For example, we can estimate the entire cost of the universal service process and calculate the average cost of serving

a universal client. At a more disaggregated level we can look at the specific costs of job club activity and estimate the cost of serving a single job club member.

Figure C4-4 shows a highly aggregated analysis of the costs by each major process: universal service process, enrolled services process, business services process, and business sustaining costs. Remember that we have now combined the costs of all responsibility centers and partners by process.

Figure C4-4: Percent of Cost by Process



As the figure indicates the enrolled services process accounted for over two thirds of the costs, while universal services process accounted for a bit more than a quarter and business services accounted for less than 3%. Business sustaining costs were just under 4%.

Table C4-5 shows a more disaggregated analysis of costs. Here you can see the cost of each activity. It also shows how much of those costs were supported directly by the local area, EDD and other partners. It's important to note that here we put partner costs into the processes and activities they support, unlike in the responsibility centers where we broke out partner costs independent of activity. Table C4-5 shows detailed break down of costs by processes, specific activities and the contribution of various partners. A reminder, costs presented include labor, space, supplies and expenses and support costs such as accounting. The table is broken out to show the costs of the local area, EDD and smaller partners. Overall the One-Stop had costs of slightly more than 3.2 million in 2004-05.

Table C4-5: Cost Detail by Process and Activity

	<i>WIA NP</i>	<i>EDD All Job Service Programs</i>	<i>Department of Social Services</i>				<i>CHDC Agricultural Workers</i>	<i>Local Assoc. of Habili- tation</i>	<i>Depart- ment of Rehab.</i>	<i>Goodwill estimated cost</i>	<i>Total</i>
			<i>WIA Admin</i>	<i>Job Alliance</i>	<i>Drug & Alcohol</i>	<i>Mental Health</i>					
Business Sustaining			120,241							120,241	
Universal Process										851,058	
Self Services	141,552	24,752		42,624	1,216			1,115		211,259	
Coaching	53,963	169,962		71,040	1,216			5,069	9,225	310,475	
Orientation	35,283	29,079		42,624					9,223	116,209	
Workshops	31,329	22,148		142,081	6,078			203	2,460	204,299	
Job Clubs	6,385				2,431					8,816	
Enrolled Services										2,231,564	
Assessments	46,175			170,497	30,388	764	1,074		4,305	253,203	
IEP	66,017	12,138		255,746	17,017	2,368	16,099			369,385	
Case Management	94,702	78,472		412,035	36,466	3,897	10,196	3,548		639,316	
Counseling	49,079				26,741	56,616		10,196		142,632	
Training & Education	117,595								10,763	128,358	
Support Services	148,562	8,801		284,162		10,800			24,600	476,925	
Placement	16,132	160,098					16,099	203	29,213	221,745	

	<i>WIA NP</i>	<i>EDD All Job Service Programs</i>	<i>Department of Social Services</i>				<i>CHDC Agricultural Workers</i>	<i>Local Assoc. of Habili- tation</i>	<i>Depart- ment of Rehab.</i>	<i>Goodwill estimated cost</i>	<i>Total</i>
			<i>WIA Admin</i>	<i>Job Alliance</i>	<i>Drug & Alcohol</i>	<i>Mental Health</i>					
Business Services										78,657	
Rapid Response	10,240	3,667								13,907	
Mass Hires	5,100	5,720								10,820	
Business Workshops	5,100									5,100	
Business Counseling	23,583	2,200								25,783	
Business Center	23,047									23,047	
TOTAL	873,844	517,037	120,241	1,420,809	121,553	56,616	17,829	53,664	10,138	89,789	3,281,520

Looking within the processes we gain some additional insights about where the \$3.2 million in costs were generated. Enrolled services accounted for most of the costs, about \$2.2 million. Within the Enrolled Services Process the largest costs were generated by case management: \$639,316. This reflects the large number of CalWorks clients in this center who get intensive case management services, as the large number of case management meetings reported earlier indicate. Similarly, support services, which are a relatively small cost at other case study sites, are large here: \$476,925. Again this reflects the large number of CalWorks clients making the transition from public support to employment, who often require support services. The process of enrolling clients into the various programs at the One-Stop was another substantial cost, the cost of assessment and developing individual plans together accounted for over \$600,000 of costs. The various training services offered through the One-Stop and referral to training outside the One-Stop cost only \$128,358. This is because most training is delivered away from the One-Stop and thus does not meet our under the roof definition. These costs are mostly for referring and monitoring clients who are trained elsewhere.

The next highest cost process was Universal Services at about \$850,000. The largest cost item here, accounting for more than one-third of the costs (\$310,475), was one-on-one coaching, where staff provide individual assistance to clients. Supporting self-service activities, which includes maintaining a computer network, staffing the resource room, and receiving visitors was the next most costly activity at slightly over \$200,000. Workshops were a significant cost item at over \$204,299, orientation of new clients to the One-Stop cost less about \$116,000, and the Job Club was the least costly activity at \$8,816.

The Business Service Process cost substantially less than the other two at a total of only \$78,657. Here the highest cost items were business counseling, where staff provide one-on-one assistance to businesses and the Business Center, which was walk in assistance for local businesses to get assistance. Together these two activities accounted for almost \$49,000 of the cost. Rapid Response, which is services for businesses facing a closure or layoff, was only about \$14,000.

Finally, the cost to the county of managing and overseeing this One-Stop was \$120,241. This includes a share of the cost of supporting the WIB and other local area costs.

Cost By Service Line

The final step in our analysis is to estimate the costs of particular One-Stop services produced by processes and activities described before. One-Stops are a service business and it is often hard to distinguish between activities and services. For example, when a client has a one-on-one session with a counselor to review her resume, is the product a counseling session or is this event merely an activity leading to a product such as placement in a job? We did not worry too much about this distinction. In our case studies we were constrained by what the One-Stop measured, we could only estimate costs for services which were measured by the One-Stop. We could also only calculate costs for specific services when One-Stop staff could assign cost drivers – usually their time – to specific activities that directly linked to measured service lines. We were also interested in services that were likely to be found in other One-Stops, such as a universal access visit, or a workshop. We began our cost-per-service estimates with the services that we viewed as produced by a whole process, not just an individual activity. We also focused on services we

thought would be common to other One-Stops and thus could provide some valuable insights about managing One-Stops.

Before we could calculate the costs for each service, we needed to deal with an additional methodological problem, the problem of “joint costs” (see Text Box C4-1). Joint costs are those costs that are shared by various products. For example, reception is an activity that supports many products such as universal access visits, case management, job placement and others. It is impossible to actually break that cost down to get an accurate estimate of the cost of reception for each product.

Text Box C4-1: The Problem of Joint Costs

Some of the “cost-per” calculations are afflicted by a condition known as the “joint cost” or “joint product” or “joint revenue” problem. This condition occurs when two or more products are produced using a single, indivisible input (or are associated with a single bundled revenue stream). This creates ambiguity when we try to compute the cost-per of the separate outputs.

A common example is that of raising chickens. An input is the feed. Outputs include chicken wings, chicken legs, and chicken breasts. We may know the chicken ate 9 pounds of food, but we do not know exactly how much of that food went to the chicken’s wings, legs, or breasts. In this example, the cost-pers would likely be approximated by apportioning the cost of the chicken feed according to either the weight of each of the component outputs, or the revenue associated with the component outputs. So, an approximation in this example is only an estimate, but is possible.

However, other cases of joint costs are more difficult to solve. These more difficult cases occur when the revenue for a component product is hard to determine (or when there is no revenue associated with a particular product), and when the product has no physical weight (or when the weight is not clearly related to revenue). This is the nature of a One-Stop’s operations. Consider the resource room, for example. We can determine the total amount a One-Stop spent on the resource room. We can even calculate how much it cost to make the resource room available, on a per-person basis, for the year. But then some people who use the resource room will end up producing a resume, and others will end up producing a job search plan. There is no good way—as far as we can see at this point—to know how to apportion the valid cost of the resource room across those separate outputs. These outputs have no apparent revenue associated with them, and they have no physical weight. So, a calculation of the “cost per resume” or “cost per job search plan” would be very difficult.

In making our estimates we tried to get as close as possible to the unique costs of a service. In cases where we could not break down the joint costs, we only assigned the costs directly attributable to the product. Table C4-9 below includes notes on how we made our calculations. In some cases we were able to identify costs that went with a particular activity but did not have

measures of the services produced by that activity, so no cost per service calculations were possible. The tables below show the best cost per service calculations we could make by the three processes identified earlier.

Universal services are produced in a high volume at relatively low cost. You can see in Table C4-6 if we take all universal costs and simply divide by all universal clients we get a cost per client of \$535, if we look further and track the number of visits made for universal services we get a cost of \$45 per visit. It is interesting to note that at this One-Stop clients made many more visits on average than at other case study sites. Providing one-on-one assistance in the resource room was a significant cost item but since these events were not counted we were unable to calculate a cost per unit.

Other significant universal activities at this One-Stop were Workshops which cost about \$1,500 each and \$300 per client served. It cost \$25 to serve a client in a job club.

Table C4-6: Cost for Universal Access Services

<i>Service Lines</i>	<i>Units of Service</i>	<i>Cost</i>	<i>Cost per Unit</i>	<i>Note*</i>
Universal Access clients total	1,590	\$851,058	\$535	1
Universal Access visits in 2004/2005	18,845	\$851,058	\$45	2
Universal Access service events in 2004/2005	20,478	\$851,058	\$42	3
Number of One-on-one coaching events in 2004/2005	NA			
Number of workshops provided in 2004/2005	130	\$204,299	\$1,572	4
Number of clients attending workshops	680	\$204,299	\$300	5
Number of clients attending Job Clubs	350	\$8,816	\$25	6
Total number of attendance Incidences' at Job Club	480	\$8,816	\$18	7

*refer to Table C4-9 for further explanation of calculations

It was, not surprisingly, much more costly to serve clients formally enrolled in a WIA or a Department of Social Service program. On average an enrolled client cost \$1,422 to serve. Looking at the beginning of the process it cost about \$1,090 to assess a client and develop an individual plan. Providing case management cost \$407 per client served but only \$68 per client meeting. This One-Stop provided extensive counseling services. The cost of a counseling session across all the programs and all the types of counseling averaged \$45 a session. Placing clients in training and supporting them during training cost \$525 for a client receiving training; remember this does not include the direct cost of training usually paid for through and ITA (voucher).

Participants received different packages of services, and these cost-per measures help us understand the costs of the various packages. Let’s compare two clients who got two different packages of services. Client A, got a comprehensive assessment, case management to help them resolve some personal issues and placement assistance; total cost \$3,327. Client B also got a comprehensive assessment, case management, and in addition got 10 personal counseling sessions and training at a local community college; total cost to the One-Stop \$4, 349.

Figure C4-5: Costs for Two Model Clients

<i>Client A</i>	<i>Client B</i>
<ul style="list-style-type: none"> • Comprehensive assessment and individual plan \$1,090 • Case Management \$407 • Placement \$554 	<ul style="list-style-type: none"> • Comprehensive assessment and individual plan \$1,090 • Case Management \$407 • Counseling (3 sessions) \$135 • Referral to training \$618 • Placement \$554
Total Cost: \$2,057	Total Cost: \$2,804

Table C4-7 provides the best cost per service calculations we could make with the available data.

Table C4-7: Cost per Enrolled Service Unit

<i>Service Lines</i>	<i>Units of Service</i>	<i>Cost</i>	<i>Cost per Unit</i>	<i>Note*</i>
Total enrolled clients	1569	\$2,231,562	\$1,422	7a
Number of comprehensive assessments conducted	296	\$253,203	\$855	8
Number of plans developed (IEP, work-plan or other name)	1569	\$369,384	\$235	9
Number of clients assigned to Case Management	1,569	\$639,316	\$407	10
Number of client meetings held by case managers	9,408	\$639,316	\$68	11
Number of client counseling sessions total	3,189	\$142,632	\$45	12
Individual sessions	3,194	\$142,632	\$45	13
Number of training referrals (ITA, OJT, adult school, community college, ...)	1,373	\$128,358	\$93	14
Number of clients receiving support services to stay in training	909	\$476,924	\$525	15
Number of clients placed in employment (other than from self services)	400	\$221,745	\$554	16

*refer to Table C4-9 for further explanation of calculations

Business services account for about 2.4% of the One-Stop’s costs. The data available on services provided allowed us to make a number of cost calculations, which are shown in Table C4-8. One service provided by the One-Stop was hosting mass hire events, where an employer who needed to hire a number of people, such as at the opening of a large retail store, could come to the Center and interview a number of applicants on a single day. The cost of one of these events was \$1,082, the cost for each interview generated was \$34, and cost per person actually hired was \$90.

The One-Stop provided quite a bit of consulting services to businesses inexpensively. Using data provided we calculate that the One-Stop provided consulting at a cost of just \$51 per business and an hour of Business consulting for just \$10. Similar businesses who were served by the business center, cost \$120 each or \$40 per service event.

We estimate providing Rapid Response services, which is usually done in conjunction with EDD, cost \$632 per company served and \$38 per worker reached. This low cost may be indicative of the fact that most companies were small and services were limited.

The One-Stop gets and distributes job listings for companies; we estimate costs of serving each company who used this service at \$1,644. In addition, the One-Stop hosts events where multiple companies can come into the One-Stop and recruit employees; we estimate the cost of these events at \$2,349, and cost per individual job seeker who attends these events is \$147.

Table C4-8: Cost of Employer Services

<i>Service Lines</i>	<i>Units of Service</i>	<i>Cost</i>	<i>Cost per Unit</i>	<i>Note*</i>
Companies served with rapid response services	22	\$13,907	\$632	17a
Number of affected workers that received Rapid Response information	369	\$13,907	\$38	17
Number of mass hire events held	10	\$10,820	\$1,082	18
Number of applicants interviewed	320	\$10,820	\$34	19
Number of applicants hired	120	\$10,820	\$90	20
Number of businesses receiving business consulting assistance	510	\$25,783	\$51	21
Number of hours used to provide consulting assistance	2,680	\$25,783	\$10	22
Number of businesses visiting business service center	192	\$23,047	\$120	23
Number of service events provided to businesses	575	\$23,047	\$40	24

*refer to Table C4-9 for further explanation of calculations

Table C4-9 below show notes on the calculations reported in earlier tables.

Table C4-9: Notes on Service Cost Calculations

<i>Note</i>	<i>Explanation</i>
1	Total cost of universal access process divided by number of unique clients
2	Total cost of universal access process divided by number of client visits
3	Total cost of universal access process divided by number of service events
4	Total cost of workshops divided by number of workshops held
5	Total cost of workshops divided by total workshop attendance
6	Total cost of job clubs divided by number of unique clients served
7	Total cost of job clubs divided by total attendance at job clubs
7a	Total cost of enrolled services divided by number of clients enrolled in any program
8	Total cost of assessments divided by number of assessments completed
9	Total cost of developing individual plans divided by total number of plans developed
10	Total cost of case management divided by number of clients receiving case management
11	Total cost of case management divided by number of case management client meetings
12	Total cost of counseling divided by number of counseling sessions
13	Total cost of counseling divided by number of individual sessions
14	Total cost of training and training referrals (does not include cost of training delivered away from the One-Stop) divided by number of clients getting training
15	Total cost of providing support services divided by number of clients getting support services
16	Total cost of placement services for enrolled clients divided by number placed
17	Total cost of rapid response service divided by number of workers served
18	Total cost of mass hire events divided by number of mass hire events
19	Total cost of mass hire events divided by number of applicants who were interviewed at events
20	Total cost of mass hire events divided by the number of applicants placed
21	Total cost of business consulting assistance divided by the number of businesses receiving assistance
22	Total cost of business consulting assistance divided by the number of hours of consulting services
23	Total cost of the business service center divided by the number of unique businesses visiting center
24	Total cost of the business service center divided by the number of service events (may be more than one per business)