

*President's Briefing Item- A
Contracts, Partnerships and Agreements
Hand-out 1-18-11*

**I. ARBOR E&T LLC d.b.a. RESCARE WORKFORCE SERVICES PROFIT MATRIX
October 1, 2010 - September 30, 2011**

GOAL	Performance Target	60% Incentive (MP) **	80% Incentive (+P) **	100% Incentive Top Five Board in the State**	2011 Percentage at Risk	2010 Percentage at Risk***
Claimants Reemployment	58.00%	MP	+P	Top 5	7.00%	12.00%
Claimants Reemployment within 10 weeks	48.00%	MP	+P	Top 5	7.00%	12.00%
Staff-Created Job Openings Filled	75.00%	MP	+P	Top 5	7.00%	10.00%
Market Share	25.00%	MP	+P	Top 5	5.00%	5.00%
Staff Guided Entered Employment	60.00%	MP	+P	Top 5	8.00%	10.00%
At Risk Employment Retention	72.00%	MP	+P	Top 5	8.00%	7.00%
Total Job Seekers Educational Achievement	82.00%	MP	+P	Top 5	8.00%	7.00%
Avg Choices Single-Parent Participation Rate	40.00%			Top 5	25.00%	10.00%
Avg Choices Two-Parent Participation Rate	55.00%			Top 5	25.00%	10.00%
Project RIO Customers Served	6,403				0.00%	0.00%
CHOICES Single Parent Family TX non-mandatory participation rate						10.00%
Placement in Employment/Education***						7.00%
Grand Total				\$572,756	100.00%	100.00%

* 7% Profit with the exception of 5% for WIA - not to exceed \$572,756

** All incentives are payable only on cumulative September 2011 final (year-end) performance report.

MP = percent of target is within 5% of the target - earns 4% of the incentive percentage at risk.

+P = percent of target is more than 5% over the target - earns 6% of the incentive percentage at risk.

Top 5 = achieving Top 5 status for individual measures meeting and ranking in the Top 5 of the 28 Boards in Texas will earn a full 100% of the incentive percentage at risk.

Recommendation: Board authorization to approve contract performance to ResCare Workforce based upon recommended 2011 percentages. Total profit cannot exceed 7% of expenses upon completion of the contract. The goal of the recommendation is to assist ResCare in focusing and prioritizing one large program in hopes of achieving excellence within the current year. Choices, unlike many of the other measures, is a "real time" measure which can be achieved by September 30, 2011.

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**II. ARBOR E&T LLC d.b.a. RESCARE YOUTH SERVICES PROFIT MATRIX
BUDGET PERIOD: July 1, 2010 - June 30, 2011**

GOAL	Performance Target	60% Incentive (MP) **	80% Incentive (+P) **	100% Incentive Top Five Board in the State**	2011 Percentage at Risk	2010 Percentage at Risk
Total Enrollments	800				10.00%	
Total Job Seekers Educational Achievement	82.00%	MP	+P	Top 5	20.00%	20.00%
WIA Youth Placement in Employment / Education	58.00%	MP	+P	Top 5	25.00%	30.00%
WIA Youth Attainment of Degree / Certificate	53.00%	MP	+P	Top 5	25.00%	25.00%
Literacy/Numeracy Gain	35.00%	MP	+P	Top 5	20.00%	25.00%
Grand Total		\$45,021	\$63,029	\$90,041	100.00%	100.00%

** 7% Profit - based upon actual end of year expenditures not to exceed \$90,041*

*** All incentives are payable only on cumulative September 2011 final (year-end) performance report.*

MP = percent of target is within 5% of the target - earns 60% of the incentive percentage at risk.

+P = percent of target is more than 5% over the target - earns 80% of the incentive percentage at risk.

Top 5 = achieving Top 5 status for individual measures meeting and ranking in the Top 5 of the 28 Boards in Texas will earn a full 100% of the incentive percentage at risk.

Recommendation: Board authorization to approve the contract performance recommended to Rescare Youth based upon recommended 2011 percentages. Heaviest weighting has been applied to those measures which have been most at-risk and/or deficient over the last several years. Again, we are focusing Arbor's energy to achieve excellence, not just marginal results. Enrollments have been added as a profit outcome in order to ensure geographic and demographic distribution throughout Dallas County.

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III. MOMENTUM! PROFIT MATRIX

BUDGET PERIOD: September 1, 2009 - November 30, 2010

GOALS	Performance Target	Revised Performance Target	Meeting 80% of Target Earns 80% of Profit	Meeting 100% of Target Earns 100% of Profit
Displaced Workers Job Ready in 30 Days	2450	1642	1313	\$38,217
			\$30,574	
Displaced Workers Complete 10 weeks Participation	1350	1350	1080	\$30,577
			\$24,462	
Entered Employment of Displaced Workers Who Completed 10 weeks	850	850	680	\$7,644
			\$6,115	
<i>Total</i>			\$61,150	\$76,438
<i>Profit amount with additional funds from TWC</i>			<i>\$75,573</i>	<i>\$94,466</i>

Recommendation: Momentum! requested an opportunity to fully negotiate outcomes during the last quarter of the contract. Staff recommends a consistent application of the original measures allowing a maximum profit equal to 8.7% of expenditures. Expenditures will be far greater than originally anticipated as TWC has continually infused the project with additional funds. In fairness to Momentum!, we re-analyzed the Job Ready target originally negotiated and believe that the target was unrealistic. Staff therefore recommends a substantial reduction to the target resulting in a cost efficient expenditure per customer of \$718. This will allow Momentum a reasonable opportunity to fulfill their contract and earn the allowable profit through March 31, 2011.