

Appendices

APPENDIX 1: LETTER FROM GOVERNOR.....	2
APPENDIX 2: EXECUTIVE ORDER 99-02.....	3
APPENDIX 3: FOCUS GROUP PARTICIPANTS AND SCHEDULE.....	8
APPENDIX 4: FOCUS GROUP QUESTIONS	10
APPENDIX 5: WASHINGTON’S WORKFORCE DEVELOPMENT SYSTEM .	12
APPENDIX 6: LAWS AND REGULATIONS.....	22
APPENDIX 7: PROGRESS.....	31
APPENDIX 8: WORKSOURCE WORKS EXECUTIVE SUMMARY	39
APPENDIX 9: RESULTS OF WIA	40
APPENDIX 10: <i>WASHINGTON WORKS</i> AND PROGRESS TO DATE.....	42
APPENDIX 11: WORKFORCE COMPACT (2007).....	55
APPENDIX 12: CHALLENGES	61
APPENDIX 13: WIA PERFORMANCE MEASURES.....	66
APPENDIX 14: LITERATURE REVIEW AND BEST PRACTICES	71

Appendix 1: Letter from Governor

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

August 11, 2009

TO: Karen Lee, Commissioner, Employment Security Department (ESD)
Charlie Earl, Executive Director, State Board for Community and Technical
Colleges (SBCTC)

FROM: Christine O. Gregoire, Governor 

SUBJECT: Workforce Development System Review

With the amount of federal dollars given to us for workforce training, I want to make sure that our workforce development system continues to respond as efficiently and effectively as possible to the immediate and long term needs of our citizens and employers. The 2007 *Washington Works* report provided a solid list of recommendations for system improvements, and I am pleased that we have been successful in implementing some of them. We are often recognized as a national leader and in order to stay ahead of the curve, we need to emphasize continuous improvement.

To that end, I am asking the two of you, in collaboration with Eleni Papadakis from the Workforce Board and appropriate workforce stakeholders, to conduct a review of our workforce development system that builds upon prior efforts for improvement and provide recommendations that will enhance the state's workforce training and services, creating a truly single system that is uniformly supported by business and labor. The Obama Administration and the U.S. Department of Labor are establishing a new set of priorities and I believe we must seize this review as an opportunity to revisit where we are now and re-position the system.

Let me be clear – the intent is not to recreate the wheel or dismantle healthy, functioning structures, but rather to look at clarifying roles and responsibilities of critical parts of our system such as the ESD, Workforce Board, Workforce Development Councils, and the SBCTC. We need to determine the changes and steps necessary to better serve Washingtonians across our entire system and ensure we're focused on providing them with the direct training and services they need.

While the review is being conducted, I am appointing a member of my senior staff, Marty Brown, to serve as interim chair of the Workforce Board, and I will appoint a permanent chair once the review is finished. I expect to have a final report from you no later than December 1, 2009.

I look forward to hearing your suggestions for improvements and am confident that they will yield the most robust, responsive, and resourceful workforce development system in the world.

cc: Eleni Papadakis, Executive Director
Workforce Training and Education Coordinating Board



Appendix 2: Executive Order 99-02

EXECUTIVE ORDER 99-02

WORKFORCE DEVELOPMENT

WHEREAS, Washington State has developed a foundation for the innovation and creativity needed to produce a world class economy. Our overall income growth in the past three years is the highest in decades. Washington currently ranks first in the nation in the average salary paid to employees in the high technology industry. Furthermore, a recent study placed our state fourth in the nation in workforce educational attainment for high-tech and other knowledge economy jobs.

WHEREAS, Skill shortages are hampering our state's economic growth. Each year there are 38,000 job openings for workers with postsecondary vocational training, yet our two-year colleges, private career schools, and apprenticeship programs produce only about 19,000 such graduates per year. In addition, while the software industry estimates that it will need 60,000 more workers in the next three years, tens of thousands of jobs are already going unfilled.

WHEREAS, Lack of skill or education significantly limits an individual's earning capacity. The prosperity of families in Washington is largely dependent upon their ability to retain employment in our rapidly changing economy and to move quickly and efficiently in a dynamic labor market.

WHEREAS, All of our workers have not shared equally in the benefits of the recent economic boom, particularly in rural areas of Washington. A skilled workforce is often the most important asset that entrepreneurs seek when they make location decisions. Retraining skilled workers in rural areas could help spread some of the state's wealth which is now concentrated in central Puget Sound.

WHEREAS, Many hardworking citizens who have lost their jobs in traditional industries, such as timber, aerospace, and fishing, have been unable to gain the skills needed to find work in the rapidly growing sectors of our economy and, as a result, have fallen behind economically.

WHEREAS, Unemployment has reached peacetime lows in Washington State. Disadvantaged youth, persons with disabilities, new immigrants, WorkFirst participants, and other citizens are obtaining jobs. In order to enable these individuals to move out of poverty, we must ensure their access to the employment, training, and education that allows them to move up the job ladder during their lifetimes.

WHEREAS, Washington State's employers and workers should have access to a customer-oriented network of workforce services based upon the principles of individual choice, flexibility, accountability, and universal access.

WHEREAS, Congress passed into law the Workforce Investment Act of 1998 (Public Law No. 105-220) to prepare youth, dislocated workers, and adults for entry into the labor force, and to provide for the planning, implementation, and ongoing oversight of a comprehensive state workforce development system designed to improve workforce training, employment, literacy and vocational rehabilitation;

NOW, THEREFORE, I, Gary Locke, Governor of the state of Washington, by virtue of the authority vested in me, hereby direct the following:

1. The Workforce Training and Education Coordinating Board (Workforce Board) shall act as the Workforce Investment Board for the purposes of the federal Workforce Investment Act of 1998.
2. The Workforce Board shall work in partnership with business, labor, local workforce development councils, and state operating agencies to develop goals, objectives, and strategies to address the following challenges:
 - A. Closing the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need;
 - B. Enabling workers to make smooth transitions so they may fully benefit from the new, changing economy. The board shall develop a coherent dislocated worker strategy that includes incumbent worker training; and
 - C. Assisting disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and low-wage workers in moving up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress should be made in improving operating agencies and reducing the earnings gap facing people of color, adults with disabilities, and women.
3. In addition to the duties spelled out in RCW 28C.18, the Workforce Board, in partnership with the operating agencies and private career schools and colleges, shall:
 - A. Develop and maintain a state unified plan as described under P.L. 105-220. The purpose of the unified plan is to promote universal access to employment and training programs, and simplify them so that state employment and training customers can better obtain these services. The Workforce Board shall utilize the unified planning process to better integrate federal and state employment and training programs.

The unified plan shall encompass the strategic comprehensive plan described in RCW 28C.18, as well as the operating plans developed by the administering agencies that are consistent with the strategic plan. The strategic plan shall include:

- assessments of our state's employment opportunities and skills needs, the present and future workforce, and the current workforce development system;
- goals and strategies for improving the workforce development system;

- a description of the performance management system for workforce development; and
 - goals, objectives and strategies to address the challenges articulated in section 2 of this order.
- B. Work in partnership with local workforce development councils to develop the state unified plan. Local workforce development councils shall provide input to the Workforce Board in developing the state unified plan, which will thereby articulate their local strategies and needs.
- C. Review and make recommendations to the Governor concerning the operating plans of the agencies that administer the programs of the state workforce development system to ensure consistency with the state strategic comprehensive plan.
- D. Design and implement a performance management system for workforce development, including the evaluation and data responsibilities described in RCW 28C.18 and the performance accountability system described in P.L. 105-220, in partnership with the operating agencies and local workforce development councils. The system shall build upon the policies, processes, and interagency agreements that embody the state's existing Performance Management for Continuous Improvement system, which clearly define the roles and responsibilities of our state's policy board, governing agency, and local institution. The system shall:
- Include standards for measuring and reporting the performance of local training providers to enable consumers to make informed choices and gain access to services they need;
 - Include criteria for eligible training providers under P.L. 105-220 and standards for measuring and reporting eligible provider performance and cost information;
 - Serve as the basis for recommendations to the Governor regarding expected performance levels using the performance management system established under this section;
 - Provide information to the Governor and Legislature on the outcomes of workforce development programs;
 - Measure and report information to the Governor and Legislature concerning the extent of employer participation and satisfaction with employment and training services; and
 - Measure and report to the Governor and Legislature the progress made in meeting the three goals defined in section 2.
- E. Assess the workforce development system using the performance measurement system established in subsection (D) of this section. Operating agencies shall establish and implement rewards for exceptional programs and corrective actions for programs failing to meet minimum performance standards as defined in subsection (D) of this section.
- F. Establish an incentive fund for workforce development and recommend to the Governor criteria for rewarding local workforce development councils and programs that produce exemplary results.

- G. Review the plans of local workforce development councils for consistency with the state unified plan and recommend to the Governor whether or not local plans should be approved. The Workforce Board shall provide technical assistance to local workforce development councils as necessary.
4. In order to meet the goals prescribed in this order, the Director of the Department of Social and Health Services and a representative of local elected officials shall participate in the activities of the Workforce Board. The board shall work on a consensus basis to give these individuals a voice in decision-making and can bring additional parties to the table as needed to ensure broad-based participation.
 5. The following programs are added to the state's unified planning effort and associated performance management system; programs funded under Title 1B of P.L. 105 (the successor of the Job Training Partnership Act), activities funded under the federal Wagner-Peyser act, the job skills program, timber retraining benefits or any successor program, the work-related components of the vocational rehabilitation program authorized under Title IV of P.L. 105-220, programs offered by private and public nonprofit training and education organizations, including those that serve people with disabilities that are representative of communities or significant segments of communities, and provide job training or work-related adult literacy services, and the state's one-stop system for employment-related services, WorkSource.
 6. The Workforce Board will work with the State Board for Community and Technical Colleges, the Department of Labor and Industries, local workforce development councils, and other operating agencies to expand apprenticeship, customized training, and skill standards-based training programs.
 7. There shall be created in each workforce investment area, as currently configured under the Job Training Partnership Act, a local workforce development council to carry out functions including, but not limited to, those specified for local workforce investment boards under P.L. 105-220. Local workforce development councils shall:
 - a. Provide input to the state Workforce Board in the development of the state unified plan, which will thereby articulate their local strategies and needs;
 - b. In partnership with local elected officials, develop and maintain a local unified plan for the workforce development system including, but not limited to, the local plan required by P.L. 105-220, Title I. The unified plan shall include a strategic plan that assesses local employment opportunities and skill needs, the present and future workforce, the current workforce development system, information on financial resources, goals, objectives, and strategies for the local workforce development system, and a system-wide financial strategy for implementing the plan. The unified plan shall also include the operating plan for PL. 105-220, Title 1B and, as they are developed, other program operating plans that are consistent with the local strategic plan. The local and state plans shall be consistent. Local workforce development councils shall submit their operating plans to the Employment Security Department for review and shall submit unified plans to the Workforce Board for review and to the Governor for approval;
 - c. Conduct oversight of the local one-stop system pursuant to P.L. 105-220, including selection, certification, and decertification of one-stop providers;

- d. Promote the coordination of workforce development activities at the local level and ensure a link with local economic development strategies;
 - e. Establish youth councils as required under federal law, which will be responsible for developing portions of the local plan relating to eligible youth, as well as implement and administer youth programs in accordance with P.L. 105-220;
 - f. Provide for a coordinated and responsive system of outreach to employers;
 - g. Identify eligible providers of training services funded under Title I of the Workforce Investment Act, consistent with the performance standards established by the Workforce Board;
 - h. Negotiate expected local levels of performance for programs under P.L. 105-220, Title I with local elected officials and the Workforce Board on behalf of the Governor as required under this law;
 - i. Assess the planning process to identify quality improvements;
 - j. Execute a master partnership agreement with local elected officials that establishes the working relationships and specifies responsibilities of each body in the partnership; and
 - k. Collaborate in the development of the WorkFirst service area plans required under RCW 74.08A.280, and include the workforce development components of the WorkFirst service area plan in the local unified plan.
- 8. The Department of Employment Security, in collaboration with the Executive Policy Council, is directed to assume the administrative lead for Workforce Investment Act Title I-B and employment statistics, and complete implementation of the WorkSource service delivery system, including the technological and self-service infrastructures.
 - 9. The Workforce Board is directed to assume the responsibilities of the state job training coordinating council authorized under the Job Training Partnership Act.
 - 10. The Workforce Board shall be designated as the state board of vocational education as provided for in P.L. 105-332, as amended, and shall perform such functions as is necessary to comply with federal directives pertaining to the provisions of such law. For the purposes of P.L. 105-332, the Superintendent of Public Instruction shall have operating responsibility for secondary education and the State Board for Community and Technical Colleges shall have operating responsibility for postsecondary vocational and technical education.
 - 11. This Order shall take effect immediately.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the State of Washington to be Affixed at Olympia this 17th day of September A.D., Nineteen hundred and ninety-nine.

GARY LOCKE
Governor of Washington

BY THE GOVERNOR:

Secretary of State

Appendix 3: Focus Group Participants and Schedule

Feedback from workforce development system practitioners and stakeholders were collected through focus group sessions and an online survey. In addition, several written comments were submitted.

Focus groups included Employment Security Department Area Directors, Community and Technical College Presidents and Deans, Workforce Development Council Directors and Chairs, WA Private Career Colleges, Association of Washington Business, Washington State Labor Council, Workforce Training and Education Coordinating Board members, and administration and staff from the WTECB, ESD, and SBCTC.

In addition, three other regional focus groups were hosted in Seattle, Yakima, and Spokane that garnered the thinking of advocacy organizations that represent special populations.

In an effort to capture as much input from interested parties as possible, these in-person conversations were supplemented with an online survey. Survey participants were asked to respond to the same set of questions that were posed at each of the focus group sessions. Links to the survey were sent to other workforce development system practitioners and stakeholders to provide their input. Those involved in the focus groups were also invited to respond to the online survey.

The survey had a 40 percent completion rate for a total of 141 completed responses. Of the survey respondents, 45 percent reported being involved in the system for over ten years. The breakdown of respondents was: 13 percent – employers; 11 percent – job seekers; 27 percent - workforce professional; 29 percent educator/counselor; 2 percent – student; 19 percent – other.

The review team also received several written submissions, which were reviewed and analyzed along with the feedback received through the channels described above.

Following is a schedule of the focus groups conducted.

September

17 – Focus Group Meeting: ESD Area Directors, from 3:00 to 5:00, at the SPSCC, Hawks Prairie Campus Building, Lacey.

30 – Online survey tool went live:

http://www.surveymonkey.com/s.aspx?sm=MviYqwqb50DEIFOZ_2f2RSSA_3d_3d

October

13 – Focus Group Meeting: Advocacy organizations representing special populations, from 4:00 to 6:00 at the Seattle Vocational Institute, Seattle.

15 – Focus Group Meeting: Conference call with Community and Technical College Presidents, from 10:00 to 12:00.

15 – Focus Group Meeting: Advocacy organizations representing special populations, from 4:00 to 6:00, at the Yakima Valley OIC, Yakima.

16 – Focus Group Meeting: Workforce Development Council Chairs and Executive Directors, 1:30 to 3:30, at Big Bend Community College in Moses Lake and Renton Technical College, Renton.

21 – Focus Group Meeting: Monitoring and Regulatory Staff, from 1:00 to 3:00, Workforce Training Board, Olympia.

22 – Focus Group Meeting: Advocacy organizations representing special populations, Washington Private Career Colleges (NWCCF), 9:30 to 11:30, Tukwila.

27 – Focus Group Meeting: Labor Interests, from 1:30 to 3:30, at the Seattle WSLC Office, Seattle.

29 – Focus Group Meeting: WTECB Board, from 10:00 to 12:00, at the Davenport Hotel, Spokane.

29 – Focus Group Meeting: Advocacy organizations representing special populations, from 3:00 to 5:00, at the Greater Spokane Inc., Spokane.

November

3 – Focus Group Meeting: Association of Washington Business, Workforce and Education Committee, from 9:30 to 11:30, at the Association of Washington Business, Olympia.

Appendix 4: Focus Group Questions



On August 11, 2009, Governor Gregoire directed Karen Lee, Commissioner of the Employment Security Department and Charlie Earl, Executive Director of the State Board for Community and Technical Colleges, in collaboration with Eleni Papadakis, Executive Director of the Workforce Training and Education Coordinating Board, to conduct a review of the Workforce Development System. The process for gathering input and questions to be addressed are described below.

Information Gathering: Information will be gathered through conversations with three tiers of participants, an on-line instrument, and research and analysis. Research and analysis will provide a foundation for examining the structure, roles, and responsibilities within the workforce system.

Stakeholder Input will be gathered by engaging statewide associations, local practitioners, and representatives in Olympia. An on-line instrument will also be made widely available to ensure all who wish to comment may do so.

Questions to be Answered: The review will address three aspects of the workforce development system, as defined above. Those are: Strategic Direction, Education and Training, and Operations.

Strategic Direction:

State and local partners are responsible for strategically positioning the workforce development system to respond to a changing environment. How should the system be organized to improve its ability to identify future needs?

Substantial research and policy recommendations have been developed to guide the system. What literature and/or research do you find especially useful? What lessons can be learned from this literature? How can the system build on work already completed?

The expertise of state and local workforce development system partners is essential in determining future strategies. What do stakeholders want to accomplish over the next 3 to 5 years? How might this direction be tailored and implemented locally?

Education and Training:

The workforce development system is comprised of many complex organizations and systems. What are your suggestions to ensure better coordination/alignment between the one-stop system and education partners?

The community and technical colleges serve as an important training provider/vendor to the federally funded workforce development system. Do you believe the two year college system is fully utilized by the workforce development system? Why or why not?

From your perspective, what gaps exist that hinder an effective comprehensive workforce development system?

The current economic situation has resulted in extremely limited state resources. How can we efficiently and effectively leverage federal funding to increase training capacity in order to provide training to more Washingtonians?

The Workforce Investment Act allows states to reserve a limited pool of funding for activities of statewide significance (these funds are commonly referred to as the Governor's Discretionary 10% funding). How can the system ensure that the Governor has maximum flexibility in the utilization of these funds in order to respond to statewide need as it arises? How can the state still provide funding for ongoing systems services?

Operations:

Year to year and in different Workforce Development Areas, funds provided to the system have fluctuated and will continue to do so. At any given level of funding, how can the ability of the state's WorkSource centers to deliver a consistent level of assessment, employment planning, and job placement assistance be improved?

There are a variety of customers who seek assistance in the system. How can service be provided to benefit all interested jobseekers having difficulty competing in the labor force?

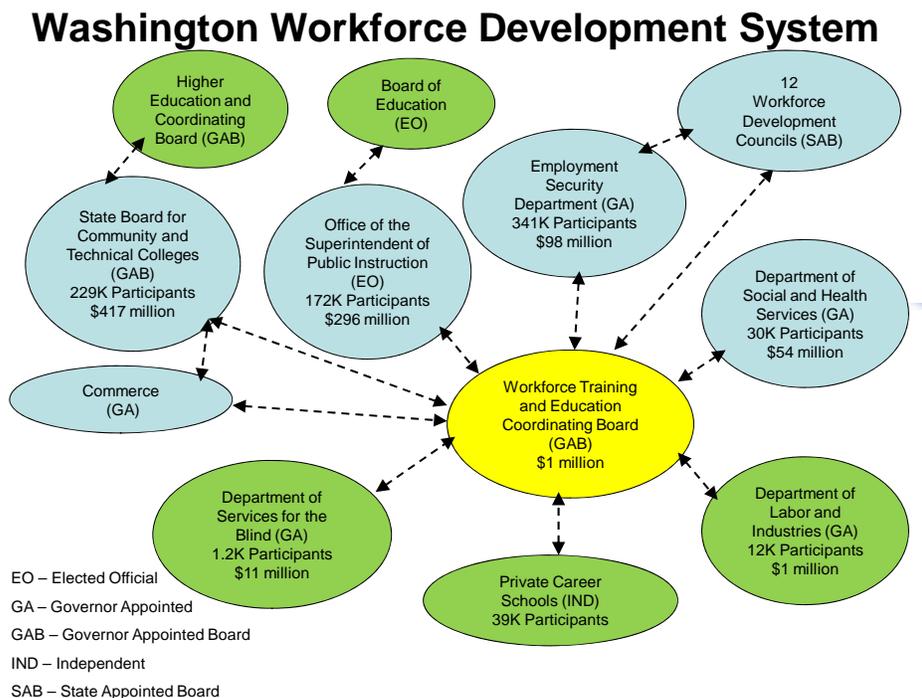
In any given year, hundreds of thousands of customers come into the system seeking assistance. What can be done to improve the accountability of the centers for serving those customers? How can the level of service be measured?

The current Executive Order has been in place since 1999. Since that time there have been significant changes in Washington state that create different challenges for customers and the system that serves them. Do the roles and responsibilities assigned by the Executive Order promote accountability and customer-focused performance?

Appendix 5: Washington’s Workforce Development System

Washington’s workforce development system consists of programs and services that prepare people for employment. The system officially includes 18 programs, defined in state statute and by Executive Order 99-02. These programs focus on preparing individuals for jobs that do not require a baccalaureate degree—about 75 percent of all jobs in Washington. This appendix summarizes the major partners in the workforce development system and the programs provided.

The graphic below depicts Washington’s workforce development system and the relationships between each component.



Partners

Workforce Training and Education Coordinating Board

Created in 1991, the primary responsibilities of the Workforce Board are to provide a system-wide approach to strategic planning and accountability and to foster partnerships among business, labor, and education and training programs. The Workforce Board consists of nine voting members with tripartite representation from business, labor, and government. The Workforce Board also serves as the state’s workforce investment board as required by the Workforce Investment Act (WIA) and as the State Board for

Vocational Education for the Carl D. Perkins Career and Technical Education Act. Additionally, the Workforce Board licenses and regulates private career schools and approves non-degree programs for veteran benefits.

In order to carry out its strategic planning mission, the Workforce Board, in partnership with the agencies that administer workforce development programs, creates the state strategic plan, *High Skills, High Wages* (available at www.wtb.wa.gov). The Workforce Board reviews the agencies' operating plans for consistency with *High Skills, High Wages*. In order to support policy development, the Workforce Board assesses the workforce development needs of employers and workers, including needs resulting from changes in the state economy and the demographics of the workforce. The Workforce Board also evaluates the results of workforce development programs and manages system-wide performance accountability.

Local Workforce Development Councils

Under Executive Order 99-02, the Governor called for the establishment of local workforce development councils (WDCs) in 12 areas of the state to serve as local workforce investment boards required under WIA.

The Governor directed local councils to:

- Develop a local unified plan for workforce development, including a strategic plan, an operating plan for WIA Title I (Youth, Adult, Dislocated Worker programs), and operating plans for other programs consistent with *High Skills, High Wages*. The unified plan is to include information on employment opportunities and skill needs; goals, objectives, and strategies for the local workforce development system; and a system-wide financial strategy for implementing the plan.
- Ensure linkages of workforce development with economic development.
- Conduct oversight of the WorkSource (one-stop) system and promote the coordination of workforce development activities at the local level.
- Establish youth councils to coordinate services to disadvantaged youth.
- Provide for a coordinated and responsive system of outreach to employers.
- Collaborate in the development of WorkFirst service area plans.

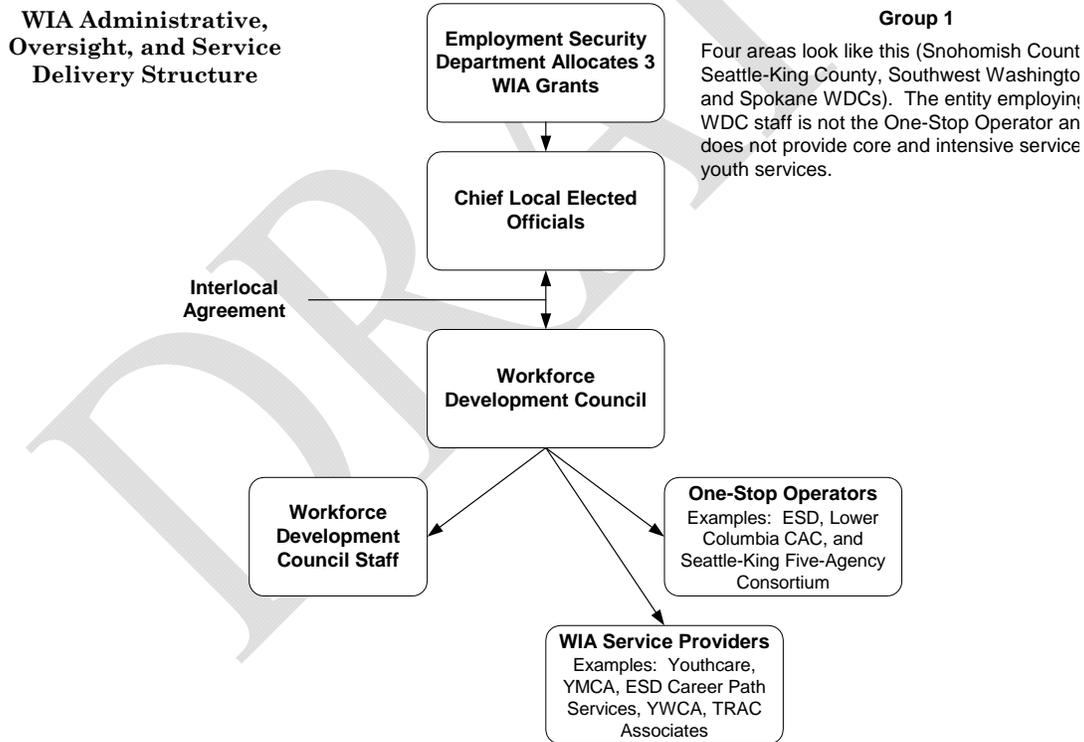
In 2009, the Legislature codified the first two of the above responsibilities in HB 1323.

WDCs are comprised of a majority of business representatives and include labor, education, community, and public agency representatives. WDCs have the flexibility to set priorities for their local areas while being in alignment with *High Skills, High Wages*

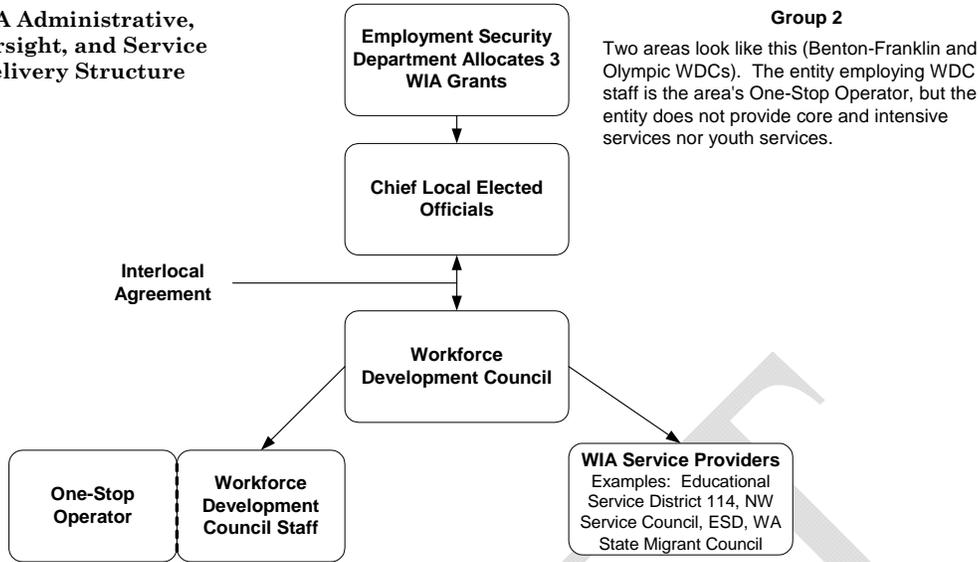
and the state plan for WIA. Accountability for results is a responsibility shared by the local councils, the Workforce Board, and ESD.

As the local workforce investment boards under WIA, the WDCs serve as the local fiscal agents for WIA Title I. The WDCs may assign the WIA Title I administrative functions to their own staff or contract out. The WDCs are also responsible for choosing the one-stop operator(s) in their area and for oversight of the one-stop system at the local level. The one-stop operator's role may range from simply coordinating service providers within a one-stop center to being the primary service provider within a center, to coordinating activities throughout the local one-stop system. Each office within an area is then managed by a site operator. As a result, each area's management structure is unique.

The following flow charts, created in 2005, provide a visual explanation of the different types of WIA administrative, oversight and service delivery structures across the states. A few of the details may be different in 2009; however, these flow charts demonstrate the variety of organizational structures that are employed at the local levels to run WIA programs.

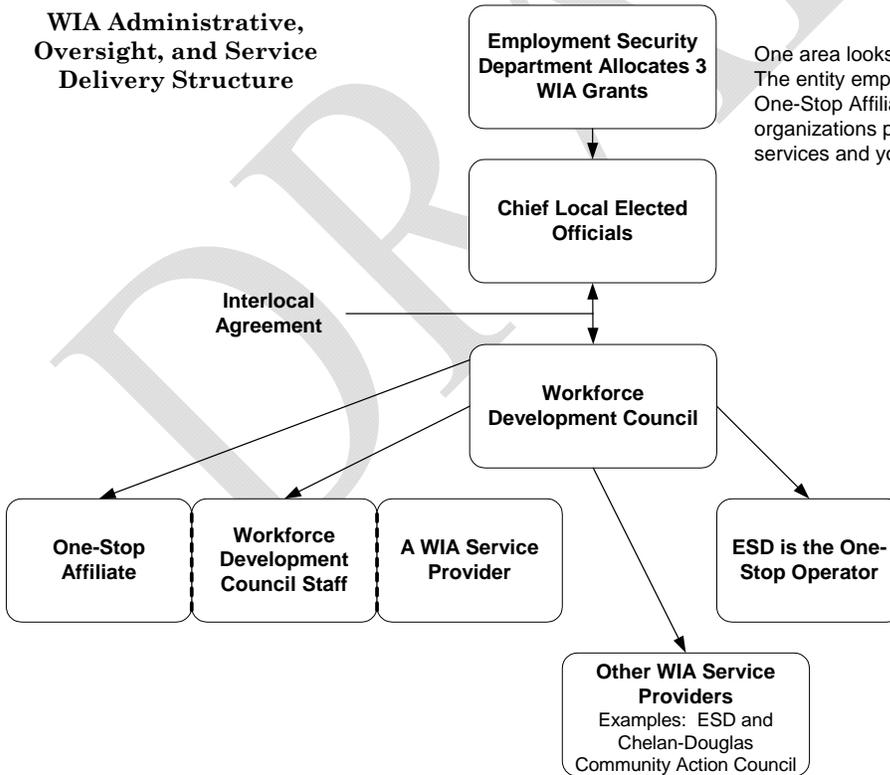


WIA Administrative, Oversight, and Service Delivery Structure



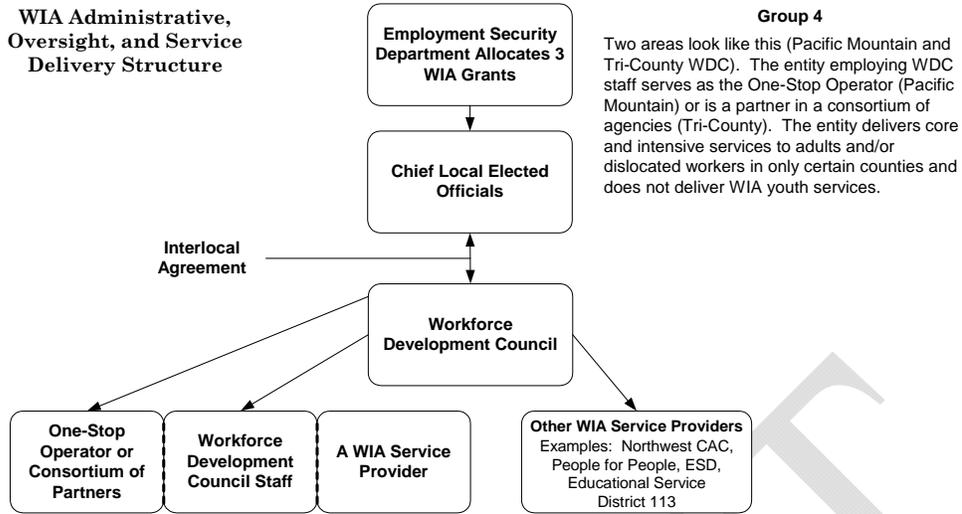
Group 2
Two areas look like this (Benton-Franklin and Olympic WDCs). The entity employing WDC staff is the area's One-Stop Operator, but the entity does not provide core and intensive services nor youth services.

WIA Administrative, Oversight, and Service Delivery Structure

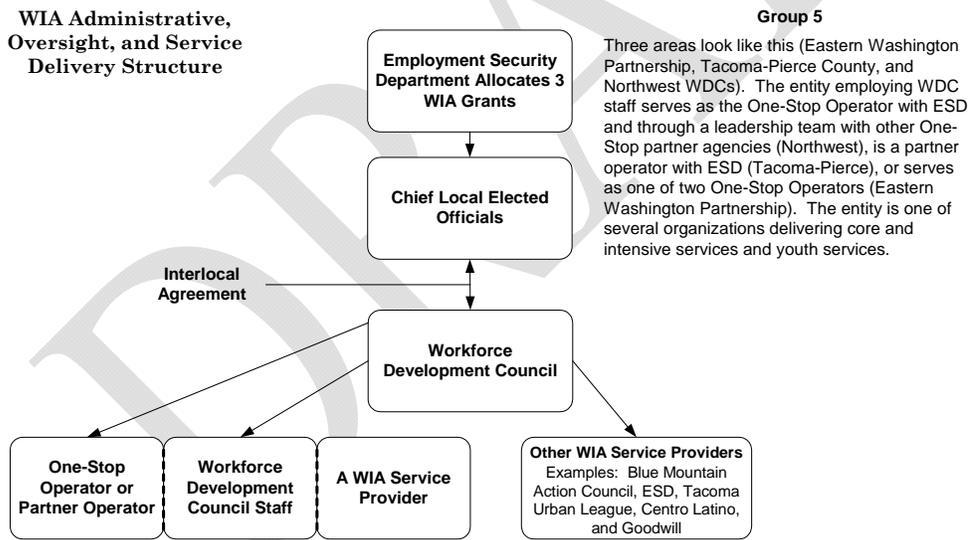


Group 3
One area looks like this (North Central WDC). The entity employing WDC staff serves as a One-Stop Affiliate and serves as one of several organizations providing core and intensive services and youth services.

WIA Administrative, Oversight, and Service Delivery Structure



WIA Administrative, Oversight, and Service Delivery Structure



The Community and Technical College System

Most students who graduate from Washington’s high schools will enroll in some form of postsecondary education or training. The largest number of graduates will attend the state’s community and technical colleges. Washington has 34 community and technical

colleges covering every county in the state. Training is offered at more than 600 sites including multiple extension sites, technology centers, business centers, and state prisons.

The State Board for Community and Technical Colleges, a nine member board appointed by the Governor, oversees the community and technical college system.

Each college district has a board of trustees and a general advisory council. Each workforce education program (professional/technical program) has an advisory committee comprised of business and labor representatives that ensure alignment between curriculum and current business/industry practice. Program advisory committees use their industry expertise to update curricula, identify new technologies, and participate in the hiring of key instructors.

According to SBCTC, the mission of workforce training is to provide “workforce education, training, and retraining programs at community and technical colleges that will help students learn the full range of basic, pre-college, technical, and academic skills they need to get high-wage jobs and adapt to future career requirements in Washington’s changing economy.”

Community and technical colleges are the primary providers of adult basic education, with community-based organizations also providing some adult basic education. SBCTC administers adult basic education with advice from the Washington Adult Education Advisory Council. Adult education:

- Assists adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency.
- Provides instruction in English as a Second Language.
- Assists adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children.
- Assists adults in the completion of a secondary school education.

Employment Security Department

The mission of the Employment Security Department is to help Washington’s workers and employers succeed in the global economy by delivering superior employment services, timely benefits, and a fair and stable unemployment insurance system. ESD carries this out by supporting workers during times of unemployment, connecting job seekers with employers who have job openings, and providing business and individuals with the information and tools they need to adapt to a changing economy.

ESD serves as the state administrative agency for WIA Title I, labor market information and analysis, and the WorkSource one-stop service delivery system. ESD also serves as a one-stop delivery system partner due to its administration of the unemployment insurance program and employment services under the Wagner-Peyser Act.

ESD plays two key roles in the WorkSource system:

Grant administrator: The WorkSource Integration Division (WSID) is the grant administrator for federal dollars that provide Adult, Dislocated Worker and Youth services to clients within each of the workforce development areas. WSID also oversees the release of discretionary resources in numerous contracts across the state. This requires staff to ensure that funds are spent according to grant and contract requirements, and that outcomes are achieved.

In addition, WSID plays a policy role in the workforce development system. The division is responsible for conducting research of current, new and revised laws and regulations to develop statewide policies that ensure the sound administration of the Workforce Investment Act as designed in Washington. They also design discretionary and special programs working in concert with various stakeholders including the Workforce Training and Education Coordinating Board.

Operations: The Employment and Career Development Division (ECDD) is focused on delivering labor-exchange services to businesses and job seekers across the state. ECDD staff provide job-matching and job-finding skill-development services in one-stop centers, with tailored programs for:

- Unemployment claimants
- WorkFirst (parents receiving welfare)
- Veterans
- Offenders
- Migrant and seasonal farm workers
- Specialized recruiting assistance to the agricultural industry

ECDD also operates the Go2WorkSource.com web site; provides the technological infrastructure for the WorkSource partnership; funds a large proportion of facilities; and operates some local one-stop centers through contracts with local workforce development councils.

WSID and ECDD work together with local partners, including the workforce development councils, nonprofit organizations, the higher education system, businesses, labor and the state's Workforce Training and Education Coordinating Board, with the common purpose of building thriving communities with secure and capable work forces.

Programs

The Workforce Training and Education Coordinating Board states that Washington's workforce development system is comprised of the following major programs:

- State Board for Community and Technical Colleges
 - Post-secondary technical education
 - Adult Basic Education

- Worker Retraining program
- Volunteer Literacy
- Job Skills program
- Customized Training program

- Employment Security Department
 - Workforce Investment Act Adult program
 - Workforce Investment Act Dislocated Worker program
 - Workforce Investment Act Youth program
 - Wagner-Peyser Act (labor exchange)
 - Training Benefits

- Workforce Training and Education Coordinating Board
 - Carl Perkins Technical Education
 - Private Vocational Schools Act

- Office of the Superintendent of Public Instruction
 - Secondary Career and Technical Education
 - Even Start Family Literacy Program

- Department of Labor and Industries
 - Apprenticeship

- Department of Social and Health Services
 - Division of Vocational Rehabilitation

- Department of Services for the Blind
 - Vocational Rehabilitation for the Blind

Some other major programs for workforce development services include:

- Trade Adjustment Act
- WorkFirst
- Claimant Placement program
- LVER/DVOP (Local Veterans' Employment Representatives/Disabled Veterans' Outreach Program)

WorkSource

WorkSource is Washington's designated one-stop delivery system as required by the Workforce Investment Act.

This system, launched in 2000, increased efficiency in delivery of employment services and access to training and support services and is designed to provide more accessible and user-friendly services. WorkSource is the primary portal to Washington's workforce

development system for job seekers and employers. Basic employment services, such as labor market information, career counseling, and job search assistance, are widely available at WorkSource Centers and affiliate sites and over the Internet. WorkSource centers are distributed across the state in 12 workforce development areas. Funding for programs varies depending on population and other factors identified in the federal funding formulas.

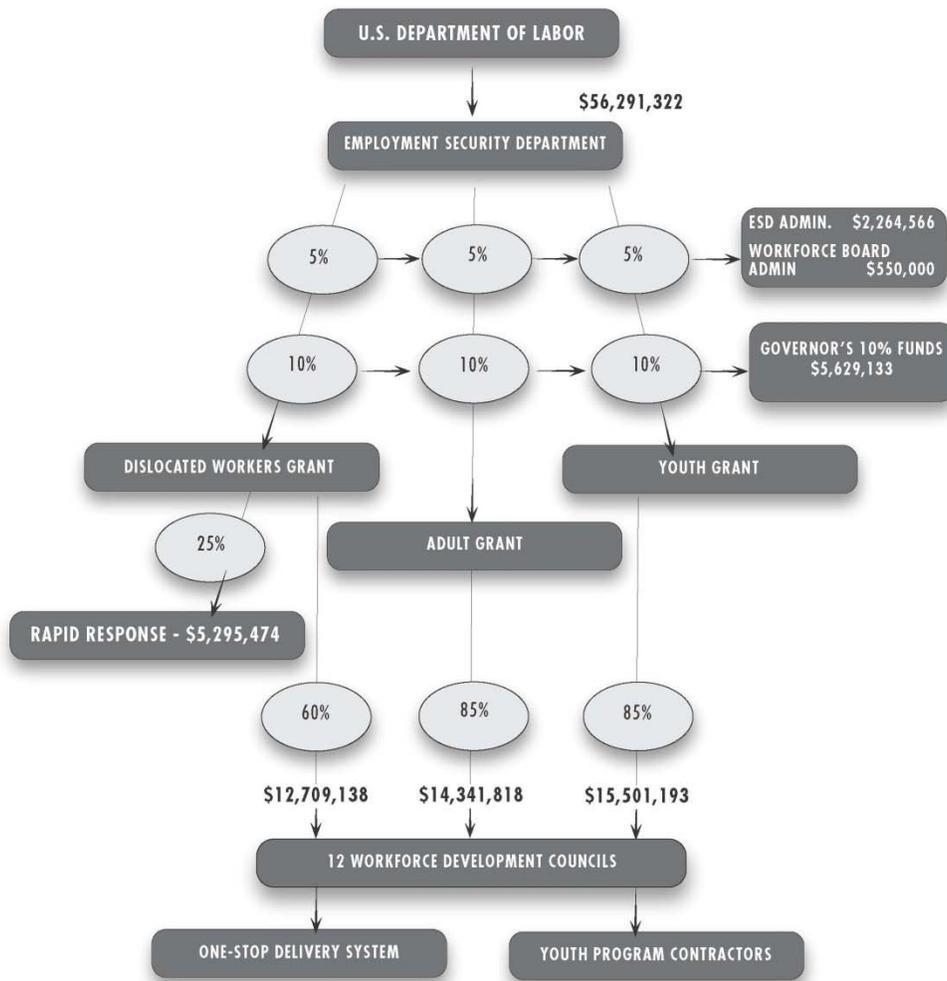
Beyond these basic services, WorkSource offers information about, and access to the wide array of workforce development programs described above and specified in WIA.

In addition, the following programs are encouraged to participate in the one-stop delivery system:

- Apprenticeship programs
- Americorps/Washington State Service Corps
- Tech-Prep Consortia
- Private Career Schools
- Other Programs identified by the WorkSource Area Partnerships

Flow of WIA Funds Through the System

Many of the programs in the workforce development system are funded by the federal government and the money flows through several entities before reaching the service provider. To provide a sense of how WIA money flows through the system to the WorkSource centers, the flow chart below highlights the flow of WIA Title I-B program year 2009 allocations.



Appendix 6: Laws and Regulations

The Washington workforce development system operates in the context of state and federal law. The central federal law governing the system is the federal Workforce Investment Act (WIA). That act is a complex statute, providing for the roles of state and local partners in workforce development and for federal funding of workforce activities. Adding to this complexity are additional federal regulations, state laws and an executive order governing the workforce development system.

Federal

Law: Workforce Investment Act

The Workforce Investment Act provides a basic framework for parts of the workforce system and for the roles of states and local areas in providing a range of workforce services, both direct Workforce Investment Act (WIA) programs and one-stop centers providing services funded through a variety of programs, including WIA.

Under that statute, the responsibility for implementing the Workforce Investment Act at the state and local level is shared by five major actors: a state's governor, the state's legislature, the state's workforce investment board, local elected officials, and local workforce investment boards.

Governor

The governor's responsibilities include:

- Establishing a state workforce investment board to assist in the development of a state plan (or alternatively, selecting a qualified existing entity to serve as the board) and selecting a chairperson for the board.
- Submitting a state plan every five years, detailing the state's strategy for the workforce investment system. The state's Wagner-Peyser plan for labor exchange activities is included in the plan. States are able to submit modifications to a state plan as necessary.
- Certifying local boards, based on specified criteria in the statute; the Governor certifies each board every two years and may decertify a local board for malfeasance or if it fails to meet local levels of performance;
- Negotiating levels of performance with chief local elected officials and local workforce investment boards in each local area;
- Reserving up to identified percentages of allotted funds for statewide activities and program administration; Those funds not reserved for statewide activities, program administration or rapid response services to dislocated workers must be allocated to local areas;
- Designating a state agency or agencies to carry out required statewide employment and training activities, including rapid response activities;

- Establishing and operating a fiscal and management accountability system, in coordination with local boards and chief local elected officials;
- Providing technical assistance to local areas failing to meet levels of performance which may include assistance in the development of a performance improvement plan or the development of a modified local plan.
 - If local area fails to meet levels of performance for a second year, taking corrective actions which may include: development of a reorganization plan, which may require appointment and certification of a new local board, prohibiting use of providers and one-stop partners identified with a poor level of performance, or taking other actions governor determines are appropriate;.
- Conducting on-site monitoring annually of each local area to ensure compliance with uniform administrative requirements.
 - If local areas not in compliance, require corrective action and impose sanctions. If governor determines substantial violation, governor shall issue notice of intent to revoke all or part of local plan, or impose reorganization plan, which may include decertifying local board, prohibiting use of eligible providers, selecting alternate entity to administer program for the local area, merging the local area, or making other changes the Secretary of Labor or governor determines are necessary to secure compliance;
- The governor may grant a waiver of the prohibition against local workforce investment boards providing training services.
 - A local workforce investment council may directly fund and provide core or intensive services or serve as the one-stop operator only with the agreement of the governor and the chief local elected official.
- Local plans submitted to the Governor are considered approved at the end of 90 days unless the Governor makes a written determination of deficiencies in activities that have been identified, and that the local area has not made acceptable progress in addressing the deficiencies or the plan does not comply with the title.

As described later in this section, the Governor has delegated many of these authorities through the existing executive order.

The governor may designate a state entity to carry out required statewide employment and training activities, utilizing funds reserved for state activities to carry out statewide youth, adult and dislocated worker activities and for administration of the following activities:

- Establishing a one-stop delivery system, providing services from a variety of identified programs, including both WIA, Wagner-Peyser, unemployment insurance and many others. Required core services are identified for any one-stop partner program, which must at least be available at comprehensive one-stop centers.
- Establishing levels of performance for each core indicator and customer satisfaction indicator. State may identify in state plan additional indicators for

- Preparing and submitting annual report on progress in achieving performance measures and the progress of local areas in achieving local performance measures;
- Conducting ongoing evaluation studies of workforce investment activities, in coordination with local boards;
- Establishing fiscal control and fund accounting procedures;
- Monitoring performance of providers in complying with terms of grants, maintaining comparable management information systems, make reports required by Secretary of labor accessible.

Legislature

The statute clarifies that nothing in the Workforce Investment Act interferes with the existing authority of state legislatures to enact state law consistent with the Act and to appropriate federal funds before they may be expended.

State Workforce Investment Board

Under the Workforce Investment Act, the state workforce investment board's role is to assist the governor in:

- Developing a state plan;
- Developing and continuously improving the state workforce investment system;
- Reviewing local plans;
- Developing and continuously improving comprehensive state performance measures and levels of performance;
- Preparing an annual report to the Secretary of Labor;
- Designating local areas;
- Development of the statewide employment statistics system described in the Wagner-Peyser Act;
- Other responsibilities.

State plan The state plan developed by the state workforce investment board addresses: the state's performance accountability system; identification of local areas; coordination with designated state and federal programs; the state strategy for its one-stop service delivery strategy and for delivering youth services; plans for coordinating a range of workforce programs and for coordination of state and federal programs; among other areas.

Local Elected Officials

The responsibilities of chief local elected officials include:

- Selecting local workforce investment board members;
- Developing and submitting a local plan to the governor, in partnership with the local board, consistent with the state plan;
- Negotiating levels of performance with the governor and local workforce investment board;

- Developing and entering into memoranda of understanding with one-stop partners, in cooperation with local board;
- Serving as grant recipient for local area grant funds; being liable for any misuse of grant funds; chief local elected officials may designate local grant sub-recipients or local fiscal agents; chief local elected officials retains liability for any misuse of funds;
- Conducts oversight of local youth programs in partnership with local boards.

Local Workforce Investment Boards

The local workforce investment board's responsibilities include:

- Developing and submitting a local plan to the governor, in partnership with the chief local elected official, consistent with the state plan;
- Designating or certifying one-stop operators, and, if necessary, terminating them for cause;
- Developing a budget, subject to approval of chief local elected official;
- Negotiating levels of performance with governor and chief local elected officials.
- Conducting oversight of local youth programs in partnership with chief local elected officials;
- Consistent with the state plan, the local board, with the agreement of the chief elected official of the local area,
 - a) enters into memoranda of understanding with one-stop partners,
 - b) designates one-stop operators, and
 - c) conducts oversight of the one-stop delivery system in the local area.
- Coordinating local workforce investment activities with economic development strategies;
- Developing and entering into memoranda of understanding with one-stop partners, in cooperation with chief local elected officials.
- Monitoring performance of providers in complying with terms of grants, maintaining comparable management information systems, make reports required by Secretary of labor accessible;
- Local boards establish a youth council as a sub-group of the board, the youth council develops the portion of the local plan relating to eligible youth, and conducts oversight of eligible providers of youth activities, among other responsibilities;
- Monitoring performance of providers in complying with terms of grants, maintaining comparable management information systems, make reports required by Secretary of labor accessible.

The wide range of services that must be made available to participants are identified in the statute through the identification of mandatory partners in the one-stop delivery system.

Local plans Local plans are developed by the local board and include: agreements with one-stop partners in the local area; levels of performance negotiated with the Governor and chief local elected official; a description and assessment of adult and

dislocated worker employment and training activities in the area and of youth activities in the area; how the local board will coordinate workforce investment activities in the area with statewide rapid response activities; and the competitive process used to award grants and contracts, among others.

Regulation: Workforce Investment Act

Regulations for the Workforce Investment Act were adopted by the Department of Labor in 2000 (20 CFR 652-670). These regulations are known as CFRs. They elaborate on a wide range of the statutory provisions under the Act.

Training and Employment Guidance Letters

The Department of Labor issues occasional training and employment guidance letters (TEGLs) which elaborate on items in the federal statutes or regulations. These letters have the force of law. Some key TEGLs affecting the workforce system include:

- 17-05, specifying common measures policy for the performance accountability system;
- 24-08, on Workforce Investment Act and Wagner-Peyser performance accountability reporting for the American Recovery and Reinvestment Act (ARRA).

State

Statutes

In addition to federal law, regulations and guidance described above, the Washington State legislature has also passed laws that apply to and help define the workforce development system in Washington.

Workforce Training and Education Coordinating Board statute (RCW 28C.18)

At the request of the Governor, the Legislature established the Workforce Training and Education Coordinating Board (commonly known as the Workforce Board) in 1991. The statute that established the board established its responsibility to provide planning, coordination, evaluation, monitoring and policy analysis for the state workforce training system as a whole, and to advise the Governor and Legislature on the training system in cooperation with the training system and the Higher Education Coordinating Board.

Workforce Board

The Legislature provided a range of responsibilities for the state's workforce system to the Workforce Board in its enabling statute. Among these responsibilities are:

- Advocating for the system and for meeting the needs of employers and the workforce for workforce education and training.
- Maintaining an inventory of the state training system's programs.
- Reviewing and making recommendations on the budgets of operating agencies to OFM and the Legislature regarding their consistency with the comprehensive plan. (see below)
- Providing for coordination among the operating agencies and elements of the state's training system at the state and regional levels.
- Establishing standards and requirements for data collection and minimum core data for the workforce system.
- Establishing minimum standards for program evaluation for the operating agencies of the state training system.
- Maintaining a database on vocational education and job placements.
- Performing outcome evaluations of the state training system every two years.
- Submitting a state comprehensive plan for workforce training and education every two years. NOTE: This responsibility was amended in 2009 to be a ten year plan updated every four years.

Operating agencies represented on the board (State Board for Community and Technical Colleges, Employment Security Department, Superintendent of Public Instruction) are directed to have operating plans for their workforce development efforts that are consistent with the comprehensive plan, *High Skills, High Wages*. Operating agencies provide annual progress reports to the board.

- In cooperation with the Employment Security Department, providing for the improvement and quality maintenance of occupational information and forecasts.
- Providing for the development of common reporting requirements, common definitions and common course description formats for training system operating agencies.
- Providing for effectiveness and efficiency reviews of the state training system.
- Serving as the state board for career and technical education under the Carl Perkins Act.
- Licensing and regulating private career schools.

- Developing policy objectives for the workforce investment act, and coordination criteria for activities under the act with related programs and services.
- Working with the director of the Department of Commerce to ensure coordination between workforce training priorities and that department's economic development and entrepreneurial development efforts.

In 2009, the Legislature added the following responsibilities:

- Identification of strategic industry clusters for workforce development;
- Working with the Department of Commerce to coordinate workforce and economic development efforts around strategic industry clusters;
- Providing for industry skill panels.

Local Workforce Development Boards

In 2009, the state legislature passed a bill that articulated additional duties for local Workforce Development Councils. The statute says:

Workforce development councils, in partnership with local elected officials, shall develop and maintain a local unified plan for the workforce development system including, but not limited to, the local plan required by P.L. 105-220, Title I. The unified plan shall include a strategic plan that assesses local employment opportunities and skill needs, the present and future workforce, the current workforce development system, information on financial resources, diversity, goals, objectives, and strategies for the local workforce development system, and a system-wide financial strategy for implementing the plan. Local workforce development councils shall submit their strategic plans to the board for review and to the governor for approval.

The strategic plan shall clearly articulate the connection between workforce and economic development efforts in the local area including the area industry clusters and the strategic clusters the community is targeting for growth. The plan shall include, but is not limited to: ... collaboration with associate development organizations in regional planning efforts involving combined strategies around workforce development and economic development policies and programs.

Combined planning efforts shall include, but not be limited to, assistance to industry clusters in the area.

The [state workforce] board shall work with workforce development councils to develop implementation and funding strategies for purposes of this section.

Legislature

The legislature's responsibilities under the statute include:

- Approving or recommending changes to the state comprehensive plan by concurrent resolution.

Operating Agencies

The operating agencies under the Workforce Board enabling statute are the Employment Security Department, the State Board for Community and Technical Colleges, and the Superintendent of Public Instruction. In general, operating agencies' responsibilities include:

- Having operating plans for their workforce development efforts, consistent with the Workforce Board's comprehensive plan;
- Providing annual progress reports to the Workforce Board.

Employment Security Department

- Cooperating with the Workforce Board in providing for the improvement and quality maintenance of occupational information and forecasts.

Department of Commerce

- Working with the Workforce Board to ensure coordination between workforce training priorities and the Department of Commerce's economic development and entrepreneurial development efforts.

Executive Branch Policies

Executive order (99-02)

Governor Locke adopted an executive order in 1999 on implementation of the Workforce Investment Act in the state. The executive order divided the authority for Workforce Investment Act responsibilities between the Workforce Board and the Employment Security Department.

Workforce Board

The executive order designates the Workforce Board as the state workforce investment board. The responsibilities of the Workforce Board under the executive order are:

- Developing and maintaining the state unified plan, in partnership with the operating agencies and private career schools and colleges. Plan is to encompass the state's workforce training and education comprehensive plan and the agency operating plans.
- Reviewing the operating agencies' operating plans for consistency with the state plan;
- Working with local workforce development councils in developing the state plan.
- Designing and implementing a performance management system for workforce development. The system is to serve as the basis for recommendations to the Governor regarding expected performance levels.
- Providing information to the Governor and Legislature on the outcomes of workforce development programs.
- Reviewing the plans of local workforce development councils.

Employment Security Department

The responsibilities of the Employment Security Department under the executive order are:

- Being the administrative lead for the Workforce Investment Act;
- Having responsibility for employment statistics;
- Completing implementation of the WorkSource service delivery system, including its technological and self-service infrastructure.
- Serving on the Inter-Agency Executive Policy Council.

Local Workforce Development Councils

The executive order provides for the creation of local workforce development councils in each local area. Responsibilities of the local workforce development councils under the executive order are:

- Developing local unified plans for the workforce development system;
- Conducting oversight of the local one-stop system;
- Promoting the coordination of workforce development activities at the local level;
- Providing for coordinated outreach to employers;
- Identifying eligible training services providers;
- Negotiating expected local levels of performance with local elected officials and with the Workforce Board, operating on behalf of the Governor.

State Agency Administrative Policies

The Employment Security Department (WSID) state has generated operational policies that govern how local workforce development councils operate. They cover a number of areas, including: fiscal controls and accounting guidelines, administrative items such as public records retention and non-discrimination provisions; dislocated workers services; and program plans and operations.

Appendix 7: Progress

Since the passage of WIA, an enormous amount has been accomplished—major infrastructure related to the WorkSource system has been built, an administrative structure has been defined and accountability measures have been undertaken. Many of the major accomplishments are described below in no particular order.

One-Stop Delivery System (WorkSource)

Washington has transitioned from the Job Training Partnership Act (JTPA) system focused on serving three distinct customer groups (disadvantaged youth and adults, and dislocated workers), to a new system that emphasizes one-stop employment and training services, core services to a universal customer base, strategic planning and serving employers in addition to job seekers. WIA added these functions while maintaining funding and services for the three customer groups that were the focus of JTPA. Making the policy and administrative shifts to this new system was a major undertaking.

Currently, over 1,000 ESD staff and hundreds of partner staff provide services to employers and roughly 300,000 job seekers annually at almost 70 WorkSource centers and affiliates across the state. Since 2000, more programs have been brought under one roof in more places, allowing clients easier and more coordinated access to a variety of resources. For example, WorkSource staff are co-located at community and technical colleges in 11 cases, greatly increasing communication between the two systems. The programs that might be found at any given WorkSource office include:

- WIA Adult, Dislocated Worker, Youth
- Wagner-Peyser Labor Exchange (including Business Services)
- Migrant Seasonal Farm Worker
- Trade Adjustment Assistance
- Veterans Employment and Training Service
- WorkFirst
- Claimant Placement Program
- Unemployment Insurance Liaisons
- Vocational Rehabilitation
- Offender Employment Services
- English as a Second Language
- Adult Basic Education
- Business Services

Over time, the WorkSource centers have come to have a more consistent and professional look and feel. All offices, at a minimum, have the standard WorkSource sign, a front desk, and a resource room equipped with computers and office equipment that customers can use at no charge. To further facilitate a standard appearance, ESD has provided

WorkSource centers with a suggested facility layout. In 2008, ESD upgraded 1,500 resource room computers at 71 WorkSource centers across the state.

In an effort to establish more consistency in the client experience at WorkSource, in 2008 an ESD/Workforce Board team developed a set of principles for increasing the uniformity and integration of services in the WorkSource system. In December 2008, ESD's WorkSource Standards & Integration Division (WSID) released the *WorkSource Initiative Framework*. This framework is in response to *Washington Works* and is described in Appendix 11, which begins on page 50.

In an effort to better serve customers, ESD's Employment and Career Development Division (ECDD) also has implemented a new front-end service-delivery model that allows more people to be served and ensures that each customer receives the level of service he or she needs – whether it is help with an unemployment claim, a simple job referral or more intensive services to transition to a new career.

Management Information System

On behalf of WorkSource, ESD developed and maintains a statewide technology system called the Services, Knowledge, and Information Exchange System (SKIES). This system supports common data collection and reporting, information management, integrated service delivery and performance management. SKIES is accessed by employees of partner agencies and WIA contractors who sign a Memorandum of Understanding with ESD. Partner staff must complete SKIES training and sign an oath of non-disclosure. The system is web-based and is used by all WorkSource Centers and Affiliate sites in the state.

SKIES is a powerful tool that allows for the collection of standardized information about customers and services across the state. Much effort has gone into training field staff to use SKIES and into encouraging staff to use it to record every client interaction. This practice enables staff to follow a client over time and to quickly become familiarized with a client's history, hopefully resulting in more meaningful and targeted service provision. The data contained in SKIES is also harvested to produce aggregated performance measures that are used to manage and evaluate WorkSource activities.

All system users are able to access most customer records. Each WDA has a dedicated performance management analyst that has direct access to the SKIES data warehouse and can create customized data reports for their local areas. There are also regular automated reports that are accessible to all SKIES users.

SKIES improves the customer experience as well. Without it, job seekers would have to repeat information (name, address, Social Security number, work history, etc.) every time they had contact with a different staff person or program. It also makes consistent information available across the state – particularly important to people who want to relocate or who can't find a local job that fits their skills. SKIES is important to

businesses because it helps identify people with the right skills to fill job openings and can connect them to their laid-off workers.

Finding Job Opportunities

WorkSource business teams help employers fill job openings and meet other workforce development needs. Among the services for businesses are job listings, qualified applicant referrals, access to training program resources, labor market information, use of facilities for interviewing, assistance to laid-off workers, access to tax credits for hiring targeted worker groups, assistance with unemployment taxes and business skill needs assessment.

The www.go2worksource.com Web site allows job seekers across the state to find a WorkSource center, learn about programs, and most importantly browse job openings. Regardless of which WorkSource center a client is visiting, the client can save a resume and view and apply for jobs through this single Web site. A recruiting employer has the option of making the job announcement available to any potential applicant or restricting it to clients who have been pre-screened and referred by a WorkSource case manager. In 2000, the Web site received under 100,000 monthly visits. Traffic to the site has steadily increased, with over 1.2 million monthly customer visits in early 2009.

Workforce Development Tools

In 2001 Seattle-King County WDC launched the Self-Sufficiency Calculator. The Calculator is an online tool that shows the gap between income and expenses and provides information on jobs and income supports that can cover an individual's and his or her family's cost of living. The Calculator is now used in all 39 counties, and provides information on the local cost of living.

To reduce duplication of time and resources, WSID issued a state WIA policy in 2008, directing the system use the Comprehensive Adult Student Assessment System (CASAS) appraisal test to determine if an out-of-school WIA youth participant is deficient in basic skills. CASAS pre-test and post-tests are used statewide to measure literacy and numeracy skills gains for the WIA youth.

ESD has added the computer-based assessment tool, KeyTrain, to help a job seeker quickly evaluate basic work skills. The key audience for KeyTrain is job seekers who are not eligible or interested in formal training opportunities, but just need a simple way to brush up their skills. Unlike other tools, KeyTrain includes teaching modules to help job seekers improve skills that will make them more employable, such as remedial math. ESD also provides a range of other tools to simplify access to labor market information, including providing labor market information by county, identifying industry trends and providing information on occupations for job-seekers.

2008 Evaluation of WIA

The Workforce Board conducts regular program evaluation of the effectiveness of the workforce system as directed by state statute and Section 136 of WIA. The Workforce

Board prepares the biennial *Workforce Training Results* publication, which profiles WIA I-B programs and eight other workforce system programs against a set of state core and other measures.

Workforce Training Results: 2008 evaluated participants who left the programs during 2005-06 and found that employment and real earnings results substantially increased for all three populations served through WIA Title I—youth, adults, and dislocated workers. Moreover, the three WIA Title I programs had by far the largest increases in employment and earnings results among the eleven state workforce development programs evaluated by the Workforce Board. In addition, the formal net impact part of the evaluation found that WIA Title I participants experienced substantial positive net impacts on employment and earnings compared to statistical comparison groups.

Among adult participants, the employment rate after participation was 84 percent with median earnings of \$20,373. The employment rate was 8 percentage points higher than in the year 2000. The evaluation of 2006 program exiters found that adult participants experienced a net impact of 7 percentage points in their employment rate compared to nonparticipants, and \$1,772 in annual earnings. Dislocated worker participants had a net impact of 6 percent points in their employment rate and \$3,008 in annual earnings.

In order to improve on these strong results, the Workforce Board found that more should be done to provide adult participants with information about job openings and a higher percentage of participants should receive basic education and job skills training. For dislocated workers, there should be better counseling in selecting a training program and also better information about job openings.

2008 WorkSource Customer Satisfaction Survey

During 2008, approximately 2,400 WorkSource job seekers and 2,000 employers responded to customer satisfaction surveys. Approximately 2,000 WIA Title I registrants were also surveyed. The survey responses indicated high levels of satisfaction among both employers and individuals.

Sixty-seven percent of employers reported that their satisfaction was high with services provided from a WorkSource center. Among job seekers using WorkSource, 65 percent said they were very satisfied with the services provided, 28 percent were satisfied, and only 6 percent were very dissatisfied. Individuals who were registered as WIA Title I participants were more likely than other WorkSource customers to report receiving help planning the services or training they needed.

2009 WorkSource Impact Report

The *WorkSource Impact Report* found that unemployment insurance claimants who received WorkSource job-search services had both an increased likelihood of employment and increased earnings compared to claimants who received no WorkSource services of any kind.

Among claimants who had worked more intermittently prior to the study period, those who received WorkSource job-search services were 27 to 37 percent (women and men, respectively) more likely to find a job than claimants who did not receive WorkSource services of any kind. Those who worked during every quarter were 20 to 26 percent (women and men, respectively) more likely to find a job than their counterparts who received no WorkSource services.

Among the more intermittent workers, men who received WorkSource services earned an average of \$1,471 more than their non-WorkSource counterparts. Female WorkSource customers averaged \$1,237 more. The difference in earnings was not significant among men and women who had jobs in every quarter prior to the study.

The 2009 *WorkSource Impact Report* can be found on www.workforceexplorer.com.

Industry Skill Panels

In 2000, Governor Locke requested and received legislative funding for the Workforce Board to initiate industry skill panels. Skill panels are regional partnerships of business, labor, and training providers in an industry cluster, an area dense with a particular industry. Skill panels assess the skill gaps in the cluster and develop strategies for closing the gaps. The Workforce Board oversees the panels for the state and WDCs manage most panels at the regional level. Over 40 industry panels have been established, with the health care the most common industry. Most funding for skill panels has come from the Governor's WIA 10 Percent funds. Washington's skill panels have served as national models of sector based partnerships and have been promoted by the National Governors Association, among other organizations. The model has served as the basis for new legislation introduced in Congress by Senator Murray. Over two dozen states now engage in similar efforts.

Centers of Excellence

In addition to the industry skill panels described in the previous section, which ensure alignment of training programs with the needs of industry, the SBCTC have developed Centers of Excellence for 11 targeted industry sectors to increase linkages between community colleges and business. The Centers of Excellence serve as the community and technical college system liaisons to business, industry, labor for the purpose of creating a highly skilled and readily available workforce. The Centers assist to ensure that college training programs are fully aligned with industry identified training needs.

High School Dropout Prevention

In 2003, the Workforce Board recommended the use of Governor's WIA 10 Percent Funds to form partnerships of WDCs, school districts, and others to operate high school dropout prevention and retrieval programs. These programs later led to the legislative enactment of the Building Bridges dropout program in 2007.

I-BEST

Integrated Basic Education and Skills Training (I-BEST) pairs English as a second language (ESL)/adult basic education (ABE) instructors with professional-technical instructors in the classroom to provide students with literacy education and workforce skills at the same time. I-BEST challenges the traditional notion that students must first complete all levels of basic education before they can begin workforce training. In 2004, SBCTC began piloting Integrated Basic Education and Skills Training (I-BEST) at ten colleges. It has since spread to every college in the system and has been recognized as a national model by the Obama Administration for its efforts to ensure student completion and competitiveness (President Obama's remarks on higher education, The White House, April 24, 2009).

Integrated Performance Information

In 2004, in recognition of the Workforce Board's Performance Management for continuous improvement system, the U.S. Department of Labor asked the Board to lead states in the development of the next generation performance measurement system for workforce development programs. Over the course of a year, the Workforce Board, with the assistance of the National Governors Association, led teams from other states, national experts, constituency representatives, and others in the development of what became known as Integrated Performance Information (IPI). IPI includes a system of common measures, data linking across programs and evaluations. The National Governors Association, the National Association of Workforce Agencies, and other organizations have endorsed performance measures based on IPI to be included in the reauthorization of WIA. The U.S. Senate has indicated in its bill report on WIA reauthorization that the Senate is supportive of the IPI measures.

Job Vacancy and Benefits Reports

In 2004, the Employment Security Department created the Job Vacancy Report, a semi-annual survey of the job openings in the state, providing almost real-time information on occupations that are in demand by employers.

The Employment Security Department also does an annual survey on fringe benefits offered to employees. The survey provides detailed information about the medical and dental insurance, retirement plans, and paid leave provided by the state's employers. .

Applied Bachelor Degree Programs with SBCTC (Stackable Degrees)

In 2006, SBCTC began piloting applied bachelor degree programs at four colleges. The programs enable holders of technical degrees and certificates to continue their education without having to start over or repeat course work.

Opportunity Grants

In 2006, the Washington State Legislature appropriated \$4 million to the State Board for Community and Technical Colleges to create the Opportunity Grant pilot program. The program provides financial assistance to low income students in workforce education.

The ten pilot programs showed excellent results with 73 percent retention and approximately 843 low-income students participating in training for high-wage, high-demand career pathways. By 2008, the program had grown to all 34 colleges serving almost 5,000 full- and part-time students.

Apprenticeship

In 2008 the U.S. Department of Labor requested that Washington share its successes in advancing apprenticeship at a series of forums across the nation. The Department was impressed by Washington's efforts to connect WIA with apprenticeship, the apprenticeship utilization requirements enacted in state statute, the *Running Start for the Trades* program, the expansion of apprenticeship into health care (the first in the nation) and other non-traditional fields, and other efforts that have nearly doubled the number of apprentices in the state during the past four years.

Expanded Access to Workforce Education and Training

Responding to the needs identified by employers in multiple surveys, Washington has worked diligently to expand access to workforce education and training opportunities since the 1998 passing of WIA.

The State's efforts have included increasing funding for workforce training, the development of incumbent worker training programs, expansion of the Worker Retraining program, and the allocation of additional FTEs (full-time equivalent students) targeted toward high-demand occupations. In addition to the development and expansion of training programs, Washington has also strengthened its support to students through the implementation of the Opportunity Grant program and increasing state-funded financial aid opportunities.

Growth of Alternative Education Delivery Strategies

In its efforts to respond to the changing needs of its student population, Washington has worked to research and provide alternative educational delivery methods in order to allow students to work and support families while continuing to improve their skills.

Washington's community and technical colleges deliver high quality education to over 80,900 students each year through a variety of e-learning modalities. Enrollments in e-learning courses now account for nearly 17 percent of all students in the two-year public college system in Washington.

The majority of e-learning was in the liberal arts, social science, information technology and humanities. Workforce distance learning classes are growing, however. Of the total enrollments, approximately 19 percent of all social sciences and 14 percent of all information technology instruction was offered via e-learning.

During the 2008 legislative session, Washington enacted Senate Bill 6295 which required the Workforce Board to identify and evaluate current national private employer workplace-based educational programs with distance learning components provided by public educational institutions. Additionally, the bill was designed to pilot workplace-

based educational programs at eight locations throughout the state. Unfortunately, the bill was not funded; however, the Workforce Board was able to identify the funds necessary to embark on the study component of the bill. This work is currently on-going.

Hospital Employee Education and Training Program

In 2008 and 2009 the Legislature provided funds to SBCTC for the Hospital Employee Education and Training (HEET) program. HEET, developed by the Service Employee International Union Training Partnership and the Health Work force Institute associated with the Washington Hospital Association provides workplace-based training for low income hospital workers so that they may advance to higher paying jobs at hospitals.

Career Bridge Web Site

In 2009 the Workforce Board launched the Career Bridge Web site providing extensive career and training guidance information, including consumer reports on training program results. Washington is virtually the only state in the nation that provides consumers with consistently measured results on most training programs in the state.

Lifelong Learning Accounts

In 2009, Washington launched a pilot of Lifelong Learning Accounts (LiLAs). LiLAs are employee-owned educational savings accounts that help pay for education and training expenses. These accounts are a new employee benefits program where regular contributions by employees are matched by the employer and serve to provide another method to reduce the financial barriers for Washingtonians seeking to improve their skills.

Appendix 8: WorkSource Works Executive Summary



WorkSource Works! Report finds WorkSource job-search services are effective

Washington state's WorkSource career centers provide a wide variety of services to individuals seeking employment. This study was conducted by the Employment Security Department to measure the effect of WorkSource job-search services on the earnings and employment of unemployment insurance claimants. The study found that unemployment-insurance claimants who received WorkSource job-search services had both an increased likelihood of employment and increased earnings compared to claimants who received no WorkSource services of any kind.

Unemployment-insurance claimants were divided into two groups: those who were employed in every quarter prior to the study, and those who were employed in only some of the quarters prior to the study (e.g., more intermittently). Within each of these groups, individuals who received WorkSource job services were compared to those who received no WorkSource services. The benefits of WorkSource services were most significant for those whose work history was more intermittent.

Employment

Among claimants who had worked more intermittently prior to the study period, those who received WorkSource job-search services were 27 to 37 percent (women and men, respectively) more likely to find a job than claimants who did not receive WorkSource services of any kind. Those who worked during every quarter were 20 to 26 percent (women and men, respectively) more likely to find a job than their counterparts who received no WorkSource services.

Earnings

Among the more intermittent workers, men who received WorkSource services earned an average of \$1,471 more in the six-month review period than their non-WorkSource counterparts. Female WorkSource customers averaged \$1,237 more in the six-month review period. The difference in earnings was not significant among men and women who had jobs in every quarter prior to the study.

Table 1
Unemployment-insurance claimants who received WorkSource job-search services compared to claimants who received no WorkSource services

	Previously Employed during Some Quarters		Previously Employed during Every Quarter	
	Male	Female	Male	Female
Employment likelihood increased by...	35.1%-37.2%	26.6%-27.7%	19.7%-23.5%	21.9%-25.8%
Average earnings in the 6-month follow-up increased by...	\$1,449-\$1,493	\$1,232-\$1,241	Not statistically significant	Not statistically significant

Source: Employment Security Department, LMEA

The study looked at 16,011 unemployment-insurance claimants. Within that group, 6,046 received job-search services at a WorkSource center. The other 9,965 received no WorkSource services of any kind.

The complete report is available online at <http://www.workforceexplorer.com/article.asp?ARTICLEID=10045>.

Employment Security Department • Communications Office • 360-902-9308

Appendix 9: Results of WIA

In 2008 the Workforce Board published an evaluation of WIA Title I and other workforce development programs, “Workforce Training Results: 2008.” Participants who left the programs during 2005-06 were included in the evaluation. The evaluation found that during the course of WIA Title I, employment and real earnings results substantially increased for all three populations served—youth, adults, and dislocated workers. Moreover, **from 2000 to 2006 the three WIA Title I programs had by far the largest increases in employment and earnings results among the eleven state workforce development programs evaluated by the Workforce Board.** In addition, the formal net impact part of the evaluation found that WIA Title I participants experienced substantial positive net impacts on employment and earnings compared to statistical comparison groups.

Among adult participants, the employment rate after participation was 84 percent with median earnings of \$20,373. The employment rate was 8 percentage points higher than in the year 2000. Earnings increased 15 percent after controlling for inflation. Among dislocated workers, the employment rate after participation was 78 percent with median earnings of \$29,937. The employment rate was 3 percentage points higher than in 2000. Earnings increased 9 percent.

In order to measure the net impact of programs, the Workforce Board’s evaluations include a comparison of participant results with statistically constructed comparison groups of similar individuals who did not take part in a workforce development program. A similar methodology was used in the 2009 national evaluation of WIA Title I. The Workforce Board’s research has been cited by the White House. The Workforce Board’s evaluation of 2006 program exiters found that adult participants experienced a net impact of 7 percentage points in their employment rate compared to the comparison group, and \$1,772 in annual earnings. Dislocated worker participants had a net impact of 6 percent points in their employment rate and \$3,008 in annual earnings.

In order to improve on these strong results, the Workforce Board found that more should be done to provide adult participants with information about job openings and a higher percentage of participants should receive basic education and job skills training. For dislocated workers, there should be better counseling in selecting a training program and also better information about job openings.

WorkSource Customer Satisfaction

During 2008, the Workforce Board contracted with the University of Connecticut to survey WorkSource job seeker and employer customers. Approximately 2,400 job seekers and 2,000 employers responded to the surveys. The University also surveyed approximately 2,000 WIA Title I registrants. **The survey responses indicated high levels of satisfaction among both employers and individuals.**

Sixty-seven percent of employers reported that their satisfaction was high with services provided from a WorkSource center. Twenty-seven percent said their satisfaction was medium, and only 5 percent reported low satisfaction. Eighty percent of employers reported high satisfaction with the responsiveness of WorkSource staff; 81 percent reported high satisfaction with the knowledge of staff, and 74 percent indicated high satisfaction with the types of services offered by WorkSource. There were relatively few dissatisfied employer customers; for example, only 6 percent of employers said they were unlikely to recommend WorkSource to others.

Among job seekers using WorkSource, 65 percent said they were very satisfied with the services provided, 28 percent were satisfied, and only 6 percent were very dissatisfied. Similarly, 57 percent said the services exceeded their expectations, 34 percent said they met their expectations, and only 9 percent said the services fell short of their expectations. Ninety-six percent were either satisfied or very satisfied with the responsiveness of staff; 98 percent were satisfied or very satisfied with the knowledge of staff; and 97 percent were satisfied or very satisfied with the type of services offered. One area that might be improved is counseling regarding training and other services. While 56 percent of job seekers reported receiving help planning the services or training they needed, 44 percent said they did not receive help.

Individuals who were registered as WIA Title I participants were more likely than other WorkSource customers to report receiving help planning the services or training they needed—74 percent. Fifty-five percent said they received classroom training in job skills; 23 percent received basic skills instruction. Overall, 73 percent of WIA Title I participants reported high satisfaction with the services provided, 22 percent medium satisfaction, and only 5 percent reported low satisfaction. Again, there were very few dissatisfied customers; for example, only 7 percent said the programs services did not meet their objectives.

Appendix 10: *Washington Works* and Progress to Date

In 2006, the Governor asked the Workforce Board to conduct a review of the workforce development system that resulted in the recommendations published in *Washington Works*. This study articulated many of the challenges that the expanding and ever-complex workforce development system faces. For the review, the Workforce Board conducted research that included extensive analysis of the labor market outcomes of workforce development programs, surveys of participants and employers, surveys of WorkSource and community and technical college staff, a review of the literature, a study of best practices in other states, and an independent assessment of the WorkSource system. A major focus of this review was to identify any barriers to increasing training.

Washington Works provided 48 recommendations divided into eight distinct categories related to the workforce development system. Following is a summary of action that has been taken to implement each of the 48 recommendations of *Washington Works*. The recommendations are presented in the same order as in the report.

1. INCREASING COORDINATION WITH EDUCATION SYSTEMS.

1.1 Establish a P-20 Council

Progress to date: P-20 Council was established and staffed by the Governor's office. The Workforce Board Chair was a member of the Council. The P-20 Council was eliminated as part of ESB 5995, a bill that discontinued various entities during the 2009 legislative session.

1.2 Participate in a reconstituted Higher Education Coordinating Board (HECB).

Progress to date: The HECB was not reconstituted but the Workforce Board's executive director sits on the HECB Advisory Council that meets quarterly with the whole HECB. The result of this has been increased attention to workforce issues. For example, the Master Plan for Higher Education includes a focus on an increased need to serve diverse students, and older students who might be working students.

2. DEVELOPING A NEW PARTNERSHIP WITH ECONOMIC DEVELOPMENT.

2.1 Appoint the Director of Community Trade and Economic Development (CTED) as an ex officio participating official on the Workforce Board.

Progress to date: Accomplished. The Executive Director of the Department of Commerce serves as an ex officio participating official on the Workforce Board.

2.2 Appoint the executive director of the Workforce Board as an ex officio member of the Economic Development Commission.

Progress to date: Accomplished.

2.3 Direct the Workforce Board and CTED, in collaboration with the Workforce Development Councils, Economic Development Councils, community and technical colleges, and local governments to develop a plan to support coordination at the regional level of workforce and economic development efforts.

Progress to date: There has been very significant progress in this arena. The Workforce Board's white paper, *Skills for the Next Washington*, was the culmination of several months work by a wide range of relevant state and local partners and outlines the comprehensive strategy to fulfill this objective. Legislation (SHB1323) was passed during the 2009 session putting most of these recommendations into statute. There is still more work to do, but good progress is being made.

2.4 Direct CTED and the Workforce Board to develop cluster-based strategy as a central organizing principal for their joint activities and as an important means to close skill gaps.

Progress to date: The legislation passed in 2009 mentioned above (SHB1323) also included a provision directing the two agencies to work together to define clusters and regularly identify clusters to be used for various purposes such as for grant applications for skill panel or innovation partnership zones. The two agencies have created a list of industry clusters. In addition, legislation was passed in 2009 related to the Job Skills Program to strengthen the use of a cluster approach as one of the criteria that would give a proposal additional weight.

2.5 Provide state general funds to support Industry Skill Panels.

Progress to date: The 2007-2009 legislative budget (General Fund – State) provided funds to support industry skill panels. The 2009-2011 budget reductions will result in little if any state general fund support for skill panels; however, the Workforce Board continues to seek opportunities to fund these efforts.

2.6 Direct CTED, the Workforce Board, State Board for Community Technical Colleges (SBCTC), and ESD to coordinate grant processes wherever possible.

Progress to date: Staff from all the listed agencies meet often to coordinate grants as RFPs are written and members of all agencies or representatives from their boards regularly sit on committees that review applications. One example of this work is between the Workforce Board, the Department of Commerce and others who are on the "Evergreen Leadership Team" that is reviewing Recovery Act "Green" grant applications for endorsement by the Governor's Office.

2.7 Require the coordination of research activities of workforce and economic development agencies.

Progress to date: Agencies have begun to take greater advantage of each other's research resources (e.g.: the Workforce Board's research staff have provided data on industry clusters to the Economic Development Commission).

3. ALIGNING STATE AND LOCAL GOALS FOR WORKSOURCE.

The following recommendations revolve around the complex relationship between the Employment Security Department (ESD) and Workforce Development Councils (WDCs).

3.1 ESD's senior leadership team and the WDC directors should commit to an even stronger partnership in overseeing the WorkSource System.

ESD senior leadership is committed to defining oversight roles and responsibilities to remove ambiguity and enable ESD and WDCs to each provide necessary oversight of the system. ESD's WorkSource Standards and Integration Division (WSID) is in the process of issuing a series of system policies, including a One-Stop Operator policy and an MOU policy, that define these roles and provide the minimum standards to be met by the system.

3.2 ESD should continue to be the lead organization for developing statewide WorkSource operational policies.

ESD's WorkSource Standards and Integration Division, in consultation with partners, continues to identify and is in the process of developing new system operational policies to ensure a minimum, consistent level of service delivery, standards and integration. These new policies impact the programs delivered through the WorkSource System and set clear expectations for the partners delivering those services, with WSID monitoring and ensuring compliance. Their development and implementation are on-going, providing both challenges and opportunities that will require sustained commitment and effort to achieve.

3.3 WDCs should continue to be the lead organizations for developing local WorkSource policies.

The WDC's provide the leadership needed to bring together a broad range of partners at the local level to develop and continuously improve the local system while meeting state and local goals and objectives. The new state WorkSource system policies are setting new expectations for the Workforce Development Council leadership in implementing these policies.

A number of state system policies will require the WDCs to establish local processes which will impact WorkSource Partners. This is being done to provide standards that WDCs will incorporate into applicable local systems.

3.4 All staff within a WorkSource center should function as part of a multi-agency team coordinated by the One-Stop operator.

A new state WorkSource system policy sets guidance and standards related to the roles and responsibilities assigned to the One-Stop operator. This will lead to clarity and detail on the part of the WDC and operator with respect to important system integration responsibilities. The policy has been finalized and posted, going into effect July 1, 2010.

A separate new state system policy addresses the Memorandum of Understanding between the WDCs and funded partner programs. In this agreement all partners in the local WorkSource system describe their roles and responsibilities in relation to the provision of core services, use of agreed upon referral mechanisms, sharing of system costs, etc. This policy is still in the development process.

3.5 ESD and the WDC directors should work with WorkSource partner programs toward integrated, not co-mingled, budgets for WorkSource centers.

A pilot was conducted to determine the feasibility of integrated, rather than co-mingled, budgets. The pilot was named "All Money is Green." Based upon a performance and budget review of the All Money is Green Pilot Project, the pilot formally ended on February 1, 2009.

Service delivery needs at WorkSource centers cut across funding silos. The project focused on accommodating the requirements of narrowly defined funding streams while delivering services that meet the needs of a broad, diverse client population. The pilot tested the feasibility of managing the WorkSource system using a single budget allocation in place of the current system that provides a separate budget for each grant at the local level.

The project was discontinued in February 2009, because the current time reporting and budget systems were not designed to support the concept. It also highlighted problems for certain /restricted funds which could not always be mitigated.

Although the pilot has ended, some of the goals of the project have been incorporated into the Employment Security Department's budget process, which now makes decisions based on the total bottom line dollars and the specific activities necessary to achieve the strategic vision. The department's Central Budget Office and the divisional grant managers are responsible to ensure the funds are spent in accordance with the grant guidelines. Full implementation of the goals of this project will require significant and expensive changes to the agency's time reporting system.

3.6 One-stop center results will be reported in concert with ESD using a GMAP approach.

Development of the new federally-mandated ARRA reporting requirements for local areas for expenditures and participant data has resulted in extensive tracking of results. Local WDC data is available and can be accessed locally showing performance outcomes for Wagner-Peyser, WIA/ARRA participants. It will later be expanded to include TAA. Long-term, the goal is that this data can be used to inform management decisions while looking at programs in a holistic manner.

Also, a monthly “WorkSource Management Indicator” report was developed and is shared with local WDC and ESD local directors to encourage joint discussion and assessment of results that have been compiled.

This report contains a perspective on local labor markets, unemployment and claimant statistics, and information on individual businesses and workers impacted by layoffs or closures in an area. A trend chart is included for easy reference to monthly totals of the number of persons served in WorkSource*. Additional information includes performance and enrollment numbers for WIA and Trade Act program participant enrollment and expenditure information for WIA programs.

* Based on data entries into the ESD case management and reporting system (SKIES).

4. STRENGTHENING THE LOCAL WORKFORCE PARTNERSHIP

4.1 Develop state directives and agreements on integration.

Progress to date: As a follow up to the recommendations in *Washington Works*, an Employment Security Department and Workforce Board team worked in the second half of 2008 to develop a set of principles for increasing the integration of services in the WorkSource system. ESD’s WorkSource Standards and Integration Division released the team’s *WorkSource Initiative Framework* in December 2008.

Guided by the framework, Workforce Investment Act, Trade Adjustment Assistance, and ESD’s labor exchange staff are working together to “functionally integrate” the WorkSource environment. The goal is to align WorkSource front-end functions, skills/employment functions, and employer services to better address customer needs. ESD’s WSID is developing a series of policies to establish minimum standards and consistency and advance integration in those, and additional areas.

This also supports the High Skills, High Wages link: adult objective four and “Steps to Get Us There”.

- Identify barriers to integrated customer service, develop and implement solutions.
- Improve the integration of assessments, counseling, employment services, and training in the WorkSource system.

4.2 Co-locate WorkSource centers and establish affiliate sites on more community and technical college campuses.

Progress to Date: There has been a reduction in the numbers of co-locations due to strain on the system for funding. Progress on this item is dependent on resources. A number of community colleges throughout the state operate One-Stop affiliate sites on their campuses.

With the exception of the one-time ARRA funding, system-wide dollars have been reduced. However, the legislature did provide funding in the capital budget to construct a building at the North Seattle Community College campus to house Employment Security, DSHS and college staff in one location and serve as a model for integrated service delivery.

4.3 Mandate increased use of common assessments.

Progress to date: Accomplished for youth clients. Use of assessments for dislocated workers and adults continue to vary widely, both in the tool used and percentage assessed. In 2008, the Employment Security Department issued State WIA Policy #3685 Revision 1, directing all WDCs to use the CASAS appraisal test to determine if an out-of-school WIA youth participant is basic skills deficient. CASAS pre and post tests are used statewide to measure literacy and numeracy skills gains for the WIA youth.

In conjunction with WSID's new front end policy, targets have now been established for a minimum level of clients entering WorkSource to be assessed in every office.

4.4 Enhance management information system integration.

The previously mentioned "WorkSource Integration Framework" sets a new foundation for more efficiently and effectively supporting staff from partner programs. Three significant technology enhancements to the WorkSource case management and reporting system, SKIES, are under development.

1. A feasibility study is being conducted under the leadership of the ESD Information and Technology Services Division to better integrate and provide on-going support to a range of computer systems used by various partner programs. It is a technical solution which would enable easier technology maintenance. More importantly, it could serve as an effective technical solution to support service delivery integration. This would be accomplished through "behind-the-scene" technology improvements which would result in better continuum of service to the customer. Using a coordinated data location for extracting information would also provide a more coordinated and less duplicative reporting mechanism.

2. Another effort for continuous improvement of the statewide management information system for WorkSource is also underway. The current WorkSource Membership System (WMS) initiated and administered by the Washington Workforce Association for many

years will be migrating into the ESD system behind a firewall which will allow for more security protections of customer data. The result of combining WMS with other systems, to be renamed the Self-Service Membership System (SSMS), is a new level of integration in data collection approaches.

3. The WorkSource Information Technology Advisory Board (WITAB) was recently formed to provide recommendations on information technology integration issues in the WorkSource system and on specific technology issues with SKIES and other management information systems. It includes staff from ESD operating and information technology divisions and from local workforce development councils.

At the customer level, computers that were made available in WorkSource center resource rooms throughout the state will be a portal for a customer to initially enter basic personal data into the consolidated system and create log-ins which may be used for on-line applications.

4.5 Seek alignment of eligibility criteria for dislocated worker programs.

Progress to date: WIA reauthorization will trigger progress on this task.

4.6 Pilot the co-location of Labor and Industry Vocational Rehabilitation Services at WorkSource centers.

Progress to date: The Pacific Mountain Workforce Consortium initiated a successful pilot at the WorkSource Thurston Center located in Olympia, Washington. Labor and Industries (L&I) found it very helpful having a vocational rehabilitation representative in the center who had access to other workforce development professionals that assisted in client services planning and leveraging of resources for L&I clients. The representative continues to have a full time presence at the WorkSource Thurston County Center. The model has also been replicated at other sites.

In addition, Labor and Industry's apprenticeship program unit works statewide to arrange for joint apprenticeship and training council coordinators to schedule periodic meetings with WorkSource staff. This enables them to exchange program information and to help WorkSource staff have a better understanding of how to connect jobseekers to our nation's classic "Earn as You Learn" program.

4.7 Establish an interagency workgroup to serve people with disabilities.

Progress to date: DVR took the lead in forming and coordinating a 13 member interagency work group to develop action steps for strategic direction. The work group met five times during 2007. In November of 2007, the group presented draft recommendations to the Workforce Board to better serve individual with disabilities.

High Skills High Wages link: Adult objective three includes specific steps: a) to reach out to more people with disabilities, and use community-based organizations to assist

with this, b) reassess the business needs of employers and services to customers with disabilities, c) build stronger linkages between workforce development services and programs that provide the essential support services needed by many individuals with disabilities to participate in the workforce, and d) enhance partnerships with state, local and private organizations that deliver services to individuals with disabilities.

4.8 Improve coordination of job development and refine referrals.

The American Recovery and Reinvestment Act provided funds to the ESD labor exchange and employment services programs. As a result of these funds, the agency initiated a major revitalization to its business outreach efforts and the Employment and Career Development Division hired a full complement of business service managers, one for each area of the state. The WSID is currently working with WDCs and other partners on a system policy focused on coordinated outreach and business services.

4.9 Establish integration as a WorkSource certification criteria.

Progress to date: We do not know if WIA reauthorization will direct states to establish One-Stop center certification criteria. Currently, the Workforce Investment Act directs the local WDC to certify WorkSource centers. All areas have certification criteria and processes that address some basic coordination components among partners.

4.10 Require use of plan approval authority to support integration.

Progress to date: Accomplished. The Workforce Board adopted integration criteria and reviewed WDC plans in spring 2009 to determine if the criteria were satisfied. The Board's recommendations for Governor approval were based on whether the plans demonstrated strong integration.

High Skills High Wages link: adult objective four and integration steps.

5. EXPANDING PERFORMANCE ACCOUNTABILITY FOR INTEGRATED SERVICES

5.1 Following the reauthorization of WIA, the Workforce Board should join its partners in a full-scale review of the state core measures to determine if any changes are warranted.

Progress to date: waiting for reauthorization of WIA.

5.2 ESD and the Workforce Board should re-examine the relationship between the measurements that each requires from WorkSource to determine how this measurement scheme can be simplified.

Progress to date: Improved methods that suit all system partners are being considered as part of WIA reauthorization, but the question remains if states should wait for Congress

to act. An example of related measures is the Integrated Performance Measures, developed by Washington leading other states at the request of DOL as interim measures.

5.3 The Workforce Board should collaborate with ESD's Labor Market and Economic Analysis unit and other partners to examine measures of skills gap for possible enhancements, such as measuring the gaps in key economic clusters.

Progress to date: Up-to-date, and on-going. The Workforce Board and Department of Commerce staff assisted ESD's Labor Market and Economic Analysis unit in the development of an employer survey and analysis of survey results for LMEA's 2008 *Green Economy Jobs* publication. The Workforce Board and ESD LMEA unit staff assisted the Department of Commerce in developing their publication entitled *Washington State's Green Economy - A Strategic Framework*. This work is ongoing.

5.4 The Workforce Board should regularly develop and publish a *Workforce Tracking Matrix* that shows workforce development programs' funding, services, and results.

Progress to date: Accomplished. The Workforce Board developed a matrix <http://www.wtb.wa.gov/Documents/workforcematrix.pdf>. The Workforce Board's Workforce Training Results also evaluates major programs in the workforce development system (<http://www.wtb.wa.gov/WTR2008.asp>) every two years providing earning and employment outcomes, participant and employer satisfaction and cost-benefit analyses, and highlighting areas for improvement.

6. EXPANDING SERVICES TO YOUTH AT RISK

6.1 Create a state-level public/private partnership that provides demonstration grants to school-community partners for development of comprehensive dropout prevention and intervention programs for middle and high school students at risk of dropping out and dropouts.

Progress to date: Accomplished. The Workforce Board advocated for and the 2007 Legislature passed 2SHB 1573, which created the Building Bridges Program, a state grant program that directs school-community partnerships to build a comprehensive dropout prevention and intervention system in their local community. The legislature provided \$5 million for the program in 2007-2009 biennial operating budget. Fifteen grants were awarded beginning in February of 2008.

6.2 The Governor should consider applying to DOL for a waiver that would enable WDCs to use WIA local youth formula funding for Dropout Prevention and Intervention (DPI) projects.

Progress to date: This strategy was not pursued in lieu of the enactment and funding of the Building Bridges program. The DPI projects were phased out as the Building Bridges program was phased in. The WDCs are required partners in the Building Bridges grant

program and are able to leverage WIA formula dollars for students that are served in the Building Bridges program that are also eligible under the WIA criteria.

6.3 Secondary and postsecondary Community and Technical Education (CTE) should take the next step in smoothing seamless Transition by creating articulation agreements for career pathways.

Progress to date: The 2006 reauthorization of the federal Carl Perkins Career and Technical Education Act requires the state to develop and implement career and technical “programs of study” and requires all recipients of Perkins funds to provide at least one approved program of study. “Programs of study” are courses with coherent and rigorous content aligned with challenging academic standards and relevant career and technical content in a coordinated, non-duplicative progression of courses that align secondary education with postsecondary education. Articulation templates have been developed and adopted by the 22 Tech Prep consortia to facilitate approved programs of study.

Also, the 2008 legislature granted funds to develop model statewide programs of study. The Workforce Board participated in the planning group for the grant program and three model program frameworks were developed by three Centers of Excellence in construction, information technology, and allied health.

7. INCREASING POSTSECONDARY TRAINING ACCESS AND RETENTION

7.1 The Governor should consider applying to DOL for a waiver that would allow WDCs to use some of their WIA adult formula funds in order to contract for customized training for low-wage incumbent workers in selected sectors.

Progress to date: On November 20, 2008, following broad stakeholder review, the Workforce Board formally adopted recommendations on what the next WIA should look like. Included was a recommendation to our state delegation to provide local Workforce Development Councils a flexible WIA pot of formula money to fund industry skill panels as well as customized training for low-income workers in particular occupations. The WIA reauthorization recommendations were revisited by the Workforce Board at its August 2009 retreat.

7.2 The state should expand the Opportunity Grant program so that financial assistance and support services are available to more low-income workforce education students at community and technical colleges and trainees in apprenticeship programs.

Progress to date: The 2006 legislature created the Opportunity Grant program to provide tuition assistance and support services such as child care, transportation, counseling, and tutoring to workforce education students at community and technical colleges. The program was expanded from \$15 million for the biennium to \$23 million though there were greater restrictions on support services offered for only emergency purposes and for

books and equipment. The funding was maintained for 2009-2011. However, the amount for the grant does not meet the estimated need.

7.3 Cover tuition costs for the 13th year for workforce education students who earn less than the Washington median family income.

Progress to date: The Workforce Board continues to advocate for this. First steps could be taken towards achieving this goal as outlined in HSHW.

7.4 Explore a “Navigation 102” model of comprehensive guidance to pilot in community and technical colleges workforce education programs and WorkSource centers.

Progress to date: No progress to date. More work is expected on this.

7.5 Make more part-time students eligible for the State Need Grant.

Progress to date: Following successful outcomes of the pilot program, the state provided funding to serve part-time students and make them eligible for the State Need grant. The 2009 assessment by the HECB shows that the program, if expanded, could serve a much larger number of part-time students.

7.6 Provide bridge money up front to low-income students.

Progress to date: Washington received a grant from a national organization to explore the model of “Lifelong Learning Accounts”. This concept enables employers of low-income to contribute towards a saving account dedicated to funding the worker’s education based on a counseled career plan. Work continues to expand employers who are participating in this pilot. As of November 2009, there are six employers signed on with interested employees.

7.7 Continue to provide WIA Title I resources to help student retention.

Progress to Date: WIA funds are frequently used to help low-income students stay in school through the provision of support and case management services. WDCs will continue their efforts to make sure they are providing appropriate levels of WIA resources to assist low-income students stay in school and complete postsecondary training.

7.8 Expand use of the Food Stamps Education and Training program.

Progress to Date: SBCTC has hired a staff member to promote the expansion of the use of Food Stamp Employment and Training (FSET) funds. However, expansion depends on the ability of DSHS to streamline requirements.

7.9 Expand Integrated Basic Education and Skills Training (I-BEST) programs to all community and technical colleges.

Progress to date: Accomplished. The state operating budget has provided funds to expand this program to all community and technical colleges. With more than 3,000 students enrolled in I-BEST, there has been a 58 percent increase in enrollments in one year. As outcomes are proving to be dramatically better for I-BEST students compared to Adult Basic Education (ABE) students, the proportion of Adult Basic Education programs delivered through an I-BEST model should be increased. Note that President Obama mentioned WA's I-BEST as a best practice model that should be emulated across the United States.

7.10 Increase community and technical college efforts to develop more one-year certificated workforce education programs.

Progress to date: Accomplished. The State Board for Community and Technical College processed more than 1,347 program approval requests including the addition of 108 new programs, 124 new short-term certificates, 89 program title changes, 167 programs deleted, 83 programs placed in inactive status, and 771 requests for curriculum modification.

7.11 The HECB, SBCTC, ESD, and the WDCs should work together to develop a website that provides information about traditional and non-traditional student financial assistance, including support services.

Progress to Date: SB 5043 passed in 2009 requires agencies including the Workforce Board to work together to create a higher education web portal. In 2009, the Workforce Board launched CareerBridge.com that provides comprehensive education and training information with consumer report information on program outcomes in addition to occupational information and a variety of other links. This accomplishes a large portion of the work required in SB 5043 and furthers the implementation of this goal, though more work must be done to fill information gaps.

8. IMPROVING THE STATEWIDE STRUCTURE

8.1 The Governor should direct that the workforce development programs, WorkFirst and the Customized Training Program be included in the system performance measurement considerations of the Workforce Board and be considered in developing the State Strategic Plan for Workforce Development.

Progress to date: An assessment of the Workfirst program was included in the recent version of *Workforce Training Results*.

8.2 The Governor should appoint a WDC director to fill the vacant local representative position on the Workforce Board.

Progress to date: Accomplished. Mark Mattke, CEO of the Spokae Workforce Development Council, is the current representative.

8.3 There must be a clear mutual understanding of the strategic role of the Workforce Board, the operational role of the agencies, and the difference between the two roles.

Progress to date: In September 2007, all Board members signed the "Partnering for Performance: Washington's Workforce Compact", which identifies the key responsibilities of the Board and its partners. In June of 2009, the Employment Security Department and the Workforce Board staff presented a draft statement that goes into more detail about the roles and responsibilities of these two agencies. The Board did not take action on that document because the Governor asked ESD and SBCTC, in collaboration with the WTECB, to clarify roles and responsibilities of these critical partners in the Workforce Development System. The system review will be completed on December 15, 2009.

8.4 The staff of the Workforce Board and the staff of the operating agencies represented on the Board should endeavor to strengthen the ways in which they collaborate to benefit the customers of the workforce development system.

Progress to Date: The staff of operating agencies and the Board have had a renewed focus on collaboration and coordination of activities.

8.5 The Workforce Board should enhance the use of its Interagency Committee for program coordination.

Progress to Date: The Workforce Board regularly convenes an Interagency Committee (IC) of program and business and labor representatives. Some of the individuals report to principles who serve on the Board. Others are representatives of workforce programs that do not have representation on the Board. Currently, the committee's charter is to:

- Provide for cross-system collaboration in developing policy issue papers for the Board's consideration. Example: Strategic plan for workforce development.
- Ensure that Board members are aware of agenda issues and are prepared to participate productively in discussions.
- Identify emerging issues critical to developing an excellent workforce development system.
- Support the Board staff in crafting meaningful, relevant and compelling Board meeting agendas.
- Negotiate interagency differences in policy, perspective and priority.

Communicate within their organizations/systems the goals and activities of the Board in order to ensure broad involvement and support in making progress.

Appendix 11: Workforce Compact (2007)

Partnering for Performance: Washington's Workforce Compact

Preamble

The partners of the Workforce Development System commit to working together to close employer skill gaps in Washington.¹ We must prepare all Washington residents to attain lifelong successful attachment to the workforce, especially individuals whose innate talents and abilities have not been fully developed in the past.

Employers are facing a long-term trend toward greater skill shortages as the baby-boom generation retires. To fill these skill shortages, businesses must develop their current workforce and employ new workers from formerly underutilized populations. In order to prepare these populations for successful and long-term labor market participation, the Workforce Development System must go beyond previous efforts to coordinate our services and work in complementary ways.

We must be effective partners in: identifying employer skill gaps, recruiting individuals to receive valuable training, offering guidance that leads individuals down career paths, providing wrap around support services that enable individuals to participate in and complete education and training, placing job seekers in quality jobs, and collaborating in meeting employer needs.

By doing these things we will improve our performance in meeting our individual and mutual goals for our customers. We will be in a better position to prevent students from dropping out of school and to retrieve those who have dropped out. We will be more

effective in transitioning students from secondary to postsecondary education and work. We will offer training that is more in tune with the needs of employers and the economy. We will offer better services for those previously left behind, raising the skill levels of all Washingtonians. We will provide greater economic security and grow a more inclusive and dynamic economy.

Our vision is a workforce development system that offers every Washington resident access to high-quality academic and occupational skills education throughout his or her lifetime, effective help to find work or training when unemployed, the personalized assistance to make progress in the labor market, and Washington employers access to the skilled workforce they need.

I. Goals

1. Youth: Ensure all Washington youth receive the education, training, and support they need for success in postsecondary education and/or work.
2. Adults: Provide Washington adults (including those with barriers to education and employment) with access to lifelong education, training, and employment services.
3. Industry: Meet the workforce needs of industry by preparing students, current workers, and dislocated workers with the skills employers need.

¹ The Workforce Development System is defined in RCW 28C.18.010 and Executive Order 99-02 section 5.

4. Integration: Integrate services provided by separately funded workforce development programs so that we provide the best possible service to our customers.

II. Guiding Principles

The partners to this Compact commit to working together to create and sustain a workforce development system that fulfills these principles:

- The workforce development system focuses on the needs of employers, individual students, workers, and job seekers. The needs of our customers are always more important than the needs of the system or any individual partner agency or program.
- It is only by meeting the needs of employers that the workforce development system can accomplish its goals for individuals, increasing employment opportunities for those who have been previously left behind and raising the overall standard of living for Washington residents.
- The workforce development system strives to meet the employment and training needs of all Washington residents by providing universal and lifelong access to workforce services.
- Through collaboration, each partner will be better able to fulfill its own mission to serve the partner's customers.
- The workforce development system provides coordinated customer services even when the services are funded through and provided by different programs.

- The workforce development system takes advantage of the services of partner programs and avoids wasteful duplication of services.
- The workforce development system is accountable for results.
- The workforce development system's decision-making is evidence-based.
- The partners commit to investing resources to achieve the four goals of the workforce development system.
- The partners commit to removing barriers that stand in the way of meeting employment and training needs of Washington residents and employers.
- The partners commit to striving for consensus decision-making.
- This state compact is intended to compliment, not supplant, local agreements.
- The partners acknowledge that full implementation of this compact requires the provision of the necessary resources for the workforce development system.

III. Roles and Responsibilities

The following statements identify key roles and responsibilities of the partners to this Compact. It is the goal of the partners to carry out these roles and responsibilities in an exemplary manner, creating the best workforce development system in the world, and producing high skills and high wages.

Roles

Key roles of system partners include, but are not limited to:

- The core business of secondary career and technical education, community and technical colleges' adult education and workforce education programs, apprenticeship programs, and private career colleges is education and training.
- The core business of the WorkSource System is to meet the needs of employers and individuals through assessment, career and education counseling, training referral, job search assistance, job development, and job referral.
- The core business of the Employment Security Department is to fill employer job openings with well qualified job seekers and to mitigate the negative consequences of unemployment.
- The core business of the Division of Vocational Rehabilitation (DVR) and the Department of Services for the Blind (DSB) is assessment, career and education counseling, training referral, job search assistance, physical and mental restoration services, assistive technology, job development, and job referral for individuals with the most significant disabilities who require vocational rehabilitation services in order to be employed.
- The core business of the Workforce Development Councils (WDCs) is to convene workforce development partners and stakeholders at the regional level in order to assess skill gaps, to develop the region's workforce development system plan in coordination with economic development, to serve as the regional performance management entity for workforce development, and to facilitate interagency projects and programs.
- The core business of the Workforce Training and Education Coordinating Board (Workforce Board) is to coordinate policy and planning for the workforce development system, to evaluate results, and to facilitate demonstration projects testing new ideas.
- The core business of the Washington State Apprenticeship and Training Council and the Labor & Industries Office of Apprenticeship is to foster the apprenticeship training system in Washington State by developing and monitoring registered apprenticeship programs, promoting apprenticeship as a skills development system for employers as well as a postsecondary training choice for individuals.
- The Association of Washington Business will participate through representatives on the Workforce Board to provide a voice for business in guiding the policies, plans, and programs of the workforce development system.
- The Washington State Labor Council, AFL-CIO will participate through representatives on the Workforce Board to provide a voice for labor in guiding the policies, plans, and programs of workforce development system.

Responsibilities

Key responsibilities of system partners include, but are not limited to:

- Partner programs will collect and track information on program participants so that performance and outcomes can be measured for all participants and appropriate information can be shared among partners.

- Partners will integrate partner program services, where appropriate, at the state and local level—for example, by DVR providing rehabilitation services for eligible participants at WorkSource Centers.
- Partners providing case management services will work together to reduce duplication and expand the availability and reach of case management services—for example, by integrating case management of WorkFirst TANF recipients, Workforce Investment Act (WIA) eligible participants, and other low-income populations requiring case management services.
- Partners providing support services to common populations of program participants will work together to expand the availability and reach of support services—for example, by WIA Title I providing support services for WIA Title I eligible students in training at community and technical colleges and private career colleges.
- Partners issuing applications or requests for proposals for workforce development services will encourage service integration among partners at the state and local levels, which will be reflected in the proposal review and selection process.
- Partners will assess the skill needs of the system’s employees in order to meet the four goals and work together to raise the competency levels of staff and managers.
- K-12, the WDCs, and WorkSource systems will work together and with other partners to serve youth who are at risk of dropping out of school or who have already dropped out of school—for example, through the “Building Bridges” program.
- The K-12 and community and technical college systems, and the Workforce Board will work together to facilitate student transitions between secondary and postsecondary career and technical education.
- The WorkSource System will recruit and provide referrals to training for individuals who need training in order to obtain suitable employment or to improve future employment options.
- WorkSource System services will include support services for many of the WorkSource participants placed into training in order to improve training retention and completion rates.
- The WorkSource System will provide referrals to jobs for individuals who seek immediate employment.
- The WorkSource System will provide staff-assisted access to information on apprenticeship programs and private career colleges.
- The WorkSource System will offer its core business services to community and technical college and private career college students, including through a physical presence on as many community and technical college campuses as possible.
- Partner programs commit to supporting the WorkSource system’s efforts to carry out the core business functions of WorkSource.

- Partners will provide information to support WDCs in the development of accurate and useful regional strategic plans.
- DVR at the Department of Social and Health Services and DSB will offer their services to individuals with disabilities who are eligible for vocational rehabilitation services at as many WorkSource locations as are practicable.
- The community and technical colleges will endeavor to maintain a physical presence at each WorkSource Center.
- The Labor & Industries Office of Apprenticeship and the Washington State Apprenticeship and Training Council will partner with community and technical colleges, the WorkSource system, and WDCs to promote registered apprenticeship to individuals as a postsecondary training choice and to employers as a skills development training system.
- The WDCs will provide for a coordinated and responsive system of outreach to employers.
- The Workforce Board will analyze demographic and economic trends, programs, and outcomes of the workforce development system in order to identify significant problems, best practices and ways of improving outcomes.
- The Workforce Board will work with partners and stakeholders to develop and maintain the state comprehensive plan for workforce development that will identify the goals, objectives, and strategies for the workforce development system.

- The Workforce Board will look for evidence of collaboration among workforce development programs and services when reviewing plans for consistency with the state comprehensive plan.

State Actions to Better Coordinate Services

Removing Barriers

Sometimes, the barriers that stand in the way of our customers achieving their goals are of our own making. Not that they are intentional. But sometimes, following individual program objectives bump up against the policies or practices of another program in a way that is less than optimal for our customers. For example, the administrative rules of one program may make sense in the context of that program, but when put together with the administrative rules of another program, customers may be faced with conflicting sets of procedures.

The partners to this Compact commit to a collective effort to identify and remove government or other barriers that stand in the way of serving our customers. Such barriers may include, but are not limited to policies, practices, regulations, or performance measures. What appear as barriers may exist for a good reason. This must be considered. But we commit to identifying and removing those barriers that don't make sense from the perspective of the goals we are trying to achieve for our customers.

Providing Incentives

In order to advance collaboration at the local level, the state partners commit to using the following and other tools of their workforce development programs in order to encourage

partnerships. In applying these tools, the state programs will incorporate ways to encourage local organizations to coordinate the complementary services of partner agencies and programs when that is in the best interest of our customers. As an example, state requests for proposals will encourage applicants to include partner services as appropriate.

- Planning requirements and approval
- Allocations
- Application requirements
- Requests for Proposals
- Contracts
- Policies and procedures
- Performance measurement
- Conferences and other opportunities for information sharing and professional development
- Marketing and communication
- Awards for Best Practices

Conclusion

The Workforce Development System consists of 18 programs to prepare individuals to meet employer workforce needs. If we collaborate effectively in serving our customers, the product of our efforts can be much greater than the sum of our individual efforts. The partners signing this *Compact* commit to making this happen. We will review the *Compact* every two years in order to assess its usefulness and to keep it current.

Appendix 12:

Challenges

While a strong infrastructure for the one-stop system and workforce development has been built since the passage of WIA, many challenges still exist. Some of the significant challenges that the system is currently faces are described below in no particular order.

Co-location of Education and One-Stop System Resources

In 2003, the Washington State Legislature in the capital budget called for “SBCTC to conduct a study, with input from an advisory committee, on the feasibility and benefits of establishing one-stop satellite offices co-locating the ESD and the Department of Social and Health Services (DSHS) on community college campuses.” The legislature’s intent was to improve service delivery to shared clients/students of the three agencies; to improve employment outcomes for people struggling to achieve self-sufficiency and prosperity for their families; and to make better use of tax dollars by locating these services in facilities owned by the state rather than in leased buildings.

At the time of the study, co-location of education and one-stop delivery system resources was limited and continuing to diminish as a result of funding reductions. The study demonstrated the value of co-location and recommended the development of a pilot project at North Seattle Community College. Specifically, the study found that co-location would improve services to clients and employment outcomes, while making better use of tax dollars. (Employability Co-location Feasibility Study, SBCTC, December 2004)

Unfortunately, lack of funding continues to create a significant barrier to achieving the vision of co-located education and employment services. In recent years, primary support for the funding of co-located services has come from community colleges that are able to pull together limited local resources. However, the provision of co-located services continues to be extremely limited and is inconsistent across the state.

Recession-Related Demand

As a result of the record unemployment rates in the state, college enrollment rates are at an all-time high. This increased student demand has taxed an educational system that was subject to significant funding reductions resulting from the decline in state revenue. Declining revenue forecasts since the adoption of the budget in April 2009 predict continued funding reductions to the state’s educational institutions. State unemployment rates are expected to continue to rise until a peak in 2010.

Limited Funding for Incumbent Worker Training Programs

Washington lags behind other states in its support of incumbent worker training programs. The primary vehicles for providing state-supported incumbent worker training are the Job Skills and Customized Training programs.

The Job Skills Program is training customized to meet employers' specific needs. Training is delivered to new or current employees at the work site or in a classroom. The

program is currently funded at approximately \$2.725 million annually. This funding is exhausted annually and employer demand for additional resources is increasing.

Under the Customized Training Program (CTP), the State Board for Community and Technical Colleges pays the costs, up front, for training customized to employer needs. After training is completed, the business repays the costs to the SBCTC interest free. After a business makes the initial payment of 25 percent to the SBCTC, they may take a state B&O tax credit equal to half of that amount. As the business pays off the remainder over the 18 month period, the business may continue to take tax credits equal to 50 percent of each repayment amount. Thus, this innovative program works as a revolving loan fund and serves to provide a tax credit equal to 50 percent of the cost of the training program to participating businesses. Because of the revolving loan, the initial \$3 million investment recycles itself allowing many Washington businesses to benefit from the investment over time.

During the last legislative session, the CTP's budget was reduced from \$3 million to \$175,000 plus the funds received through business repayment. This substantial reduction in funding has seriously hampered the state's ability to provide incumbent worker training.

Washington Works recommended in 2007 that the Governor should consider applying for a federal waiver to the Workforce Investment Act to allow the use of federal resources to support the state's incumbent worker training programs. To date, this recommendation remains outstanding.

Outdated Training Equipment

A significant barrier to providing training aligned with the current practice of industry is access to modern equipment. Many college programs simply do not have the resources necessary to ensure their training equipment is current and provides the student with a simulation of the modern work environment. Industry reports that many students exit training programs without having trained on the types of equipment they will use in their work environment. This hampers the ability of recent graduates to find work and requires that many employers must re-train new graduates on the equipment currently used in the production environment.

Rigid Academic Calendar

Adherence by the educational system to the agrarian calendar creates challenges for students, dislocated workers, incumbent workers and others seeking training. Increasingly, flexible and open enrollment policies and alternative schedules are needed to meet the needs of these individuals.

The need for open enrollment is critical for dislocated workers who are receiving time-limited income support benefits while they seek to improve their skill level or train for a new career in hopes of finding employment. Incumbent workers need training schedules that allow them the opportunity to continue to work while in training. Students also

benefit from increased flexibility in schedules that allow them to work part time while attending school full time.

The emergence of on-line and alternative educational delivery methods is helping ease the challenges faced by these students, but more effort is needed.

Limited Funding for Integration Infrastructure

Although WIA requires states to implement a one-stop system, it does not provide earmarked funding for infrastructure. As a result, WorkSource centers are largely funded by WIA Title I and Employment Service funds that would otherwise be available for direct service. Partner programs provide some resources proportional to their staff presence at WorkSource centers.

A major barrier to the presence of more staff from partner programs is financial constraints. In order to have more staff at the WorkSource centers, partner programs would need to contribute more money for WorkSource infrastructure and operations. The partner programs, however, have commitments to existing facilities in other locations. This challenge goes back to the underlying problem that while mandating a one-stop system, WIA does not provide funding for infrastructure or operations integration. To aid in this effort, the Governor designated her 2008 discretionary WIA and Wagner-Peyser funds to be used by the WDCs to build the infrastructure to promote integration. Additionally, the state's recommendations for the reauthorization of WIA includes the establishment of line item funding for one-stop infrastructure.

Need for More Integrated Outreach to Businesses

Recognizing the need for a greater supply of jobs that match the skills of WorkSource clients, ESD spent a portion of its Recovery Act money to hire 14 new staff across the state to contact businesses to identify potential job opportunities for WorkSource clients and to lay the foundation for future collaboration. These staff could be better coordinated with business outreach staff working for WDCs. WSID will be leading the development of a policy to coordinate employer outreach.

Unclear Accountability

There are no clear lines of authority at the state level. The lack of clear lines of authority and responsibility between the Workforce Board and the Employment Security Department results in limited accountability for performance. While each WDC may have their own method of holding WorkSource centers accountable to management expectations, there is no set of statewide operational expectations and ESD, while acting as the administrator of statewide operations, is not recognized as the authority for establishment of statewide operational expectations. Within this structure, ESD, as the lead operational administrator, has no way to ensure that customers across the state receive a consistently high standard of service and access to the same set of core services.

Non-linear Management Structure at WorkSource Centers

Staff within WorkSource centers often report to separate chains of command, depending on the program. This results in different standards and processes within one WorkSource center, and from one center to the next, making for a confusing customer experience.

Further, if a client is transitioned from one program to another, duplication may occur (such as re-gathering history or conducting another skills assessment) and sometimes the transition fails because communication between partners is not as straightforward as it could be (e.g. a client referred to another program is never contacted by the new case manager or a client is referred to a program that is already full).

Because there is often no clear leader for the WorkSource center as a whole, conflicts are resolved through personal relationships rather than systematically. The recently-issued One-Stop Operator policy should help to address this by requiring designation of a single accountable entity.

In some cases, staff within the same center may actually be working at cross-purposes with each other as they strive to achieve different metrics set by different entities. For example, WIA programs in part focus on assisting clients achieve success through intensive services and full-time training. Its performance structure, which is based on client outcomes, is not oriented toward serving more people with less intensive services. However, Wagner-Peyser measures encourage staff to provide core services to a very large number of people. These two separate service delivery strategies and performance structures do not always encourage staff to collaborate to provide all customers with the best combination of services possible with existing resources.

Performance Measures

A long-standing issue in service integration has been the proliferation of performance measures for workforce development programs. This problem was recognized when the Workforce Board was created and its authorizing statutes directed the Workforce Board to establish consistent standards for evaluating results across workforce programs. The Workforce Board proceeded through a consensus process among workforce programs to identify five state core measures, as described in an earlier section of this report. The measures are designed to inform policymakers as to how well programs are achieving these fundamental results. In addition, the Workforce Board designed a measure of the statewide skill gap—the difference between the supply of workers being trained each year and the number of job openings requiring skilled workers.

In order to construct valid and reliable measures of lasting results, and in order to design measures that could be applied in the same manner across programs, it is necessary to have lagged measures where results are not known for a substantial time after service is completed (about one and a half years for employment and earnings). The state core measures, therefore, do not satisfy the need for consistent real-time measures that program managers can use to make changes to improve results on a monthly or quarterly basis.

Several years ago, DOL sought to address the lack of consistency in performance measures across its programs by adopting federal “common measures” for DOL programs. The DOL common measures, like its original WIA measures, do not fill the need for real-time measures.

ESD has instituted performance measures as part of the Governor’s GMAP initiative. ESD’s GMAP measures include real-time measures of the results in filling employer job orders, plus additional lagged measures of employment and earnings. Each WDC board also uses “real-time” data reflecting activities of specific interest to them. As mentioned earlier, “real-time” data for WIA and Wagner-Peyser is also collected and reported internally at ESD through the Recovery Act and other entities, such as the community and technical colleges and Vocational Rehabilitation, have their own different real-time measures.

The proliferation of performance measures and their inconsistency has caused confusion among program staff. There is also a need for consistent real-time measures that can be applied across workforce development programs to help managers at the local and state level to respond quickly to operational issues.

Barriers to Management Information Systems Integration

SKIES has assisted to integrate ESD administered programs that are part of WorkSource; however, not all partners have not fully embraced SKIES in their operations. Additionally, staff are not always thorough or timely with their data entry.

Another challenge is that some of the partner programs use separate data systems. As examples, the case-management system for WorkFirst customers is maintained by DSHS and the community and technical colleges maintain their own data systems. Staff may need to access two distinct systems to serve a single customer. In an attempt to correct this, ESD recently conducted a feasibility study to determine how the various data systems throughout the WorkSource system could work together most efficiently. The recommendation is to create a user-interface that accesses the existing systems, but is seamless to staff.

It is important to note that federal law and policies also create challenges with integration of information systems. In some cases, law dictates who can have access to certain systems or specific types of information.

Appendix 13: WIA Performance Measures

Over the past ten years, a variety of performance measures have been developed to manage and evaluate WorkSource. This is not to be confused with long-range program evaluation, also required by WIA and state statute, which is performed by the Workforce Board. Depending on the program, measures are established by the federal government, the Workforce Board, ESD, and local boards or all of those entities combined.

State and federal outcome performance measures at the statewide and WDA level have multiple reporting periods. Through GMAP, a structure has been created to report regular real-time operations measures as compared to targets, which are being used to manage ESD WorkSource staff. This structure is not applied to WDC staff because they are not managed by ESD; however, many WDCs do something similar in their area.

The Federal Recovery Act has enabled ESD to build an automated system that tracks monthly real-time operations measures for Wagner-Peyser labor exchange programs and WIA programs allowing ESD management the ability to track monthly progress.

The performance measures tied to WIA Title I programs and to the WorkSource center as an integrated unit seem to be the most confusing and lacking a clear accountability structure. Thus, for the purposes of this report, only the performance measures that apply to those programs will be described in detail below.

Federal Outcome Measures

Overview of Measures

The original federal WIA performance management system contains multiple measures for each of the programs. In June 2009, the Workforce Board voted to approve submittal of a waiver of majority of the WIA statutory measures. This waiver, when approved, will allow Washington to report on nine measures, commonly referred to as the “DOL common measures.” It is expected that DOL will grant the waiver once all of the required information is provided. Most of the WIA measures are time-lagged outcome measures.

Statewide and Local Targets

WIA requires that the states be accountable for a key set of outcomes and that they improve those outcomes over time. To accomplish this, the Secretary of Labor and the Governor must reach agreement on the state's negotiated performance levels for the Department of Labor's measures of performance. As the Governor's designee, the Workforce Board has identified performance targets based on past performance, expectations for future improvement and regression models that take into account

changes in economic conditions and participant demographics. These levels of performance become the basis for incentives and sanctions for performance outcomes.

Local targets are based on regression formulas developed by the Workforce Board. Workforce Board staff propose targets to local areas that differ from the state average based on the amount that local performance is expected to exceed or fall short of the statewide average given local economic conditions and demographics. Local areas may then negotiate adjustments to the local targets based on improved information on participant demographics, or other factors.

Legal Authority

The Workforce Investment Act (29 USC 2871) establishes a performance accountability system for WIA. The law defines core indicators of performance and customer satisfaction and directs the state to establish performance levels for each of the core indicators. It specifies that local performance targets should be established by the local board and Governor, in negotiation with the local chief elected official. The WIA State Plan includes proposed performance goals for each of the performance indicators.

Chapter 18C of the Revised Code of Washington (RCW) grants the Workforce Board the authority to establish the performance measurement system for workforce development programs and the system as a whole. That system is described in *High Skills, High Wages, 2008-2018*.

Performance Evaluation

Recently, the Employment Security DWorkSource Standards and Integration Division (WSID) of ESD has begun evaluating WIA performance quarterly. WSID sends a summary analysis with each quarterly report to the WDC Directors, identifying problem areas and possible causes. These memos alert managers to issues needing attention. Each quarter, WSID staff offer steps that can be taken to improve performance and offer performance-related technical assistance by phone or on-site visits. WSID staff provide technical assistance and training when new performance measures are introduced or existing measures are revised.

The Workforce Board reviews annual performance on the federal and state measures through the annual and biennial reports, WorkSource Performance Indicators and Workforce Training Results.

As required by WIA, local areas that exceed their adjusted levels of performance for WIA programs received state incentive funds (drawn from WIA I-B Governor's discretionary funds). The amount of funds received was based, in part, on the amount by which adjusted levels of performance were exceeded. Workforce development councils (WDCs) that were awarded incentive funds were permitted to use the awards for any allowable activity under the Act.

Another type of incentive funding is the WIA Section 503 performance incentive funds, which are distributed in a formula that takes performance of WIA, Carl Perkins Career

and Technical Education, and Adult Basic Education into account. The State must exceed state targets in all three programs to earn these incentive funds. The Workforce Board determines the use(s) the funds will target, but local areas applying for the funds must show the involvement of local secondary and post secondary education officials in their plans for fund use.

If the state falls below 80 percent of the adjusted targets on the federal core indicators for two consecutive years, DOL can withhold up to 5 percent of the state's WIA Title I-B funds. In this case, ESD will withhold a proportional amount of funds from local areas based on their average performance across the state and federal core indicators.

State Outcome Measures

Overview of Measures

The following five state core measures, known as Washington Workforce Core Measures are collected, administered and reported alongside the federal measures:

- (1) **Employment** in quarter three after exit;
- (2) Median annualized **earnings** in quarter three after exit;
- (3) Percent of exiters receiving **credentials** during participation and up through quarter three after exit;
- (4) Percentage of **employers who reported satisfaction** with employees who completed the program
- (5) Percentage of former **participants who reported satisfaction** with the program

These time-lagged outcome measures were designed to measure the extent to which programs are achieving the ultimate goals of providing skill development and living wage jobs to Washingtonians. These measures were designed after analysis of data from multiple workforce programs and discussion between state and local program staff, business and labor.

These five measures are not limited to WIA-funded programs; they are applied to programs across Washington's workforce development system. By having a set of measures that can be applied vertically and horizontally throughout the workforce development system, a policy leader can know that the definition of each measure is the same regardless of which program it is being applied to.

The Washington Workforce Core Measures are applied to:

- WIA Youth, Adult, Dislocated Worker
- Secondary Career and Technical Education
- Postsecondary Career and Technical Education
- Adult Basic Education
- Division of Vocational Rehabilitation
- Department of Services for the Blind
- Apprenticeship programs
- Private career schools

- All other programs that comprise the 18 programs within Washington’s workforce development system

Statewide and Local Targets

Targets are negotiated by the Workforce Board with the local boards at the same time as the federal core measures and using the same regression model method.

Legal Authority

WIA allows states to identify additional indicators for workforce investment activities. Washington has adopted the Washington Workforce Core Measures as additional indicators for its workforce investment activities. The Workforce Board currently develops these measures.

High Skills, High Wages has a chapter called “Performance Accountability” that describes the state’s performance accountability system for workforce development, including the Washington Workforce Core Measures, in detail and lists the statewide targets for the largest programs in the workforce development system. The state core measures and targets are also listed alongside the federal measures in the State Plan that is submitted to DOL as well as in the WIA Title I-B Annual Report.

Real-time Operations Measures

There is no unified statewide approach to real-time operations measures applied to WorkSource. There are several sets of measures that are being used. This document describes some of these measures. However, this summary is not exhaustive.

GMAP

In 2005, Governor Gregoire issued Executive Order 05-02 to establish a comprehensive Government Management Accountability and Performance system (GMAP). House Bill 1970 extended GMAP to all state agencies. As a result, all agencies that are part of the workforce development system are now implementing GMAP. In contrast to the federal and state core measures, GMAP provides measures that are real-time and useful to managers as they make day-to-day decisions on program operations.

Because ESD does not directly manage WIA programs, it does not track measures for WIA operational performance through GMAP. ESD does, however, track real-time and outcome measures and targets for other WorkSource programs staffed by ESD through GMAP.

Recovery Act

The Federal Recovery Act has enabled ESD to build an automated system that displays monthly real-time operations measures for Wagner-Peyser labor exchange programs and WIA programs. These measures are distinct from the state core measures and the regular federal common measures. There are no formally negotiated targets associated with the Recovery Act measures. However, the measures do give managers a better understanding

of the activities being conducted in the WorkSource centers in a timeframe that allows for adjustments to occur before problems grow. These measures are currently reviewed and analyzed by both ESD and WDC staff.

Partner Agencies and WDCs

The community and technical colleges, vocational rehabilitation and other WorkSource partners have their own systems of management measures that vary from one program to another.

Many WDCs use their own real-time operations measures to manage WIA programs in their area; however, these efforts are not coordinated across the state.

Front-End Services Policy

ESD's WSID division is in the process of collaborating with WorkSource partners to come up with a set of WorkSource system policies that establish common direction, standards and measures. Depending on the focus of the policy, it will apply to the major partners (WDCs and ESD) or all WorkSource partners. WSID recently established policies One-Stop Operator, Front-end and Veterans Priority of Service. An assessment policy, MOU policy, and Customer Complaint policy are in progress.

DRAFT

Appendix 14: Literature Review and Best Practices

To understand how other states have dealt with the issues facing Washington's workforce development system, research on best practices and a literature review was conducted. A review of the research reveals that there is no single right way to organize workforce development programs. Structures reflect the organizational culture of the states and structure often changes as states attempt to solve practical problems. However, states consistently focused on finding an effective solution to address a few key focus areas. Another clear lesson is that implementation of the Workforce Investment Act through an effective, coordinated and integrated workforce system is not a one-time project, but requires ongoing attention and regular review.

Overview of Literature Reviewed

The organizational structure and integration efforts of a number of states were reviewed in more than one recent study. They include: Michigan, Oregon, Pennsylvania, Texas, Florida and Utah. Additional states reviewed included: Indiana, Maryland, and Missouri, among others.

Inter-state comparisons differed depending on the definition of best practices used. Studies focused on: how well states made key changes envisioned in the Workforce Investment Act, such as effective planning, evaluation of results, integration of workforce programs at the local level, and universal access to one-stop center services. Other key themes included: consolidation of programs into fewer agencies to increase organizational capacity and coordination of programs managed by multiple agencies and officials.

A list of resources reviewed is included on page 65 of this appendix.

Various Organizational Structures

A number of the studies touched on issues of state and local roles and responsibilities. The dramatic diversity of organizational structures in the states was striking. Some states seen as effective have reallocated organizational responsibilities more than once since the passage of the Workforce Investment Act. This reflected efforts to consolidate workforce development and workforce education programs in ways that increased their effectiveness. Reallocating agency roles required gubernatorial and legislative leadership.

For example, Utah centralized authority over local operations, creating a single statewide workforce investment board and Indiana moved from a system with numerous workforce investment boards to only two. Florida created a largely privatized system with significant program authority moved to the local level, while Texas consolidated numerous state agencies into a single state workforce commission.

The roles of state workforce investment boards also were quite diverse, ranging from boards who played a largely advisory role to state operating agencies all the way to boards with significant independent authority.

Consistent Points of Focus

States follow some major patterns as they changed their state and local roles and responsibilities.

One was a focus on **ensuring that programs at the state level were aligned to maximize effectiveness**. While this sometimes involved establishing a single large consolidated agency (as in Texas or Michigan), it often focused on getting just the right mix of programs. For example, both Oregon and Florida consolidated workforce programs in their economic development agencies, but later moved these programs out of the consolidated agency—in Oregon into an agency with the community colleges, in Florida into an independent entity.

States also worked to **ensure integration at the local level**, where it most directly impacts individual and business users of the system. In some cases, this involved the state devolving authority to the local level, with state programs managed by local workforce investment boards. In other cases, states used performance measures to encourage integration. These states also focused on providing both technical assistance and staff training to assist local areas to further integrate their services. While in some cases, the state provides clear expectations for local workforce investment boards, and is hands-off in direct implementation, in other cases, the state plays a far stronger role in determining local policy in key issue areas.

The Need for Constant Review and Reform

The need for continual review and reform of workforce systems is due to the complex partnerships involved, the initially fragmented nature of the system, and funding from multiple federal and state agencies under different statutes. It is a major challenge to weave these programs together into effective local services.

Furthermore, economic and other circumstances change. At one point, integration of TANF services at the local one-stop is a major system challenge, while at another, economic development integration is seen as critical.

In addition to this literature review, the department will confer with consultants who have worked on workforce development-related projects in the recent past in Washington before the final draft of this review is released.

Works Cited

“The Workforce Investment Act in Eight States”, Burt S. Barnow, Christopher T. King, 2005

“One-Stop Innovations: Leading Change Under the WIA One-Stop System”, John J. Heldrich Center for Workforce Development, Rutgers, 2002

“Strategies for Integrating the Workforce System: Best Practices in Six States”, Melissa Mack, Social Policy Research Associates, 2006

”The Workforce Investment Act After Five Years: Results from the National Evaluation of the Implementation of WIA”, Social Policy Research Associates with TATC Consulting, 2004

DRAFT