



MINUTES OF MEETING NO. 190
May 28, 2015

Board Members Present:

Cindy Zehnder, Chair
Creigh H. Agnew, Representing Business
Beth Thew, Representing Labor
Amy Anderson for Gary Chandler, Representing Business
Caitlyn Jekel for Jeff Johnson, Representing Labor
Lee Anne Caylor, Representing Business
Mark Mattke, Representing Local Government
Marty Brown, State Board for Community and Technical Colleges (SBCTC)
Phouang Hamilton for Randy Dorn, Office of Superintendent of Public Instruction (OSPI)
Dale Peinecke, Employment Security Department (ESD)
Carolyn McKinnon for Brian Bonlender, Department of Commerce (Commerce)
David Stillman for Kevin Quigley, Department of Social and Health Services (DSHS)

Board Staff Present

Eleni Papadakis, Executive Director

Welcome and Introductions

Ms. Cindy Zehnder called the Workforce Training and Education Coordinating Board (Workforce Board) meeting to order at 9 a.m. via conference call.

Executive Director's Report

Ms. Eleni Papadakis thanked the Workforce Innovation and Opportunity Act (WIOA) chairs and sub-committee chairs for all of their hard work over the past several months. She called the Board's attention to two brown folder items to pay special attention to: The Notice of Proposed Rule Making (NPRM) and the letter to the U.S. Department of Labor (DOL), and recommended the Board review them at their earliest opportunity.

Ms. Papadakis updated the Board on the WIOA implementation effort at the national level. She noted that Workforce Board staff is being asked to participate in a number of work groups and that, while many other states are struggling to develop an Eligible Training Provider List (ETPL), Washington's is being touted as one of the best systems out there.

Ms. Papadakis reported that WIOA is driving the conversation in other areas, most notably in economic development, and that she has received a request to participate in one of the National Academies.

Workforce Innovation and Opportunity Act Steering Committee Update

Ms. Terri Colbert provided the Board with an update on the Steering Committee activities that have taken place since the last Board meeting. She noted that the Board will be receiving ten recommendations that were developed at the sub-committee level and brought up to the Board for approval through the Steering Committee. She noted that the recommendations were being presented in two groups. The first group of eight recommendations were those that the Steering Committee approved for presentation with little or no concern. The second group of two recommendations were those that the Steering Committee needed additional guidance on from the Board. The recommendations were presented as follows:

Accountability & Eligible Training Provider List Subcommittee

- *Attachment A-1:* Due to the focus on WIOA, the subcommittee requests a decision to not conduct a review of the current ETPL, and not to review and update the current Workforce Investment Act ETPL standards. *The Steering Committee requested Workforce board staff to provide a focused, high risk review of those currently on the ETPL.*
- *Attachment A-2:* Washington is interested in establishing a baseline that tracks the number of people who have secured employment in the second quarter after exit across the entire system, which would be used as a statewide indicator to evaluate how the WIOA system is serving people across partners. This would eliminate unforeseen negative changes in ‘silo-based’ performance outcome measures, which may be the result of changing the flow of different types of participants among partnering programs.

The Board made the following directive to staff: The Board directs staff of the Workforce Board and its partner agencies to establish a baseline and track the number and characteristics of people served across the workforce system who have secured employment. This would be used as a statewide indicator to evaluate how the WIOA system is serving people across partners.

Motion 15-188-02: Mr. Gary Chandler moved to approve the recommendation as presented. Mr. Jeff Johnson seconded the motion, which passed unanimously.

Education and Career Pathways Subcommittee

- *Attachment A-3:* Adopting a common definition of “Career Pathways” to be integrated into strategic plans:

The career pathway approach connects levels of education, training, counseling, support services, and credentials for specific occupations in a way that optimizes continuous progress toward the education, employment, and career goals of individuals of all ages, abilities, and needs.

This approach helps individuals earn marketable credentials; prepares an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships and other work-based learning opportunities; engages individuals in further education and employment; and helps individuals achieve sustained

economic success. Career pathways deeply engage employers and help meet their workforce needs; they also help the state and its communities strengthen their workforces and economies.

Motion 15-188-03: Ms. Creigh Agnew moved to approve the recommendation with the following amendment: Add that the career pathway approach will also include work credentials. Ms. Lee Anne Caylor seconded the motion, which passed unanimously.

Local Governance & Sector Strategies Subcommittee

- *Attachment A-4:* Support the integration of the sectors framework, as presented by the subcommittee, into the state’s workforce plan.

Motion 15-188-04: Ms. Agnew moved to approve the recommendation as presented. Mr. Mark Mattke seconded the motion, which passed unanimously.

- *Attachment A-5:* Approve the subcommittee recommendation on board member appointment criteria. The Act specifically reduces the size of local workforce boards. The Act also recognizes the important leadership role of local boards. Therefore, representation of all the core programs is required, and the voice of those representing the workforce is strengthened, while the business majority is maintained. In addition, the Act requires that board members have both “optimal policy-making authority” within their institutions and “demonstrated experience and expertise” to help the board achieve its strategic visions.
 - Support smaller more manageable boards, by not adding membership categories with the exception of the Temporary Assistance for Needy Families program (TANF), should TANF become a required program in the state plan. Locals can add members as needed based on their local situation.
 - All board members will be nominated by an appropriate organization, and existing criteria will be used, requiring all board members to have optimal decision-making authority and demonstrated expertise as defined in the Act.
 - Local Boards and Chief Local Elected Officials should “cast a wide net” when recruiting new board members to assure that all those interested have the opportunity to become nominated for open seats.

Motion 15-188-05: Ms. Agnew moved to approve the recommendation as presented. Ms. Beth Thew seconded the motion which passed unanimously.

- *Attachment A-6:* Support subcommittee recommendation to disseminate the region’s letter and maps to Chief Local Elected Officials and Workforce Development Councils.
 - Mr. Mattke moved to approve the recommendation as presented. Ms. Caylor seconded the motion which passed unanimously.
- *Attachment A-7:* Under the Act, an alternative entity may be approved by the Governor to serve as a local workforce board, as long as the entity was established to serve the local area and was in existence on the day before the date of enactment of the

Act. www.congress.gov/bill/114th-congress/senate-bill/1031/amendments amends the alternative entity date: *(a) Local workforce development boards – Section 107(i)(1)(B) is amended by striking “the day before the date of enactment of this Act” and inserting “the day before the date of enactment of the Workforce Investment Act of 1998.”*; and includes representatives of business in the local area, representatives of labor organizations nominated by local labor federations, or representatives of employees in the local area if no employees are represented by labor organizations. The Board is asked to approve Subcommittee recommendations regarding alternative entities:

- Support the option for the Governor to approve alternative entities *(added for clarification: such designation will continue to be in consultation with chief local elected officials in the local areas.)* The Governor will need to review the actual membership categories of those applying for alternative entity status to assure that these entities meet the criteria under which they were certified.
- Board members of alternative entities will need to have optimal decision-making authority and demonstrated expertise and experience as per the Act. The recommendation that all applicants for board positions be nominated by appropriate organizations would also apply. Alternative entities that do not have a member(s) representing adult education programs should show how they have engaged adult education programs in their planning and decisions making processes. Additionally, all other requirements of the Act apply to alternative entities.

Motion 15-188-06: Mr. Mattke moved to adopt the recommendation as presented, Ms. Caylor seconded the motion and it passed.

- *Attachment A-8:* Support Subcommittee recommendation that a local workforce area designation policy be developed. In January, the Workforce Board issued a request to the Governor to provide initial designation to existing local workforce areas through June 30, 2016. In April, the Governor issued a letter concurring with the Workforce Board’s recommendation.

However, recently proposed rules and guidance from the U.S. Department of Labor clarified that:

- ✓ Initial designation must be for two full programs years, not one;
- ✓ The Governor must approve initial designation for any local area that applies and that has met performance requirements and maintained fiscal integrity for the prior two years; and
- ✓ The state must have a designation policy by July 1, 2015.

The Subcommittee requests that the Workforce Board adopt the following designation policy:

- The process by which the Governor will consult with the state Workforce Board and consider public comment for the designation of local workforce areas.
- The length of initial designation as two years.

- The requirement for the Governor to approve all requests for designation from areas that were designated under WIA, meet performance requirements and maintained fiscal integrity as defined by the U.S. Department of Labor over the previous two years.
- The process by which the Governor could choose to designate/redesignate a local area that does not meet the performance and fiscal integrity requirements under WIOA.
- The requirement that the Governor subsequently designate a local area that has performed successfully, sustained fiscal integrity, and in the case of a local area in a planning region, met the planning region requirements during the two-year period of initial designation.
- The requirement that redesignation be automatic as long as the Chief Local Elected Official and Local Board do not notify the Governor that they no longer wish to operate as a local area.
- The option the Governor has to evaluate a local area at any time to ensure that it continues to meet the requirements for subsequent eligibility, but not less than once every four years.
- The actions the Governor may take if a local area fails to meet designation criteria.
- The definition of “performed successfully” and “maintained fiscal integrity.”
- The process by which local areas will apply for and receive designation.
- The appeals process for areas denied designation.

Motion 15-188-07: Mr. Mattke moved to approve the recommendation as presented. Ms. Agnew seconded the motion, which passed unanimously.

Education and Career Pathways Subcommittee (*Attachment B-1*)

- WIOA Section 133(b)(4) authorizes local area boards to transfer up to 100 percent of their total funds between the Adult and Dislocated Worker programs, with the permission of the Governor. (Currently, under WIA, local area boards are authorized to transfer up to 30 percent of their funds between the Adult and Dislocated Worker programs, with the approval of the Employment Security Department.) The Steering Committee asked for an amendment to the original recommendation that ESD continue to apply its existing transfer request procedures when a local area Board applies for fund transfer flexibility—potentially up to 100 percent flexibility, as allowed by WIOA. After applying the existing transfer request procedure, ESD may authorize a partial or full transfer of funds for transfer up to 50 percent of the base allocation from either program. A transfer request in excess of 50 percent of the past allocation from either program must be approved by both ESD and by a vote of the Workforce Board, using a single request application to be considered by both entities in this process. The revised recommendation directs ESD to amend the current transfer policy, allowing up to 50 percent transfer of funds from either program. For a request (or multiple requests) that total more than 50 percent, ESD staff will analyze the request and notify Workforce Board staff of the request. This policy will be reviewed after one year.

Motion: 15-188-08: Ms. Thew moved to approve with a technical amendment to maintain the current policy that includes no more than 30 percent until such a time that is replaced with an alternative process. Mr. Jeff Johnson seconded the motion and it passed.

Local Governance & Sector Strategies Subcommittee (*Attachment C-1*)

- Approve the subcommittee recommendation on board member appointment criteria. The Act specifically reduces the size of local workforce boards. The Act also recognized the important leadership role of local boards. Therefore representation of all the core programs is required and the voice of those representing the workforce is strengthened, while the business majority is maintained. In addition, the Act requires that board members have both “optimal policy making authority” within their institutions and “demonstrated experience and expertise” to help the board achieve its strategic visions.
 - Organized labor should maintain a majority within the workforce category, and the practice of a member filling multiple seats should be discouraged. *The Steering Committee, following significant discussion, asked the Workforce Board to decide whether a local board member should be allowed to fill multiple seats.*

This item was tabled for further consideration. Staff will bring in information on which Workforce Development Councils currently have members filling two positions.

Washington’s Response to Notice of Proposed Rule Making

Ms. Nova Gattman went over the NPRM comment process and gave the Board the option to either approve the letter as presented, conditionally or have a special Board meeting to approve at a later date. She went over the themes of the letter which were flexibility, funding, performance measurements, apprenticeship and a need for clarification. She informed the Board the deadline to submit comments is April 12, 2015.

After a discussion the Board agreed that they would like more time to review the comments and letter.

Legislative Update

Ms. Nova Gattman and Mr. Eric Wolf provided the Board with an update on the ongoing state budget negotiations as they relate to the Workforce Board. They also provided updates on the following bills:

- Duel Credit – This bill is designed to streamline Running Start and College in the High School.
- State Need Grant – This bill makes part time students eligible for the State Need Grant
- Streamlining of Assessments – Request bill from OSPI

Ms. Gattman updated the Board on the agency’s transition from Department of Enterprise Services’ (DES) small agency services. She informed the Board there was a technical error in the budget that didn’t transfer the DES funding for services to the Workforce Board, but that it was expected to be corrected easily.

There were no questions from the Board.

Eligible Training Provider List Criteria & WIA Performance Targets

Mr. Dave Pavelchek asked the Board to approve a motion to present a recommendation to the Governor to elect to grandfather all WIA-approved eligible training programs until December 31, 2015, or until any earlier date for some or all of those programs as determined under transition policies that the Board may recommend and the Governor may adopt

Motion 15-188-10: Ms. Thew moved to approve the motion as presented in tab 5. Ms. Caylor seconded the motion. Motion passed.

Mr. Pavelchek asked the Board to approve a motion to implement the Board's direction to staff to defer all but the risk assessment portion of the ETPL because we will have to have a new list by January 2016 per WIOA.

Motion 15-188-11: Ms. Caylor moved to approve the motion as presented. Ms. Agnew seconded the motion. The motion passed.

Mr. Pavelchek asked the Board to adopt the proposed PY15 WIA performance targets for submittal to the Department of Labor.

Motion 15-188-12: Mr. Mattke moved to approve the motion as presented. Mr. Dale Peinecke seconded the motion and it passed.

Workforce Investment Act (WIA) PY12 Incentive Awards

Mr. Pavelchek asked the Board to adopt the implementation proposal for WIA PY12 performance incentive awards to the 12 regional WDCs.

The Board discussed the process of incentivizing WDCs, how to define high performance, and ensure WDCs meet their targets.

Motion 15-188-13: Ms. Caylor moved to approve the motion as presented. Ms. Agnew seconded the motion and it passed.

Agency Operating Plan, Agency Operating Budget and WIOA Planning Funds Spending Plan

Ms. Cynthia Harris gave an overview of state's strategic workforce development plan *High Skills, High Wages* and noted that that the agency's operating budget is in support of the plan.

There were no questions from the Board.

Ms. Glenna Red Elk went over the Workforce Board Budget including WIOA planning funding spending and Carl Perkins funding. Ms. Eleni Papadakis went over the Training and Employment Guidance Letters (TEGL) that formulated the use of rapid response dollars for WIOA planning efforts. The Board discussed the use of those dollars.

Motion 15-188-14: Ms. Thew moved to approve the Operating Plan and Budget with the understanding that the numbers were not final and that if there was to be more than a 5 percent change in any of the presented numbers the Operating Plan and Budget would be brought back to the Board for further consideration.

WIOA Steering Committee Task Force Reports

The Board heard updates on the following Task Forces

- Unified and Combined Plan: Mr. David Stillman updated the Board on the activities of the Task Force. Ms. Papadakis went over the basics of the two plans. It was noted that there is a strong sense that the combined plan is a good idea and many passionate voices are contributing to the process.
 - The Board discussed the possibility of a hybrid plan.
- One Stop Certification: Mr. Mattke presented an update on the Task Force activities and work plan. The Board had no questions on the update.
- Technology and Access: Mr. Mark Adreon updated the Board on the scope and character of the Task Force and the current undertakings ensuring individuals with barriers are accommodated in the development of the new system.
- Professional Development: Ms. Cindy Wilson updated the Board on the activities of the Professional Development Task Force and their recommendation to focus on frontline staff within core programs and One Stops, leadership staff within all core programs, and sustainability throughout the state and accessibility.

The meeting adjourned at 3 p.m.