

**WASHINGTON STATE  
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD  
MINUTES OF MEETING NO. 132  
January 22, 2009**

Mr. David Harrison called the Workforce Training and Education Coordinating Board (Workforce Board) meeting to order at 9:35 a.m. at the Washington State Investment Board in Olympia. The following Board members and officers were present:

David Harrison, Board Chair  
Creigh H. Agnew, Representing Business  
Martin Bean, Representing Business  
Kathleen Lopp, for Randy Dorn, Office of Superintendent of Public Instruction (OSPI)  
Rick Bender, Representing Labor  
Jim Crabbe, for Charlie Earl, State Board for Community and Technical Colleges (SBCTC)  
Mike Hudson, Representing Business  
Paul Trause and Jennifer Thornton, for Karen Lee, Employment Security Department (ESD)  
Janet Lewis, Representing Labor  
Lynnae Rutledge, for Stan Marshburn, Department of Social and Health Services (DSHS)  
Kris Stadelman, Representing Local Government  
Beth Thew, Representing Labor  
Julie Anderson, for Larry Williams, Community, Trade and Economic Development (CTED)

Eleni Papadakis, Executive Director

### **Welcome and Chair's Report**

Mr. David Harrison welcomed the Board and guests to the Washington State Investment Board and introductions were made. Mr. Harrison welcomed Mr. Paul Trause. Mr. Trause represented Ms. Karen Lee for the morning portion of the Board meeting and Ms. Jennifer Thornton represented Ms. Lee for the afternoon. Mr. Harrison introduced Ms. Kathleen Lopp as the representative for the Office of Superintendent of Public Instruction. Mr. Harrison mentioned meeting with Superintendent Randy Dorn at the January Board dinner and that he shares the same values for career and technical education and meaningful pathways as the Workforce Board as well as dropout recovery and prevention. Mr. Rick Bender gave a brief overview on the inauguration of President Obama, which he attended. Mr. Harrison shared an update on governmental reform efforts. Mr. Harrison mentioned the Governor is considering a new agency called the Department of Commerce. Mr. Harrison indicated a need that continued discussion with the Governor and her staff should include Board members on the effects of a new agency. Similarly, he asked for involvement of Board members if there is to be a new executive order for workforce development.

Mr. Harrison indicated the King County Collaborative is doing well. He said new grants and new planning systems are in the motion. He mentioned the Adult Basic Education (ABE) meeting that he and Ms. Eleni Papadakis attended the morning of January 22, went well, and was happy to continue the relationship with the ABE council.

Mr. Bender announced his concerns about the proposed Department of Commerce, and that he had met with both the Governor's Chief of Staff and Mr. Marc Baldwin to let them know what his concerns were, and that he was not in favor of combining the Workforce Board with that new agency. Mr. Bender requested that if any further moves were made in the direction of combining the two agencies that the Governor involve the Workforce Board in the discussions. Mr. Mike Hudson mentioned that Mr. Don Brunell, president of the Association of Washington Business, was sitting on the Governor's committee for governmental reform. He mentioned that he does not see an overall benefit from combining the

Workforce Board with a Department of Commerce. Ms. Kris Stadelman asked that the local elected officials be included in the discussion. Mr. Harrison indicated a special Board meeting would occur if the matter moves quickly. Mr. Harrison also announced that there would be a subcommittee of the Workforce Board including business and labor that would meet if necessary during the legislative session to guide staff on emerging legislative issues.

### **Executive Director's Report**

Ms. Eleni Papadakis indicated that the Workforce Board is tracking the stimulus package on the federal level as well as the state level. She shared that workforce development continues to be a central piece of the stimulus discussion. Ms. Papadakis mentioned the 2009 legislative session was very active in talking about cluster development, youth unemployment issues, as well as *High Skills, High Wages*. Ms. Papadakis asked Mr. Tim Sweeney to highlight the recent publications by the Workforce Board. All publications can be accessed on our website [www.wtb.wa.gov](http://www.wtb.wa.gov). Ms. Beth Thew inquired about date stamping publications. Ms. Stadelman thanked the Workforce Board for "Career Bridge" a new website to launch soon. Ms. Papadakis referred to the announcement from the Governor's office regarding High Skills, High Wages Strategic Investment Fund. Ms. Papadakis asked Mr. Trause to give the Board an update on Unemployment Insurance and the stimulus package from the Governor. Mr. Trause spoke about the volume of activity that has overwhelmed the Unemployment Insurance system beginning in December. He also shared some of the Governor's stimulus package. Ms. Papadakis provided the Board with an update on the LifeLong Learning Account (LiLA) efforts.

### **Motion 08-132-01**

Mr. Jim Crabbe moved to adopt the November 20, 2008 minutes. Ms. Kathleen Lopp seconded the motion. The motion passed.

### **Responding to Reduced Revenue for Workforce Board**

Mr. Walt Wong presented the material for Tab 2. In September of 2008, the Board adopted the 2009-2011 Biennium Budget and it was submitted to the Office of Financial Management (OFM). The proposed two-year budget and activity inventory were reviewed by OFM and recommendations provided to the Governor. On December 18, 2008, the Governor released the state's proposed budget for 2009-2011. The Governor's proposed budget for the agency includes reductions. The agency began cost savings measures last August and will continue to explore areas where essential services can still be delivered but with diligence to spending constraints.

Mr. Wong indicated that the Legislature will take a look at the budget, and an approved 2009-2011 budget will emerge in late spring. In June, the Board will adopt the agency operating budget for the first year of the 2009-2011 biennium.

### **What Jobs are Hot, What Jobs are Not**

Mr. Bryan Wilson along with Ms. Mary Ayala and Mr. Dave Wallace from Employment Security presented the material for Tab 3. The presentation included the Workforce Board's skill gap analysis of supply and demand for trained workers at the mid-level range. Ms. Ayala indicated the recent downturn in the construction sector happened in the last quarter, remarking on the stability of Washington state in the first three quarters of the year. Ms. Thew asked about seasonal work. Ms. Ayala is hopeful this recession will not be a long drawn out recession. Mr. Wallace mentioned the release of the new "Job Survey" results, indicating the survey will be available on their website. Mr. Harrison asked for clarification between the two surveys. Ms. Thew asked if the survey was broken down by WDC areas, and wanted to

know if the information in the surveys would inform the community colleges. Mr. Harrison wanted clarification on how the community college board and the Workforce Board target high demand money. Ms. Julie Anderson asked about the economic model and the budget cuts that are anticipated with the recession. Mr. Crabbe indicated the worker retraining money will run out by the end of the first quarter. Mr. Hudson mentioned the Economic Summit that was held at AWB. Ms. Thornton asked for clarification on the college enrollment and the high demand dollars. Ms. Creigh Agnew asked Ms. Ayala about the changes in government employment in the survey. Ms. Papadakis noted the consumer protection role that the Workforce Board plays in regulating the Private Career Schools. She also mentioned the increased need for services to our veterans.

### **Regional Industry Clusters for Strategic Investments**

Mr. Bryan Wilson and Ms. Carolyn McKinnon presented the material for Tab 4. The Workforce Training and Education Coordinating Board and the Economic Development Commission initially convened the Cluster Workgroup in August 2007 and work was completed in April 2008. Members included representatives from: Office of Financial Management, Employment Security Department, State Board for Community and Technical Colleges, Department of Community, Trade and Economic Development, Higher Education Coordinating Board, and Washington Technology Center. The local workforce and economic development leaders, business and labor will review the clusters and strategic clusters identified by the state for their region. Ms. McKinnon stated that local partners may identify clusters that are missing from the state analysis and will contribute their own view of which clusters are strategic for their area. She also said when the state directs grants to strategic clusters, the clusters on the state list will not be the only ones considered. Locally identified clusters as evidenced by hard data will also be targeted.

Ms. McKinnon indicated that at the March 2009 meeting the Board will take action on approving criteria. In between the January and March meetings, Board staff will have additional discussions with the Department of Community, Trade and Economic Development and the Economic Development Commission about identifying strategic clusters. Mr. Harrison asked for assurance that the lists are for guidance purposes, and not the final determination of funding.

### **The Role of the Board in the Alignment of Workforce and Economic Development**

Mr. Marc Baldwin from the Governor's office presented to the Board. Mr. Baldwin announced to the Board a plan to develop a new agency called The Department of Commerce. Mr. Baldwin shared three options with the Governor:

- 1) creating a new department this session
- 2) making modest changes to Community, Trade and Economic Development this session, and
- 3) first selecting a director, and ask that they come back with a proposal for the 2010 session.

One question asked was could Washington state afford quality research at both the Workforce Board and a Commerce Department. Mr. Harrison shared the role of the Workforce Board in policy development and early stages of program projects. Mr. Harrison also suggested a possible meeting with the Governor's office if the idea of a merger continues. Mr. Bender inquired about the Economic Development Commission. Mr. Baldwin indicated there was little time for the Governor to make this decision. Mr. Bender requested a teleconference with the Workforce Board if necessary.

### **"GI Bill" For Washington Workers**

Mr. Martin McCallum presented the materials for Tab 5. Mr. McCallum reminded the Board that at the August 13, 2008, annual retreat, Board members discussed future policies that could lift a greater number of Washingtonians above the 200 percent poverty level (\$42,000 for a family of four). The concept of a "*GI Bill*" for Washington Workers emerged as an important topic—worthy of further examination.

Workforce Board members shared their initial thoughts. Ms. Thew asked for no income cap. Ms. Lopp suggested a sub-baccalaureate emphasis. Ms. Anderson wanted flexibility. Mr. Bender suggested that Mr. McCallum survey the Workforce Board members for additional input. Mr. McCallum will provide survey results at the next Board meeting.

### **Legislative Update**

Mr. Wes Pruitt presented the material for Tab 6. The 2009 Legislative Session commenced on January 12, 2009, and is the lengthier 105-day session this year. The Workforce Board submitted budget and policy requests and endorsed operating agency budget proposals in preparation for the 2009 Session.

Mr. Harrison asked the Interagency Committee to stay close to the “Green Economy” initiative.

Ms. Anderson agreed to gather a panel to present at the next Board meeting on the “Green Economy”.

Ms. Lynnae Ruttledge will share with the Board members information on the federal stimulus package related to vocational rehabilitation.

### **Framework for WorkSource System Integration**

Ms. Jennifer Thornton presented the material for Tab 7. In November 2006, the Workforce Board responded to the Governor’s call for a more integrated workforce development system by unanimously adopting *Washington Works: Strengthening the Workforce for Washington’s Future*. The report called for improving the integration of services among partners in the workforce development system. Those partners committed to the principles in *Washington Works* by signing Washington’s Workforce Compact, which laid out the roles and responsibilities of each of the major workforce system partners. The compact directed the Workforce Board and Employment Security Department to work with the state’s 12 Workforce Development Councils to develop a highly integrated workforce development system.

As part of this effort, the Employment Security Department has developed a framework for increasing the integration of services in the WorkSource system.

The meeting adjourned at 3:55 p.m.