

**WASHINGTON STATE  
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD  
MEETING NO. 190  
AUGUST 17, 2015**

***HIGH SKILLS, HIGH WAGES 2016: ACCOUNTABILITY, TOMORROW'S ECONOMY  
AND TOMORROW'S WORKFORCE CHAPTERS***

Included in this tab are summaries of the background chapters of *High Skills, High Wages 2016, Addressing Tomorrow's Economy, Tomorrow's Workforce and Accountability*. The full draft chapters are also provided. These drafts are presented for the Board's approval of content for circulation for public comment and stakeholder input. It is anticipated that these draft background chapters will be presented to various stakeholder groups across the state for public comment. The presentations will occur in August, September and October, with final adoption planned for the November Board meeting. It is anticipated that changes will be incorporated in the final versions based on Board and stakeholder input. These background chapters will also be published as part of *HSHW 2016*.

**Board Action Requested:** Adoption of the Recommended Motion.

## **Recommended Motion**

**WHEREAS**, The Workforce Innovation and Opportunity Act (WIOA) requires the state plan for the workforce investment system to include a description of the State performance accountability system, the State economy, and the State workforce, and

**WHEREAS**, RCW 28C.18 requires the Workforce Board to write a comprehensive state strategic plan for workforce development every 4 years that includes, but is not limited to economic, labor force, and population trend information, and

**WHEREAS**, RCW 28C.18 and Executive Order 99-02 require that the accountability system established by the Workforce Training and Education Coordinating Board includes a broader scope of workforce programs than those required by WIOA, and includes minimum standards for program evaluation, performance results, performance targets, and performance incentives, among other provisions, and

**WHEREAS**, the draft accountability chapter for *High Skills, High Wages 2016* has been updated to include a description of the new WIOA performance accountability system currently in development, as well as other changes since the 2012 plan;

**THEREFORE BE IT RESOLVED**, That the Workforce Training and Education Coordinating Board adopts the draft accountability, tomorrow's economy, and tomorrow's workforce chapters for *High Skills, High Wages: 2016*.

**THEREFORE BE IT RESOLVED**, That the Workforce Training and Education Coordinating Board adopts for public review the content of the staff drafts of chapters on Tomorrow's Economy, and Tomorrow's Workforce, and Accountability for *High Skills, High Wages: 2016*.

## **Tomorrow's Economy Summary**

By 2011 the nation's economic output surpassed the pre-recession level and by early 2014 it surpassed the pre-recession employment level. However, certain groups such as youth and those without postsecondary training have not recovered to their pre-recession employment while enduring earning disparities exist between age groups, males and females, and different races. All of this is important to our economy and labor markets going forward as Washington's workforce grows older, more female, and increasingly diverse. Education and training are now more important than ever, along with identifying which skills will be in demand in the future.

Economic growth is forecasted to be moderate in the near-term. Industries such as construction, health, and professional and technical services should be doing much of the hiring. Occupations projected to be in demand in the future are a mix of information technology, construction, healthcare, and various service jobs. Information technology, construction, and healthcare occupations generally require postsecondary training and are relatively well compensated. Service sector jobs projected to be in-demand tend to be those that are difficult to outsource and largely unaffected by global competition, but pay relatively low wages.

Washington is well positioned to export goods and services, which also leaves the state susceptible to external economic turbulence. Macroeconomic conditions such as currency and inflation fluctuations will directly and indirectly affect economic growth and labor market outcomes. Changing technology will also influence and challenge state labor markets. Investing in education, encouraging partnerships between training providers and employers, and fostering a strong entrepreneurial environment are key ingredients to maintaining a thriving economy and a comfortable standard of living for the citizens who live and work here.

## **Tomorrow's Workforce Summary**

Generally speaking, population growth has fueled the state's labor force, which in turn has helped drive our economy. But population growth is just one factor – changing labor force participation and immigration have and will continue to play significant roles in shaping our workforce. Falling labor force participation rates has generally cut across gender, race/ethnicity, and age groups, but is has been most severe for youth. Geographically, labor force participation has been high in King County, but much lower in other parts of the state.

There continues to be a strong relationship between education and unemployment: Those with higher education levels are less likely to be jobless and those with lower education levels are more likely to be

unemployed. Washington residents who didn't graduate from high school had a labor force participation rate of 64 percent and an unemployment rate of over 13 percent. By comparison those with a bachelor's degree or higher had a participation rate of 85 percent and an unemployment rate of just over 4 percent. In 2014, the state's four-year high school graduation rate hit 77.2 percent (an improvement of 1.2 percentage points from the 2013 class). But students facing barriers such as low family income, homelessness, and being in foster care had much lower high school graduation rates. Foster children, in particular, lagged behind, with a 41.5 percent graduation rate in 2014.

In general, the state's poverty rates rose quickly during the recession and as of 2013 remained stubbornly high (12.0 percent). Poverty rates were highest for African Americans, Native Americans, and Hispanics, generally above 25 percent.

More broadly, Washington has shown solid recovery from the Great Recession. However, recovery has been uneven. Notably, some racial and ethnic groups, as well as people with disabilities, have struggled to recover from the recession and continue to face barriers in obtaining higher-wage, more secure employment. Helping all Washington residents achieve living-wage jobs that lead to economic self-sufficiency is a primary goal of our state's workforce development system as Washington puts the recession in the rear view mirror.

## **Performance Accountability**

This chapter focuses on the context and challenges of the ongoing changes in performance accountability for workforce programs and for the workforce system as a whole.

It reviews the last two decades of development in both the state system of standardized core measures and the systems of key federal programs. The state core system developed under the Workforce Board's statutory mandate from the state legislature anticipated and served as a model for many of the changes in Federal accountability measures that are now in place or in process.

The Workforce Innovation and Opportunities Act (WIOA) incorporates many features of Washington State core measures, and broadens the federal effort to standardize measures requiring that the same measures be used by all six WIOA core programs. Other features of the WIOA measurement system require measures and processes not previously included in workforce performance accountability systems.

The draft describes the Board's decision, taken in May of this year, to go beyond the requirements of WIOA and pursue development of performance data appropriate to a fully integrated system of service delivery across the agencies and programs partnering in WIOA. This will require applying measurement of how all the participating workforce programs collectively affect the outcomes of different types of clients, regardless of the mix or source of resources involved.