

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 131
NOVEMBER 20, 2008**

**AGENCIES' BUDGET REQUESTS FOR THE 2009-2011
OPERATING BUDGET**

Background

RCW 28C.18.060(5) directs the Workforce Training and Education Coordinating Board (Workforce Board) to "... review and make recommendations to the Office of Financial Management (OFM) and the legislature on operating and capital budget requests for operating agencies of the state training system for purposes of consistency with the state comprehensive plan for workforce training and education." Legislative advocacy for recommendations made pursuant to this process depends on the items being included in the Governor's budget proposal.

Included in this tab are the budget requests pertaining to workforce development for the Office of Superintendent of Public Instruction, the State Board for Community and Technical Colleges, the Employment Security Department, and the Department of Labor and Industries. The tab includes a proposed motion for each agency; a staff analysis of the agency budget requests and recommendations; and the budget materials submitted by the agency. The staff analysis, recommendations, and proposed motions take into consideration the objectives, 10-year targets, and "Steps to Get Us There" in the 2008 edition of *High Skills, High Wages: Washington's Strategic Plan for Workforce Development* as well as the program rationale for each budget request. Given the current fiscal situation, the Board may also wish to prioritize the budget requests that are recommended for Board endorsement.

Board Action Requested: Adoption of the recommended motions.

**RECOMMENDED MOTION A – OFFICE OF SUPERINTENDENT OF PUBLIC
INSTRUCTION BUDGET REQUEST**

WHEREAS, The Office of Superintendent of Public Instruction budget request for Navigation 101 addresses a specific step, from *High Skills High Wages, 2008*, for achieving our 10-year target that all middle and high schools in the state have in place all five elements of the K-12 Guidance and Counseling System that includes community, business and labor collaboration; and

WHEREAS, The Navigation 101 program has demonstrated positive student outcomes to date; and

WHEREAS, The Workforce Training and Education Coordinating Board, at its October 27, 2008 special meeting, recommended that a comprehensive guidance program be included as a component in basic education funding formulas;

NOW THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board endorses the Office of Superintendent of Public Instruction’s budget request to support Navigation 101 as a priority for Board advocacy.

**RECOMMENDED MOTION B – STATE BOARD FOR COMMUNITY AND
TECHNICAL COLLEGES BUDGET REQUESTS**

WHEREAS, The State Board for Community and Technical Colleges budget request for the Student Achievement Initiative addresses a specific step from *High Skills High Wages, 2008* for achieving our 10-year target that more students achieve critical milestones at community and technical college programs; and the Initiative provides incentives for colleges to re-examine their delivery of instruction and services to maximize student achievement; and

WHEREAS, The State Board for Community and Technical Colleges budget request for additional high demand enrollments addresses, from *High Skills High Wages, 2008*: a specific step for achieving our 10-year target for preparing the number of workers needed to fill job openings in strategic industry clusters; a specific step for achieving our 10-year target that calls for the majority of Adult Basic Education programs at community and technical colleges be integrated with occupational skills training; and a specific step for achieving our 10-year target to establish a comprehensive state system to help unemployed older youth reconnect with work and/or further education opportunities; and

WHEREAS, The State Board for Community and Technical Colleges budget request for additional high demand enrollments will address significant gaps in the supply of workers in high demand occupations and accommodate those disabled workers seeking preparation for effective re-entry into the labor force; and

WHEREAS, The State Board for Community and Technical Colleges budget request for expansion of the Opportunity Grant Program addresses a specific step from *High Skills High Wages, 2008* for achieving our 10-year targets that Washington state covers the tuition costs for the 13th year for workforce education students and more individuals receive the support services they need to enter and complete postsecondary training; and the program meets the economic needs of low-income students and employers; and the program results demonstrate high rates of student retention and success in targeting funding to students most in need and

WHEREAS, The State Board for Community and Technical Colleges budget request for employee training solutions addresses a specific step from *High Skills High Wages, 2008* for achieving our 10-year target that a majority of mid- and lower-wage employees receive training from either their employers or the workforce development system; and past performance of the Job Skills Program indicates that it is an effective program for increasing earnings for employees and increasing productivity, lowering employee turnover and providing more satisfied customers for business; and

WHEREAS, The State Board for Community and Technical Colleges budget request for 21st century learning environments addresses from *High Skills High Wages, 2008*: a specific step for achieving our 10-year target that the majority of working adults engage in training each year, including in workplace-based learning; and a specific step to achieve the 10-year target for preparing the number of workers needed to fill job openings in strategic industry clusters; and

WHEREAS, The State Board for Community and Technical Colleges budget request for 21st century learning environments is necessary to deal with the increased demand for online learning tools and the high cost of equipment in high demand fields; and

WHEREAS, The State Board for Community and Technical Colleges budget request for funding for disabilities accommodations addresses a specific step from *High Skills High Wages, 2008* for achieving our 10-year target that more adults with barriers to employment and training become employed in middle and higher wage jobs, and the funding is necessary to deal with the increased costs of providing accommodations for disabled individuals; and

WHEREAS, The State Board for Community and Technical Colleges budget request for additional general enrollments addresses a specific step from *High Skills High Wages, 2008* for achieving our 10-year target to raise mid-level degrees and certificates to 36,200 annually, and addresses projected population growth and employer demand; and

WHEREAS, The State Board for Community and Technical Colleges budget request for additional applied baccalaureate enrollments addresses a specific step from *High Skills High Wages, 2008* for achieving our 10-year target that the majority of working adults engage in training each year, and addresses the need for workers with postsecondary training by providing an alternative route for further education for those with a technical degree; and

WHEREAS, The State Board for Community and Technical Colleges budget request for child care center funding addresses a specific step from *High Skills High Wages, 2008* to achieve the 10-year target that more individuals receive the support services they need to enter and complete postsecondary training, and eliminates a barrier to program completion;

NOW THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board endorses the following budget requests from the State Board for Community and Technical Colleges as a priority for Board advocacy:

- The Student Achievement Initiative.
- Additional high demand enrollments.
- Expansion of the Opportunity Grant Program.
- Employee training solutions.
- 21st Century Learning Environments.
- Funding for disabilities accommodations.
- Additional general enrollments.
- Additional applied baccalaureate enrollments.
- Child care center funding.

**RECOMMENDED MOTION C –EMPLOYMENT SECURITY DEPARTMENT
BUDGET REQUEST**

WHEREAS, The Employment Security Department budget request for integrated job search is a specific step under *High Skills, High Wages, 2008* to achieve the 10-year target that WorkSource is a functionally integrated service delivery system that measurably improves the employability of customers; and

WHEREAS, The Employment Security Department budget request for integrated job search is a specific, cost-effective proposal in response to the Washington Works recommendation to strengthen the local workforce partnership by enhancing management information system integration;

NOW THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board endorses the Department of Employment Security budget request for integrated job search as a priority for Board advocacy.

**RECOMMENDED MOTION D –DEPARTMENT OF LABOR AND INDUSTRIES
BUDGET REQUEST**

WHEREAS, The Department of Labor and Industries budget request for strengthening apprenticeship is a specific step under *High Skills, High Wages, 2008* to achieve the 10-year target that all high school students across Washington have the option to complete a career and technical education sequence that matches their career interests, articulates with postsecondary education and results in industry certification where applicable; and

WHEREAS, The Department of Labor and Industries budget request for strengthening apprenticeship is a specific step under *High Skills, High Wages, 2008* to achieve the 10-year target that more adults attain at least one year of postsecondary training and a credential; and

WHEREAS, The Department of Labor and Industries budget request for strengthening apprenticeship is a specific step under *High Skills, High Wages, 2008* to achieve the 10-year target that a majority of mid- and lower-wage employees receive training from either their employers or the workforce development system; and

WHEREAS, The Department of Labor and Industries budget request for strengthening apprenticeship will expand a highly effective workforce training program;

NOW THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board endorse the Department of Labor and Industries budget request for strengthening apprenticeship as a priority for Board advocacy.

**Workforce Board Staff Analysis –
Agency Budget Requests for the 2009 Legislative Session**

Office of Superintendent of Public Instruction

Navigation 101

Description of Proposal

The Office of Superintendent of Public Instruction (OSPI) is submitting a \$9,198,000 General Fund–State budget request to support Navigation 101 at the middle and high school level in 358 schools in 2009-2010 and 535 schools in 2010-2011 based on grants beginning at \$10,000 annually. Every Navigation 101 district provides a curriculum-delivered advisory program with the following five elements in common:

- *Assign students an educator-advisor* with whom they will meet consistently throughout their time in that building to help students achieve mastery of knowledge and skills critical to success as students and in transition to their preferred career and educational future.
- *Require students to create a planner/portfolio* reflective of their work across time and indicative of their educational and career planning. In many districts, this portfolio has the depth and rigor to meet the graduation requirements of both the High School and Beyond Plan and the Culminating Project.
- *Hold student-led conferences* at least annually, in which the students present their portfolio of work to their parents (or significant adult), display their work from the past year, explain their course choices for the coming year, and discuss their academic and career plans.
- *Create “student-driven schedules,”* meaning that the districts schedule the courses students request as needed to progress on their individual education plans. Some districts have been adjusting their schedules to student requests for years. Some districts struggle to find the teachers needed to meet growing student demand. But all Navigation 101 districts are committed to helping students reach their educational and career goals.
- *Use data* to make program improvements and contribute to the state’s understanding of the program.

Analysis of Proposal

HSHW Alignment: Youth Objective 1 of *High Skills, High Wages, 2008* calls for a K-12 Guidance and Counseling System that “provides students and their parents with a curriculum to individually plan their pathways and prepare for future education and/or work after high school.” The 10-year target for this objective is: “No later than 2018, all middle and high schools in the state have in place all five elements of the K-12 Guidance and Counseling System that includes community, business and labor collaboration.” The following “Steps To Get Us There” specifically addresses this budget request:

- Expand implementation of the best practice guidance system, Navigation 101, across the K-12 system including establishing goals for expansion each year. This would ultimately result in full funding of Navigation 101 as a basic program of education.

Program Rationale: Research indicates that comprehensive school guidance and counseling has positive student outcomes. The Social & Economic Sciences Research Center (SESRC), Washington State University, has initiated an evaluation system for Navigation 101 districts.

They are tracking: participation and satisfaction for student-led conferences (students, parents and educators); course-taking patterns (whether students take more chemistry, physics and algebra 2, key courses for college preparation); WASL pass rates; graduation rates; dropout rates; and remedial rates. They will also be analyzing demographics for each of these outcomes. To date, however, the only districts with Navigation 101 programs mature enough for a reasonable evaluation are the “lighthouse” districts: Bremerton, Franklin Pierce, Grandview, Mead and Vancouver. Since these districts were not tracking a common set of data until recently, different outcome data are available at each site. Collectively, however, they indicate positive changes in student behavior for students who graduate after several years’ of Navigation experiences. Examples of the Navigation-related changes include:

- Substantial participation in student-led conferencing (71 percent of students in high schools implementing Navigation 101 held a student-led conference in 2007).
- Remarkably high parent participation (averaged 93 percent of students with one or more adults attending).
- Consistent approval of conferences: all parents average 94 percent; high school students average 84 percent and educators at comprehensive high schools average 87 percent.
- Reduced remediation among students attending college from the Franklin Pierce School District (a decline from over 70 percent to 52 percent, which is only 5 percent above the state average).

Further, those Navigation districts that implemented in 2005 graduated a higher proportion of their students than the state overall.

Costs: Navigation requires staff to serve as district and building leaders on an on-going basis. In most districts the part-time duties of many staff equate to a single FTE for Navigation 101 coordination. Additionally, many districts have chosen to recognize the added responsibilities of advising beyond the previously contracted duties of teachers. Further, there is substantial time required to organize student conferences. OSPI has proposed funding 358 secondary schools at \$10,000 in the first year and 535 secondary schools in the second year at \$10,501 of the upcoming biennium for a total of \$9.158 million. OSPI also recommends that all 1,074 secondary schools be funded by the 2017-2019 biennium at a biennial cost of \$40 million.

Priorities of Government

This budget request is related to the following 2009-2011 Priorities of Government Results:

- Improve student achievement in elementary, middle and high schools.

Recommendation

It is recommended that the Workforce Board endorse the OSPI budget request to support Navigation 101 in 358 schools in 2009-2010 and 535 schools in 2010-2011 as a priority for Board advocacy for the following reasons:

- Expansion of Navigation 101 specifically implements one of the “Steps To Get Us There” for achieving the 10-year target in *High Skills, High Wages, 2008* for having in place all five elements of the K-12 Guidance and Counseling System.
- The Navigation 101 program has demonstrated positive student outcomes to date.

State Board for Community and Technical Colleges

Growth Enrollments

Description of Proposal

To meet the need for workers in high demand fields, to meet enrollment demand over the next two years, to improve adult literacy and English language skills, and to respond to state population growth and economic changes, the State Board for Community and Technical Colleges (SBCTC) has submitted a budget request for 5,100 new enrollments and \$65 million for the 2009-11 biennium. The request includes the following:

- An additional 830 FTES in FY 2010 and 1,660 FTES in FY 2011 for high-demand enrollments funded at an average rate of \$10,200 per enrollment FTE, for a total of \$25.4 million.
- An additional 900 FTES in FY 2010 and 1,800 FTES in FY 2011 for adult basic education enrollments, for a total of \$22.7 million.
- An additional 800 FTES in FY 2010 and 1,600 FTES in FY 2011 for general enrollments, for a total of \$14.4 million.
- An additional 40 FTES in FY 2011 for applied baccalaureate enrollments, for a total of \$2.532 million.

The high-demand budget enrollments would be targeted to fields and industries experiencing severe shortages, such as health care and social assistance, information systems, accounting, and business operations. Programs in the following areas would be expanded:

- Integrated Basic Education Skills Training (I-BEST) funding to expand the total number of students served, expand the current I-BEST model to serve lower levels of Adult Basic Education/English as a Second Language better, and add models for serving developmental education and out-of-school youth.
- Apprenticeship enrollment funding to create additional capacity for industry sectors that are experiencing record growth and increasing shortages of skilled workers required by the state's economy.
- Workforce Development enrollments to create educational capacity in high wage, high skill, high demand, high cost programs that support critical industries in Washington state, including programs preparing workers for green jobs.
- Math and Science (STEM) enrollments to help produce the lower division skills needed to produce additional baccalaureate graduates in STEM fields.

The Adult Basic Education budget request is intended to deal with growth in the population of under-educated adults due to the state's persistently high dropout rates, coupled with immigration. The general enrollment budget request addresses projected population growth and employer demand. Finally, the applied baccalaureate budget request would be used to create two additional programs at the existing baccalaureate colleges and to provide start-up funds to expand to new regions in the state.

Analysis of Proposal

HSHW Alignment: A number of Youth, Adult, and Industry objectives and 10-year targets in *High Skills, High Wages, 2008* are related to the request for additional enrollments by SBCTC. Industry Objective 1 calls for the workforce development system to supply the number of newly prepared workers needed to meet current and emerging employer needs and sets a 10-year target

to raise mid-level degrees and certificates to 36,200 annually. Industry Objective 2 calls for a focus on strategic industry clusters and sets a 10-year target for preparing the number of workers needed to fill job openings in strategic industry clusters.

Youth Objective 4 calls for reducing the unemployment rates among older youth and improving their career prospects and sets a 10-year target to establish a comprehensive state system to help unemployed older youth reconnect with work and/or further education opportunities.

Adult Objective 2 asks postsecondary education and training to provide effective opportunities for going in and out of training over the course of life-long learning and sets a 10-year target that the majority of working adults engage in training each year. Adult Objective 3 states that adults with barriers to employment and training will enter education and career pathways that lead to self-sufficiency and sets a 10-year target that calls for the majority of ABE programs at community and technical colleges to be integrated with occupational skills training. Specific “Steps to Get Us There” under these objectives include the following:

- Expand High Employer Demand programs of study at all levels of postsecondary education and target under-represented labor pools to facilitate their entry to high demand occupations.
- Develop I-BEST opportunities specifically for older youth.
- Expand the number of Adult Basic Education programs that integrate occupational skills training through the I-BEST model.
- Expand apprenticeship training opportunities and recruitment of employers who hire apprentices for traditional and non-traditional programs.
- Increase annual capacity in mid-level education and training programs (greater than one year but less than four years) by 9,400 degrees and certificates.
- Develop more four-year degree options for students who complete technical associate degrees.

Need for Enrollment Increases: Currently, our state community and technical colleges, apprenticeship programs, and private career schools graduate enough mid-level trained workers to meet only 77 percent of expected employer needs. Additionally, the state’s Office of Financial Management estimates that 400,000 baby boomers will retire over the next 10 years, leaving significant gaps in the following occupational areas: nursing, education, social services, machinists, and fields in science, technology, engineering, and math. According to the 2006 Prosperity Partnership report, Washington needs to produce 8,000 additional baccalaureate graduates in science, technology, engineering, and math (STEM) fields by 2010. Nearly one million Washington adults (one in six residents) lack basic literacy skills. Yet only about seven and a half percent of the adults who need basic education services are able to enroll in a program. Census and OFM data indicate the net growth in Washington’s workforce will come primarily from non-English speaking populations. This group is identified by businesses as a critical source of labor in almost every region and every business sector across the state, particularly to fill the gaps established by the growing health care industry.

Costs: High-demand enrollments are also high-cost, as many of the programs require lab-based learning with smaller class sizes and more expensive and specialized equipment and classroom technology. The students attending stand-alone ABE and ESL programs are currently ineligible for Opportunity Grants or traditional financial aid. To assist, the colleges use the authority provided under RCW 28B.15.740 to waive tuition to a minimum quarterly tuition fee of \$25. The request for Adult Basic Education enrollments includes a funding rate of \$8,400 per ABE growth enrollment FTE in order to backfill this lost tuition revenue and provide for reasonable student to faculty ratios, necessary support services, and full-time instructors. The next 10 years will place tremendous enrollment pressure on the colleges, due to the combination of a stable 18- to 22-

year-old population and a tremendous influx of adults in the 25- to 35-year-old range. The challenge to supply Washington employers with skilled Washington employees will only be met if the 25- to 40-year-old population can access opportunities in higher education and additional workforce training. Further, about one-third of employers said their need for workers with postsecondary training will increase over the next five years. One way to address this skills gap is with applied baccalaureate degrees, a degree that is specifically designed for individuals with a technical associate degree.

Priorities of Government

This budget request is related to the following 2009-11 Priorities of Government results:

- Increase access to high-quality postsecondary education programs.
- Support career preparation beyond high school.

Recommendations

1. It is recommended that the Workforce Board endorse the SBCTC budget requests for additional high demand enrollments as a priority for Board advocacy for the following reasons:
 - The request is a “Step to Get Us There” for achieving our 10-year target for preparing the number of workers needed to fill job openings in strategic industry clusters.
 - The request is a “Step to Get Us There” for achieving our 10-year target that calls for the majority of ABE programs at community and technical colleges to be integrated with occupational skills training.
 - The request is a “Step to Get Us There” for achieving our 10-year target to establish a comprehensive state system to help unemployed older youth reconnect with work and/or further education opportunities.
 - The request will address significant gaps in the supply of workers in high demand occupations.
2. It is recommended that the Workforce Board endorse the SBCTC budget requests for additional general enrollments as a priority for Board advocacy for the following reasons:
 - The request is a “Step to Get Us There” for achieving our 10-year target to raise mid-level degrees and certificates to 36,200 annually.
 - The request addresses projected population growth and employer demand.
3. It is recommended that the Workforce Board endorse the SBCTC budget requests for additional applied baccalaureate enrollments as a priority for Board advocacy for the following reasons:
 - The request is a “Step to Get Us There” for achieving our 10-year target that the majority of working adults engage in training each year.
 - The request addresses the need for workers with postsecondary training by providing an alternative route for further education for those with a technical degree.

Adult Basic Education Funding

Description of Proposal

SBCTC is requesting \$7 million in FY 2010 and \$13 million in FY 2011 to improve Adult Basic Education (ABE) programs by lowering the student-to-faculty ratio, offering additional support services, and recruiting and retaining more stable, full-time faculty. The \$20 million request amounts to an FTE increase of \$306 in FY 2010 and an additional increase of \$167 in FY 2011.

Analysis of Proposal

HSHW Alignment: Adult Objective 3 of *High Skills, High Wages, 2008* calls for adults with barriers to employment and training to enter education and career pathways that lead to self-sufficiency. There are no 10-year targets or “Steps to Get Us There” for this objective that relate directly to this budget request.

Program Need/Research: The 2000 Census estimated 17 percent of Washington adults lack a high school diploma or equivalent, and seven percent are non-English speakers. Between 1990 and 2000, the state’s number of ESL residents doubled. Further data suggest this trend is continuing. These residents find themselves at an economic disadvantage. Empirical research and evidence-based best practices say that to persist, make educational gains, and meet their goals in adult education, adult students need:

- Clear, effective small-group orientation, goal-setting and clarifying of expectations.
- Contextual materials and instruction.
- Group individualized, learner-centered instruction.
- Educational and instructional support at least as much as barrier-removal.
- Personal relationships with their peers.
- Organized, focused learning options that are less chaotic due to managed enrollment.
- Staff who continue to improve their integration of effective practices.

Costs: The increased reliance on tuition, as opposed to state dollars, for higher education funding, coupled with reductions in federal funding streams have reduced the funding available for ABE programs. ABE students make up approximately 15 percent of the system’s FTES. These students are primarily low-income workers, and fewer than five percent of them earn a living wage (\$2,400 per month for a family of three). Their status as ABE students prevents them from qualifying for federal financial aid. The colleges assess quarterly tuition of \$25; anything above that would dramatically impede access and affordability. As a result, colleges lose \$50 million each year in tuition revenues that cannot be charged to ABE students. The impact of the current funding structure results in ABE student to faculty ratios as high as 35:1, significantly higher than the college’s average of 20:1 for all courses. Part-time faculty deliver the majority of ABE instruction (73 percent), and their turnover rate is higher than full-time faculty. The \$20 million request is a start towards replacing the \$100 million in tuition revenues lost each biennium.

Priorities of Government

This budget request is related to the following 2009-2011 Priorities of Government Result:

- Support career preparation beyond high school.

Recommendation

10. It is recommended that the Workforce Board not endorse the SBCTC request for enhanced ABE funding as a priority for Board advocacy because it is not related directly to any 10-year target set in *High Skills, High Wages, 2008*.

Worker Retraining Financial Aid

Description of Proposal

SBCTC is requesting \$8 million in FY 2010 and \$8 million in FY 2011 to double the funding for financial aid for students enrolled in Worker Retraining Programs to an average of \$2,600 per funded student.

Analysis of Proposal

HSHW Alignment: Industry Objective 3 in *High Skills, High Wages, 2008* calls for current and dislocated workers, and job seekers to receive education and training that builds competitive skills and businesses. There are no 10-year targets or “Steps to Get Us There” for this objective that relate directly to this budget request. Adult Objective 1 of *High Skills, High Wages, 2008* calls for increasing the number of adults who have at least one year of postsecondary training. One of the 10-year targets for this objective is that more individuals receive the support services they need to enter and complete postsecondary training. The following “Steps To Get Us There” for this target specifically relates to the child care funding budget request:

- Provide more financial aid and support services to enable students to enroll in and complete at least one year of postsecondary training and receive a credential.

Program Need and Program Outcomes: Colleges often distribute Worker Retraining financial aid on a first-come-first served basis, and colleges often run out of funds by fall or winter quarter. The demographic composition of the worker retraining program is shifting, placing additional financial aid pressures on the program as more participants need child care and enter with larger financial aid needs than their high-wage peers. Also, the September 2008 Preliminary Economic Forecast estimates that Washington’s unemployment rate will increase from less than 5 percent in FY 2008 to more than 6 percent for the next three years. With the rise in unemployment, Worker Retraining Program enrollment will also increase. The Worker Retraining program provides retraining for jobless workers unable to find work in their current field and is designed to minimize the long-term loss in earning power that frequently results from layoffs and closures. The earnings goal for high-wage earners is 85 percent of their pre-dislocation wage. The earnings goal for middle and low-wage earners is 100 percent of their pre-dislocation wage. Recovery rates for both higher-wage workers and for middle- and lower-wage workers fluctuate with economic conditions encountered by the students after leaving college. While the wage recovery rates dipped in 2002-2003 and 2003-2004, they have since strengthened and provided low-and-middle wage participants with significant income gains.

Costs: Worker Retraining financial aid helps pay for tuition, books, fees, and other related expenses for individuals who lost their jobs due to economic changes and for those receiving Unemployment Insurance (UI) benefits. While the costs for attending college have escalated, the student financial aid portion for this program has remained flat at \$1,300 per funded student. Enrollees in the Worker Retraining Program often have access to a number of other programs (extended unemployment benefits, the Training Assistance Act, etc.) that provide support services.

Priorities of Government

This budget request is related to the following 2009-2011 Priorities of Government Result:

- Support career preparation beyond high school.

Recommendation

10. It is recommended that the Workforce Board not endorse the SBCTC request for enhanced worker retraining financial aid as a priority for Board advocacy. While there are some enrollees in the program that do not have one year of postsecondary training, many do have access to additional programmatic resources to provide support while they receive that year of training.

Employee Training Solutions

Description of Proposal

SBCTC is requesting \$1.75 million in FY 2010 and \$3.25 million in FY 2011 to expand incumbent worker training opportunities and offer employers a broader continuum of training options. The budget request would provide Job Skills training in the workplace for an additional 750 to 1,200 workers per year. The additional funding would also expand the Workplace Basics Program at an additional 40 work sites, providing English as a Second Language (ESL) and ABE to training to 1,500 incumbent workers at the jobsite.

Analysis of Proposal

HSHW Alignment: Industry Objective 3 of *High Skills, High Wages, 2008* calls for current and dislocated workers, and job seekers to receive education and training that builds competitive skills and businesses. The 10-year target for this objective is that a majority of mid- and lower-wage employees receive training from either their employers or the workforce development system. The following “Steps To Get Us There” for this target specifically relate to the employee training budget request:

- Increase the level of public and private support for customized training for current workers including joint labor-management training partnerships, recruit more workers and employers to participate, and improve program design to best suit their needs.
- Increase the number of working adults gaining further education and training at the workplace through distance learning and other methods including the integration of Adult Basic English / English language and occupational skills.

Program Need/Research: In the Workforce Board’s 2007 survey, 60 percent of Washington’s employers reported difficulty finding skilled workers. The number of employers identifying performance problems associated with workers’ math, writing, computer and reading skills doubled in two years. The number of employers who identified English language deficiencies in job applicants tripled. Incumbent worker training improves employers’ ability to recruit, retain, and expand. The National Governor’s Association found that publicly funded incumbent worker training:

- Bolsters the training marketplace and creates efficiencies.
- Prevents worker dislocations.
- Reduces “churning” in the labor market.
- Improves workers’ basic skills and transitional skills.
- Improves equity of training and creates career opportunities for workers.

This type of training helps close the gap between career-oriented education and on-the-job performance expectations. Businesses report increased productivity, lower employee turnover and more satisfied customers. Prior research found workers earn about 10 percent more per month in the quarter after training in the Job Skills Program. The demand for the Job Skills Program continues to exceed the supply of funds. Employers are turned away when funds are exhausted. An estimated 800 workers were not able to receive valuable skill training in 2007-2008 due a lack of available Job Skills funds.

Priorities of Government

This budget request is related to the following 2009-2011 Priorities of Government result:

- Support career preparation beyond high school.

Recommendation

6. It is recommended that the Workforce Board endorse the SBCTC budget requests for employee training solutions as a priority for Board advocacy for the following reasons:
- The request is a “Step to Get Us There” for achieving our 10-year target that a majority of mid- and lower-wage employees receive training from either their employers or the workforce development system.
 - Past performance of the Job Skills Program indicates that it is an effective program for increasing earnings for employees and increasing productivity, lowering employee turnover and providing more satisfied customers for business.

Opportunity Grants

Description of Proposal

SBCTC is requesting \$5 million in FY 2010 and \$10 million in FY 2011 to expand participation in the Opportunity Grant Program by 1,900 students. SBCTC also requests authority to allow Opportunity Grant funds to apply to students enrolled in courses from ABE and ESL programs, when those courses are clearly linked to a pathway to college-level work.

Analysis of Proposal

HSHW Alignment: Adult Objective 1 of *High Skills, High Wages, 2008*, calls for increasing the number of adults who have at least one year of postsecondary training. Ten-year targets for this objective state that Washington state covers the tuition costs for the 13th year for workforce education students and more individuals receive the support services they need to enter and complete postsecondary training. The following “Steps To Get Us There” for these target specifically relates to the employee training budget request:

- Expand the Opportunity Grant program and include support services.

Rationale for Request: Not all low-income students are eligible for traditional financial aid programs. Left out are those enrolled in limited programs of study of under five credits, and those completing pre-college work. The program also addresses two major economic issues confronting Washington state: tight family budgets and businesses struggling to find skilled adults to fill job openings. Results from the past two years of the program demonstrate high rates of student retention and success in targeting funding to students most in need. SBCTC would also like the authority to better assist ABE and ESL students, who are among the lowest income students served by the colleges. This flexibility was allowed during the pilot programs. Financial barriers often prevent low-income adults from accessing basic skills education.

Costs: Currently funded at \$23 million per biennium, the program provides financial aid for tuition, fees, and up to \$1,000 for books and supplies per academic year. The funding also purchases individual student support services, such as a single point of contact for students, one-on-one tutoring, career advising, college success classes, emergency childcare, and emergency transportation.

Priorities of Government

This budget request is related to the following 2009-2011 Priorities of Government Results:

- Increase access to high-quality postsecondary education programs;
- Support career preparation beyond high school.

Recommendation

7. It is recommended that the Workforce Board endorse the SBCTC budget requests for expansion of the Opportunity Grant Program as a priority for Board advocacy for the following reasons:
- The request is a “Step to Get Us There” for achieving our 10-year targets that Washington state covers the tuition costs for the 13th year for workforce education students and more individuals receive the support services they need to enter and complete postsecondary training.
 - The program meets the economic needs of low-income students and employers.
 - Program results demonstrate high rates of student retention and success in targeting funding to students most in need.

Student Achievement Initiative

Description of Proposal

SBCTC is requesting \$2.3 million in FY 2010 and \$4.7 million in FY 2011 for the Student Achievement Initiative that focuses on colleges’ performance in helping students, from the least prepared to the most college ready, build and maintain movement towards high levels of academic achievement. The funding is designed to improve a college’s performance on the following student outcomes: (1) increased performance of students in pre-college-level courses; (2) completion of college-level math courses; (3) moving students beyond the educational “tipping point” of earning 45 credits and a credential; and (4) completion of certificates, degrees, and apprenticeships.

Analysis of Proposal

HSHW Alignment: Adult Objective 1 of *High Skills, High Wages, 2008* calls for increasing the number of adults who have at least one year of postsecondary training. One of the 10-year targets for this objective is that more students achieve critical milestones at community and technical college programs as evidenced by the Student Achievement Initiative.

Program Rationale: Higher education needs to move away from focusing solely on funding inputs (e.g., student seat time) and towards funding improved results (measurable student gains in academic achievement). This initiative provides incentives for colleges to re-examine their delivery of instruction and services to maximize student achievement. Each college analyzes student data to determine the most effective deployment of funding and staff, and continues to mine the data over time to adjust to changing needs and circumstances. Demographic, programmatic, and other differences among the colleges will result in multiple strategies across the system. The Initiative is rooted in the concept of building up and leveraging students’ academic momentum. Momentum builds as students meet or exceed program expectations and earn credits. But if one lacks momentum, she or he is likely to drop out of a program. The educational tipping point occurs when a student has built enough momentum to independently achieve their academic goals. Overall research from SBCTC identified the educational tipping point to be when a student has completed at least one-year (45 credits) and a credential. Once a student meets the tipping point, his or her earning potential is significantly higher compared to those who have not met the threshold.

Costs: In the 2007-2008 academic year, each college was evenly allocated seed money to increase capacity for student success strategies. The first allocation of seed money occurred during the “learning year” as a way of “seeding” initial promising practices. The seed money

allocations will continue in order to provide each college enough funding in its base to build and sustain strategies focused on student success. To earn new rewards, colleges will need to exceed prior levels of performance. The principal component of the reward will be a dollar value granted per point gained from the prior year. Lessons from other states indicate points should be at least \$40 to motivate the colleges. The proposal starts with \$40 per point and annually increases.

Priorities of Government

This budget request is related to the following 2009-11 Priorities of Government results:

- Provide convenient and efficient postsecondary education.
- Increase access to high-quality postsecondary education programs.
- Support career preparation beyond high school.

Recommendation

10. It is recommended that the Workforce Board endorse the SBCTC budget requests for the Student Achievement Initiative as a priority for Board advocacy for the following reasons:

- The request is a specific step to achieve the ten-year target that more students achieve critical milestones at community and technical college programs.
- The initiative provides incentives for colleges to re-examine their delivery of instruction and services to maximize student achievement.

Child Care Center Funding

Description of Proposal

SBCTC is requesting \$1.5 million in FY 2010 and \$41.5 million in FY 2011 to increase colleges' base funding for child care centers. The funding would increase center capacity, quality of care for students' children, and provide more affordable child care for students, reducing barriers for underserved and underrepresented populations.

Analysis of Proposal

HSHW Alignment: Adult Objective 1 of *High Skills, High Wages, 2008* calls for increasing the number of adults who have at least one year of postsecondary training. One of the 10-year targets for this objective is that more individuals receive the support services they need to enter and complete postsecondary training. The following "Steps To Get Us There" for this target specifically relates to the child care funding budget request:

- Provide more financial aid and support services to enable students to enroll in and complete at least one year of postsecondary training and receive a credential.

Program Rationale: Limited access to quality, affordable child care is one of the top barriers to recruiting and retaining students in higher education. To successfully balance work, school and family responsibilities, parents attending college need affordable, convenient, dependable, and quality care for their children. Some 27 percent of the system's students are parents of young or school age children.

Costs: Campus child care centers are funded with user fees, state subsidies and contracts, student and activity fees, and general operating dollars. In total, user fees from students, staff, faculty, and community members account for 39 percent of the budget. Another 29 percent of the budget comes from Washington state Working Connections Child Care (WCCC) subsidies and Early Childhood Education and Assistance Program (ECEAP) contracts. Funding from local and

federal sources provide another nine percent of the budget. The remaining costs are covered through institutional support. Student service and activity fees provide 10 percent of the funds, while college operating funds, which include revenues from tuition as well as general state funding, covers about 13 percent of total expenditures. Child care centers are becoming increasingly expensive to operate due to the rising cost of operations and licensing regulations regarding staffing ratios and required cost of living adjustments for staff. Several child care programs at community and technical colleges and public universities have faced staff reductions or threats of closure as the cost of staff salaries have outpaced revenues.

Priorities of Government

This budget request is related to the following 2009-2011 Priorities of Government results:

- Increase access to high-quality postsecondary education programs.
- Support career preparation beyond high school.

Recommendation

10. It is recommended that the Workforce Board endorse the SBCTC budget requests for the Child Care Center funding as a priority for Board advocacy for the following reasons:

- The request is a specific step to achieve the 10-year target that more individuals receive the support services they need to enter and complete postsecondary training.
- Limited access to quality, affordable child care is one of the top barriers to recruiting and retaining students.

Disability Accommodations

Description of Proposal

The SBCTC is requesting \$1 million in FY 2010 and \$1 million in FY 2011 to effectively address support needed for students with disabilities. Colleges are required by law to provide students with disabilities appropriate core services to ensure they receive equal access to higher education. Student disabilities include the following categories: deaf and hearing, mobility, speech, learning disability, blind or visual, chronic or acute health, neurological, and psychological. Services, or accommodations, can include interpreters for the deaf, adaptive computer technologies, note-takers, and readers.

Analysis of Proposal

HSHW Alignment: Adult Objective 3 of *High Skills, High Wages, 2008* calls for adults with barriers to employment and training to enter education and career pathways that lead to self-sufficiency. A 10-year target for this objective is that more adults with barriers to employment and training become employed in middle and higher wage jobs. The following “Steps To Get Us There” for this target relates to the disability accommodations budget request:

- Improve workforce development services for individuals with disabilities.

Program Rationale: Since FY 2001 the number of state funded students with documented disabilities increased 17 percent, from 8,127 to 9,532. The population growth has been primarily among two categories: learning disabled and emotional disorders. The change in disabled student demographics has expanded the types of accommodations colleges should provide. Suggested accommodations for students diagnosed with learning disabilities or emotional disabilities include priority registration, course substitutions, audio-taped textbooks, tutoring, note-takers, proctored tests, time management classes, and some types of modified instruction. Many of these

are accomplished with college staff or student employees, whose wage growth has outpaced inflation.

Costs: Currently, colleges receive \$1.9 million each year in dedicated funding for disability accommodations. This amount has remained flat since FY 2001, when an additional \$500,000 per year was provided as a supplemental budget step. Inflation and increases in disabled students has eroded the funding. Each year colleges' requests for disabilities accommodations funding exceed available funding by \$1 million, resulting in colleges relying on other program funds to make up the shortfall. In addition to inflation, colleges point to the increased costs of more traditional accommodation services, such as purchasing, upgrading and maintaining adaptive technology, including staffing costs to allow for assistive technology specialists. American Sign Language interpreter costs have also increased and some colleges that serve large deaf populations report spending 75 to 85 percent of their budget directly for the interpreting service providers.

Priorities of Government

This budget request is related to the following 2009-11 Priorities of Government results:

- Increase access to high-quality postsecondary education programs.
- Support career preparation beyond high school.

Recommendation

10. It is recommended that the Workforce Board endorse the SBCTC budget requests for funding for disabilities accommodation as a priority for Board advocacy for the following reasons:

- The request is a specific step to achieve the 10-year target that more adults with barriers to employment and training become employed in middle-and higher-wage jobs.
- The funding is necessary to deal with the increased costs of providing accommodations for disabled individuals.

21st Century Learning Environments

Description of Proposal

The SBCTC is requesting \$14.26 million in FY 2010 and \$15.56 million in FY 2011 to purchase system-wide tools to modernize delivery of student, academic, and administrative services and purchase advanced instructional equipment. Specifically, the monies would be used to purchase:

- Tools to learn in innovative and flexible online and hybrid learning environments.
- System-wide licenses for academic journals and digital library tools, such as virtual reference and smart search.
- Necessary equipment in the high-demand fields of health care, trades-related programs, and science labs.
- Student Relationship Management (SRM) software to assist to track a student's activities and trigger events to keep the student progressing toward their educational goals.
- Online Searchable Catalog (iCatalog) that would allow all college catalogs to be searched in a dynamic manner by current and prospective students.
- A system portal that would provide students, faculty and staff with a single location to login and get access to all of their teaching and learning, students services, administrative tools, and data.
- An integrated purchasing system will provide automated access for ordering, tracking, and receiving purchases.

- An online time and attendance reporting system will allow for the electronic collection of community and technical colleges' employees' hours worked, leave taken, and related approvals.
- Software that will allow colleges to disperse funds to the recipient's bank of choice.

Analysis of Proposal

HSHW Alignment: Adult Objective 2 of *High Skills, High Wages, 2008* states that Postsecondary education and training provides effective opportunities for going in and out of training over the course of life-long learning. A 10-year target for this objective is that the majority of working adults engage in training each year, including in workplace-based learning. Industry Objective 2 calls for a focus on strategic industry clusters and sets a 10-year target for preparing the number of workers needed to fill job openings in strategic industry clusters. The following “Steps To Get Us There” for this target specifically relates to the 21st century learning environments budget request:

- Identify and implement best practice models for working adults to gain further education and training at the workplace, including online learning.
- Expand High Employer Demand programs of study at all levels of postsecondary education and target under-represented labor pools to facilitate their entry to high demand occupations.

Program Rationale: There is significant demand for online services from community college students. Many students have grown accustomed to conducting basic daily living tasks online. A significant portion balance the responsibilities of work, parenting, and education, and feel the pinch of time and the pinch of increased costs associated with gas, everyday goods, and childcare. System online learning enrollments continue to increase 15 percent annually. 28 percent of the online students enrolled in workforce courses. The State Board anticipates, based on enrollment trends, demand for workforce courses will increase as uncertainty about the economy continues. The community and technical colleges lack stable and adequate funding for library services and online academic journals and books. The system offers inconsistent access to academic journals, professional periodicals, and interlibrary loan services. Also, students and faculty seeking full-text digital resources must either purchase the article from an online source or go through the outdated process of requesting articles via interlibrary loan. A survey of colleges indicated that the greatest categories of unmet professional and technical equipment needs are in the healthcare, trades related programs, and science labs. Additional funding for equipment is critical to continuing to produce workers in high demand fields.

Costs: A patchwork of online services is available to students enrolled at community and technical colleges. This request will provide the system the opportunity to meet those student demands and to pool resources to meet these demands more efficiently. Libraries have responded to inflation by reducing the number of available subscriptions to academic journals and periodicals. The combined purchasing power of will provide statewide digital library resources at lower cost than if the colleges purchased the licenses individually. Single item costs for healthcare equipment, such as spectrometers, microscopes, defibrillators, digital imaging, simulators, virtual clinical instruction tools, and ventilators ranged from a low of \$20,000 to a high of \$221,000. Single item costs for trades related equipment, such as automotive upgrades for hybrid technology, machining equipment, aviation and flight equipment, welding equipment, and industrial electrical equipment ranged from a low of \$10,000 to a high of \$102,000.

Priorities of Government

This budget request is related to the following 2009-11 Priorities of Government results:

- Increase access to high-quality postsecondary education programs.
- Support career preparation beyond high school.

Recommendation

11. It is recommended that the Workforce Board endorse the SBCTC budget request for 21st century learning environments as a priority for Board advocacy for the following reasons:

- The request is a specific step to achieve the 10-year target that the majority of working adults engage in training each year, including in workplace-based learning.
- The request is a specific step to achieve the 10-year target for preparing the number of workers needed to fill job openings in strategic industry clusters.
- The funding is necessary to deal with the increased demand for online learning tools and the high cost of equipment in high demand fields.

Employment Security Department

Integrated Job Search

Description of Proposal

The Employment Security Department is requesting \$1.16 million in FY 2010 and \$840,000 in FY 2011 from the Employment Services Administrative Account to upgrade a system used by WorkSource system staff to help job seekers find work and employers to find workers. The proposal would upgrade the core system, *Service, Knowledge and Information Exchange System* (SKIES), to a modern architecture and significantly reduce the time spent by WorkSource Specialists to determine if an employment pathway is appropriate. This is the first stage in a long term strategy to modernize and integrate existing labor exchange and case management systems.

Analysis of Proposal

HSHW and Washington Works Alignment: Adult Objective 4 of *High Skills, High Wages, 2008*, calls for the WorkSource system to provide integrated and effective customer service without barriers associated with separate, individual programs. The 10-year target for this objective is that the WorkSource is a functionally integrated service delivery system that measurably improves the employability of customers. The following “Steps To Get Us There” for this target specifically relates to the integrated job search budget request:

- Identify barriers to integrated customer service and implement solutions.

In *Washington Works*, a January, 2007, report to the Governor, the Workforce board specifically called for strengthening the local workforce partnership by enhancing management information system integration.

Program Rationale: This project is the recommended alternative of the Integrating Job Search Data Systems Feasibility Study that was funded by the Legislature during the 2007 session for Integrate Data Systems for More Effective Job Matching. The following recent developments are making it more difficult to maintain quality services to clients:

- The federal government is reducing, and will continue to reduce, funding to support WorkSource operations.
- Caseloads are expected to increase as the current recession takes hold.
- Case intensity, or case worker time per job seeker, is expected to increase as the division’s new strategic direction to move from customer self-service to more intensive direct, one-on-one service delivery is implemented.

Taken together, these three trends mean that the department will be seeing more job seekers, spending more time with them and doing this with less staff. Compounding this problem, three of the five key systems that WorkSource Specialists use while working with job seekers are built on obsolete technology, which makes maintaining and enhancing the systems extremely difficult. The proposal, when implemented, is expected to improve productivity in two main areas: reducing redundant data entry and improving software maintenance productivity.

Costs: The department has made a number of improvements in administering and integrating its systems. However, due to the overall size and complexity of WorkSource systems, fully functioning integration is not cost effective. The Integrated Job Search Project will provide a cost-effective alternative to full integration.

Priorities of Government

This budget request is related to the following 2009-11 Priorities of Government result:

- Improve economic vitality of business and individuals.

Recommendation

It is recommended that the Workforce Board endorse the ESD budget request for integrated job search as a priority for Board advocacy for the following reasons:

- The request is a specific step to achieve the 10-year target that WorkSource is a functionally integrated service delivery system that measurably improves the employability of customers.
- The request is a specific, cost-effective proposal in response to the Washington Works recommendation to strengthen the local workforce partnership by enhancing management information system integration.

Department of Labor and Industries

Strengthening Apprenticeship

Description of Proposal

The Department of Labor and Industries (L&I) is requesting \$539,000 in FY 2010 and \$497,000 in FY 2011 for 3.2 FTEs to expand apprenticeship as a workforce- and economic-development training model and to strengthen oversight to protect the interests of all apprentices. Specifically, L&I is requesting one FTE for improved oversight of apprenticeship programs, two FTEs for expanded marketing of apprenticeship to employers and schools, funding to provide statewide training for improved recruitment and retention of women and minorities in apprenticeship, and funding to establish apprenticeship incubator grants.

Analysis of Proposal

HSHW Alignment: Youth Objective 2 of *High Skills, High Wages, 2008*, calls for all students to leave high school prepared for success in further education and/or work. The 10-year target for this objective is that all high school students across Washington have the option to complete a career and technical education sequence that matches their career interests, articulates with postsecondary education and results in industry certification where applicable. Adult Objective 1 of *High Skills, High Wages, 2008*, calls for increasing the number of adults who have at least one year of postsecondary training. The 10-year target for this objective is that more adults attain at least one year of postsecondary training and a credential. Industry Objective 3 of *High Skills, High Wages, 2008*, calls for current and dislocated workers, and job seekers to receive education and training that builds competitive skills and businesses. The 10-year target for this objective is that a majority of mid- and lower-wage employees receive training from either their employers or the workforce development system. The following “Steps To Get Us There” for these targets specifically relate to the strengthening apprenticeship budget request:

- Expand pre-apprenticeship and apprenticeship opportunities for youth.
- Conduct an ongoing marketing campaign to inform the general public about the employment and earnings benefits of postsecondary training, especially in high employer demand programs of study.
- Expand apprenticeship training opportunities and recruitment of employers who hire apprentices for traditional and non-traditional programs.

Program Rationale: In 2006, the Governor’s Office asked business and labor stakeholders and L&I to develop a plan to expand apprenticeship as a workforce- and economic-development training model and to strengthen oversight to protect the interests of all apprentices. L&I developed a plan with key business and labor stakeholders to continue expanding apprenticeship as a workforce- and economic-development training model. The plan includes:

- Increased oversight of apprenticeship programs and improved departmental program assessment compliance reviews.
- Supporting Running Start to the Trades secondary pre-apprenticeship programs and building partnerships with the K-12 system.
- Marketing apprenticeship to employers and providing incubator grants for new apprenticeship programs.

- Providing statewide training to apprenticeship sponsors toward improved recruitment and retention of women and minorities, so that all of Washington's residents can experience the benefits of apprenticeship.

Upon graduation, apprentices earn on average \$52,000 per year, and have the highest rate of employment after leaving training compared to other workforce training options in Washington state. In the year ending July 31, 2008, the number of active apprentices per month rose 22 percent, from 12,399 to 15,178. The growth in the number of apprentices has significantly impacted the ability of the statewide field staff to perform employer outreach, facilitate partnerships with schools, or provide technical assistance on more effective recruitment and retention strategies. Apprenticeship stakeholders are calling for increased oversight efforts to maintain the integrity of the system as more businesses participate and overall numbers of apprentices increase. Despite the growth, apprenticeship is still underutilized by employers. It is mostly unknown to employers facing skill gaps. At the same time, it is passed over by young people and adults exploring their workforce training options. Increased marketing and outreach have been effective in the past to expand apprenticeship, and currently, marketing to employers and potential apprentices is limited by the much-expanded workload caused by the significant growth of apprentices in the current system.

Costs: This budget request would create one apprenticeship consultant to focus on increased compliance and target underperforming apprenticeship programs, two consultants to administer two separate grant programs, \$300,000 to support six competitive incubator grants intended to augment the start up costs for new apprenticeship program sponsors, and \$50,000 each year to contract for services to support annual training conferences and events on best practices for the successful recruitment and retention of women and minorities into building and construction trade apprenticeships.

Priorities of Government

This budget request is related to the following 2009-11 Priorities of Government result:

- Improve the quality and productivity of our workforce.

Recommendation

It is recommended that the Workforce Board endorse the L&I budget request for strengthening apprenticeship as a priority for Board advocacy for the following reasons:

- The request is a specific step to achieve the 10-year target that all high school students across Washington have the option to complete a career and technical education sequence that matches their career interests, articulates with postsecondary education and results in industry certification where applicable.
- The request is a specific step to achieve the 10-year target that that more adults attain at least one year of postsecondary training and a credential.
- The request is a specific step to achieve the 10-year target that a majority of mid- and lower-wage employees receive training from either their employers or the workforce development system.
- The request will expand a highly effective workforce training program.

Navigation 101 Grants Expansion, AN

Agency: 350 Office of Superintendent of Public Instruction
Budget Period: 2009-11

Recommendation Summary Text:

Superintendent Bergeson is requesting resources for the Navigation 101 grant program: \$9 million to provide on-going Navigation 101 support to schools that have previously been funded for program start-up. The Navigation 101 program/model increases parent involvement, student connection to their education, retention, and graduation rates. The investment is very small compared to the societal and individual costs of dropping out of high school.

Fiscal Detail

Operating Expenditures		FY 2010	FY 2011	Total
General Fund	001-01	\$3,580,000	\$5,618,000	\$9,198,000
Total Cost		\$3,580,000	\$5,618,000	\$9,198,000

Staffing	FY 2010	FY 2011	Annual Avg.
Total FTEs Requested	0	0	0

Package Description

Background

The newest districts to implement Navigation 101 were able to utilize a state-funded grant, authorized by the legislature in 2006. The temporary grants (averaging \$ 10,000 per building for three buildings per district) were intended only to defray the costs of organizing and initiating Navigation 101. The temporary, two-year grants are now ending for the first round of districts, funded in 2006-2007. Districts funded in 2007-2008 will end this school year.

There is more to sustaining Navigation 101 than the initial work. With two years experience with wider implementation, it is clear that Navigation requires staff to serve as district and building leaders on an on-going basis. In most districts the part-time duties of many staff equate to a single FTE for Navigation 101 coordination. Additionally, many districts have chosen to recognize the added responsibilities of advising beyond the previously contracted duties of teachers. Further, Navigation 101 increases parental involvement. The time required to organize successful student conferences is well worth the effort, but when 93% of a schools' students have at least one family member attend a conference, the logistics are daunting. The positive outcome is more parent-school interaction throughout the year. These are admirable outcomes that drive real costs.

Proposed Solution

The Superintendent proposes that the Navigation 101 program be sustained as an allocation to middle and high schools that continue to provide the program. The sustaining grants would be \$10,000 but vary by school size, and provided to the district via allocation.

Navigation 101 Grants Expansion, AN

Contact person

Jim Ridgeway, Director, Secondary Education, 360-725-0416, jim.ridgeway@k12.wa.us

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

The Office of Superintendent of Public Instruction (OSPI) tracks programmatic impact on several levels. Students involved in Navigation schools have:

- Greater parent involvement in student/teacher/parent conferences;
- Greater graduation rates;
- Greater retention rates;
- Greater post-secondary enrollment at two-year and technical colleges;
- Greater enrollment in high school gate-keeper courses (courses that promote college readiness); and,
- Decrease in the percentage of students enrolled in remedial math in two-year and technical colleges.

Performance Measure Detail

Listed above.

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This request supports OSPI's Strategic Objective 1.4, to ensure that all students graduate from high school with the knowledge and skills needed for postsecondary success, and to expand models of student-centered programs under secondary reform as outlined in prior years in the Governors Priorities of Government documents.

Reason for change:

Evidence is growing substantially in Washington and around the nation that students perform better academically when they can see their school activities relating directly to their personal goals. Setting goals, planning for careers and further education are traditionally the tasks of school guidance, but the scope and reach of school guidance programs must be expanded significantly. This investment moves guidance to an integral part of the school and the students' lives. It is an investment in a data-driven program for improving student performance.

Does this decision package provide essential support to one of the Governor's priorities?

Yes, the Governor has identified improving student graduation rates as one of her top priorities.

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process?

Yes, this program has proven to improve on the performance measures listed earlier.

Navigation 101 Grants Expansion, AN

What are the other important connections or impacts related to this proposal?

No stakeholder concerns will be raised with this proposal.

Impact on Clients and Services

Students and parents benefit when they work together toward students' goals. Classroom activities can provide students with planning skills, activities for exploring and recording growth, and for making goals concrete. Web-based resources facilitate student activities outside the classroom.

Impact on Other State Programs

Investing in more school districts offering the Navigation 101 model will increase the numbers of students ready for all postsecondary options.

What alternatives were explored by the agency, and why was this alternative chosen?

The alternative is the current expectation: that districts will be able to implement the program on an on-going basis, using the tools currently available to support implementation, using local resources to cover the on-going staff costs.

The nine districts that initiated Navigation 101 in the 2003-2004 school year, demonstrate that *some* districts can find resources on their own to support the initiative. Since districts feel many pressures on current budgets, particularly in less wealthy areas of the state, guidance initiatives compete with a long list of educational needs. Many of these early adopter districts used other grant sources – such as funds awarded to create smaller learning communities, whose goals can accommodate Navigation 101, but whose direct purpose is not guidance. However, these grants are nearing completion, no other grant funds specifically target on-going guidance initiatives, and district flexibility to maintain non-basic programs is being compromised by budget deficits statewide.

What are the consequences of not funding this package?

Districts that receive implementation grants from the state or other private foundation will attempt to keep Navigation 101 sustained, but the investment will be compromised over time as the district has more staff salary expectations but no resources with which to cover these costs.

What is the relationship, if any, to the state's capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Navigation 101 Grants Expansion, AN

Expenditure Calculations and Assumptions:

Sustaining grants begin with a cost of \$10,000, and increase annual with the cost of certificated instructional staff. There are 1,704 secondary schools. Current program funds will cover the initial grants to 370 schools per year. Therefore, sustaining grants increase annually as the initial grants are phased-in.

	Sustaining Grants	Grant Amount	Total Cost
2009-10	358	\$10,000	\$3,580,000
2010-11	535	\$10,501	\$5,617,977
2011-12	735	\$10,769	\$7,915,124
2012-13	905	\$11,171	\$10,110,131
2013-14	1,105	\$11,591	\$12,808,051
2014-15	1,275	\$12,028	\$15,336,132
2015-16	1,475	\$12,485	\$18,415,988
2016-17	1,645	\$12,960	\$21,318,972

Object Detail

		FY 2010	FY 2011	Total
A	Salary and Wages	\$0	\$0	\$0
B	Employee Benefits	\$0	\$0	\$0
C	Contracts	\$0	\$0	\$0
E	Goods/Services	\$0	\$0	\$0
G	Travel	\$0	\$0	\$0
J	Equipment	\$0	\$0	\$0
N	Grants	\$3,580,000	\$5,618,000	\$9,198,000
	Interagency Reimbursement	\$0	\$0	\$0
	Other	\$0	\$0	\$0
Total Objects		\$3,580,000	\$5,618,000	\$9,198,000

Expenditures & FTEs by Program

Activity Inventory Item	Prog	Staffing			Operating Expenditures		
		FY 2010	FY 2011	Avg	FY 2010	FY 2011	Total
A002 Administration	010	0	0	0	\$3,580,000	\$5,618,000	\$9,198,000
Total Activities		0	0	0	\$3,580,000	\$5,618,000	\$9,198,000

Navigation 101 Grants Expansion, AN

Six-Year Expenditure Estimates

Fund	09-11 Total	11-13 Total	13-15 Total
General Fund – State	\$9,198,000	\$18,025,000	\$28,144,000
Expenditure Total	\$9,198,000	\$18,025,000	\$28,144,000
FTEs	0	0	0

Distinction between one-time and ongoing costs:

All costs are on-going.

Budget impacts in future biennia:

As the number of middle and high schools complete their initial start-up grants, the on-going grants will be required and will increase each year until all 1,704 schools are funded.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Policy Level Recommendation Summaries**

2009-11 SBCTC Operating Budget Request Items

	FY 2010	FY 2011	2009-11
Workforce and Economic Demand	<u>\$38,130,000</u>	<u>\$66,902,000</u>	<u>\$105,032,000</u>
1 Enrollments—High Demand	\$8,500,000	\$16,900,000	\$25,400,000
2 Enrollments—Adult basic Education	\$7,600,000	\$15,100,000	\$22,700,000
3 Enrollments—General Growth	\$4,800,000	\$9,600,000	\$14,400,000
4 Enrollments—Applied Baccalaureate	\$480,000	\$2,052,000	\$2,532,000
5 Adult Basic Education Funding	\$7,000,000	\$13,000,000	\$20,000,000
6 Worker Retraining Financial Aid	\$8,000,000	\$8,000,000	\$16,000,000
7 Employee Training Solutions	\$1,750,000	\$2,250,000	\$4,000,000
Student Achievement	<u>\$32,193,000</u>	<u>\$48,651,000</u>	<u>\$80,844,000</u>
8 Opportunity Grants	\$5,000,000	\$10,000,000	\$15,000,000
9 Student Achievement Initiative	\$2,300,000	\$4,700,000	\$7,000,000
10 Affordable Tuition	\$2,633,000	\$5,391,000	\$8,024,000
11 Child Care Center Funding	\$1,500,000	\$1,500,000	\$3,000,000
12 Disabilities Accommodations	\$1,000,000	\$1,000,000	\$2,000,000
13 Transition Math Project	\$500,000	\$500,000	\$1,000,000
14 Running Start Funding	\$5,000,000	\$10,000,000	\$15,000,000
15 21st Century Learning Environments	<u>\$14,260,000</u>	<u>\$15,560,000</u>	<u>\$29,820,000</u>
a. Instructional Equipment	\$3,800,000	\$7,500,000	\$11,300,000
b. Technology for Student Achievement	\$10,460,000	\$8,060,000	\$18,520,000
Recruit and Retain the Best People	<u>\$37,950,000</u>	<u>\$69,850,000</u>	<u>\$107,800,000</u>
16 Recruit and Retain the Best People	\$33,900,000	\$65,800,000	\$99,700,000
17 Part-Time Faculty Conversions	\$2,550,000	\$2,550,000	\$5,100,000
18 Staff Development	\$1,500,000	\$1,500,000	\$3,000,000
Campus Environment	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$3,000,000</u>
19 Campus Security	\$1,500,000	\$1,500,000	\$3,000,000
Total Policy Level Request	<u>\$109,773,000</u>	<u>\$186,903,000</u>	<u>\$296,676,000</u>

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Policy Level Recommendation Summaries

Enrollments—High Demand

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$8,500,000	\$16,900,000	\$25,400,000

The State Board requests funding for an additional 1,660 high-demand enrollments funded at an average rate of \$10,200 per enrollment FTE, for a total of \$25.4 million. As recognized previously by the Legislature, high-demand enrollments are also high-cost, as many of the programs require lab-based learning with smaller class sizes and more expensive and specialized equipment and classroom technology. Funds will be used to expand enrollments in the following areas: I-BEST (integrated basic education and skills training), apprenticeships, workforce development, programs that prepare workers for green jobs, and science, technology, engineering, and math programs.

Enrollments—Adult Basic Education

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$7,600,000	\$15,100,000	\$22,700,000

The State Board requests funding for an additional 1,800 basic skills enrollments, funded at a student average of \$8,400 to cover the cost of waived tuition, for a total of \$22.7 million. Today's persistently high drop-out rates, coupled with immigration, mean that the population of under-educated adults is growing much faster than the state's capacity to provide the education they need. The colleges' Adult Basic Education programs provide education to adults below ninth grade level, needing English as a Second Language, and GED and high school completion. Currently, about 8 percent of the state's eligible population is served.

Enrollments—General Growth

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$4,800,000	\$9,600,000	\$14,400,000

To meet the increased enrollment pressure from population and demographic changes, the State Board requests funding for an additional 1,600 general growth enrollments, funded at a student average of \$6,000 for a total of \$14.4 million. This funding is needed to respond to projected state population growth and employer demand for an educated workforce.

Enrollments— Applied Baccalaureate

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$480,000	\$2,052,000	\$2,532,000

The State Board requests \$2.54 million to expand the applied baccalaureate programs. Funding will be used to create two additional programs at the existing applied baccalaureate colleges and to provide start-up funds to expand to new regions of the state.

Adult Basic Education Funding

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$7,000,000	\$13,000,000	\$20,000,000

The State Board requests \$20 million in funding to enhance Adult Basic Education (ABE) services. The growing reliance on tuition funds, as opposed to state dollars, for higher education funding, and increased instructional costs have reduced the funding available for ABE programs. Colleges currently serve low-income ABE students

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Policy Level Recommendation Summaries

at a biennial cost of \$100 million in lost tuition revenues. This funding will improve instruction delivery in ABE programs by lowering the student to faculty staffing ratio, providing additional support services, and recruiting and retaining stable, full-time faculty.

Worker Retraining Financial Aid

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$8,000,000	\$8,000,000	\$16,000,000

The Worker Retraining Program trains dislocated and unemployed workers who need new skills and knowledge in order to re-enter the workforce. Worker Retraining financial aid helps pay for tuition, books, fees, and other related expenses for individuals who lost their jobs due to economic changes and for those receiving Unemployment Insurance (UI) benefits. While the costs for attending college have escalated, the student financial aid portion of funding for this program has remained flat at \$1,300 per funded student. This request will double the funding for financial aid for students enrolled in Worker Retraining Programs to an average of \$2,600 per funded student.

Employee Training Solutions

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,750,000	\$2,250,000	\$4,000,000

The State Board requests \$4 million to expand the workplace training available to incumbent workers and employers. Colleges will use the funding to offer a broad array of training options and provide: (1) job skills training in the workplace for an additional 750 to 1,200 workers per year; and (2) workplace basics training (integrating adult basic education and ESL with work skills) to 1,500 incumbent workers at an estimated 40 work sites.

Opportunity Grants

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$5,000,000	\$10,000,000	\$15,000,000

The State Board requests \$15 million to expand participation in the Opportunity Grant Program. The program brings together low-income students, colleges, and businesses to meet the students' financial needs, create skilled employees, and respond to employer identified workforce gaps. It assists low-income adults who enter high-wage, high demand career pathways by providing financial support for up to 45 credits or three years of enrollment. Funding will allow colleges to serve an additional 1,900 students. The State Board also requests authority to allow Opportunity Grant funds to apply to students enrolled in courses from adult basic education (ABE) and English as a second language (ESL) programs, when those courses are clearly linked to a pathway to college level work.

Student Achievement Initiative

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$2,300,000	\$4,700,000	\$7,000,000

The State Board's Student Achievement Initiative focuses on colleges' performance in helping students, from the least prepared to the most college ready, build and maintain movement towards high levels of academic achievement. It is a data-driven approach that centers the entire system on improving student performance,

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Policy Level Recommendation Summaries

and provides resources for colleges to independently craft initiatives that are innovative and targeted to their specific student needs. The State Board requests \$7 million for the initiative. The funding will improve a college's performance in the following student outcomes: (1) increased performance of students in pre-college-level courses; (2) completion of college-level math courses; (3) moving students beyond the educational "tipping point" of earning 45 credits and a credential; and (4) completion of certificates, degrees, and apprenticeships. Colleges will reinvest the rewards to test, adopt, and implement strategies that have demonstrated success for student performance.

Affordable Tuition

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$2,633,000	\$5,391,000	\$8,024,000

Education affordability is the key to access, especially for under-prepared and lower-income populations, who are predominately served by community and technical colleges. The State Board requests \$8 million in state funding to provide the equivalent of a one percent tuition increase for each year of the 2009-11 biennium.

Child Care Center Funding

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,500,000	\$1,500,000	\$3,000,000

Limited access to quality, affordable child care is one of the top barriers to recruiting and retaining students in higher education. Campus child care centers are funded with user fees, state subsidies and contracts, student and activity fees, and general operating dollars. Currently student user fees provide 27 percent of the funding for child care centers, compared to the 12 percent of funding provided by the state. This request will allow college child care centers to provide quality child care for students while also improving access and affordability.

Disabilities Accommodations

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,000,000	\$1,000,000	\$2,000,000

Colleges are required by law to provide students with disabilities appropriate core services to ensure they receive equal access to higher education. Services, or accommodations, can include hearing interpreters for the deaf, adaptive computer technologies, note-takers, and readers. Targeted funding for disabilities accommodations has remained flat since FY 2001. Since then, the number of state funded students with disabilities increased 17 percent, as have the cost of providing services. The State Board requests \$2 million in funding for the system to effectively address the support needed for students with disabilities.

Transition Math Project

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$500,000	\$500,000	\$1,000,000

The State Board requests \$1 million in funding for Phase III of the Transition Math Project (TMP), a public-private partnership with the Gates Foundation. The TMP focuses on fostering successful math transitions from high school to college and the workforce, and reducing the need for remedial math courses at the higher education

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Policy Level Recommendation Summaries

level. State funding will leverage private funding from the Gates Foundation. Phase III will focus on: strengthening and expanding high school and college partnerships, curriculum alignment, math readiness and placement assessment, enhancing teacher skills, and improving data-based decision-making around student performance in math.

Running Start Funding

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$5,000,000	\$10,000,000	\$15,000,000

The State Board requests \$15 million in funding to reduce disparities between the total cost of serving Running Start students and the reimbursement rate provided by the state. Over 11,800 Full-Time Equivalent (FTE) students will be served annually this biennium. The gap is estimated to be about \$3,000 per FTE, amounting to a system-wide subsidy of \$35 million per year. The State Board proposes a seven-year phased funding plan to address the disparity in reimbursement funding, with an initial amount of \$5 million for FY 2010, to grow in annual installments of \$5 million through 2016. Additionally, the State Board requests colleges be allowed to report and count Running Start FTES toward state enrollment targets.

21st Century Instructional Equipment

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$3,800,000	\$7,500,000	\$11,300,000

The State Board requests \$11.3 million in ongoing additional funding for equipment to allow colleges to have a stable, predictable source of funding for the high cost of instructional equipment. Funding will purchase necessary, expensive equipment students must train on, such as the following: spectrometers, microscopes, defibrillators, digital imaging, simulators, virtual clinical instruction tools, ventilators, and automotive upgrades for hybrid technology, machining equipment, aviation and flight equipment, welding equipment, and industrial electrical equipment. Prices range from a low of \$10,000 to a high of \$221,000.

21st Century Technology

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$3,960,000	\$4,560,000	\$8,520,000

The State Board requests \$8.5 million to purchase software programs to improve student recruitment, retention, academic success, and improve administrative efficiency, data analysis, and accountability. The funding will purchase software licenses, information technology support, and hosting. The following student services will be provided in a more user friendly and flexible online one-stop portal: advising, registration, education and career planning, searchable course catalogues, and transcripts. Through these programs, students will be able to log-in and access their courses, financial aid accounts, education plans, and grades. The request includes online teaching and learning tools for faculty, in addition to relationship tracking software to improve student retention. Finally, funding will also improve business operations through the acquisition of software programs for purchasing, electronic funds dispersal for students, and time and attendance tracking for faculty and staff. While the software programs will operate at a system level, they can be customized to reflect specific college's needs.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Policy Level Recommendation Summaries

21st Century Libraries

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$6,500,000	\$3,500,000	\$10,000,000

The State Board requests \$10 million in funding to provide stable and adequate funding for library services. This funding will purchase system-wide licenses for online academic journals in six core academic areas, available for use by all students in the system. At the end of FY 2010, the system will provide the library operating platform needed to allow students to access the library catalogues and borrow books from the public 4-year institutions. Sharing with the public baccalaureate institutions allows the system students to access available books within the public colleges and universities in Washington within 48 hours. This request will also fund digital library tools, such as virtual reference and smart search.

Recruit and Retain the Best People

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$33,900,000	\$65,800,000	\$99,700,000

The State Board recently concluded a constituent-based task force to address difficulties in recruiting and retaining faculty and administrative staff. Among its findings: (1) faculty and staff salaries across Washington's community and technical colleges are consistently lower than peer states average (faculty salaries are 12.7 percent lower and administrative staff salaries are 14.2 percent lower); and (2) salary level is often cited as the reason for job offer rejections and for resignations. The State Board requests additional funding to improve faculty and administrative staff recruitment and retention, consistent with the findings of the Compensation Task Force. Funding will be used to address current deficiencies in compensation by adjusting faculty and administrative staff salaries to the Global Challenge States' average over 3 biennia, providing faculty salary increments, targeting salary increases for part-time faculty, and addressing salary compression and inversion by aligning administrative cost-of-living increases with the I-732 rate.

Part-Time Faculty Conversions

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$2,550,000	\$2,550,000	\$5,100,000

Student success is improved by the ability to access faculty outside of the classroom, particularly from engaging in one-on-one questions and seeking academic career advice. Increasing student access to instructors will help increase the level of educational attainment for underserved students. Unfortunately, part-time faculty are limited in the amount of time they can spend with students outside the classroom. The State Board requests the \$5.1 million to convert 102 faculty positions from part-time to full-time. The funding will provide 3 conversions per college in the first year of the biennium, increasing the percentage of courses taught by full-time faculty from 56 percent to 57 percent. This is part of a 5 biennia goal to convert 360 faculty positions from part-time to full-time. The majority of conversions will be in the Basic Skills, Humanities (English) and Math discipline areas.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Policy Level Recommendation Summaries

Staff Development

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,500,000	\$1,500,000	\$3,000,000

Higher education faces two significant instructional challenges: adequately addressing student diversity and adapting instructional styles to recent explosions in technology. Currently, classroom instruction is ill-equipped at handling both and improved professional development is needed. The State Board requests \$3 million to establish an integrated and collaborative state-wide system of faculty and staff development programs. Led by college faculty and staff and coordinated by the SBCTC, the development system will be focused on cultural competency and technology literacy skill enhancement. The system will be based upon proven principles that seek to expand expertise sharing across disciplines, colleges, and positions, use best practices for meeting student learning needs, provide opportunities for faculty to identify changes needed in instructional practice and pedagogy, and investigate new areas of teaching, learning, and service delivery.

Campus Security

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,500,000	\$1,500,000	\$3,000,000

In 2008 the legislature passed Governor request legislation requiring assessments of the colleges' ability to protect students, faculty and staff and to disseminate information in the event of an emergency. Preliminary results of these assessments indicate the need for additional investments in communication and warning systems, additional incident response equipment, planning and training to make our campuses safer. The 2008 supplemental budget included partial funding to map college campuses for emergency responders. The State Board requests \$3 million to complete the mapping of college campuses and to provide the resources to allow colleges to respond effectively and appropriately in the event of an emergency or incident, based on the outcome of the assessments.

Collective Bargaining Placeholder

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
N/A	N/A	N/A

This is a placeholder for appropriations that may be needed to implement the Chapter 41.80 RCW collective bargaining agreements for 2009-11 biennium that may be applicable to Yakima Valley Community College. OFM budget instructions the State Board to submit a decision package for Yakima Valley Community College, however, the agreements is not due to OFM until October 1, 2008, one month after the SBCTC budget request is due.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments**

Brief Description:

To meet the need for workers in high demand fields, to meet enrollment demand over the next two years, to improve adult literacy and English language skills, and to respond to state population growth and economic changes, the State Board requests \$65 million and 5,100 new enrollments for the 2009-11 biennium.

<u>Program</u>	Requested FTEs and Funding by Fiscal Year					
	<u>FY 2010</u>	<u>FY 2011</u>	<u>TOTAL</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
	<u>FTEs</u>	<u>FTEs</u>	<u>FTEs</u>			
High Demand	830	1,660	1,660	\$8,500,000	\$16,900,000	\$25,400,000
Adult Basic Education	900	1,800	1,800	\$7,600,000	\$15,100,000	\$22,700,000
General Growth	800	1,600	1,600	\$4,800,000	\$9,600,000	\$14,400,000
Applied Baccalaureate	0	40	40	\$480,000	\$2,052,000	\$2,532,000
Total	2,350	5,100	5,100	\$21,380,000	\$43,652,000	\$65,032,000

Support for Request:

Today's global economy demands an educated and well-trained workforce more than ever. Human capital is our greatest strength as we move further into a knowledge-based economy. Businesses in our state and around the world are demanding higher knowledge and skills to meet competitive challenges. And it is in these current challenging economic times that investments to ensure an educated and well-trained workforce in Washington State are the most critical. As in the past, community and technical colleges will serve as the engine that helps drive economic recovery.

Community and technical colleges (CTCs) are uniquely positioned to help improve individual lives and the state's economy. CTCs are:

- Centers of education in their communities. CTCs are geographically distributed, and help create local responses to community needs.
- Cost effective for students and the state. Low tuition relative to four-year public institutions means that more Washingtonians can afford higher education – 40 percent of all bachelor degrees produced in the state began with coursework at a community or technical college.
- Diverse. CTCs have more representation from all segments of the state population than other higher education institutions.
- Flexible and responsive. CTCs have a diverse curricula, with many levels of study available from basic skills and literacy for adults to college degrees - more than 3,500 degrees and certificates programs
- Focused on the state's workforce. CTCs have well-established partnerships with industry, workforce and economic development agencies, and labor, and long, successful experience in entrepreneurial/small business services, as well as customized training solutions for business and industry.
- Focused on seamless education. CTCs have well-established partnerships with universities in producing bachelor's degrees and long relationships with school districts in helping people finish high school,

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments

preparing students for college and helping students earn dual credit, saving money for families and the state.

- Viewed as problem solvers. The CTCs are often asked to be part of efforts to tackle statewide issues such as worker retraining during economic downturns, or implementing welfare reform with its many fundamental program changes, or to implement new approaches to customized training for business.
- Focused on teaching and learning and raising educational attainment.

As Washington State's population demographics shift and local labor markets adjust to national and global conditions, the state's higher education programs must address the following concerns:

- Under-educated adults are constrained in their ability to provide for their families and fill labor market needs.
- Lack of earning power correlates with reduced self-sufficiency, poor family health outcomes, and a greater reliance on government and community-based safety net programs.
- The demand for science, technology, engineering, and math graduates is projected to grow.
- Business productivity and quality suffers from a limited pool of qualified job applicants.
- To meet current labor needs, employers import talent from outside Washington State to fill high-paying jobs.

Addressing the above concerns is key to Washington's future economic performance, and in recent years the Governor and Legislature invested significant financial resources to do so. However, continued pressure from population and labor market changes requires the state not to remain static during the 2009-11 biennium. Providing community and technical colleges with additional enrollments is an efficient and effective statewide investment due to the colleges' affordability, geographic diversity, customized programs, and course variety.

The State Board requests funding for 5,100 new enrollments in the 2009-11 biennium. The new enrollments will be distributed into four enrollment categories: (1) 1,600 High-Demand FTES at \$10,200 per FTE; (2) 40 Applied Baccalaureate FTES at \$6,800 per FTE, plus start-up costs; (3) 1,800 Adult Basic Education FTES at \$8,400 per FTE; and 1,600 General Growth FTES at \$6,000 per FTE.

High Demand Enrollments

The State Board requests funding for an additional 1,660 high-demand enrollments, funded at \$10,200 per enrollment FTE, for a total of \$25.4 million. As recognized previously by the Legislature, high-demand enrollments are also high-cost, as many of the programs require lab-based learning with smaller class sizes and more expensive and specialized equipment and classroom technology.

Funding and enrollments will be targeted to fields and industries experiencing severe shortages, such as health care and social assistance, information systems, accounting, and business operations. The following programs will be expanded:

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments

- **I-BEST** funding will expand the total number of students served, expand the current I-BEST model to serve lower levels of ABE/ESL better, and add models for serving developmental education and out-of-school youth;
- **Apprenticeship** enrollment funding will create additional capacity for industry sectors that are experiencing record growth and increasing shortages of skilled workers required by the state's economy;
- **Workforce Development** enrollments create educational capacity in high wage, high skill, high demand, high cost programs that support critical industries in Washington State, including programs preparing workers for green jobs; and
- **Math and science STEM** enrollments will help produce the lower division skills needed in order to produce additional baccalaureate graduates in STEM fields.

The State Board also requests that the funding and enrollments for these programs be provided as one broad enrollment category, allowing the colleges to determine the optimum mix among programs. The colleges, their presidents, and boards of trustees have strong connections to local economies and local needs and are thus in the best position to determine the optimum mix of programs.

Currently, our state community and technical colleges, along with private career schools, graduate enough mid-level trained workers to meet only 77 percent of expected employer needs. In order to fill the remaining gap, the CTCs need to double the number of graduates in high demand workforce fields. Additional funding is needed in 2009-11 and for several years beyond in order to achieve this objective.

Additionally, OFM estimates that 400,000 baby boomers will retire over the next ten years, leaving significant gaps in the following occupational areas: nursing, education, social services, machinists, and fields in science, technology, engineering, and math. If Washington employers cannot find Washington residents to fill the jobs, they will have no alternative but to look to other states and countries to assist them, either by importing talent or exporting jobs.

According to the 2006 Prosperity Partnership report, Washington needs to produce 8,000 additional baccalaureate graduates in science, technology, engineering, and math (STEM) fields by 2010. An estimated 3,000 will need to start their education at STEM related courses at the community and technical colleges. In 2008, the colleges awarded 956 STEM associate degrees. To meet this challenge, the colleges will need to triple their annual graduates.

Adult Basic Education Enrollments

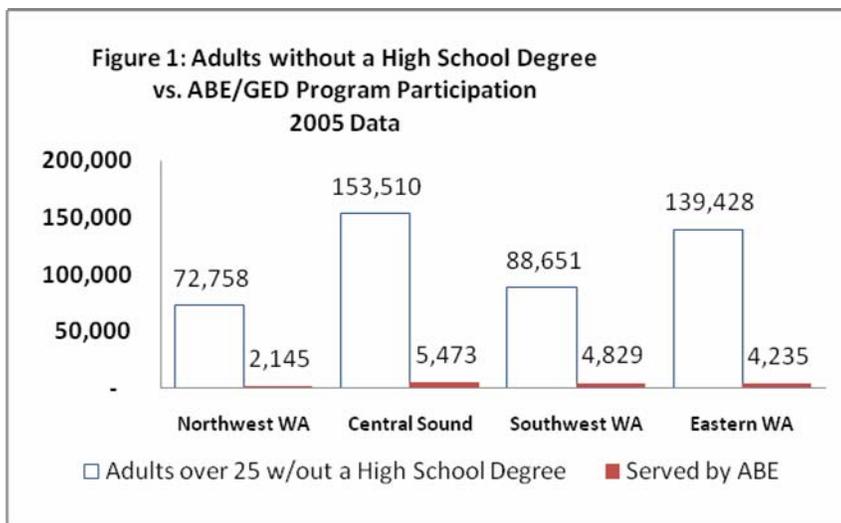
The State Board requests funding for an additional 1,800 basic skills enrollments, funded at a student average of \$8,400, for a total of \$22.7 million. Today's persistently high drop-out rates, coupled with immigration, mean that the population of under-educated adults is growing much faster than the state's capacity to provide the education they need. The SBCTC Adult Basic Education program provides education to adults below ninth grade

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments

level, needing English as a Second Language, and GED and high school completion. Currently, about 8 percent of the eligible population is served.

A significant portion of Washington adult residents lack basic educational skills. The 2000 Census estimated 17 percent lack a high school diploma or equivalent, and seven percent are non-English speakers. Between 1990 and 2000, the state's number of ESL residents doubled. Further data suggest this trend is continuing. Simultaneously, workplace skill and knowledge requirements have escalated, creating a large employment barrier for those with limited education and language skills.

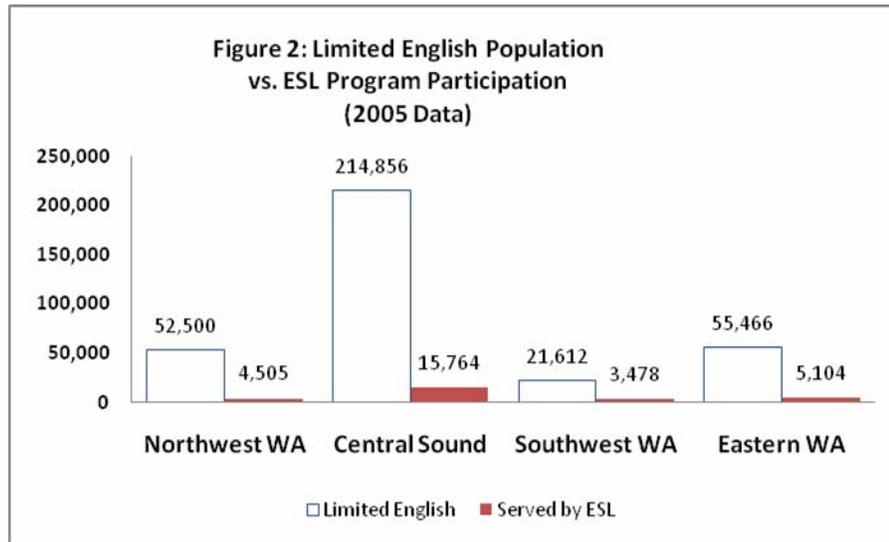
Nearly one million Washington adults (one in six residents) lack basic literacy skills. Adult basic education is either the first step, or a second chance, at the education that can provide the tools to contribute to a strong workforce and vital economy, healthy families, and a democratic society. Yet only an estimated seven and a half percent of the adults who need basic education services are able to enroll in a program. As Figure 1 indicates, the number of Washington citizens 25 years and older without a high school diploma far exceeds the number being served in adult basic education programs in every region of the state.



Data source: SBCTC ABE/GED participation data, 2005;
American Community Population Survey, 2005.

Census and OFM data indicate the net growth in Washington's workforce will come primarily from non-English speaking populations. This group is identified by businesses as a critical source of labor in almost every region and every business sector across the state, particularly to fill the gaps established by the growing health care industry. The Hispanic population alone will comprise 15 percent of the civilian workforce by 2010; yet the two-year college system is able to serve less than ten percent of the total adult non-English speaking population with current resources. The number of residents with limited English proficiency exceeds those being served by ESL programs in every region of the state, as shown in Figure 2.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments**



Data source: SBCTC ESL participation data, 2005; American Community Population Survey, 2005.

Community and technical colleges provide substantial offerings for these residents to gain needed skills and knowledge through Adult Basic Education (ABE) programs available via 46 providers located throughout the state. The programs include three major instructional areas: basic skills for English speaking adults, English as a Second Language (ESL), and preparation to pass the General Educational Development (GED) test. Students enrolled in the programs improve their skills and knowledge in reading, math, and communication and also develop and improve their problem-solving and teamwork skills.

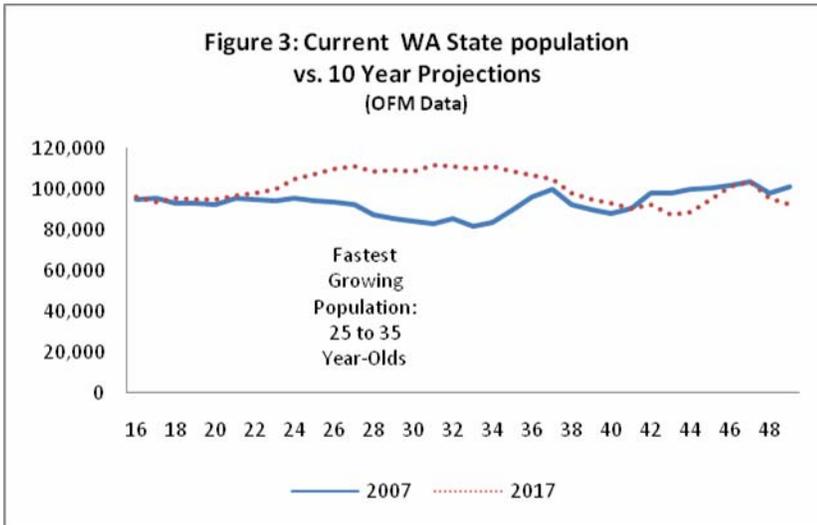
The students attending stand-alone ABE and ESL programs are currently ineligible for opportunity grants or traditional financial aid. These students are primarily low-income workers and fewer than five percent of them earn a living wage (\$2,400 per month for a family of three or 164 percent of the federal poverty level). Federal financial aid programs categorize ABE and ESL programs as pre-college-level programs of study and as such, these students do not qualify for traditional aid. To assist, the colleges use the authority provided under RCW 28B.15.740 to waive tuition to a minimum quarterly tuition fee of \$25. This request includes a funding rate of \$8,400 per ABE growth enrollment FTE in order to backfill this lost tuition revenue and provide for reasonable student to faculty ratios, necessary support services, and full-time instructors.

General Growth Enrollments

The State Board requests funding for an additional 1,600 general growth enrollments, funded at \$6,000 per FTE enrollment for a total of \$14.4 million.

Advancing technology, flatter organizations, and churning in the state's economy as resource-based industries decline and knowledge-based industries take their place, mean people must be more flexible, innovative, and creative. The economy demands higher levels of knowledge and skills.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments**



Over the next ten years the state’s population will age and diversify. As shown in Figure 3, growth will be flat among 18 to 22 year-olds, and the fastest growing age group will be adults age 25 to 35.

In Washington, older students rely on the community and technical colleges for their training and education needs. As Figure 4 illustrates, the age of community and technical college students is split nearly evenly between traditional and older populations.

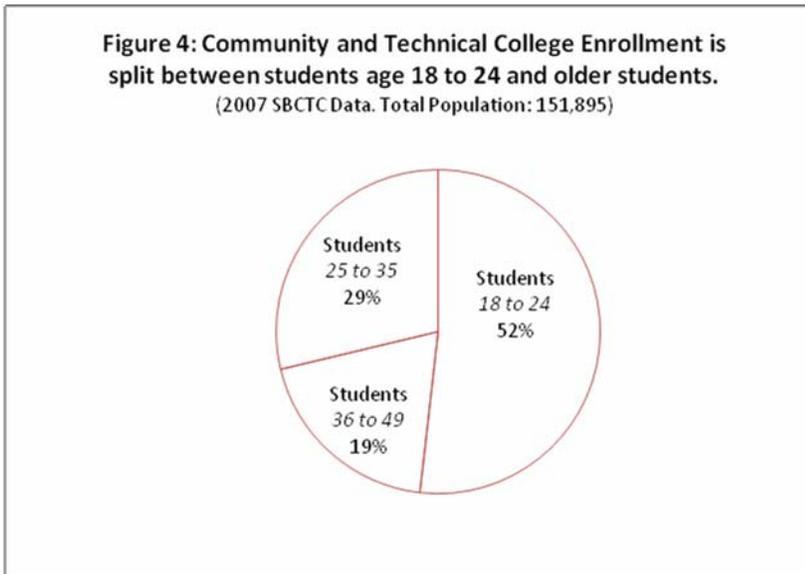
Among the colleges, the median age for workforce and adult basic education students is 29, and the median age for academic transfer students is 22.

The next ten years will place tremendous enrollment pressure on the colleges, due to the combination of a stable 18 to 22 year-old population and a tremendous influx of adults in the 25 to 35 year old range.

During the next ten years more of the baby boom generation will retire. Their

exit from the job market will increase the labor market’s demand for educated employees. In the next decade, young people alone will not be able to meet the economy’s demand for skilled employees. The challenge to supply Washington employers with skilled Washington employees will only be met if the 25 to 40 year-old population can access opportunities in higher education and additional workforce training.

As well, growth in the state’s population will be predominantly among people of color. These populations are both more diverse and have historically had lower rates of participation in postsecondary education. This growing diversity counts both as a challenge and a strength: College faculty, staffing and curriculum enhancements are needed in order to support and encourage the education of these diverse groups and help them participate in a globally competitive workforce. Our success in meeting this challenge will position



Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments

Washington’s future workforce to be known for and able to offer a diversity of talents, creativity, values, cultures, and languages.

Community and technical colleges are key to improving Washington’s educational attainment and access for both under-educated students and individuals currently under-prepared to be students and helping to create students ready to participate in the workforce and to move on to higher levels of education.

Applied Baccalaureate Enrollments

The State Board requests \$2.53 million in the 2009-11 biennium to expand the applied baccalaureate programs. Funding will be used to create two additional programs at the existing applied baccalaureate colleges and to provide start-up funds to expand to new regions of the state. Figure 5 summarizes the start up funding and enrollment funding needed for the next four years.

To be successful, businesses need productive and adaptable employees able to quickly acquire new knowledge and skills, learn new processes, and solve new and different types of problems. Responding to surveys in 2006, five percent of Washington’s employers reported trouble finding workers with a bachelor’s, master’s, or Ph.D., with skills in engineering, software, architecture, computer science, medical, or human and protective services. Seventeen percent reported that too few qualified applicants lowered their output or sales. Further, about one-third of employers said their need for workers with postsecondary training will increase over the next five years.

One way to address the skills gap is with applied baccalaureate degrees. The degree is specifically designed for individuals with a technical associate degrees. Seven programs are currently funded in three regions of the state. The programs are tailored to meet local industry needs. Jointly rooted in theoretical and applied knowledge in a technical field, applied baccalaureate degrees allow the student to maximize the application of his/her technical credits. These programs allow working students the opportunity to pursue a four-year degree close to home or work. The average applied baccalaureate student has been working for ten years.

Figure 5: Applied Baccalaureate Funding Request				
	FY 2010	FY 2011	FY 2012	FY 2013
Start-Up Funds				
Two new programs at existing pilot colleges.	\$480,000	\$100,000		
Seven additional pilots in new regions of the state.		\$1,680,000	\$350,000	
New Enrollments				
40 FTES at existing pilot sites in FY 11, with a second cohort of 40 in FY 2012.		\$272,000	\$544,000	\$544,000
Seven additional pilots in new regions of the state, each site with 20 FTE in first cohort and additional 20 in second cohort.			\$952,000	\$1,904,000
Total	\$480,000	\$2,052,000	\$1,846,000	\$2,448,000

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments

The State Board intends to continue the practice of using a formal, competitive selection process for determining the new sites and new fields. The following high demand fields do not have applied baccalaureate degrees: allied health administration, health information systems, construction management, respiratory care, and the new area of system approaches to sustainable technology.

Pilot programs have demonstrated that new programs need at least 20 FTE first-year students to accomplish efficient faculty loads and support from library and student service staff. In the second year of enrollments, the program should double to a minimum of 40 FTES to serve both a junior and a senior class. Some programs may be able to offer two to three times this many enrollments. For example, a viable program could enroll 30 new students in an area local to a particular institution, while also accommodating an additional 40 to 60 FTES from elsewhere in the state via online learning options.

First and second year start-up funds are critical to a program's success. These funds allow schools to recruit and hire new faculty, recruit its first class of new students, and prepare curriculum.

Expected Outcomes:

The new enrollments will generate an additional 12,300 student achievement points for improving students' academic skills up to or towards college-level work, reaching the educational tipping point, completing college level math, completing apprenticeships, and earning certificates and degrees. The specific enrollments will produce:

<u>Enrollments</u>	<u>New Student Achievement Points</u>
High Demand and Applied Bac. Enrollments	2,800
Adult Basic Education Enrollments	5,500
General Growth Enrollments	4,000

Strategic Goals:

This package will help the State Board meet the following strategic goals:

- Bring underserved and underprepared Washington citizens into the economic mainstream
- Respond to economic change and address current worker shortages in key industries
- Strengthen the core operations of the Community and Technical College System

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Increase access to high-quality post-secondary education programs
- Support career preparation beyond high school

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Growth Enrollments

This package supports the following Washington Learns Priorities:

- All students will complete a rigorous high school course of study and demonstrate the abilities needed to enter a post-secondary education program or career path.
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree.

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create a system of support for lifelong learning
- Make college affordable and easy to access
- Promote economic growth and innovation

Ongoing vs. One-Time Costs:

The enrollment costs are ongoing. The start-up costs are one-time.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Adult Basic Education Funding

Brief Description:

The State Board requests \$20 million in funding to enhance Adult Basic Education (ABE) services. The growing reliance on tuition funds, as opposed to state dollars, for higher education funding, and increased instructional costs have reduced the funding available for ABE programs. Colleges currently serve low-income ABE students at a biennial cost of \$100 million in lost tuition revenues. This funding will improve instruction delivery in ABE programs by lowering the student to faculty staffing ratio, providing additional support services, and recruiting and retaining stable, full-time faculty.

Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$7,000,000	\$13,000,000	\$20,000,000

Support for Request:

The State Board, on behalf of the Community and Technical Colleges, requests funding to enhance Adult Basic Education services.

A significant portion of Washington adult residents lack basic educational skills. The 2000 Census estimated 17 percent lack a high school diploma or equivalent, and seven percent are non-English speakers. Between 1990 and 2000, the state's number of ESL residents doubled. Further data suggest this trend is continuing. These residents find themselves at an economic disadvantage, as:

- Adults without a high school diploma have a six percent higher unemployment rate than those with a diploma.¹
- In Washington, high school graduates earn \$9,000 more annually than those without a diploma.²
- A family living in poverty is seven times more likely to be headed by a high school dropout than a family not living in poverty.³

The community and technical colleges provide substantial offerings for these residents to gain needed skills and knowledge through Adult Basic Education (ABE) programs available throughout the state. The programs include three major instructional areas: basic skills for English speaking adults, English as a Second Language (ESL), and preparation to pass the GED (General Educational Development) test. Students enrolled in the programs improve their skills and knowledge in reading, math and communication, and also develop and improve their problem-solving and teamwork skills.

Adult basic education is either the first step, or a second chance, at the education that can provide the tools to contribute to a strong workforce and vital economy, healthy families, and a democratic society.

¹ Prince, David. *State Board for Community and Technical College Calculation: Washington State Population Survey*. Olympia, Washington: State Board for Community and Technical Colleges, September 2005.

² U.S. Census Bureau Data, 2000

³ Prince, David. *State Board for Community and Technical College Calculation: Washington State Population Survey*. Olympia, Washington: State Board for Community and Technical Colleges, September 2005.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Adult Basic Education Funding

ABE students, after mastering the lowest levels of proficiency (ABE levels 1 and 2), are able to:

- Read simple materials, want ads, and complete simple forms
- Use basic math functions, like making correct change and writing checks
- Use computers with help
- Succeed in basic, entry-level jobs that are closely supervised, based on oral instructions, and require limited amounts of basic reading, writing, and math—like manual labor or fast food employment

ABE students, after mastering the middle levels of proficiency (ABE levels 3 and 4), are able to:

- Apply basic reading, writing, and math tasks needed in day-to-day tasks like reading labels, completing medical forms, checking payroll stubs for accuracy, and completing work schedules
- Compare grocery prices and balance their checkbooks
- Use computers software and follow written software instructions.
- Succeed at entry-level jobs that require reading some writing instructions, writing short reports, and problem-solving—like simple retail sales.

ABE students, after mastering the highest levels of proficiency (ABE levels 5 and 6), are able to:

- Perform equivalent levels of basic skills demonstrated by the top 70 percent of high school graduates
- Earn a high school diploma or GED

ESL students who start at the lowest levels typically have no education or literacy skills in their native language. After mastering the lowest levels of proficiency (ESL levels 1 and 2), they are able to:

- Function in social situations related to their immediate needs, like providing personal information
- Understand literacy concepts (letters, words), recognize basic signs and symbols, and read simple words
- Succeed at entry-level jobs that include routine activities that can be demonstrated, rely on limited literacy, have bilingual supports, and no customer contacts—such as night custodians and laundry folders

ESL students, after mastering the middle levels of proficiency (ESL levels 3 and 4), are able to:

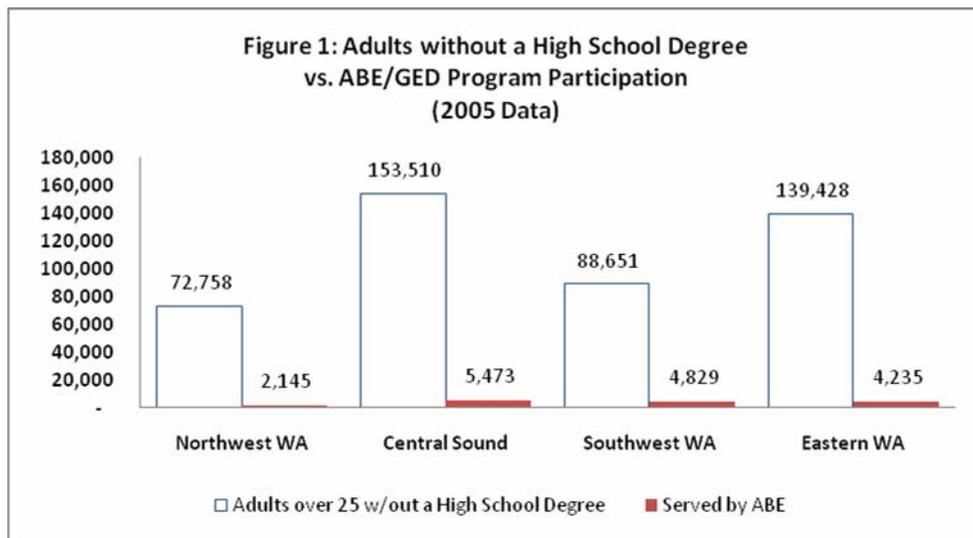
- Read simple directions, bus schedules, road signs, and maps
- Complete simple forms, but may need assistance
- Use simple computer programs and follow oral instructions for using machines
- Succeed at entry-level jobs that require limited or routine written and spoken English—such as line fast food workers

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Adult Basic Education Funding**

ESL students, after mastering the highest levels of proficiency (ESL levels 5 and 6), are able to:

- Function independently in English in most social and work situations
- Pursue a high school credential or GED

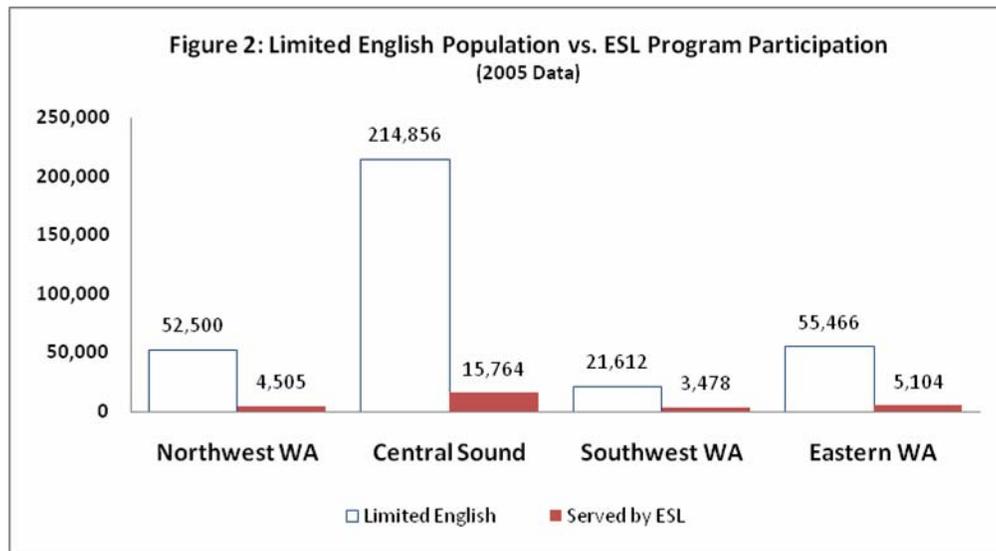
Nearly one million Washington adults (one in six residents) lack basic literacy skills. Yet, only an estimated seven and a half percent of the adults who need basic education services are able to enroll in a program. As Figure 1 indicates, the number of Washington citizens 25 years and older without a high school diploma far exceeds the number being served in adult basic education programs in every region of the state.



Data source: SBCTC ABE/GED participation data, 2005; American Community Population Survey, 2005.

Census and OFM data indicate the net growth in Washington’s workforce will come primarily from non-English speaking populations. This group is identified by businesses as a critical source of labor in almost every region and every business sector across the state, particularly to fill the gaps established by the growing health care industry. The Hispanic population alone will comprise 15 percent of the civilian workforce by 2010; yet the two-year college system is able to serve less than ten percent of the total adult non-English speaking population with current resources. As Figure 2 illustrates, the number of residents with limited English proficiency exceeds those being served by ESL programs in every region of the state.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Adult Basic Education Funding**



Unfortunately, the increased reliance on tuition funds, as opposed to state dollars, for higher education funding, coupled with reductions in federal funding streams have reduced the funding available for ABE programs. ABE students make up approximately 15 percent of the system's FTES. These students are primarily low-income workers, and fewer than five percent of them earn a living wage (\$2,400 per month for a family of three). Their status as ABE students prevents them from qualifying for federal financial aid. The colleges assess quarterly tuition of \$25; anything above that would dramatically impede access and affordability. As a result, colleges lose \$50 million each year in tuition revenues that cannot be charged to ABE students.

The impact of the current funding structure results in ABE student to faculty ratios as high as 35:1, significantly higher than the college's average of 20:1 for all courses. Part-time faculty deliver the majority of ABE instruction (73 percent), and their turnover rate is higher than full-time faculty.

This hinders instructional delivery to ABE students, who come to programs with substantial learning and skill gaps.

Empirical research and evidence-based best practices say that to persist, make educational gains, and meet their goals in adult education, adult students need:

- clear, effective small-group orientation, goal-setting and clarifying of expectations
- contextual materials and instruction
- group individualized, learner-centered instruction
- educational and instructional support at least as much as barrier-removal
- personal relationships with their peers

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Adult Basic Education Funding

- organized, focused learning options that are less chaotic due to managed enrollment
- staff who continue to improve their integration of effective practices

The State Board requests \$20 million state dollars for ABE programs as a start towards replacing the \$100 million in tuition revenues lost each biennium. In turn, colleges will improve ABE programs by lowering the student to faculty ratio, offer additional support services, and recruit and retain more stable, full-time faculty.

Funding basic skills services through tuition replacement is a cost-effective way to improve the economic and educational well-being for many of Washington's struggling residents. The system intends to serve 22,912 ABE FTES in FY 2010 and 23,912 ABE FTES in FY 2011. Our request of \$20 million amounts to a per FTE increase of \$306 in FY 2010 and an additional increase of \$167 in FY 2011. This funding will help increase the number of students successfully transitioning into the workforce and academic programs.

Expected Outcomes:

2,600 Student Achievement Points for improving students' academic skills up to or towards college-level work.

Strategic Goals:

This package will help the State Board meet the following strategic goals:

- Bring underserved and underprepared Washington citizens into the economic mainstream
- Ensure functionality of critical physical and virtual infrastructure available for students and staff
- Strengthen the core operations of the Community and Technical College System

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- Expanding access to college for working families
- Tailoring education to fit the needs of individual students
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree
- More working adults will attend college to improve their skills or complete degrees

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create a system of support for lifelong learning

Ongoing vs. One-Time Costs:

These costs are all ongoing.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Worker Retraining Financial Aid**

Brief Description:

The Worker Retraining Program trains dislocated and unemployed workers who need new skills and knowledge in order to re-enter the workforce. Worker Retraining financial aid help pay for tuition, books, fees, and other related expenses for individuals who lost their jobs due to economic changes and for those receiving Unemployment Insurance (UI) benefits. While the costs for attending college have escalated, the student financial aid portion of funding for this program has remained flat at \$1,300 per funded student. This request will double the funding for financial aid for students enrolled in Worker Retraining Programs to an average of \$2,600 per funded student.

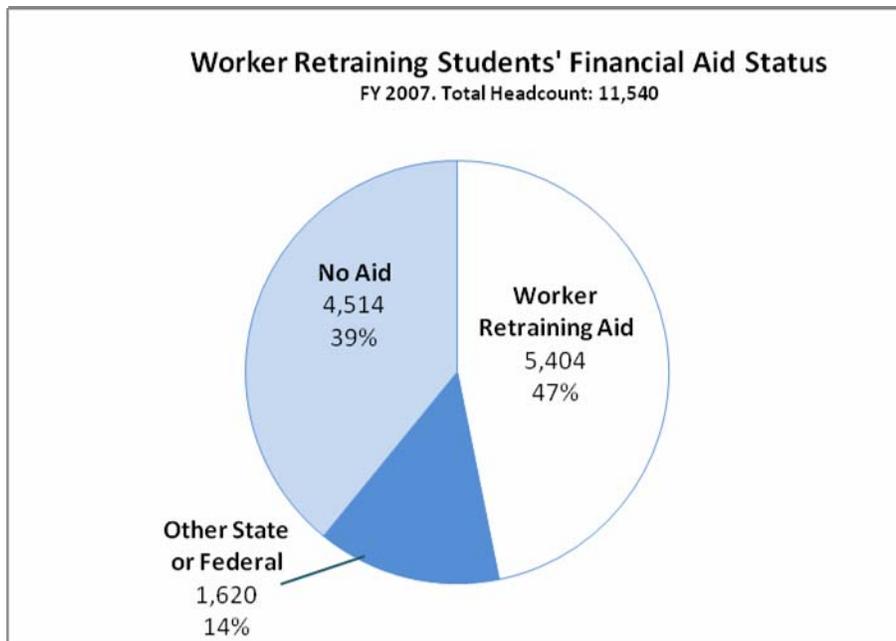
Requested Funding by Fiscal Year

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$8,000,000	\$8,000,000	\$16,000,000

Support for Request

Worker Retraining programs provide training to dislocated workers who need to change careers in order to re-enter the workforce. Funding for the Worker Retraining Program has been provided at \$4,639 per FTE student per year since 1997, with \$1,300 of that dedicated to student financial aid. Colleges use a portion of worker retraining funding to provide financial aid to students to help pay for tuition, books, fees, and other related expenses for individuals who lost their jobs due to economic changes. The actual amount provided to students varies with student need, local eligibility criteria, and numbers of students eligible for aid. Colleges often distribute WR financial aid on a first-come-first served basis, and colleges often run out of funds by fall or winter quarter.

In FY 2007, 39 percent of the participants did not receive any financial aid. Only 47 percent of the program students received worker retraining financial aid. Another 14 percent received no worker retraining financial aid, but did receive other federal or state aid, such as the Pell or State Need Grants.



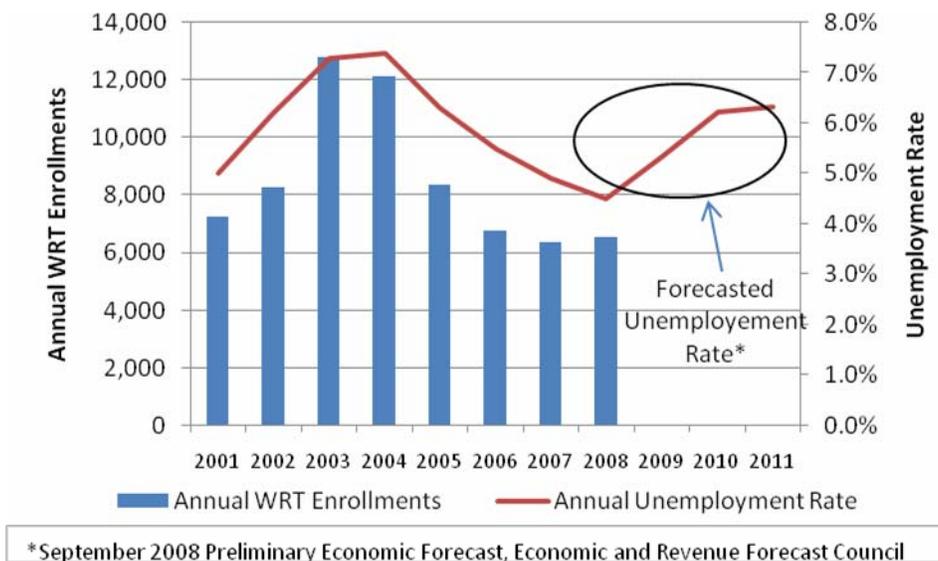
The demographic composition of the program is shifting, placing additional financial aid pressures on the program as more participants need child care and enter with larger financial aid needs than their high-wage peers. In FY 2007, 60 percent of the participants were female (up from 48 percent in FY 2001), and a larger portion entered from low-and-middle wage fields (25

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Worker Retraining Financial Aid**

percent and 29 percent, respectively, up from 20 and 21 percent in FY 2001).

By design, the Worker Retraining Program responds to the economy. Enrollments fluctuate based on the unemployment rate and overall economic conditions. As the chart below shows, when unemployment increases, the Worker Retraining Program enrollment increases as well. The September 2008 Preliminary Economic Forecast estimates that Washington’s unemployment rate will increase from less than 5 percent in FY 2008 to more than 6 percent for the next three years. With the rise in unemployment, Worker Retraining Program enrollment will also increase. Adequate financial aid will be critical to keeping students in school and completing their programs. The \$16 million requested will double the funding for financial aid for students enrolled in Worker Retraining Programs to an average of \$2,600 per funded student.

Worker Retraining Program Enrollment Increases as Unemployment Rates Rise



An Economic Investment

The Worker Retraining program provides retraining for jobless workers unable to find work in their current field and is designed to minimize the long-term loss in earning power that frequently results from layoffs and closures. The earnings goal for high-wage earners is 85 percent of their pre-dislocation wage. The earnings goal for middle and low-wage earners is 100 percent of their pre-dislocation wage. Recovery rates for both higher-wage workers and for middle- and lower-wage workers fluctuate with economic conditions encountered by the students after leaving college. As shown in the chart below, while the wage recovery rates dipped in 2002-03 and 2003-04, they have since strengthened and provided participants from low-and-middle wage earners with significant income gains.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Worker Retraining Financial Aid

Earnings and Wage Recovery Rates					
Higher-Wage Workers	2001-02	2002-03	2003-04	2004-05	2005-06
Pre-Dislocation Wage	\$18.11	\$21.68	\$22.18	\$23.92	\$19.62
Post Training Wage	\$14.21	\$15.35	\$15.77	\$17.72	\$15.99
<i>Wage Recovery Rate</i>	<i>78%</i>	<i>71%</i>	<i>71%</i>	<i>74%</i>	<i>82%</i>
Pre-Dislocation Earnings	\$36,677	\$40,860	\$40,295	\$44,737	\$36,779
Post Training Earnings	\$25,736	\$26,981	\$28,991	\$34,352	\$29,475
Earnings Recovery Rate	70%	66%	72%	77%	80%
Middle- & Lower- Wage Workers	2001-02	2002-03	2003-04	2004-05	2005-06
Pre-Dislocation Wage	\$9.60	\$10.43	\$10.34	\$10.33	\$10.12
Post Training Wage	\$10.53	\$10.94	\$11.46	\$11.53	\$12.10
<i>Wage Recovery Rate</i>	<i>110%</i>	<i>105%</i>	<i>111%</i>	<i>112%</i>	<i>119%</i>
Pre-Dislocation Earnings	\$18,769	\$18,531	\$18,894	\$18,949	\$16,691
Post Training Earnings	\$17,882	\$17,327	\$18,977	\$19,657	\$20,592
<i>Earnings Recovery Rate</i>	<i>95%</i>	<i>94%</i>	<i>100%</i>	<i>104%</i>	<i>123%</i>

Note: Students with both pre-dislocation and post training earnings. All wages and earnings are in FY 2007 dollars.
Source: SBCTC analysis

Strategic Goals:

This package will help the State Board meet the following strategic goals:

- Bringing the underserved and unprepared into the economic mainstream
- Responding to economic change

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- Tailoring education to fit the needs of individual students

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Worker Retraining Financial Aid

- More low-income and first generation students will graduate from high school, enter college, and complete a college degree
- More working adults will attend college to improve their skills or complete degrees

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Promote economic growth and innovation

Ongoing vs. One-Time Costs:

All costs are ongoing

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Employee Training Solutions

Brief Description:

The State Board requests \$4 million to expand the workplace training options available to incumbent workers and employers. Colleges will use the funding to offer a broader array of training options and provide: (1) job skills training in the workplace for an additional 750 to 1,200 workers per year; and (2) workplace basics training (integrating adult basic education and ESL with work skills) to 1,500 incumbent workers at an estimated 40 work sites.

Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,750,000	\$2,250,000	\$4,000,000

Support for Request:

The State Board, on behalf of the Community and Technical Colleges, requests \$4 million to expand incumbent worker training opportunities and offer employers a broader continuum of training options.

In the Workforce Board's 2007 survey, 60 percent of Washington's employers reported difficulty finding skilled workers. The number of employers identifying performance problems associated with workers' math, writing, computer and reading skills doubled in two years. The number of employers who identified English language deficiencies amount ESL job applicants tripled.

Right now:

- Employers seek to improve productivity and lower worker turnover as a way to handle the financial pressures from increased inflation, gas, and utility costs.
- Employees want to simultaneously improve their income and value to their employers.
- *The state, by investing in customized workplace solutions, can impact both groups in a cost-effective manner.*

Incumbent working training, commonly called the Job Skills Program, partners colleges with employers to provide employees with short-term, job specific training. Job Skills Program resources are concentrated in expanding industries where there is a shortage of skilled labor to meet employers' needs, economically disadvantaged populations with high unemployment rates, and areas affected by economic dislocation.

Incumbent worker training improves employers' ability to recruit, retain, and expand. The National Governor's Association found that publically funded incumbent worker training:

- Bolsters the training marketplace and creates efficiencies
- Prevents worker dislocations
- Reduces "churning" in the labor market

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Employee Training Solutions

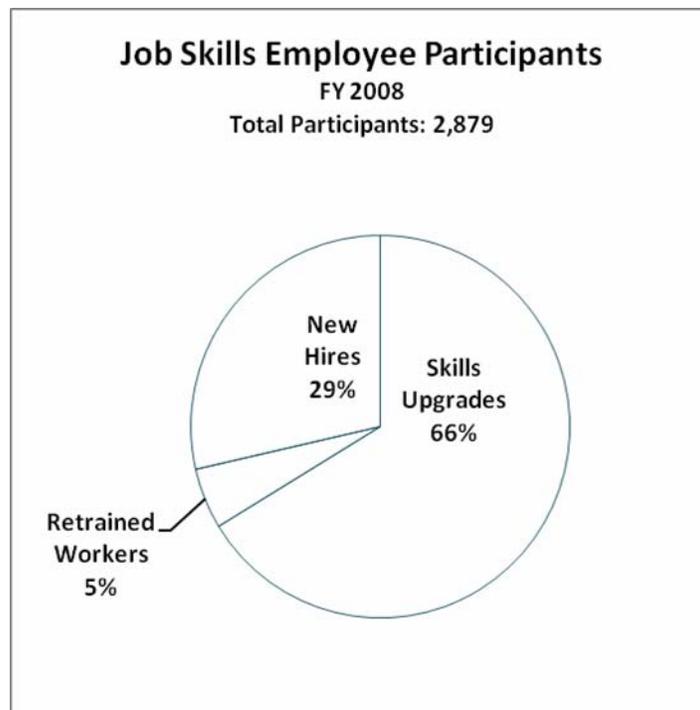
- Improves workers' basic skills and transitional skills
- Improves equity of training and creates career opportunities for workers

This type of training helps close the gap between career-oriented education and on-the-job performance expectations. Businesses report increased productivity, lower employee turnover and more satisfied customers. Prior research found workers earn about 10 percent more per month in the quarter after training in the Job Skills Program.

The colleges are equipped to provide quality training that is responsive to business and labor needs. They have:

- Well-established partnerships with industry, workforce, economic development agencies, labor, and entrepreneurial and small business services.
- Geographic diversity allowing for development of local responses to local needs.
- A diverse cadre of employees enrolled in their programs.
- Success with problem solving at the statewide and local level.

In FY 2008, 2,879 trainees participated in the Job Skills Program. The state invested \$905 per trainee, and private contributions amounted to \$1,365, or \$1.51 leveraged for every \$1.00 of state money invested.



Source: SBCTC Data

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Employee Training Solutions

Grants are awarded to employers on a competitive basis. The State Board relies on the Workforce Training Customer Advisory Committee, made up of representatives from business, labor, and public and private educational institutions to guide program implementation. The full committee meets on a quarterly basis to review and provide guidance on program policies. A Job Skills sub-committee meets monthly via conference call to review and endorse applications for Job Skills grants when funds are available. Staff from the Department of Community, Trade and Economic Development also participate in grant reviews.

As shown below, recent program activity is diverse by both region and by the size of the employer served.

Activity by Region (FY 2008)*

Region	Number of JSP Projects in Region	Percent of JSP Projects in Region	Number of JSP Trainees by Region	Percent of JSP Trainees in Region
Puget Sound	8	40%	1,298	45%
Spokane County	5	25%	1,143	40%
Other Western Wa.	6	30%	358	12%
Other Eastern Wa.	1	5%	80	3%
Total	20	100%	2,879	100%

Activity by Employer Size (FY 2008)*

Employer Size by Number of Employees in WA.	Number of Companies Served	Percent of Companies Served	Number of JSP Trainees	Percent of JSP Trainees
Small (1 to 50)	7	21%	247	9%
Medium (51 to 250)	16	47%	1,016	35%
Large (251+)	11	32%	1,616	56%
Total	34	100%	2,879	100%

*The numbers reported reflect program activity as of November 30th, 2007.

The demand for the Job Skills Program continues to exceed the supply of funds. Employers are turned away when funds are exhausted. An estimated 800 workers were not able to receive valuable skill training in 2007-2008 due a lack of available Job Skills funds. The additional funding will meet the joint needs of employers and employees by providing Job Skills training in the workplace for an additional 750 to 1,200 workers per year.

The State Board also will use the funding to expand the workplace basics program at an additional 40 work sites, providing training to 1,500 incumbent workers.

The Workplace Basics provides employees with ESL and adult basic education at the jobsite. The program offers a continuum of instructional models. Local employers and the college negotiate the type of instruction to ensure it meets employer needs and the educational and reporting requirements of adult basic education programs.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Employee Training Solutions

The models offered at worksites include:

- Traditional basic skills instruction where achievement is primarily measured by adult basic education gains, such as a GED.
- Contextual basic skills instruction where improvement is primarily measured in workplace terms tied to requirements for current job performance, like productivity.
- Integrated basic skills instruction which simultaneously provides skills measured by increases in basic and workplace skills that improve current performance and prepare workers to learn the skills they will need tomorrow.
- The final model is work-based basic skills instruction, a specific method of integrated instruction which occurs as employees carry out their jobs, depends on strong supervisor involvement, and measures success in terms of both basic and workplace skills.

Expected Outcomes:

- More than 50 percent of workers served will earn achievement points (i.e. be able to demonstrate measureable skills gains) in adult basic education/ESL.
- At least 75 percent of employers will report at least one economic benefit, such as lower turnover, fewer accidents and increased worker productivity.

Strategic Goals:

This package will help the State Board meet the following strategic goals:

- Bringing the underserved and unprepared into the economic mainstream
- Responding to economic change

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- Tailoring education to fit the needs of individual students
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree
- More working adults will attend college to improve their skills or complete degrees

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Promote economic growth and innovation

Ongoing vs. One-Time Costs:

All costs are ongoing.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Opportunity Grants

Brief Description:

The State Board requests \$15 million to expand participation in the Opportunity Grant Program. The program brings together low-income students, colleges, and businesses to meet the students' financial needs, create skilled employees, and respond to employer identified workforce gaps. It assists low-income adults who enter high-wage, high demand career pathways by providing financial support for up to 45 credits or three years of enrollment. Funding will allow colleges to serve an additional 1,900 students. The State Board also requests authority to allow Opportunity Grant funds to apply to students enrolled in courses from adult basic education (ABE) and English as a second language (ESL) programs, when those courses are clearly linked to a pathway to college level work.

Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$5,000,000	\$10,000,000	\$15,000,000

Support for Request:

The State Board requests \$15 million to include an additional 1,900 students in the Opportunity Grant Program. The program brings together low-income students, colleges, and businesses to meet the students' financial needs, create skilled employees, and respond to employer identified workforce gaps. It targets low-income adults who enter high-wage, high demand career pathways by providing financial support for up to 45 credits or three years of enrollment.

The program addresses two major economic issues confronting Washington State:

- Low educational attainment curtails a person's opportunities for employment and income growth. Tight family budgets are a significant hurdle preventing low-income adults from returning to school and moving away from poverty.
- Businesses, specifically those in the aerospace, health care fields, and the trades, face dramatic staffing challenges and struggle to find skilled adults to fill job openings.

The Opportunity Grants program addresses the immediate financial needs of low-income adults pursuing education *and* employers seeking skilled workers. Currently funded at \$23 million per biennium, the program provides financial aid for tuition, fees, and up to \$1,000 for books and supplies per academic year. The funding also purchases individual student support services, such as a single point of contact for students, one-on-one tutoring, career advising, college success classes, emergency childcare, and emergency transportation.

To receive an Opportunity Grant, a student must be:

- A Washington resident student (as defined by RCW 28B.15.012).
- Enrolled in an Opportunity Grant-eligible program of study.
- Part of a family with an income that is at or below 200% of the federal poverty level.
- Complete a FAFSA

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Opportunity Grants**

- Once attending, maintain a cumulative 2.0 grade point average.

Eligible programs pathways include, but are not limited to: accounting, aviation, allied health/nursing, auto technology, information technology, construction management, early childhood education, manufacturing, engineering, and welding. Currently, nursing is the most popular field of study for students in the Opportunity Grant program.

Results from the past two years of the program demonstrate high rates of student retention and success in targeting funding to students most in need. Opportunity Grant participants are typically older and more diverse than their peers receiving Pell Grants or who come from similarly challenged socio-economic backgrounds.

Outcomes	2006-07 (Pilot)	2007-08
Students enrolled and participating in program	843	3,871
Percent Parents	63%	63%
Median Household Income—Independent Students	\$11,652	\$13,726
Median Household Income—Dependent Students	\$29,171	\$23,585
Percent Students of Color	47%	43%
Retention Rate from Fall to Spring Quarter	73%	81%

Analysis of the 2007-08 participants demonstrates the program provides the essential financial and support services to boost student retention.

- Student retention improves when Opportunity Grants are paired with Pell Grants. Fall to spring quarter retention was 87 percent for independent Opportunity Grant students who also received a Pell Grant, compared to 72 percent of independent students who only received a Pell Grant. For dependent students, those receiving an Opportunity Grant and Pell Grant had 90 percent retention rates, compared to the 76 percent rate for those just receiving a Pell Grant.
- The retention rates of students receiving only Opportunity Grants is higher than students who do not receive any aid. Older, independent students were more likely to be retained if they received an Opportunity Grant compared to unaided older students (71 percent vs. 44 percent).

Serving More Students

Not all low-income students are eligible for traditional financial aid programs. These programs, developed in the 1950s and 1960s, were designed for younger students enrolling in higher education immediately after high school. Conventional aid programs usually fail to meet the needs of employed adults with full-time jobs and family responsibilities. To receive traditional aid, students must have financial need and be enrolled in a college-level program of study. Left out are those enrolled in limited programs of study of under 5 credits, and those completing pre-college work. Those on a less than half-time path also have limited aid options. While the State Need grant is now available for students enrolled for one course per quarter, federal financial aid requires students attend at least half time, which excludes a significant student population from aid and loans.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Opportunity Grants**

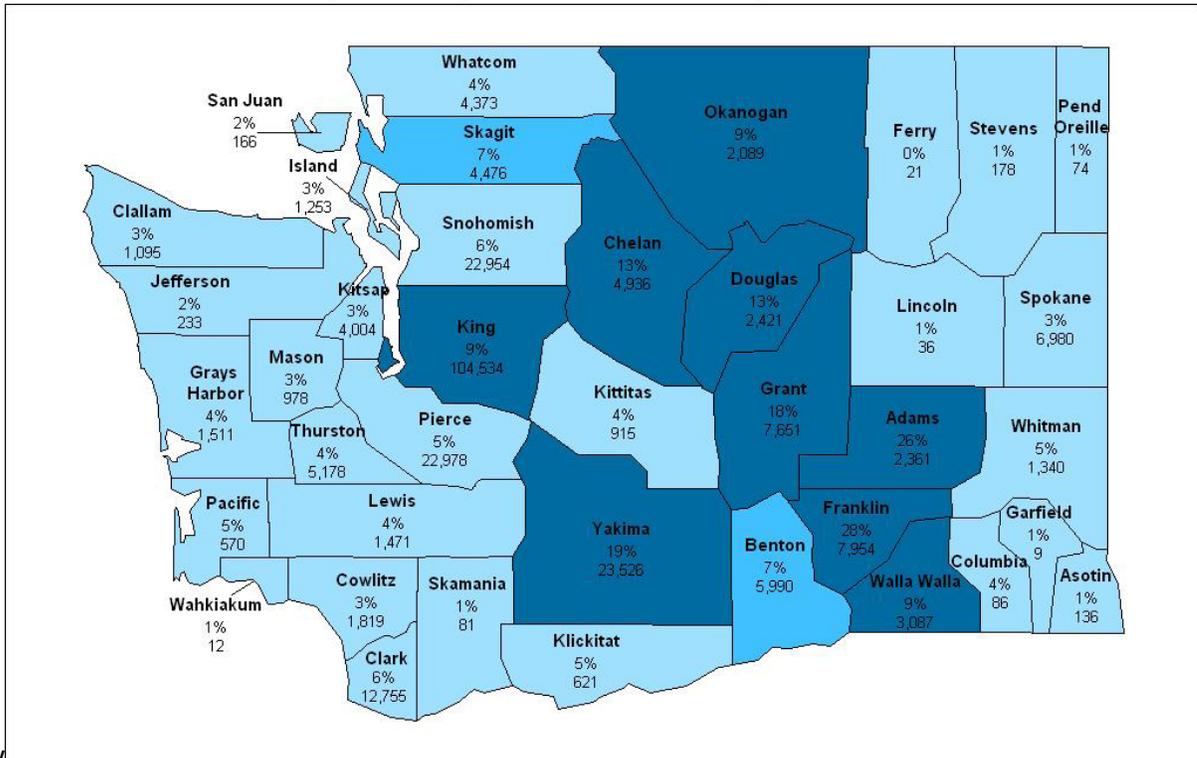
The Opportunity Grant program addresses this gap in financial aid availability. The State Board requests funding to serve an additional 1,900 FTES in the 2009-11 biennium. Colleges indicate that an additional 2,300 FTES could be served if funding were available.

Overcoming Significant Barriers

The State Board also requests authority to allow Opportunity Grant funds to apply to courses from adult basic education (ABE) and English as a second language (ESL) programs, when those courses are clearly linked to a pathway to college level work. This flexibility was allowed during the pilot programs, and colleges would like the authority to better assist ABE and ESL students, who are among the lowest income students served by the colleges.

Two groups of low-income adults face significant barriers to higher education and the potential for greater incomes: those with limited English skills and those lacking a high school diploma or equivalency. US Census data indicate 7% of the state’s adult population has limited English proficiency and 17% lacks a high school diploma. As in Figures 2 and 3, these populations are located throughout the state.

Figure 2: Washington State Adults with Limited English

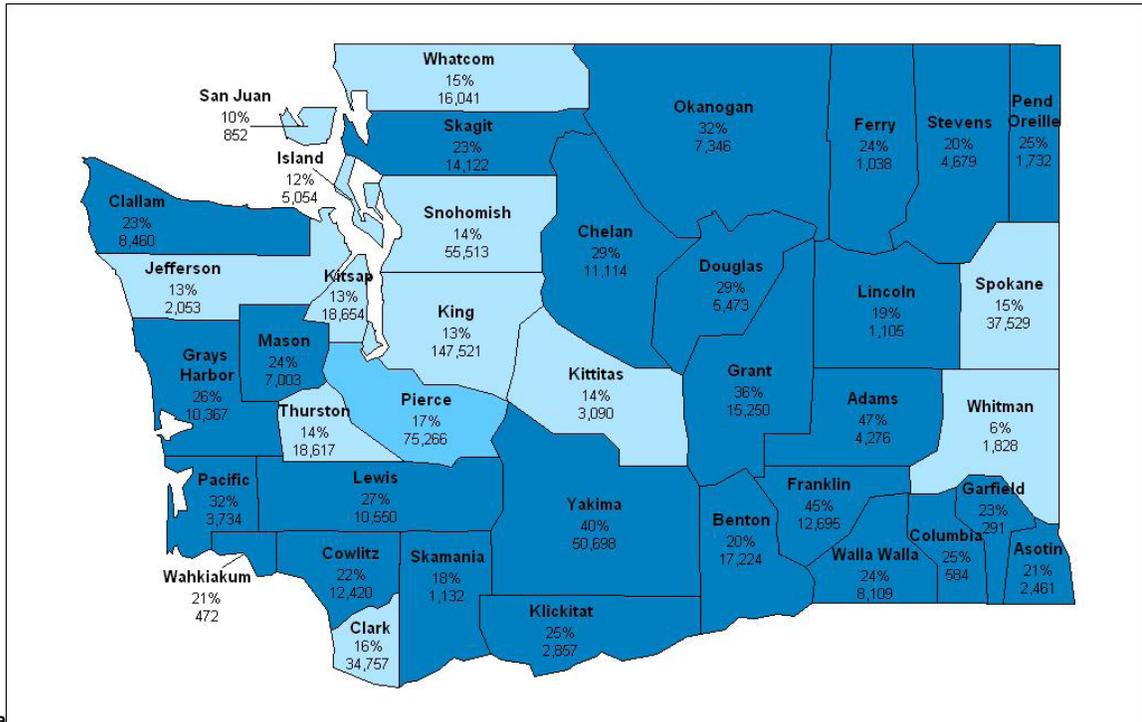


Proficiency

Source: US Census Data, 2000.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Opportunity Grants**

Figure 3: Washington State Adults without a High School



Diploma

Source: US Census Data, 2000.

Yet students attending stand-alone ABE and ESL programs are not eligible for Opportunity grants or traditional financial aid. These students are primarily low-income workers, and fewer than five percent of them earn a living wage (\$2,400 per month for a family of three, or 164 percent of the federal poverty level). Federal financial aid programs categorize ABE/ESL programs as pre-college-level programs of study, and as such these students do not qualify for traditional aid. To assist, the colleges use the authority provided under RCW 28B.15.740 to waive tuition to a minimum quarterly tuition fee of \$25.

Tuition aside, other financial barriers prevent low-income adults from accessing basic skills education. With tight incomes barely covering the cost of rent, food, and utilities, many of these adults cannot incorporate the indirect and direct costs of attending ABE and ESL programs. These costs include forgone wages, books, supplies, and transportation. These adults need financial assistance in overcoming the barriers to education. This can be done by providing the authority to allow opportunity grant programs funding for adult basic education (ABE) and English as a second language (ESL) programs.

Expected Outcomes:

2,900 student achievement points from students building towards college-level work, reaching the educational “tipping point”, completing college level math, and earning certificates and degrees.

Strategic Goals:

This package will help the State Board meet the following strategic goal:

- Bring underserved and underprepared Washington citizens into the economic mainstream.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Opportunity Grants

- Respond to economic change.
- Strengthen the core operations of the Community and Technical College System.

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Increase access to high-quality post-secondary education programs.
- Support career preparation beyond high school.

This package supports the following Washington Learns Priorities:

- All students will complete a rigorous high school course of study and demonstrate the abilities needed to enter a post-secondary education program or career path.
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree.

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create a system of support for lifelong learning.
- Make college affordable and easy to access.
- Promote economic growth and innovation.

Ongoing vs. One-Time Costs:

These costs are all ongoing.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Student Achievement Initiative

Brief Description:

The State Board’s Student Achievement Initiative focuses on colleges’ performance in helping students, from the least prepared to the most college ready, build and maintain movement towards high levels of academic achievement. It is a data-driven approach that centers the entire system on improving student performance, and provides resources for colleges to independently craft initiatives that are innovative and targeted to their specific student needs. The State Board requests \$7 million for the initiative. The funding will improve a college’s performance in the following student outcomes: (1) increased performance of students in pre-college-level courses; (2) completion of college-level math courses; (3) moving students beyond the educational “tipping point” of earning 45 credits and a credential; and (4) completion of certificates, degrees, and apprenticeships. Colleges will reinvest the rewards to test, adopt, and implement strategies that have demonstrated success for student performance.

Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$2,300,000	\$4,700,000	\$7,000,000

Support for Request:

As a whole, state government is prioritizing programs that work and demonstrate better outcomes. To achieve these goals, higher education needs to move away from focusing solely on funding inputs (e.g., student seat time) and towards funding improved results (measurable student gains in academic achievement).

As a start, in June 2007, the State Board adopted the Student Achievement Initiative. It measures and rewards colleges when their students build and maintain momentum towards higher levels of academic achievement.

The State Board requests \$7 million for an investment in the Student Achievement Initiative. The funding will be used by colleges to focus faculty and staff on improving student achievement through multiple, cross-disciplinary strategies that target their students’ specific needs. The rewards will also allow colleges to motivate their entire institution around the goal of improved student performance

The Initiative provides incentives for colleges to re-examine their delivery of instruction and services to maximize student achievement. Each college analyzes student data to determine the most effective deployment of funding and staff, and continues to mine the data over time to adjust to changing needs and circumstances. Demographic, programmatic, and other differences among the colleges will result in multiple strategies across the system.

Academic Momentum & the Educational Tipping Point

The Student Achievement Initiative is rooted in the concept of building up and leveraging students’ academic momentum. Momentum builds as students meet or exceed program expectations and earn credits. Critical junctures exist in a student’s academic career, where if one has momentum, s/he progresses. But if one lacks momentum, s/he is likely to drop out of a program.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Student Achievement Initiative

Upon initial enrollment a student relies heavily on a college institution for external motivation and guidance. As a student builds momentum, s/he relies more on internal strengths, gaining a sense of accomplishment, ownership and responsibility, and a greater likelihood of completing educational goals. The educational tipping point occurs when a student has built enough momentum to independently achieve their academic goals. Overall research from SBCTC identified the educational tipping point to be when a student has completed at least one-year (45 credits) and a credential. Once a student meets the tipping point, his or her earning potential is significantly higher compared to those who have not met the threshold. S/he is less likely to experience unemployment. Students with this level of education are in higher demand by employers. The vision of the Tipping Point concept is illustrated in Figure 1.

Figure 1: The Educational Tipping Point Vision



The Basis for Student Achievement Points

In working to improve its various student outcomes, especially moving students beyond the educational tipping point, *a college needs to focus on data associated with these critical junctures.* The Student Achievement point system provides a tool that allows colleges to do this.

Colleges earn points based on the following two concepts:

- Achievement points represent incremental gains a college’s students make towards achievement of certificates, degrees and apprenticeships.
- Achievement points directly measure a college’s specific student results. To generate achievement points, a college’s students must make progress. Colleges will be evaluated on how their students accumulate college-level credits to the point where they achieve a certificate or degree and how underprepared students progress in completing basic skills curriculum.

Throughout an academic year, colleges will earn achievement points in the following four categories:

1. College points earned from students building toward college-level skills.

Examples:

- One point each time a pre-college-level student makes a significant basic skills test score gain in math, listening, or reading, or earns a GED.
- One point each time a student passes a pre-college writing or math course, qualifying for the next level of instruction.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Student Achievement Initiative

2. College points earned from students at the collegiate academic level building towards the educational tipping point and beyond.

- One point when a student earns the first 15 college-level credits in the CTC system.
- One point when a student earns the first 30 college-level credits in the CTC system.

3. College points earned from students meeting collegiate level math requirements for computation (applied degree) or quantitative reasoning (transfer degree).

- One point when a student earns the first five quantitative college-level credits.

4. College points earned for students' completion of degrees and certificates.

- One point when a student earns a degree, completes apprenticeship training or completes a certificate (of at least 45 credits).

How Colleges Will Earn Points

2008-09 is the first year for colleges to be formally evaluated and rewarded for performance gains. Each college will compare their data to the 2006-07 baseline year. 2007-08 was a learning year where colleges studied their data and identified strategies to address gaps in student achievement. The colleges' 2008-09 data will be compared to the baseline year. Thereafter, the comparisons will be based upon one year's gain in points. Colleges will be able to increase points for improvement in student outcomes and also growth in number of students served.

Figure 2 provides the current measures used for determining achievement points and the system's overall performance data baseline.

Figure 2: The Student Achievement Measures	
Measure	2006-07 System Results
Number of times adult literacy CTC students make standardized test gains in math or English or earn GED.	78,967
Number of remedial (pre-college) math and English courses completed by CTC students to qualify for college-level work.	56,594
Number of CTC students who complete their first 15 and 30 college credits.	First 15 – 60,842 First 30 – 45,920
Number of students who complete their first 5 college-level math credits.	32,133
Number of students who earn certificates backed by at least one year of college; earn two-year degrees; or complete apprenticeships.	20,848

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Student Achievement Initiative

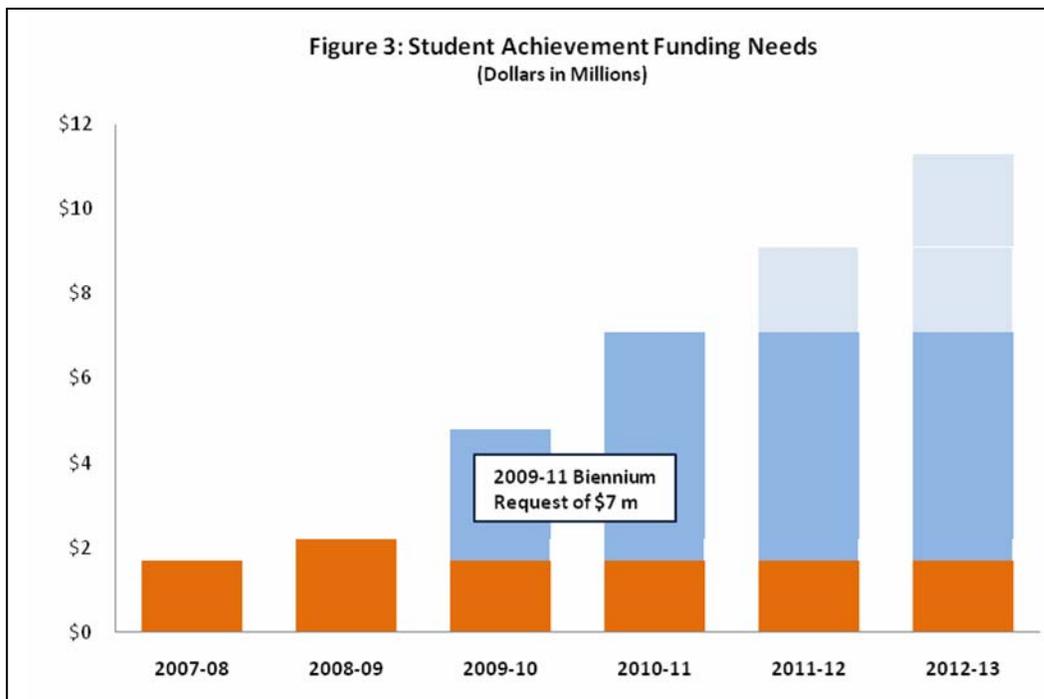
How the Achievement Incentives Will Work

To maximize incremental gains in student achievement, rewards are structured so colleges compete against themselves for continuous improvement, rather than competing with each other. To allow colleges to plan for the future, funding must be stable, predictable, and cumulative over time. Finally, rewards must be targeted towards colleges adopting and expanding practices that lead to improved student success.

Assumptions About the Dollar Per Point Values and Incentive Funding:

In the 2007-08 academic year, each college was evenly allocated seed money to increase capacity for student success strategies. The first allocation of seed money occurred during the “learning year” as a way of “seeding” initial promising practices. The seed money allocations will continue in order to provide each college enough funding in its base to build and sustain strategies focused on student success.

To earn new rewards, colleges must exceed prior levels of performance. The principle component of the reward will be a dollar value granted per point gained from the prior year. Lessons from other states indicate points should be at least \$40 to motivate the colleges. The proposal starts with \$40 per point and annually increases. Performance rewards are not one-time—in order for colleges to implement successful practices, the rewards need to be ongoing. Figure 3 illustrates the student achievement funding request from the 2007-09 biennium through the 2011-13 biennium, and highlights the 2009-11 biennium request of \$7 million.



Results from the First Year/Examples of Promising Practices

2006-07 was a learning year for the system. Colleges received and started to analyze their baseline data. In addition, the system began collecting promising practices. Here is an example of how the data resulted in improved outcomes for basic skills students:

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Student Achievement Initiative

Green River Community College's basic skills (ABE and ESL) students as well as students starting in developmental instruction combine to comprise 40 percent of the college's total student body. In 2007, the college estimates it lost 600 students who could not make the transition from precollege courses to transfer or professional-technical programs. This conflicts with the institution's own goals to prepare students for college success. The college is working to create clear pathways for students to move forward and remove barriers within the college. It expanded tutoring and in spring 2007, the writing center began offering online tutoring. The college is strengthening advising and how it reaches students with financial need. It now provides a Basic Skills Transitions Week to give basic skills students and instructors many opportunities to learn more about transitioning to college classes at Green River. Topics range from an introduction to the language of college and financial aid information, to an overview of college programs and a panel of students who have successfully made the transition to college programs. The success of these activities will be measured by tracking student achievement from class to class in their ESL and Basic Skills coursework, through the developmental education course series into college level courses, or persisting through their first 15 college-level credits.

Expected Outcomes:

16,000 Student Achievement points (a five percent increase) by building students toward: (1) college-level skills; (2) the tipping point and beyond; (3) completing college level math; and (4) earning certificates and degrees.

Strategic Goals:

This package will help the State Board meet the following strategic goals:

- Bring underserved and underprepared Washington citizens into the economic mainstream
- Strengthen the core operations of the Community and Technical College System

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Provide convenient and efficient post-secondary education
- Increase access to high-quality post-secondary education programs
- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- Share Accountability for Continuous Improvement
- Commit the Necessary Human and Financial Resources
- College students, including those who transfer from community colleges, will complete baccalaureate degrees more quickly and with fewer "extra" classes because more the classes will count toward degree requirements.
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree.
- More working adults will attend college to improve their skills or complete degrees.

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Provide funding levels to ensure superior quality in Washington's higher education enterprises
- Raise the level of educational attainment

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Student Achievement Initiative

- **Ongoing vs. One-Time Costs:** The costs are all ongoing and will increase in future biennia.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Affordable Tuition

Brief Description: Education affordability is the key to access, especially for under-prepared and lower-income populations, who are predominately served by community and technical colleges. The State Board requests state funding for the equivalent of a one percent tuition increase for each year of the 2009-11 biennium.

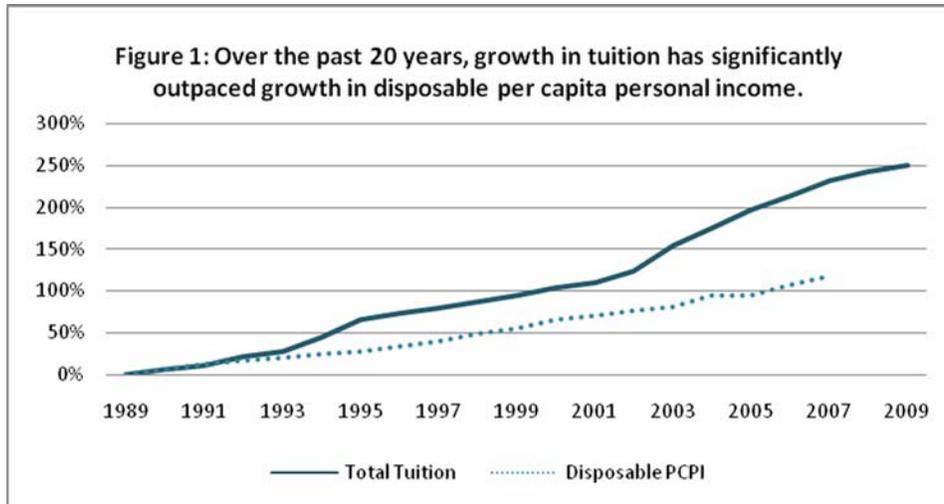
Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$2,633,000	\$5,391,000	\$8,024,000

Support for Request

Rapidly rising tuition contradicts the basic premise of the Community and Technical College Act—that education should be available to every Washington resident “at a cost normally within his or her economic means”.

Unfortunately, tuition has become an essential part of college operations. Students have absorbed unfunded cost increases, such as increased energy costs, technology upgrades for instruction and business operations, and employee training and development.

Rising tuition rates are a more recent trend in Washington state. As Figure 1 shows, between 1989 and 1993, tuition increases matched change in the state’s disposable per capita personal income (PCPI). In 1995, there was a jump, and then for the next seven years, tuition grew at rates similar to PCPI. However, starting in 2002 and ending in 2008, tuition rates significantly increased. The trend ended last biennium, when the legislature authorized annual tuition increases at two percent and provided state funding for the equivalent of an additional one percent tuition increase each year.

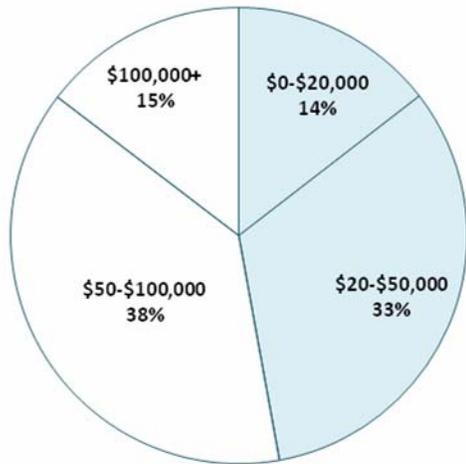


Source: SBCTC Data Analysis

The Board is concerned about the impact of rising tuition cost on student accessibility and requests state funding for the equivalent of a one percent tuition increase for each year of the 2009-11 biennium.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Affordable Tuition**

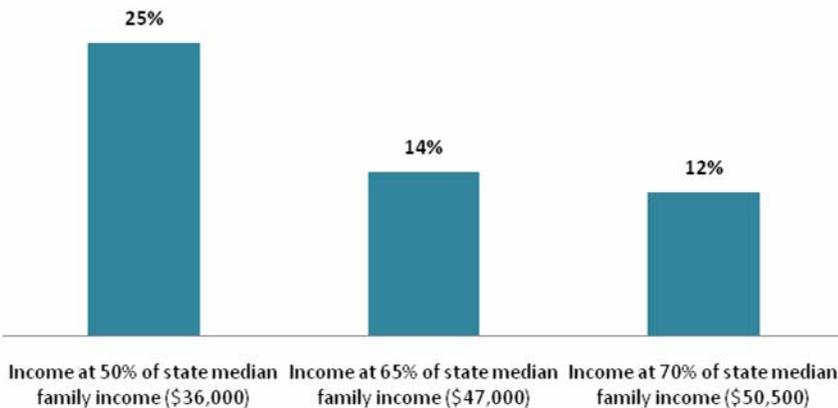
Figure 2: By 2013, 47.1 percent of high school graduates will come from families with incomes of \$50,000 or less.



Source: HECB 2008 Strategic Master Plan for Higher Education in Washington

The Higher Education Coordinating Board estimates that by 2013, almost half of the state’s high school graduates will come from families with incomes of \$50,000 or less. They note “these students are less likely to have parents who completed college and are at greater risk for not participating and succeeding in post secondary education.” Research from the State Board has found that young adults (18 to 24 years old) from the lowest income households are less likely to go directly to college than young people in middle and higher income households. The students who delay are more likely to enroll as older adults in need of basic skills.

Figure 3: Tuition and Cost of Attendance (2006) as a Percent of Disposable Median Family Income



Source: SBCTC Analysis

Strong concern exists that the rising costs of tuition, along with other costs of attendance (books, food, rent) is a contributing factor for weaker levels of college participation for younger students of low-income families.

Figure 3 uses 2006 rates to demonstrate how significant educational costs are when shown as a percent of a family’s disposable income. The sticker shock has the impact of pricing some families out of education, or opting to delay enrollment until their income situation improves.

Washington residents and families have relied on community and technical colleges to be their accessible source of higher education because of their relatively affordable tuition rates and nearby locations. Increased tuition rates encroach upon that accessibility.

Expected Outcome: Increased access to college through affordability.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Affordable Tuition

Strategic Goals:

This package will help the State Board meet the following strategic goal:

- Bring underserved and underprepared Washington citizens into the economic mainstream
- Respond to economic change
- Strengthen the core operations of the Community and Technical College System

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Increase access to high-quality post-secondary education programs
- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- All students will complete a rigorous high school course of study and demonstrate the abilities needed to enter a post-secondary education program or career path.
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree.

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create a system of support for lifelong learning
- Make college affordable and easy to access
- Promote economic growth and innovation

Ongoing vs. One-Time Costs:

These costs are all ongoing.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Child Care Center Funding**

Brief Description:

Limited access to quality, affordable child care is one of the top barriers to recruiting and retaining students in higher education. Campus child care centers are funded with user fees, state subsidies and contracts, student and activity fees, and general operating dollars. Currently student user fees provide 27 percent of the funding for child care centers, compared to the 12 percent of funding provided by the state. This request will allow college child care centers to provide quality child care for students while also improving access and affordability.

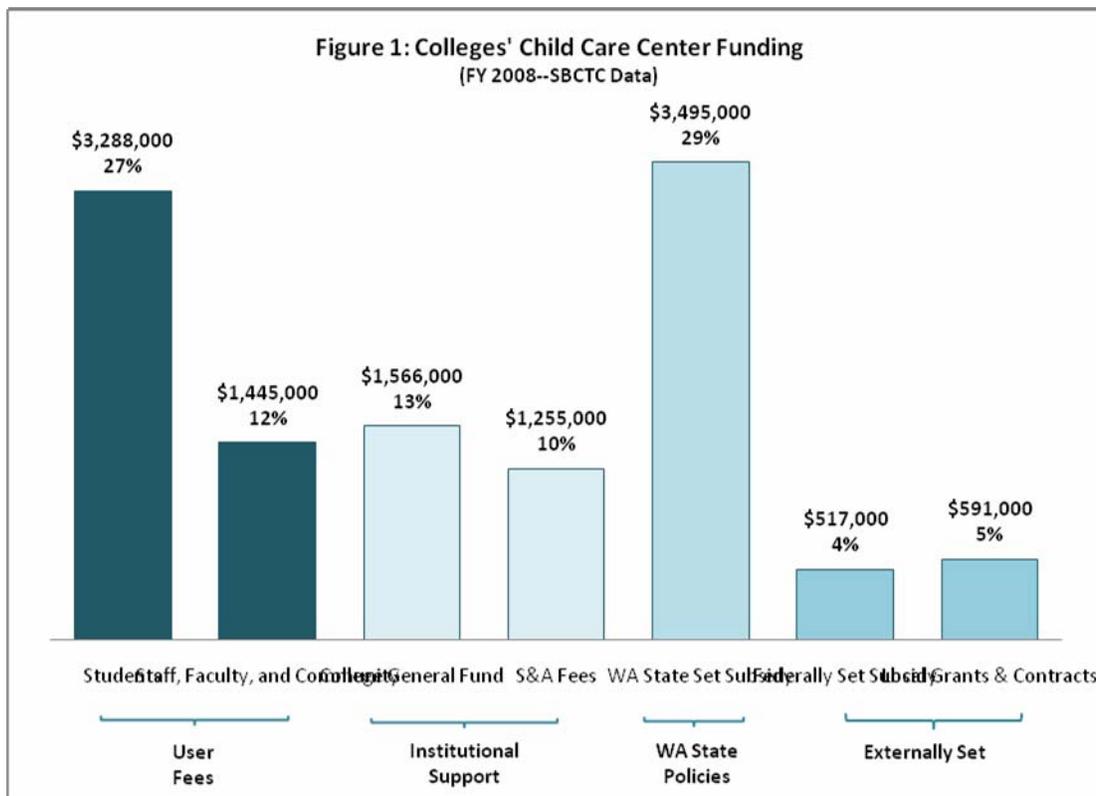
Requested Funding by Fiscal Year

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,500,000	\$1,500,000	\$3,000,000

Support for Request

The State Board requests \$3 million to increase colleges' base funding for child care centers. This will increase center capacity, quality of care for students' children, and provide more affordable child care for students, reducing barriers for underserved and underrepresented populations.

To successfully balance work, school and family responsibilities, parents attending college need affordable, convenient, dependable, and quality care for their children. 27 percent of the system's students are parents of young or school age children⁴. To enable parents to fully participate in school, 30 of the 34 colleges offer on-or-near campus child care.



Community and technical college child care center expenditures total about \$12 million per year (excluding maintenance work, utility costs, capital repairs and improvements). As shown in Figure 1, student user fees account for 27 percent of expenditures. In total, user fees from students, staff, faculty, and community members account for 39

⁴ 88,613 state-funded students were parents of young or school age children during the 2007-08 year.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Child Care Center Funding

percent of the budget. Another 29 percent of the budget comes from Washington state Working Connections Child Care (WCCC) subsidies and Early Childhood Education and Assistance Program (ECEAP) contracts.⁵ Funding from local and federal sources provide another nine percent of the budget. The remaining costs are covered through institutional support. Student service and activity fees provide 10 percent of the funds, while college operating funds, which include revenues from tuition as well as general state funding, covers about 13 percent of total expenditures.

Increased state support for child care has been identified by two and four year college students as one of their top priorities for the 2009 legislative session. The requested funding will increase college's share of support to 22 percent.

Two major hurdles negatively impact student access to on-campus child care centers: first, the centers' ability to provide services due to increased labor costs without corresponding funding increases; and second, the students' inability to afford child care.

Child Care Center Labor Costs

Child care centers are becoming increasingly expensive to operate due to rising cost of operations and licensing regulations regarding staffing ratios. Additionally, under the Personnel Service Reform Act of 2002, state child care workers were included in collective bargaining agreements negotiated between the Governor's Labor Relations Office and the Washington Federation of State Employees and the Washington Public Employees Association. Both the 2005-07 and the 2007-09 agreements required cost of living adjustments for staff. Additionally, the 2005-07 agreement also included a reclassification for child care workers. For FY 2006, this translated into a 3.2 percent COLA and seven percent salary adjustment for state child care worker classifications, increasing the labor cost of represented child care teachers and aides by almost 11 percent.

However, in the funding request submitted to the legislature for implementation the 2005-07 and 2007-09 agreements, and in the enacted biennial budgets, general fund dollars were not provided to fund the increased costs for represented child care staff. Instead, additional appropriation authority was provided in the colleges' local accounts and it was assumed that increased user fees would provide the funds for the salary increases.

As shown in the chart above, the centers are constrained in their ability to increase user fees. While it is true that 39 percent of the budget is paid for with user fees, the majority of those user fees are paid by student parents. Increasing those rates reduces student affordability and is counter to the mission of the child care centers. Only 12 percent of the budget comes from user fees paid for by faculty, staff and community parents who are more able to afford the rate increases.

Over one-third of the revenue for the centers comes from subsidies or contracts where the rates are set by the state or federal government. An estimated 25 percent of the children served through the licensed child care services of the centers are paid for via the WCCC program. Several of the centers also operate ECEAP programs. Centers receive 29 percent of the revenues from state WCCC subsidies and ECEAP contracts. During the 2005-07 budget, the state's vendor rate increases were significantly below the required staff salary increases.

To initially handle the increased costs, some campus child care centers raised rates. Others restricted or eliminated services for infants in order to remain viable. Both of these options reduced student access.

⁵ Working Connections includes parents who meet income and criteria eligibility, or are participating in WorkFirst, or receive subsidized child care as part of services from the Division of Vocational Rehabilitation.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Child Care Center Funding

During the 2007-09 biennium, the state improved its WCCC subsidy and ECEAP contract rates. This helped to offset the 2007-09 required salary increases and provided some assistance with the operating revenue gap created during the 2005-07 biennium.

Additionally, the legislature recognized the operating gap remained and noted that several child care programs at community and technical colleges and public universities faced staff reductions or threats of closure as the cost of staff salaries outpaced revenues. They provided one-time gap funding of \$2.2 million during the 2007-09 biennium to the Department of Early Learning for a child care grant program for public two-year and four-year institutions employing collectively bargained staff operating child care programs. However, this funding was one-time and does not carry on into 09-11 biennium.

Limited Student Access to Working Connections Child Care

As noted earlier, when centers increase child care rates, students' ability to afford child care declines. Some of the colleges' student parents participate in the WCCC program, and thus are insulated from the rate increases as they are only required to pay a co-pay as part of the program and not the full user rate charged by centers.

However, not all of the student parents are eligible for subsidized care. In order to qualify for the WCCC program, the parents' family income must be at or under 200 percent of the federal poverty level. If income alone were the criteria, a significant number of our student parents would qualify for the program.⁶ However, to qualify a parent must also be engaged in approved activities⁷, which include employment, federal or state work study, attending an ESL or GED course, or vocational education that leads to a degree or certificate in a specific occupation.⁸

Excluded from the WCCC program are parents enrolled for the intent to transfer to a four year baccalaureate program.⁹ Data from the 2007-08 school year indicated that of the student parents in the system, 17,000 fall into this category. Based on prior SBCTC research¹⁰, it can be conservatively estimated that at least 25 percent of these parents would be income eligible for subsidized child care.

Funding Will Provide Improved Access

In Washington state, the two-year college system serves the majority of student parents in all of higher education, many attending part-time. According to 2005-06 HECB Unit Record data, 78 percent of all student aid recipients with children attended a two-year college.

⁶ SBCTC Research Report No. 06-4 found that 55 percent of single parent students are in the lower and lowest two socio-economic quintiles.

⁷ WAC 170-290-0010

⁸ WAC 170-290-0045

⁹ Up until 2008, the Working Connections Child Care Rules were under administrative rules for DSHS Economic Services Administration, and linked to the Washington WorkFirst Program. While the new chapter 170 does not define vocational education, its historically linked to the WorkFirst definition, which states under 388-310-100 "Vocational education is training that leads to a degree or certificate in a specific occupation, not to result in a baccalaureate or advanced degree unless otherwise indicated below, and is offered by an accredited" and later lists the exception as a high wage high demand program for which it's the final year of completion.

¹⁰ SBCTC Research Report No. 06-4 found that 55 percent of single parent students are in the lower and lowest two socio-economic quintiles.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Child Care Center Funding

Yet, as explained above, the combination of several different state policies have had the unintended effect of reducing student access to child care, either through increased rates or decreased services.

However, these campus child care centers play an important role in our state's education system, as they provide a safe place for children while offering a learning environment for both children and college students. They offer a high-quality learning environment for both young children and early childhood education professionals. Campus child care centers provide internship and practicum opportunities for early childhood education and parent education programs.

The \$3 million funding request is crucial for continuing these services. The funding will result in:

- Additional financial support for low-income students to access child care services
- Expanded hours of operation to facilitate part-time, non-traditional students
- Improved quality through the conversion of part-time faculty/staff positions to full-time
- Increased capacity due to increased child/staffing ratios
- Higher quality - more centers becoming accredited
- More students moving further, faster through their educational pathways – measured by Student Achievement momentum point gains

Expected Outcome: 1,740 additional Student Achievement Points will result from providing greater access to child care for low-income and part-time students.

Strategic Goals:

This package will help the State Board meet the following strategic goal:

- Bring underserved and underprepared Washington citizens into the economic mainstream
- Respond to economic change
- Strengthen the core operations of the Community and Technical College System

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Increase access to high-quality post-secondary education programs
- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- All students will complete a rigorous high school course of study and demonstrate the abilities needed to enter a post-secondary education program or career path.
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree.

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create a system of support for lifelong learning
- Make college affordable and easy to access
- Promote economic growth and innovation

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Child Care Center Funding**

Ongoing vs. One-Time Costs:

These costs are all ongoing.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Disability Accommodations**

Brief Description:

Colleges are required by law to provide students with disabilities appropriate core services to ensure they receive equal access to higher education. Services, or accommodations, can include hearing interpreters for the deaf, adaptive computer technologies, note-takers, and readers. Targeted funding for disabilities accommodations has remained flat since FY 2001. Since then, the number of state funded students with disabilities increased 17 percent, as have the cost of providing services. The State Board requests \$2 million in funding for the system to effectively address the support needed for students with disabilities.

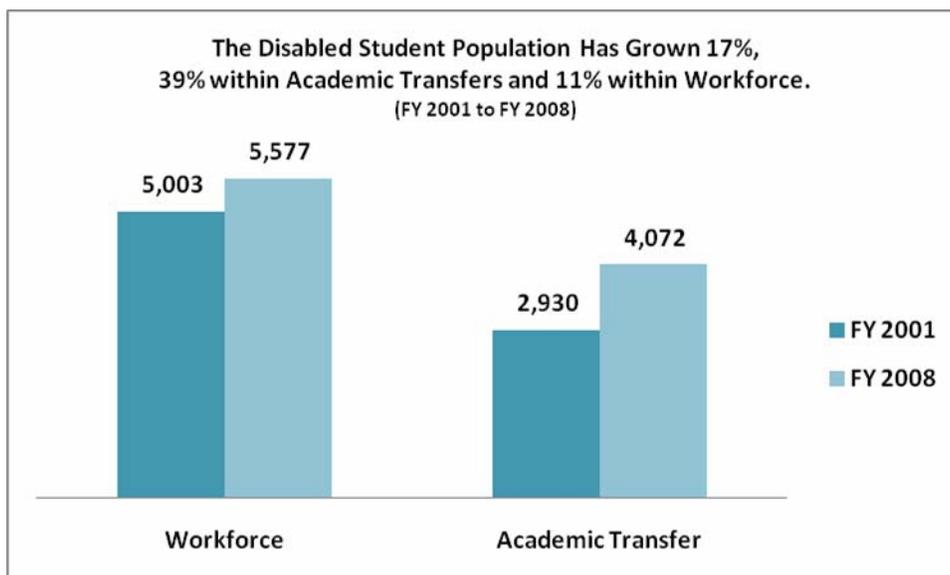
Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,000,000	\$1,000,000	\$2,000,000

Support for Request:

Under current law, students with disabilities are to be provided with appropriate accommodations to receive equal access to higher education. The accommodation needs of disabled students vary by student and by college. Student disabilities include the following categories: deaf and hearing, mobility, speech, learning disability, blind or visual, chronic or acute health, neurological, and psychological.

Some accommodations are labor intensive such as reading, note-taking, test proctoring services, captioning, interpreter services and developing preparatory instructional materials. Other types of accommodations include technology such as laptop computers, scanners, and adaptive software; alternate media formats, such as audio book CDs, or Braille publications; and others, including adjustable furniture.

Since FY 2001 the number of state funded students with documented disabilities increased 17 percent, from 8,127 to 9,532. The greatest growth occurred among academic transfer students. Additionally, the population



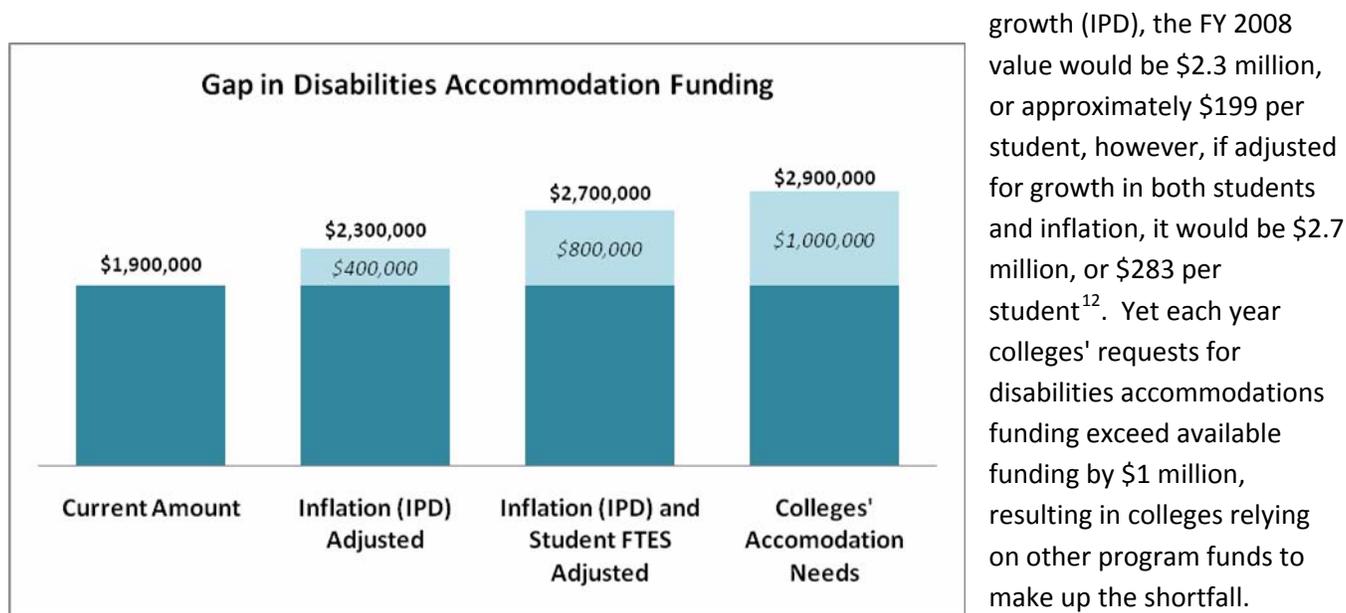
growth has been primarily among two categories: learning disabled and emotional disorders. In FY 2008, one-third of the disabled student students identified as learning disabled. Since FY 2002, the learning disabled population increased 22 percent, from 2,950 to 3,600 students. A little over one-fifth of the disabled students identified as having an emotional

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Disability Accommodations

disability. Since FY 2002, this population increased 53 percent, from 1,311 students to 2,004.¹¹

The change in disabled student demographics also expanded the types of accommodations colleges should provide. Suggested accommodations for students diagnosed with learning disabilities or emotional disabilities include priority registration, course substitutions, audio-taped textbooks, tutoring, note-takers, proctored tests, time management classes, and some types of modified instruction. Many of these are accomplished with college staff or student employees, whose wage growth has outpaced inflation.

Currently, colleges receive \$1.9 million each year in dedicated funding for disability accommodations. This amount has remained flat since FY 2001, when an additional \$500,000 per year was provided as a supplemental budget step. Inflation and increases in disabled students has eroded the funding. In FY 2001, the \$1.9 million served a total of 8,127 students, for an average of \$234 per student. If funding had kept pace with inflation



growth (IPD), the FY 2008 value would be \$2.3 million, or approximately \$199 per student, however, if adjusted for growth in both students and inflation, it would be \$2.7 million, or \$283 per student¹². Yet each year colleges' requests for disabilities accommodations funding exceed available funding by \$1 million, resulting in colleges relying on other program funds to make up the shortfall.

Colleges also point to the increased costs of more traditional accommodation services, such as purchasing, upgrading and maintaining adaptive technology, including staffing costs to allow for assistive technology specialists. American Sign Language interpreter costs have also increased and some colleges that serve large deaf populations report spending 75-85 percent of their budget directly for the interpreting service providers.

Investing \$2 million in disability accommodations will allow the colleges to effectively address student needs.

Expected Outcomes:

1,000 student achievement points from more students building towards college-level work, reaching the educational "tipping point", completing college level math, and earning certificates and degrees.

¹¹ Ibid.

¹² Calculated by determining the FY 2001 per student amount (\$234), then adjusting \$234 to FY 2008 dollars (\$283), and then multiplying by the total number of students with disabilities (9,532).

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Disability Accommodations

Strategic Goals:

This package will help the State Board meet the following strategic goal:

- Bring underserved and underprepared Washington citizens into the economic mainstream
- Respond to economic change
- Strengthen the core operations of the Community and Technical College System

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Increase access to high-quality post-secondary education programs
- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- All students will complete a rigorous high school course of study and demonstrate the abilities needed to enter a post-secondary education program or career path.
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree.

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create a system of support for lifelong learning
- Make college affordable and easy to access
- Promote economic growth and innovation

Ongoing vs. One-Time Costs:

These costs are all ongoing.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Transition Math Project

Brief Description:

The State Board requests \$1 million in funding for Phase III of the Transition Math Project (TMP), a public-private partnership with the Gates Foundation. The TMP focuses on fostering successful math transitions from high school to college and the workforce, and reducing the need for remedial math courses at the higher education level. State funding will leverage private funding from the Gates Foundation. Phase III will focus on: strengthening and expanding high school and college partnerships, curriculum alignment, math readiness and placement assessment, enhancing teacher skills, and improving data-based decision-making around student performance in math.

Requested Funding by Fiscal Year

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$500,000	\$500,000	\$1,000,000

Support for Request:

The Transition Math Project (TMP) is focused on:

- Improving the math achievement of high school students as they transition to post-high school opportunities, both in college and the workplace; and
- Increasing the percentage of recent high school graduates in Washington entering college prepared to do college-level work in math without remediation.

Since 2004, the Legislature has invested slightly over a million dollars in the TMP, matched by \$4 million from the Gates Foundation, to develop College Readiness Standards in mathematics (Phase I, 2004-2006) and use those standards to begin addressing the goals above (Phase II, 2006-2009).

The combined funding has produced math College Readiness Standards and implementation of those standards (with outreach materials, curricula, and teaching strategies) in 15 local partnerships, resulting in collaboration among teachers and faculty from 64 school districts and 25 higher education institutions.

The result: a two percent reduction in the number of recent high school graduates entering higher education and needing to enroll in remedial math courses.

The State Board will request funding from the Gates Foundation to support Phase III and also seek state funding necessary to obtain support from the Gates Foundation. The work in Phase III will strengthen and expand the high school/college partnerships begun in Phase II and will build on the successful elements of those projects focused on the core areas of the project—curriculum alignment, math readiness and placement assessment, enhancing teacher skills, and improving data-based decision making around student performance in math. Specific outcomes of Phase III will include: 1) Developing and disseminating math curricula, classroom resources, teacher training, and public outreach materials related to student preparation for college math; and 2) Expanding the number of local partnership sites.

Expected Outcomes:

400 Student Achievement Points from reducing the number of students requiring remedial math.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Transition Math Project

Strategic Goals:

This package will help the State Board meet the following strategic goal:

- Bring underserved and underprepared Washington citizens into the economic mainstream.

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Increase access to high-quality post-secondary education programs.
- Support career preparation beyond high school.

This package supports the following Washington Learns Priorities:

- All students will complete a rigorous high school course of study and demonstrate the abilities needed to enter a post-secondary education program or career path.
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree.

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create higher expectations for K-12 students.

Ongoing vs. One-Time Costs:

These costs are all one-time.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Running Start Funding

Brief Description:

The State Board requests \$15 million in funding to reduce disparities between the total cost of serving Running Start students and the reimbursement rate provided by the state. Over 11,800 Full-Time Equivalent (FTE) students will be served annually this biennium. The gap is estimated to be about \$3,000 per FTE, amounting to a system-wide subsidy of \$35 million per year. The State Board proposes a seven-year phased funding plan to address the disparity in reimbursement funding, with an initial amount of \$5 million for FY 2010, to grow in annual installments of \$5 million through 2016. Additionally, the State Board requests colleges be allowed to report and count Running Start FTES toward state enrollment targets.

Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$5,000,000	\$10,000,000	\$15,000,000

Support for Request

The Running Start program allows 11th and 12th grade students to take college courses at Washington's 34 community and technical colleges, and a few other institutions of higher education. Students earn both high school and college credits when completing college-level courses. They may choose from a college's entire catalog of college-level courses, which includes electives, vocational, online and advanced course work. The program reduces the amount of time students spend in school, and can reduce the overall college costs for students and their families. Running Start students and their families do not pay tuition, but they do purchase their own books and provide their own transportation. Some Running Start students opt to take one class at the college and complete remaining coursework at the high school. Others elect to attend college full-time. Most select a combination of these two options.

Running Start students do not pay tuition. This will save Washington families \$32.5 million in tuition costs this year because of their children's participation in the program. Under current statutes and administrative rules¹³, the program operates as an entitlement for eligible 11th and 12th graders. Community and technical colleges are required to participate.¹⁴ While statute allows the colleges to establish admission standards for the Running Start students¹⁵, administrative rules clarify that the students are subject to the colleges' generally accepted admission and enrollment requirements.¹⁶ Once a student is enrolled in the Running Start program, s/he may not be displaced by another student¹⁷, unless subject to generally applicable enrollment requirements and limitations set by the college.¹⁸ Students may enroll for up to a year's worth of full-time academic enrollment, i.e. fall, winter, and spring quarters, for the eleventh grade and again for the twelfth grade.¹⁹

¹³ Administrative rules are developed and adopted jointly by OSPI, SBCTC, and HECB. WAC 392-169-005.

¹⁴ RCW 28A.600.300

¹⁵ RCW 28A.600.310

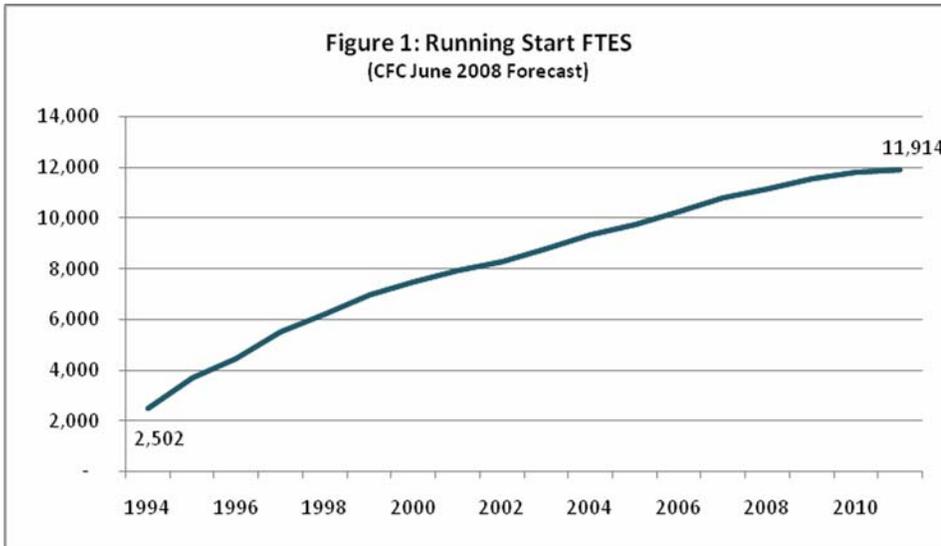
¹⁶ WAC 392-169-045

¹⁷ RCW 28A.600.340

¹⁸ WAC 392-169-065

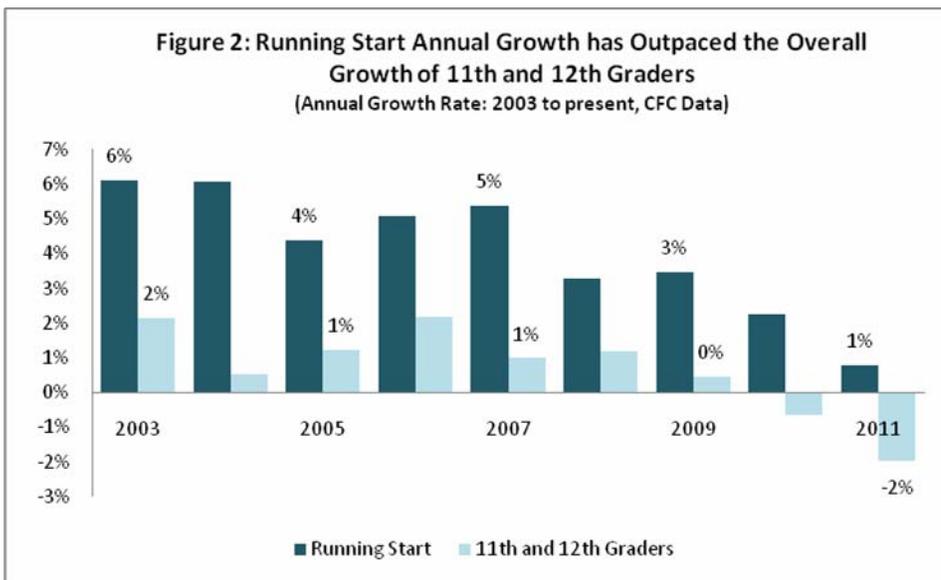
¹⁹ WAC 392-169-055

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Running Start Funding**

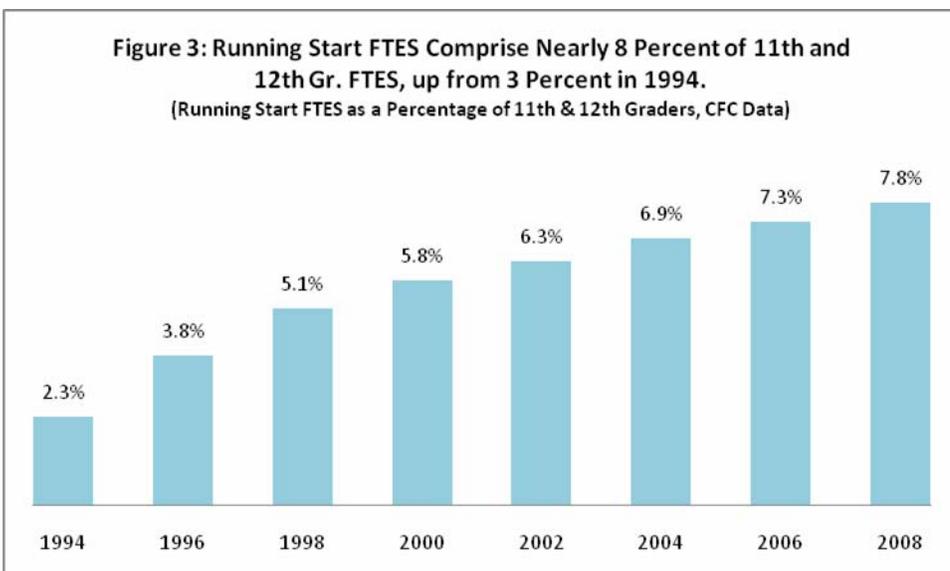


Not surprisingly, Running Start’s popularity has increased annually among 11th and 12 graders. As shown in Figure 1, the program has experienced strong enrollment growth since its inception in 1993. Approximately 97 percent of participants are enrolled at the community and technical colleges.

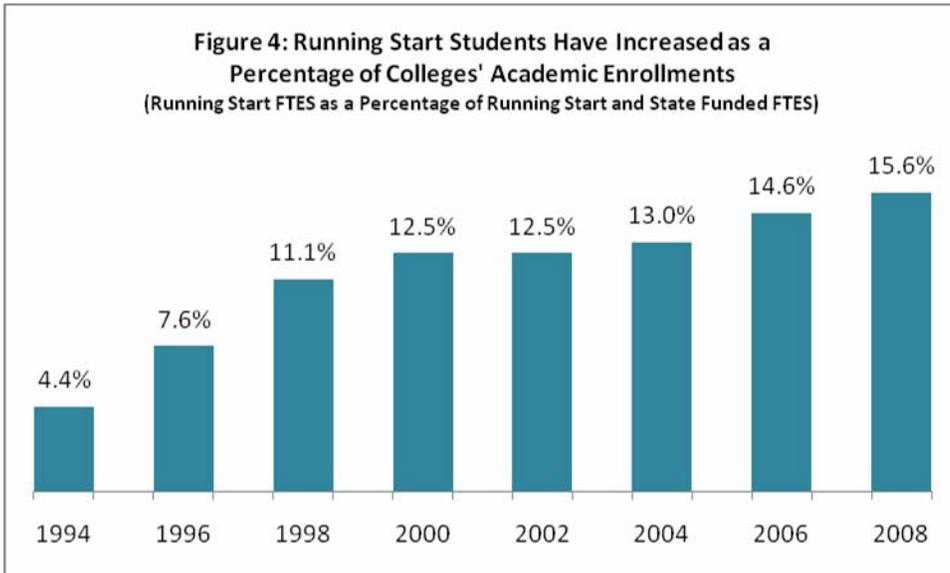
In fact, Running Start enrollment growth has outpaced, not matched, 11th and 12th grade growth rates, as highlighted in Figure 2. For this upcoming biennium, the Caseload Forecast Council estimates 11th and 12th grade enrollment will decline while Running Start is forecasted to grow. Over time, Running Start FTES, as a percentage of overall 11th and 12th grade enrollment, has increased annually. As shown in Figure 3, their percentage grew from 2.3, during the initial start-up phase in FY 1994, to 7.8 percent for FY 2008. The CFC forecast suggests the percentage will increase to 8.5% by FY 2011.



Running Start Students have also increased as a percentage of colleges’ academic enrollments (state funded FTES plus running start FTES). Figure 4 illustrates the impact on the overall system. At its inception, the program’s percentage was four percent and the high school students filled



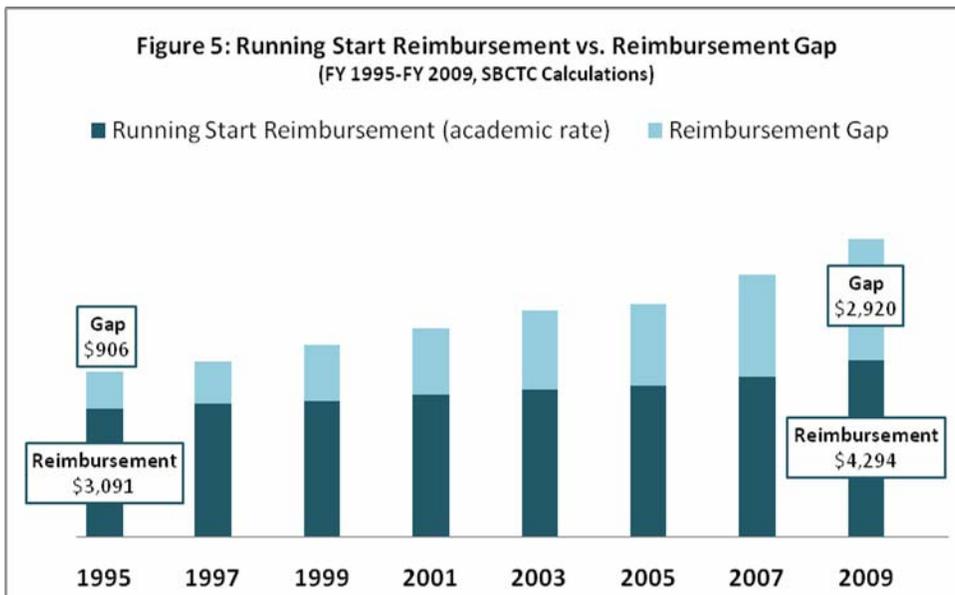
**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Running Start Funding**



empty classroom seats. Now Running Start students account for nearly sixteen percent of academic enrollments. New course sections must be added to accommodate the students. This requires additional faculty, staff, and capital facility support. However, colleges are unable to count these FTES toward their enrollment targets.

Yet, despite growing enrollment, the state's Running

Start reimbursement rate has not kept pace with the colleges' cost of providing instruction, which includes state support per FTE and tuition revenue. Since 1993, the funding model for Running Start provides colleges with ninety-three percent of Basic Education Allowance per FTE rate. School districts retain the remaining seven percent for their share of services. Initially, the gap between the academic Running Start FTE reimbursement rate and the actual cost of instruction was \$906. As highlighted in Figure 5, the gap between reimbursement and cost has grown to \$2,930 per FTE per year, costing colleges \$35 million a year.



The current reimbursement rate covers around 60 percent of the cost of education students, leaving an unfunded gap of about 40 percent. When the program started, the reimbursement covered 80 percent of the cost. Additionally, colleges are unable to count these FTES in their enrollment targets.

The enrollment growth in Running Start has coincided with a period when state funding for the colleges has

been offset by a growing reliance on tuition revenue. The true cost of the Running Start program has been paid by tuition-paying students and by diverting funds from other college programs. This structure is unsustainable.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Running Start Funding

The State Board requests this disparity be addressed by providing adequate funding support for Running Start student. In addition, the State Board will offer legislation to allow the colleges to count Running Start students in their state funded enrollment target.

Expected Outcome: Increased access to college through affordability.

Strategic Goals:

This package will help the State Board meet the following strategic goal:

- Strengthen the core operations of the Community and Technical College System

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Increase access to high-quality post-secondary education programs
- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- All students will complete a rigorous high school course of study and demonstrate the abilities needed to enter a post-secondary education program or career path.
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree.

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create a system of support for lifelong learning
- Make college affordable and easy to access

Ongoing vs. One-Time Costs:

These costs are all ongoing.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

Brief Description:

To respond adequately to students' educational and training needs, the State Board requests \$18.5 million to purchase system-wide tools to modernize delivery of student, academic and administrative services, and an additional \$11.3 million for advanced instructional equipment.

<u>Investment</u>	Requested Funding by Fiscal Year		<u>Total</u>
	<u>FY 2010</u>	<u>FY 2011</u>	
21 st Century Technology	\$3,960,000	\$4,560,000	\$8,520,000
21 st Century Libraries	\$6,500,000	\$3,500,000	\$10,000,000
21 st Century Equipment	\$3,800,000	\$7,500,000	\$11,300,000
Total	\$14,260,000	\$15,560,000	\$29,820,000

Support for Request:

During times of slow economic growth, community and technical colleges experience increased demand for training and retraining. Heading into the 2009-11 biennium, the Washington State Community and Technical Colleges want to effectively respond to anticipated increases in enrollment pressure and simultaneously:

- Individualize services for our diverse student population, especially place-and home-bound students
- Respond to student demands for web-based services, online library materials and online courses
- Make efficient use of taxpayer resources
- Make efficient use of students' time, efforts and money

To implement new efficiencies in online academic and library services, and align instruction with up-to-date industry-based tools and equipment, the State Board requests \$29.8 million in targeted investments. This will maximize the colleges' ability to provide the relevant educational experiences students demand and deserve.

Online Academic Services

Students enrolled throughout the system expect and deserve their courses, library materials and student services to be easily accessible through the internet. Many have grown accustomed to conducting basic daily living tasks online. Others, as part of their skills education, should be learning in an environment that challenges and improves their information literacy skills.

Among our student population, a significant portion balance the responsibilities of work, parenting, and education, and feel the pinch of time and the pinch of increased costs associated with gas, everyday goods, and childcare. Others come from K-12 systems that have successfully integrated online learning into the curriculum. The combined impact on the system is a significant demand for online courses, library resources and online student service delivery. System online learning enrollments continue to increase 15 percent annually and 2008 summer enrollments increased between 30 and 216 percent, depending on the college. In Fall of 2006, 10

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

percent of the system's students (25,298) enrolled in at least one online class. The majority of these courses met general education requirements for transfer and workforce degrees (social science, humanities, English/speech, science and math). That same year, 28 percent of the online students enrolled in workforce courses. The State Board anticipates, based on enrollment trends, demand for workforce courses will increase as uncertainty about the economy continues. This year will differ from prior periods of slow economic growth as a larger portion of growth in workforce enrollments is anticipated to be in online courses.

Students want and deserve the flexibility of using online services and library resources. Unfortunately, that is not the reality for all students enrolled throughout the system. A patchwork of online services is available to students enrolled at community and technical colleges. The State Board believes online student services and library resources—such as registration, transcripts, instruction and access to academic journals—should be consistently offered to all students, regardless of the particular college they attend or whether they take classes on campus or online. This request will provide the system the opportunity to meet those student demands and to pool resources to meet these demands more efficiently.

However, this increased demand for technology comes with increased costs of doing business. By pooling together resources, the system will be able to reduce project costs by leveraging system-wide investments in tools and support services, thus achieving economies of scale unavailable if colleges continue to pursue these goals individually.

The State Board's plan is to purchase software programs to improve student recruitment, retention, academic success, and improve administrative efficiency, data analysis, and accountability. The State Board intends to provide the following in a more user friendly and flexible format online: advising, registration, education and career planning, searchable course catalogues, and transcripts, all through a one-stop portal. Through these programs, students will be able to log-in and access their courses, financial aid accounts, education plans, and grades. The request also includes funding to improve business operations through the acquisition of software programs for purchasing, electronic funds dispersal for students, and time and attendance tracking for faculty and staff. While the software programs will operate at a system level, they can be customized to reflect specific college's needs.

Library Services and Resources

The community and technical colleges lack stable and adequate funding for library services and online academic journals and books. The system offers inconsistent access to academic journals, professional periodicals, and interlibrary loan services. This directly impacts the quality of instruction for our students, and impedes students from applying modern research skills to their coursework.

The price of academic journals and periodicals has increased above the rate of inflation. Without new funds, libraries have balanced their budgets by reducing the number of available subscriptions. As a result, students in some fields have full access to journals and professional periodicals, while others have none, and this varies by

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

college. Students and faculty do have on-line access to magazines and newspapers through the Washington State Library. However, these periodicals lack the depth needed for college-level research and learning. Students and faculty seeking full-text digital resources must either purchase the article from an online source or go through the outdated process of requesting articles via interlibrary loan. The charges vary from \$10 to \$35 per article, and these fees add up quickly when students pay for multiple articles per paper per class per quarter. For research papers, students end up relying on free online resources, such as magazines and newspaper articles, and avoiding academic journals. This limits their exposure to and application of the analytical rigor necessary to succeed at the college level. Additionally, WashingtonOnline faculty struggle with designing courses for students due to the variability in resource access.

With regard to digital library materials, students do not have access to resources they will be expected to use upon entry into the workforce or transfer to 4-year public and private universities. Businesses rely on licensed information databases, yet graduates who have relied on free internet resources for information require additional training on the job. This places students in the academic transfer track at a disadvantage as they must spend time and effort catching up in their research skills post academic transfer.

The State Board plans to purchase statewide digital library resources so that all students, faculty, and staff will have equal access to 21st century research tools. This will provide timely access to the e-books, books, journals, and periodicals that are currently available to their future employers and the 4-year institutions they plan to attend. The combined purchasing power of the system will provide these resources at lower cost than if the colleges purchased the licenses individually.

Instructional Equipment

Community and technical colleges repeatedly cite the lack of available funds for big-ticket instructional equipment as a critical funding priority. Many professional and technical programs rely on industry-based tools and equipment for student learning and skill development. Often, because of limited resources, equipment at community and technical colleges lags industry standards. As a result, employers must absorb the cost of additional employee training when the employer is expecting a graduate prepared with entry level skills.

A survey of colleges indicated that the greatest categories of unmet professional and technical equipment needs are in the healthcare, trades related programs, and science labs. Single item costs for healthcare equipment, such as spectrometers, microscopes, defibrillators, digital imaging, simulators, virtual clinical instruction tools, and ventilators ranged from a low of \$20,000 to a high of \$221,000. Single item costs for trades related equipment, such as automotive upgrades for hybrid technology, machining equipment, aviation and flight equipment, welding equipment, and industrial electrical equipment ranged from a low of \$10,000 to a high of \$102,000.

Additional funding for equipment will allow colleges to have a stable, predictable source of funding for the high cost of instructional equipment and permit them to more effectively serve students and employers. This investment is critical to continuing to produce workers in high demand fields. Up-to-date instructional

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

equipment provides businesses with employees who have practiced complex technical skills in a safe learning environment, and leads to quicker transitions from the classroom to the workplace. This will reduce employer training costs and improve our students' competitiveness in the job market.

Specific Details of the Package:

Teaching and Learning Tools and Support, \$4,900,000

This funding will be used to assemble a system-wide suite of teaching and learning tools (e.g., course management software, ePortfolio, object repository, webinar, media server, plagiarism checker), 24/7 help desk, and training so students, faculty, and staff can use 21st century tools to learn in innovative, and flexible online and hybrid learning environments.

21st Century Libraries, \$10,000,000

This funding will purchase system-wide licenses for academic journals in six core academic areas, available for use by all students in the system. At the end of FY 2010, the system will provide the library operating platform needed to allow student to see the library catalogue and borrow books from the public 4-year institutions. Sharing with the public baccalaureate institutions allows the system students to access available books within the public colleges and universities in Washington, complete with book delivery within 48 hours. This request will also fund digital library tools, such as virtual reference and smart search. Please see Attachment 1 for additional detail on academic journals.

21st Century Equipment, \$11,300,000

Funding will purchase necessary equipment our students must train on, such as the following: spectrometers, microscopes, defibrillators, digital imaging, simulators, virtual clinical instruction tools, ventilators, and automotive upgrades for hybrid technology, machining equipment, aviation and flight equipment, welding equipment, and industrial electrical equipment.

Student Relationship Management, \$900,000

Student Relationship Management (SRM) software assists in the marketing, relationship management, and retention needs of the college system by tracking a student's activities and triggering events to keep the student progressing toward their educational goals. It will allow colleges to identify and maintain contact with individuals from the time they inquire as prospective students, throughout their educational career and throughout their lifetime as alumni. This funding will purchase software, ongoing support, and training for college service staff in using the SRM system.

Online Searchable Catalog and Quarterly Schedule, \$100,000

Online Searchable Catalog (iCatalog) would allow all college catalogs to be searched in a dynamic manner by current and prospective students. This will be available as a search tool from a state site that aggregates all college catalogs and also at the local college level. It will also tie into student and faculty online educational planning and advising tools. Online Searchable Quarterly Schedule (iSchedule) would allow a schedule to be built and published from the online course catalog information and searched aggregately as a state system or used

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

locally in conjunction with educational planning. Funding would purchase software, hosting, ongoing support and maintenance, training, and advertising to students.

System Portal, \$400,000

The portal project would provide students, faculty and staff with a single location to login and get access to all of their teaching and learning, students services and administrative tools and data. This funding would purchase the software and hosting to help colleges with portal development, programming and integration with the teaching and learning suite, other system and on-campus applications, and training.

Common Purchasing Software, \$1,300,000

An integrated purchasing system will provide automated access for ordering, tracking and receiving purchases. This will allow for easier data entry and reporting in order to comply with state regulations and accountability requirements.

Common Time and Attendance, \$400,000

An online time and attendance reporting system will allow for the electronic collection of community and technical colleges' employees' hours worked, leave taken and related approvals.

Electronic Funds Dispersal, \$500,000

This project focuses on securing a software solution that will allow colleges to disperse funds to the recipient's bank of choice. Functionality also includes the ability to disperse financial aid awards to students.

Expected Outcomes:

Increased portion of students earning degrees and certificates with substantial online coursework.
Increased percentage of FTEs enrolled in online and hybrid courses.

Strategic Goals:

This package will help the State Board meet the following strategic goals:

- Bring underserved and underprepared Washington citizens into the economic mainstream
- Ensure functionality of critical physical and virtual infrastructure available for students and staff
- Strengthen the core operations of the Community and Technical College System

This request also supports the SBCTC's strategic technology plan, the product of an 18-month analysis conducted by the Technology Transformation Task Force of the SBCTC. The system is unified in support of the Strategic Technology Plan and it was adopted by unanimous vote of the State Board.

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Provide convenient and efficient post-secondary education
- Increase access to high-quality post-secondary education programs

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

- Support career preparation beyond high school

This package supports the following Washington Learns Priorities:

- Maintaining college affordability
- Expanding access to college for working families
- Tailoring education to fit the needs of individual students
- Give high school and college students the information they need to make informed decisions
- College students, including those who transfer from community colleges, will complete baccalaureate degrees more quickly and with fewer “extra” classes because more classes will count toward degree requirements
- More low-income and first generation students will graduate from high school, enter college, and complete a college degree
- More working adults will attend college to improve their skills or complete degrees

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Provide funding levels to ensure superior quality in Washington’s higher education enterprises
- Raise the level of educational attainment
- Create a system of support for lifelong learning
- Make college affordable and easy to access
- Promote economic growth and innovation

Ongoing vs. One-Time Costs:

A total of \$2.4 million in costs are one-time for FY 2010. The remaining costs are ongoing.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

Attachment 1– Examples of Digital Library Resources

Six Core Academic Areas for Journals:

- Allied Health
- Science, Engineering, Technology
- Information Technology
- Business
- Social Science
- Arts, Humanities

Books 24/7 (Information Technology): Search over 6,000 full-text e-books and journals covering a wide range of technology topics including business and culture, certification, databases, desktop and office applications, enterprise computing, graphic design, hardware, networks and protocols, operating systems, programming, and Web development. The current price for a large volume (at least 100,000 annual FTE students) annual license is \$1.25 per FTE.

Examples of e-books available:

- Network Administrator Street Smarts: A Real World Guide to CompTIA Network+ Skills by Toby Skandier, Sybex, © 2006
- Introduction to Game Programming with C++ by Alan Thorn, Wordware Publishing, © 2007
- Verification, Validation and Testing in Software Engineering, IGI Publishing, © 2006

Business Source Premier: Full-text of scholarly articles from over 2,300 business, marketing, management, accounting and economics journals as far back as 1965 with searchable references back to 1998. Examples of journals in Business Source Premier include:

- Accounting & Business Research
- Construction Management & Economics
- Hotel & Motel Management
- Journal of Applied Finance

Additional full-text, non-journal content includes market research reports, industry reports, country reports, company profiles, and SWOT analyses.

Nursing and Other Allied Health Literature (there are several vendors with the same journals used in hospitals and other healthcare settings): Full-text of scholarly articles from 500 or more professional journals in nursing and other allied health disciplines with back files for one or two decades. Examples of journals included:

- Child & Family Social Work
- Journal of Clinical Nursing
- Journal of Speech, Language, and Hearing Research
- Psychology, Health & Medicine

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

Most also offer selected healthcare books, nursing dissertations, and standards of practice.

Attachment 2: Teaching and Learning Tools and Support

Information Technology (IT) Addendum

(Complete one IT Addendum for each decision package. See Section 12.2 of the 2009-11 Operating Budget Instructions, Part 2 for more guidance.)

I. Complete questions 1 through 9 for every IT-related Decision Package:

- 1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):**

Teaching and Learning Suite (tools and support):

(1) Funds will purchase a complete suite of commodity, web based teaching and learning tools and support services for all 34 community and technical, students, staff and the State Board increasing educational capacity and effectiveness with shared resources.

(2) Enables increased faculty use, more online courses and degrees, and more learning opportunities for Washington citizens.

(3) 24/7 support results in greater retention of students in online and hybrid courses.

- 2. Is the project or commodity investment in the agency's IT Portfolio: Yes No**

- 3. What is the oversight level for this project or commodity investment? Attach copy of completed severity/risk matrix located at <http://isb.wa.gov/policies/portfolio/severityandriskmatrix.doc>.**

Oversight Level 1

(Severity and Risk Level assessments should be completed with your [DIS Senior Technology Management Consultant](#). The consultant list can be found at <http://isb.wa.gov/policies/consultantlist.aspx>

- 4. What common services will be utilized for this project or commodity investment? The list of common services is available at <http://techmall.dis.wa.gov/>.**

None

- 5. Is a 903 consultation e-mail confirmation for this project or commodity investment attached to the decision package? Yes No (This is required.)**

Scheduled

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

6. Provide the IT costs and breakdown of all FTEs required to implement this project or commodity investment (do not include ongoing maintenance costs). If IT costs exceed two years, please extend the list accordingly:

IT-related Cost Breakdown (implementation)				
	Year 1 FY2010	Year 2 FY2011	Add additional years as needed	Totals
IT and Non-IT FTEs	9.5 FTE	10.5 FTE		
FTE costs (Salary, Benefits, Travel)	\$794,710	\$894,710		
Personal Services Contracts	\$18,000	\$18,000		
<ul style="list-style-type: none"> ▪ Contract online training Software Maintenance	\$700,000	\$700,000		
<ul style="list-style-type: none"> ▪ Course Management System software and ASP hosting Software Maintenance	\$300,000	\$600,000		
<ul style="list-style-type: none"> ▪ Commodity Teaching & Learning Software and ASP Hosting (adding two tools in FY10 and two more in FY11) 24/7 Help Desk Support on all teaching and learning software	\$300,000	\$500,000		
WashingtonOnline housing at Spokane Community College	\$24,000	\$24,000		
WashingtonOnline accounting at Pierce College	\$12,000	\$12,000		
Misc (memberships, subscriptions, conferences)	\$12,225	\$12,225		
Annual Total	\$2,160,935	\$2,760,935		\$4,921,870

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

7. Provide the IT costs and IT FTE breakdown for *ongoing* maintenance and support of this project or commodity investment (these costs should not include implementation costs listed in the table above):

Cost Breakdown (maintenance)						
	Year 1 FY2010	Year 2 FY2011	Year 3 FY2012	Year 4 FY2013	Year 5 FY2014	Totals
IT and Non-IT FTEs			10.5 FTE	10.5 FTE	10.5 FTE	
FTE costs (Salary, Benefits, Travel)			\$894,710	\$894,710	\$894,710	
Software Maintenance			\$700,000	\$700,000	\$700,000	
▪ Course Management System software and ASP hosting						
Software Maintenance			\$600,000	\$600,000	\$600,000	
▪ Four additional commodity Teaching & Learning Software and ASP Hosting						
24/7 Help Desk Support on all teaching and learning software			\$500,000	\$500,000	\$500,000	
WashingtonOnline housing at Spokane Community College			\$24,000	\$24,000	\$24,000	
WashingtonOnline accounting at Pierce College			\$12,000	\$12,000	\$12,000	
Misc (memberships, subscriptions, conferences)			\$12,225	\$12,225	\$12,225	
Annual Total			\$2,742,935	\$2,742,935	\$2,742,935	

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.

9. Is this investment an e-commerce investment? Yes No
If yes, a copy of the approved Economic Feasibility Study must be attached to the decision package.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project? New Continuation
11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees , hire new staff, or contract with vendor):
12. Describe your project management approach.
13. Provide the estimated project duration and estimated start date.
14. Where will the system be hosted?

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

Attachment 3: Library Resources IT Addendum
Information Technology (IT) Addendum

(Complete one IT Addendum for each decision package. See Section 12.2 of the 2009-11 Operating Budget Instructions, Part 2 for more guidance.)

I. Complete questions 1 through 9 for every IT-related Decision Package:

- 1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):**

Library Resources. Create a rich, easily accessible online library system that includes both global and local learning resources and tutorials on how to use them. Buy statewide licenses for online journals and library reference services rather than individual licenses at each college. Provide a common, robust integrated library operating system through which students can find and check out books and other library resources from libraries across the state and the world. This library system will support seamless sharing of book collections, document delivery and information literacy instruction across the community and technical colleges and with the university system.

- 2. Is the project or commodity investment in the agency's IT Portfolio:** Yes No

- 3. What is the oversight level for this project or commodity investment? Attach copy of completed severity/risk matrix located at <http://isb.wa.gov/policies/portfolio/severityandriskmatrix.doc>.**

Oversight Level 1

(Severity and Risk Level assessments should be completed with your [DIS Senior Technology Management Consultant](#). The consultant list can be found at <http://isb.wa.gov/policies/consultantlist.aspx>

- 4. What common services will be utilized for this project or commodity investment? The list of common services is available at <http://techmall.dis.wa.gov/>.**

None

- 5. Is a 903 consultation e-mail confirmation for this project or commodity investment attached to the decision package? Yes No (This is required.)**

Scheduled

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

6. Provide the IT costs and breakdown of all FTEs required to implement this project or commodity investment (do not include ongoing maintenance costs). If IT costs exceed two years, please extend the list accordingly:

IT-related Cost Breakdown (implementation)				
	Year 1 FY10	Year 2 FY11	Add additional years as needed	Totals
Non-IT FTEs Two System Librarians	2.0 FTE	2.0 FTE		
Software License <ul style="list-style-type: none"> ▪ Common, robust integrated automated library system designed to let students borrow books from any college or university library in Washington ▪ System librarians salaries and benefits included in this line 	\$4,020,000	\$2,680,000		
Statewide licenses for digital journals in Science Technology Engineering & Math (STEM), allied health, arts/humanities, social sciences, information technology and business	\$1,650,000	\$1,650,000		
Annual Total	\$5,670,000	\$4,330,000		\$10,000,000

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

7. Provide the IT costs and IT FTE breakdown for ongoing maintenance and support of this project or commodity investment (these costs should not include implementation costs listed in the table above):

Cost Breakdown (maintenance)				
	Year 3 FY12	Year 4 FY13	Year 5 FY14	Totals
Non-IT FTEs				
Two System Librarians	2.0 FTE	2.0 FTE	2.0 FTE	
Software License Purchase or Upgrades:				
<ul style="list-style-type: none"> ▪ Common, robust integrated automated library system designed to let students borrow books from any college or university library in Washington ▪ System librarians salaries and benefits included in this line 	\$2,680,000	\$2,680,000	\$2,680,000	
Statewide licenses for digital journals in Science Technology Engineering & Math (STEM), allied health, arts/humanities, social sciences, information technology and business.	\$1,650,000	\$1,650,000	\$1,650,000	
Annual Total	\$4,330,000	\$4,330,000	\$4,330,000	

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.

9. Is this investment an e-commerce investment? Yes No
If yes, a copy of the approved Economic Feasibility Study must be attached to the decision package.

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments

10. Is this a new project or a continuation of an existing project? New Continuation
11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees , hire new staff, or contract with vendor):
12. Describe your project management approach.
13. Provide the estimated project duration and estimated start date.
14. Where will the system be hosted?

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

**Attachment 4: Student Relationship Management
Information Technology (IT) Addendum**

(Complete one IT Addendum for each decision package. See Section 12.2 of the 2009-11 Operating Budget Instructions, Part 2 for more guidance.)

I. Complete questions 1 through 9 for every IT-related Decision Package:

- 1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):**

Student Relationship Management. Purchase a single statewide package of student relationship management software that tailors responses to student inquiries and helps college personnel systematically respond via e-mail, phone or in person. Train staff to use this system, and analyze the results to track improved student success.

- 2. Is the project or commodity investment in the agency's IT Portfolio:** Yes No

- 3. What is the oversight level for this project or commodity investment? Attach copy of completed severity/risk matrix located at <http://isb.wa.gov/policies/portfolio/severityandriskmatrix.doc>.**

Oversight Level 1

(Severity and Risk Level assessments should be completed with your [DIS Senior Technology Management Consultant](#). The consultant list can be found at <http://isb.wa.gov/policies/consultantlist.aspx>

- 4. What common services will be utilized for this project or commodity investment? The list of common services is available at <http://techmall.dis.wa.gov/>**

None

- 5. Is a 903 consultation e-mail confirmation for this project or commodity investment attached to the decision package?** Yes No (This is required.)

Scheduled

- 6. Provide the IT costs and breakdown of all FTEs required to implement this project or commodity investment (do not include ongoing maintenance costs). If IT costs exceed two years, please extend the list accordingly:**

IT-related Cost Breakdown (implementation)				
	Year 1 FY10	Year 2 FY11	Add additional years as needed	Totals
Software License	\$450,000	\$450,000		

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

IT-related Cost Breakdown (implementation)				
	Year 1 FY10	Year 2 FY11	Add additional years as needed	Totals
Annual Total	\$450,000	\$450,000		\$900,000

7. Provide the IT costs and IT FTE breakdown for *ongoing* maintenance and support of this project or commodity investment (these costs should not include implementation costs listed in the table above):

Cost Breakdown (maintenance)						
	Year 1 FY10	Year 2 FY11	Year 3 FY12	Year 4 FY13	Year 5 FY14	Totals
Software License			\$450,000	\$450,000	\$450,000	
Annual Total			\$450,000	\$450,000	\$450,000	

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.

9. Is this investment an e-commerce investment? Yes No
If yes, a copy of the approved Economic Feasibility Study must be attached to the decision package.

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project? New Continuation
11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees, hire new staff, or contract with vendor):
12. Describe your project management approach.
13. Provide the estimated project duration and estimated start date.
14. Where will the system be hosted?

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

**Attachment 5: Online Searchable Catalog and Quarterly Schedule
Information Technology (IT) Addendum**

(Complete one IT Addendum for each decision package. See Section 12.2 of the 2009-11 Operating Budget Instructions, Part 2 for more guidance.)

I. Complete questions 1 through 9 for every IT-related Decision Package:

- 1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):**

Course Catalogue. Create a statewide, online, searchable course catalogue and quarterly schedule so students can plan their academic futures and colleges can make in-demand courses available.

- 2. Is the project or commodity investment in the agency's IT Portfolio:** Yes No

- 3. What is the oversight level for this project or commodity investment? Attach copy of completed severity/risk matrix located at <http://isb.wa.gov/policies/portfolio/severityandriskmatrix.doc>.**

Oversight Level 1

(Severity and Risk Level assessments should be completed with your [DIS Senior Technology Management Consultant](#). The consultant list can be found at <http://isb.wa.gov/policies/consultantlist.aspx>

- 4. What common services will be utilized for this project or commodity investment? The list of common services is available at <http://techmall.dis.wa.gov/>.**

- 5. Is a 903 consultation e-mail confirmation for this project or commodity investment attached to the decision package?** Yes No (This is required.)

Scheduled

- 6. Provide the IT costs and breakdown of all FTEs required to implement this project or commodity investment (do not include ongoing maintenance costs). If IT costs exceed two years, please extend the list accordingly:**

IT-related Cost Breakdown (implementation)				
	Year 1 FY10	Year 2 FY11	Add additional years as needed	Totals
IT FTEs	.5 FTE	.5 FTE		
IT FTE costs (Salary and Benefits)	\$50,000	\$50,000		\$100,000
Annual Total	\$50,000	\$50,000		\$100,000

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

7. Provide the IT costs and IT FTE breakdown for ongoing maintenance and support of this project or commodity investment (these costs should not include implementation costs listed in the table above):

Cost Breakdown (maintenance)						
	Year 1 FY10	Year 2 FY11	Year 3 FY12	Year 4 FY13	Year 5 FY14	Totals
IT FTEs			.5FTE \$50,000	.5FTE \$50,000	.5FTE \$50,000	
Annual Total			\$50,000	\$50,000	\$50,000	

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.

9. Is this investment an e-commerce investment? Yes No
If yes, a copy of the approved Economic Feasibility Study must be attached to the decision package.

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project? New Continuation
 11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees, hire new staff, or contract with vendor):
 12. Describe your project management approach.
 13. Provide the estimated project duration and estimated start date.
 14. Where will the system be hosted?

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

**Attachment 6: System Portal
Information Technology (IT) Addendum**

(Complete one IT Addendum for each decision package. See Section 12.2 of the 2009-11 Operating Budget Instructions, Part 2 for more guidance.)

I. Complete questions 1 through 9 for every IT-related Decision Package:

- 1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):**

The Portal project will create a deployment kit to assist a college to successfully establish the infrastructure needed to support a truly scalable portal solution. This platform will immediately make available a collaborative environment that will be used by students, faculty and staff. From this foundation a college can build a robust "electronic form" routing process utilizing electronic signatures and basic work flow processes. This would feed into a document management center that assists in grappling with electronic data retention issues as well as legal discovery orders.

- 2. Is the project or commodity investment in the agency's IT Portfolio:** Yes No

- 3. What is the oversight level for this project or commodity investment? Attach copy of completed severity/risk matrix located at <http://isb.wa.gov/policies/portfolio/severityandriskmatrix.doc>.**

Oversight level 1

(Severity and Risk Level assessments should be completed with your [DIS Senior Technology Management Consultant](#). The consultant list can be found at <http://isb.wa.gov/policies/consultantlist.aspx>

- 4. What common services will be utilized for this project or commodity investment? The list of common services is available at <http://techmall.dis.wa.gov/>.**

NONE

- 5. Is a 903 consultation e-mail confirmation for this project or commodity investment attached to the decision package?** Yes No (This is required.)

Scheduled

- 6. Provide the IT costs and breakdown of all FTEs required to implement this project or commodity investment (do not include ongoing maintenance costs). If IT costs exceed two years, please extend the list accordingly:**

IT-related Cost Breakdown (implementation)				
	Year 1 FY2010	Year 2 FY2011	Add additional years as needed	Totals
IT FTEs	2.0 FTE	2.0 FTE		
IT FTE costs (Salary and Benefits)	\$200,000	\$200,000		\$400,000

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

IT-related Cost Breakdown (implementation)				
	Year 1 FY2010	Year 2 FY2011	Add additional years as needed	Totals
Annual Total	\$200,000	\$200,000		\$400,000

7. Provide the IT costs and IT FTE breakdown for *ongoing* maintenance and support of this project or commodity investment (these costs should not include implementation costs listed in the table above):

Cost Breakdown (maintenance)						
	Year 1 FY2010	Year 2 FY2011	Year 3 FY2012	Year 4 FY2013	Year 5 FY2014	Totals
IT FTEs			2.0 FTE \$200,000	2.0 FTE \$200,000	2.0 FTE \$200,000	
Annual Total			\$200,000	\$200,000	\$200,000	

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.
9. Is this investment an e-commerce investment? Yes No
If yes, a copy of the approved Economic Feasibility Study must be attached to the decision package.

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project? New Continuation
11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees, hire new staff, or contract with vendor):
12. Describe your project management approach.
13. Provide the estimated project duration and estimated start date.
14. Where will the system be hosted?

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

**Attachment 7: Common Purchasing Software
Information Technology (IT) Addendum**

(Complete one IT Addendum for each decision package. See Section 12.2 of the 2009-11 Operating Budget Instructions, Part 2 for more guidance.)

I. Complete questions 1 through 9 for every IT-related Decision Package:

- 1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):**

A modern automated, integrated purchasing system that allows for integrated ordering, budget approval and encumbering, order placing, tracking, receipt and accounting. Funding will purchase a system license and .5 FTE support.

- 2. Is the project or commodity investment in the agency's IT Portfolio:** Yes No

- 3. What is the oversight level for this project or commodity investment? Attach copy of completed severity/risk matrix located at <http://isb.wa.gov/policies/portfolio/severityandriskmatrix.doc>.**

Oversight Level 3

(Severity and Risk Level assessments should be completed with your [DIS Senior Technology Management Consultant](#). The consultant list can be found at <http://isb.wa.gov/policies/consultantlist.aspx>

- 4. What common services will be utilized for this project or commodity investment? The list of common services is available at <http://techmall.dis.wa.gov/>.**

None

- 5. Is a 903 consultation e-mail confirmation for this project or commodity investment attached to the decision package? Yes No (This is required.)**

Scheduled

- 6. Provide the IT costs and breakdown of all FTEs required to implement this project or commodity investment (do not include ongoing maintenance costs). If IT costs exceed two years, please extend the list accordingly:**

IT-related Cost Breakdown (implementation)				
	Year 1 FY10	Year 2 FY11	Add additional years as needed	Totals
IT FTEs	.5 FTE	.5 FTE		
IT FTE costs (Salary and Benefits)	\$50,000	\$50,000		

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

IT-related Cost Breakdown (implementation)				
	Year 1 FY10	Year 2 FY11	Add additional years as needed	Totals
Software License	\$600,000	\$600,000		
Annual Total	\$650,000	\$650,000		\$1,300,000

7. Provide the IT costs and IT FTE breakdown for ongoing maintenance and support of this project or commodity investment (these costs should not include implementation costs listed in the table above):

Cost Breakdown (maintenance)				
	Year 3 FY12	Year 4 FY13	Year 5 FY14	Totals
IT FTEs	.5 FTE	.5 FTE	.5 FTE	
IT FTE costs (Salary and Benefits)	\$50,000	\$50,000	\$50,000	
Software License	\$600,000	\$600,000	\$600,000	
Annual Total	\$650,000	\$650,000	\$650,000	

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.

9. Is this investment an e-commerce investment? Yes No
If yes, a copy of the approved Economic Feasibility Study must be attached to the decision package.

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project? New Continuation
11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees, hire new staff, or contract with vendor):
12. Describe your project management approach.
13. Provide the estimated project duration and estimated start date.
14. Where will the system be hosted?

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

**Attachment 8: Common Time and Attendance IT Addendum
Information Technology (IT) Addendum**

(Complete one IT Addendum for each decision package. See Section 12.2 of the 2009-11 Operating Budget Instructions, Part 2 for more guidance.)

I. Complete questions 1 through 9 for every IT-related Decision Package:

1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):

Common Time and Attendance: An online time and attendance reporting system will allow for the electronic collection of hours worked, leave taken and related approvals. Funds will purchase a system license and .5 FTE support.

2. Is the project or commodity investment in the agency's IT Portfolio: Yes No

3. What is the oversight level for this project or commodity investment? Attach copy of completed severity/risk matrix located at <http://isb.wa.gov/policies/portfolio/severityandriskmatrix.doc>.

Oversight Level 1

(Severity and Risk Level assessments should be completed with your [DIS Senior Technology Management Consultant](#). The consultant list can be found at <http://isb.wa.gov/policies/consultantlist.aspx>

4. What common services will be utilized for this project or commodity investment? The list of common services is available at <http://techmall.dis.wa.gov/>.

None

5. Is a 903 consultation e-mail confirmation for this project or commodity investment attached to the decision package? Yes No (This is required.)

Scheduled

6. Provide the IT costs and breakdown of all FTEs required to implement this project or commodity investment (do not include ongoing maintenance costs). If IT costs exceed two years, please extend the list accordingly:

IT-related Cost Breakdown (implementation)				
	Year 1 FY2010	Year 2 FY2011	Add additional years as needed	Totals
IT FTE	.5 FTE	.5 FTE		
FTE costs (Salary, Benefits, Travel)	\$50,000	\$50,000		
Software License	\$150,000	\$150,000		

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

IT-related Cost Breakdown (implementation)				
	Year 1 FY2010	Year 2 FY2011	Add additional years as needed	Totals
Annual Total	\$200,000	\$200,000		\$400,000

7. Provide the IT costs and IT FTE breakdown for ongoing maintenance and support of this project or commodity investment (these costs should not include implementation costs listed in the table above):

Cost Breakdown (maintenance)						
	Year 1 FY2010	Year 2 FY2011	Year 3 FY2012	Year 4 FY2013	Year 5 FY2014	Totals
IT FTE			.5 FTE	.5 FTE	.5 FTE	
FTE costs (Salary, Benefits, Travel)			\$50,000	\$50,000	\$50,000	
Software License			\$150,000	\$150,000	\$150,000	
Annual Total			\$200,000	\$200,000	\$200,000	

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.

9. Is this investment an e-commerce investment? Yes No
If yes, a copy of the approved Economic Feasibility Study must be attached to the decision package.

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project? New Continuation
11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees, hire new staff, or contract with vendor):
12. Describe your project management approach.
13. Provide the estimated project duration and estimated start date.
14. Where will the system be hosted?

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

**Attachment 9: Electronic Funds Dispersal
Information Technology (IT) Addendum**

(Complete one IT Addendum for each decision package. See Section 12.2 of the 2009-11 Operating Budget Instructions, Part 2 for more guidance.)

I. Complete questions 1 through 9 for every IT-related Decision Package:

- 1. Provide a brief description of the Information Technology (IT) components of this decision package (e.g., the project or commodity investment):**

Electronic Deposit. Purchase software that allows electronic deposit of financial aid checks to students' bank accounts and allows student online tracking and management of financial aid and scholarships.

- 2. Is the project or commodity investment in the agency's IT Portfolio:** Yes No

- 3. What is the oversight level for this project or commodity investment? Attach copy of completed severity/risk matrix located at <http://isb.wa.gov/policies/portfolio/severityandriskmatrix.doc>.**

Oversight Level 1

(Severity and Risk Level assessments should be completed with your [DIS Senior Technology Management Consultant](#). The consultant list can be found at <http://isb.wa.gov/policies/consultantlist.aspx>

- 4. What common services will be utilized for this project or commodity investment? The list of common services is available at <http://techmall.dis.wa.gov/>.**

None

- 5. Is a 903 consultation e-mail confirmation for this project or commodity investment attached to the decision package? Yes No (This is required.)**

Scheduled

- 6. Provide the IT costs and breakdown of all FTEs required to implement this project or commodity investment (do not include ongoing maintenance costs). If IT costs exceed two years, please extend the list accordingly:**

IT-related Cost Breakdown (implementation)				
	Year 1 FY10	Year 2 FY11	Add additional years as needed	Totals
Software License	\$250,000	\$250,000		
Annual Total	\$250,000	\$250,000		\$500,000

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

7. Provide the IT costs and IT FTE breakdown for *ongoing* maintenance and support of this project or commodity investment (these costs should not include implementation costs listed in the table above):

Cost Breakdown (maintenance)						
	Year 1 FY10	Year 2 FY11	Year 3 FY12	Year 4 FY13	Year 5 FY14	Totals
Software License			\$250,000	\$250,000	\$250,000	
Annual Total			\$250,000	\$250,000	\$250,000	

8. Was a quote provided to you for this project or commodity investment? Yes No
If yes, who provided the quote and when? Please attach a copy of the quote.
9. Is this investment an e-commerce investment? Yes No
If yes, a copy of the approved Economic Feasibility Study must be attached to the decision package.

II. Continue completing questions 10 through 14 if the IT request pertains to a project (versus a commodity investment):

10. Is this a new project or a continuation of an existing project? New Continuation
11. Describe how the Project Manager and Quality Assurance will be acquired (i.e., existing state employees, hire new staff, or contract with vendor):
12. Describe your project management approach.
13. Provide the estimated project duration and estimated start date.
14. Where will the system be hosted?

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
21st Century Learning Environments**

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Recruit and Retain the Best People

Brief Description:

The State Board recently concluded a constituent-based task force to address difficulties in recruiting and retaining faculty and administrative staff. Among its findings: (1) faculty and staff salaries across Washington’s community and technical colleges are consistently lower than peer states average (faculty salaries are 12.7 percent lower and administrative staff salaries are 14.2 percent lower); and (2) salary level is often cited as the reason for job offer rejections and for resignations. The State Board requests additional funding to improve faculty and administrative staff recruitment and retention, consistent with the findings of the Compensation Task Force. Funding will be used to address current deficiencies in compensation by adjusting faculty and administrative staff salaries to the Global Challenge States’ average over 3 biennia, providing faculty salary increments, targeting salary increases for part-time faculty, converting 102 faculty positions from part-time to full-time, and addressing salary compression and inversion by aligning administrative cost-of-living increases with the I-732 rate.

Requested Funding by Fiscal Year			
<u>Item</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
Faculty Peer Adjustment	\$9,800,000	\$20,100,000	\$29,900,000
Faculty Increments	\$3,600,000	\$7,400,000	\$11,000,000
<u>Part-Time Faculty Salary Equity</u>	<u>\$7,500,000</u>	<u>\$15,000,000</u>	<u>\$22,500,000</u>
<i>Sub-Total Faculty Salaries</i>	<i>\$20,900,000</i>	<i>\$42,500,000</i>	<i>\$63,400,000</i>
Part-Time Faculty Conversions	\$2,550,000	\$2,550,000	\$5,100,000
<u>Administrative Staff Salaries</u>	<u>\$13,000,000</u>	<u>\$23,300,000</u>	<u>\$36,300,000</u>
TOTAL	\$33,900,000	\$65,800,000	\$99,700,000

Support for Request:

Salary level is often cited as the reason for job offer rejections and for resignations. Teaching students and operating a college campus are labor intensive activities, as salaries and benefits approximate 82 percent of a college's state funded operating expenditures. Increasingly, colleges find it difficult to attract and retain the talent needed to create and maintain learning environments conducive to promoting student achievement.

Following the 2007 legislative session, the State Board established a constituent-based task force to address difficulties in recruiting and retaining faculty and administrative staff. The group was tasked with developing objective information and making recommendations to address full- and part-time faculty and exempt staff compensation funding, market competitiveness, and flexibility to meet the particular needs of colleges. Membership included state board members, trustees, presidents, labor representatives (including full-time and part-time faculty from both WEA and AFT-Washington), and state board staff.

After nine months of work, the task force reached consensus that current compensation rates prevent the community and technical colleges from offering competitive salaries and impede their recruiting and retention efforts. Included among its findings:

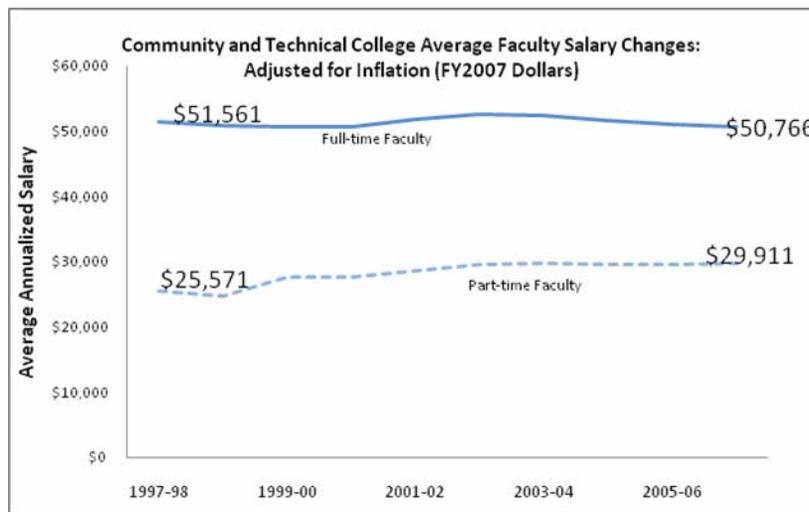
Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Recruit and Retain the Best People

- Average faculty and administrative staff salaries across Washington’s community and technical colleges are consistently lower than peer states averages.
- When job candidates decline initial offers it is most often due to salary. When colleges suspend searches, it is most often due to an inadequate candidate pool.
- The turnover rate is 6.8 percent among full-time faculty, 12.4 percent among administrative staff, and significantly higher for part-time faculty.
- The problems of recruitment and retention will likely worsen as colleges compete with public and private sector employees to replace the wave of "baby boomer" retirements.
- Colleges’ ability to compete is further complicated by inadequate funding, regulations, and current salary structures.

The State Board requests additional funding to increase faculty and administrative staff compensation rates, consistent with the recommendations from the task force. This funding will reduce turnover and improve retention. This will allow for a more stable cohort of faculty and staff, improving the colleges’ intuitional memories, quality levels, and response to student needs.

Faculty Salaries \$63.4 Million

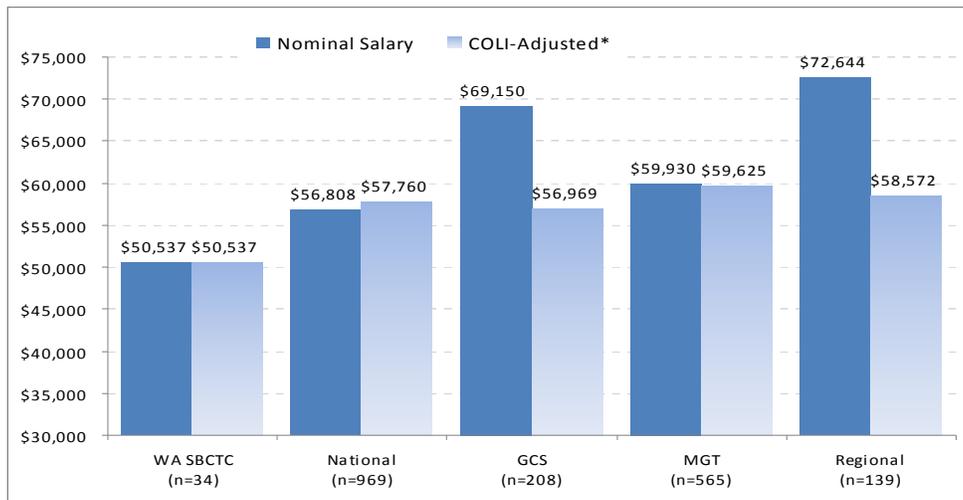
Faculty salary levels are stagnant and not competitive in the job market. In terms of constant dollars, the average full-time faculty salary declined over the past 10 years, from \$51,561 to \$50,766. A part-time instructor teaching full-time would earn, on average, \$29,216 or 59 percent of the amount paid to full-time faculty.



Source: SBCTC Data

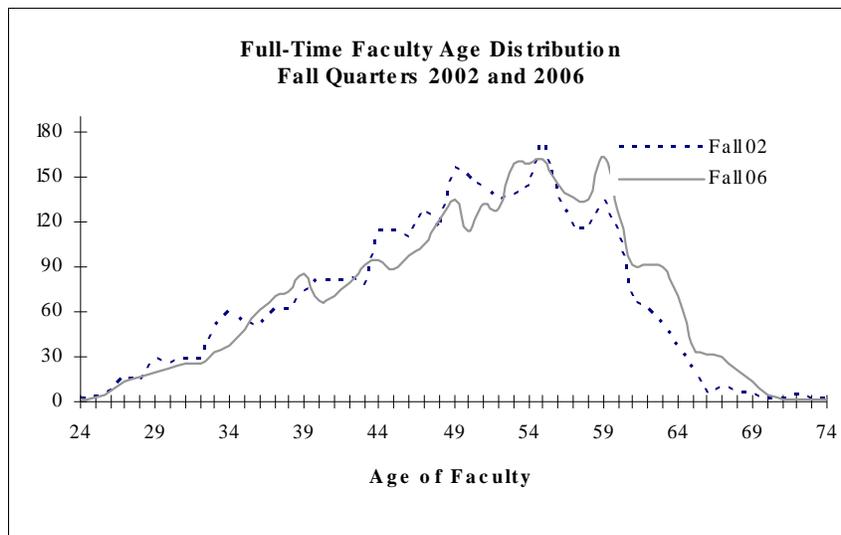
Recent data from the SBCTC Compensation Study Task Force found faculty salaries, adjusted for regional cost differences, were lower than the national and regional average. When compared with other Global Challenge States (GCS), comparison states selected by the Governor and Legislature, Washington state average faculty salaries were 12.7 percent below the GCS average.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Recruit and Retain the Best People**



Source: Comparison of 9-Month Equivalent Average Faculty Salary Levels by Peer Group, Nominal and COLI (Cost of Living Indices)-Adjusted*, Weighted Average by Number of Faculty, 2006-07, IPEDS Data.

The anticipated wave of baby boomer retirements brings additional pressure (54 percent of faculty are age 50 or older; 21 percent are age 60 and over). Low, non-competitive salary levels risk the continuity and viability of some program areas (i.e., high demand areas like health care) in which the colleges must compete with private sector employers for the same talent. Retirements are the number one reason for faculty job openings at the colleges.



Source: SBCTC Fall Quarter Report, 2006

Traditional faculty salary increases come to the colleges via:

- COLA increases, as required by I-732, based on the King County CPI. The legislature suspended the I-732 COLA increase during the 2003 – 2005 biennium.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Recruit and Retain the Best People

- Increment or step increases funded by the legislature in the operating budget bill. Increments, an important incentive for keeping faculty current in their fields and teaching skills, have been inconsistently funded.
- Salary increases targeting part-time faculty. While the legislature has provided the funds that have improved part-time instructor salaries, part-time faculty are still paid less than full-time faculty, even after adjusting for the additional full-time faculty responsibilities.

The State Board requests the following to improve colleges' recruiting and retention of talented and diverse faculty:

- Start adjusting faculty salary levels to their GCS peer average. Provide \$29.9 million for faculty annual salary "catch-up" increases by adding a 2.12 percent annual premium to the I-732 COLA amount for the next six years.
- Commit to a policy of consistent increment funding. Provide \$11 million to fully fund increments and recognize the investment full-and part-time instructors have made in themselves and our institutions.
- Commit to paying part-time instructors equal pay for equal work. \$22.5 million biennial installments designed to pay part-time faculty the same as full-time faculty for their teaching responsibilities.

Part-Time Faculty Conversion \$5.1 Million

The ratio of full- to part-time faculty is an issue in Washington State and nationally; the result of colleges and universities absorbing a greater number of students along with declining public financial support. Colleges also rely on part-time faculty to provide the flexibility needed to offer classes when and where students need them, allowing the colleges to quickly engage shifts in student, community, and business needs. According to several research studies, the quality of part-time faculty classroom instruction is equal to that provided by full-time faculty. However, there are growing concerns that the limited availability of part-time instructors *outside* of the classroom, to advise students, respond to questions, etc. affects student success.

In the fall of 2006, 55.5 percent of the state supported instruction was completed by full-time faculty, while 44.5 percent was provided by part-time faculty. Five years ago, in fall 2002, full-time faculty taught 56.4 percent of the state supported instruction. In a study completed in 2000, the two-year colleges stated they would add 360 full-time faculty through conversion of part-time positions, if funding was provided.

The State Board requests \$5.1 million to convert 102 faculty positions from part-time to full-time. The funding would provide 3 conversions per college in the first year of the biennium, increasing the percentage of courses taught by full-time faculty from 56 to 57 percent. This is part of a 5 biennia goal to convert 360 faculty positions from part-time to full-time. Most of these conversions will be in the basic skills, humanities (English) and mathematics discipline areas. Increasing student access to teachers will help increase the level of educational attainment for underrepresented and underserved students.

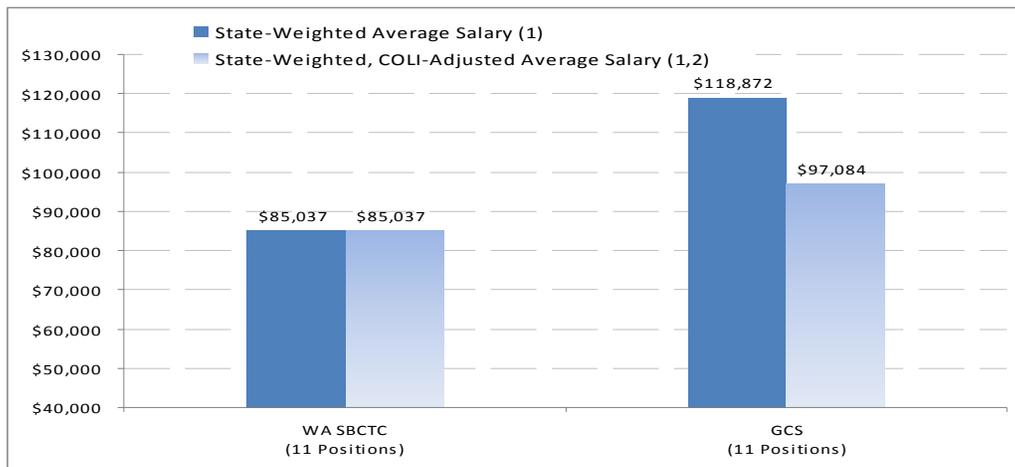
Administrative Staff Salaries \$36.3 Million

College administrative staff establish the environments that allow great faculty and students to thrive. They are responsible and accountable for scheduling courses that meet student and community needs, making decisions that provide a secure and healthy environment for learning, ensuring funding is expended consistent with state

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Recruit and Retain the Best People

law, and providing the support services for student achievement. While administrative staff leadership is essential to the success of an institution and students, a combination of issues constrain or diminish a college's ability to recruit and retain talented, experienced employees. Also, with 54 percent of administrative staff being age 50 or older (17 percent age 60 or older), it's anticipated that colleges will find it increasingly difficult to compete for talent.

Recent data from the SBCTC Compensation Study Task Force found administrative staff salaries, once adjusted for regional cost differences, were lower than the national and regional average. Washington state average administrative salaries were 14.2 percent below the GCS average.

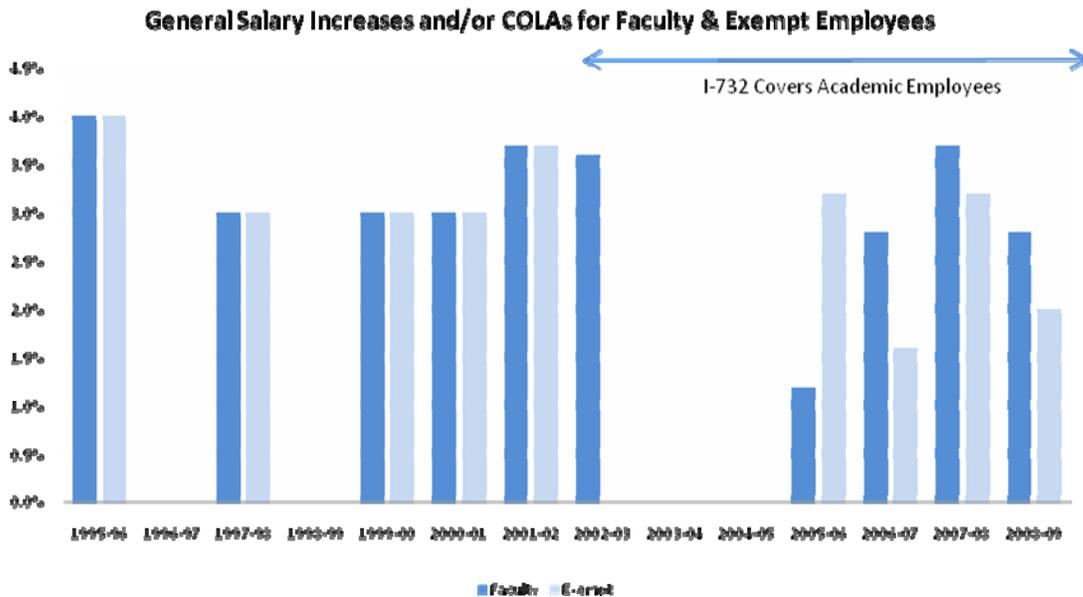


Source: CUPA-HR 2007-08 Administrative Compensation Survey

Administrative staff salaries are initially established through a combination of alignment salaries to similar positions within the college and market influences. However, once a salary is set, salary increases are limited to those provided by the legislature and those that occur through promotions. This creates the following problems for retention:

- The legislature has aligned administrative staff increases with those resulting from statewide classified employee collective bargaining. This has created salary compression and inversion issues – as employees covered by I-732 historically receive larger COLAs. As shown in the following graph prior to FY 2002, faculty and administrative staff COLAs were aligned. Since 2003, this difference has resulted in I-732 covered employees receiving 7.4 percent greater cost of living salary adjustments than their supervisors and managers. For example, for FY 2009, the legislature provided faculty with a 4.4 percent increase, but administrative staff with a 2.0 percent increase. While this difference affects all administrative staff, it impacts mid-managers the hardest and makes it difficult to recruit leaders from the faculty ranks.

**Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Recruit and Retain the Best People**



- Newly hired administrative staff, paid a salary affected by current market rates, are paid more than administrative staff with similar responsibilities who have not changed positions. The lack of an increment for administrators prevents stability. It encourages administrators to apply and accept transfer opportunities at other institutions, while working in positions similar to their current job to earn a higher, market influenced rate. This is inefficient and disruptive to college operations.

The State Board requests the following actions to improve administrative staff quality:

- Create financial incentives for stable employees. Provide colleges with the policy authority to manage administrative staff salaries.
- Address compression and inversion. Align administrative staff salary increase authority and funding with I-732 increases, for a total of \$22.6 million.
- Start adjusting administrative staff salary levels to their Global Challenge States peer average. Provide \$13.7 million administrative salary “catch-up” increases by adding a 2.37 percent annual premium to the I-732 COLA amount for the next six years.

Strategic Goals:

This package will help the State Board meet the following strategic goals:

- Bring underserved and underprepared Washington citizens into the economic mainstream
- Strengthen the core operations of the Community and Technical College System

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Provide convenient and efficient post-secondary education

This package supports the following priorities of Washington Learns:

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Recruit and Retain the Best People

- Commit the necessary human and financial resources

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Provide funding levels to ensure superior quality in Washington's higher education enterprises

Ongoing vs. One-Time Costs:

The costs are all ongoing.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Staff Development

Brief Description:

Higher education faces two significant instructional challenges: adequately addressing student diversity and adapting instructional styles to recent explosions in technology. Currently, classroom instruction is ill-equipped at handling both and improved professional development is needed. The State Board requests \$3 million to establish an integrated and collaborative state-wide system of faculty and staff development programs. Led by college faculty and staff and coordinated by the SBCTC, the development system will be focused on cultural competency and technology literacy skill enhancement. The system will be based upon proven principles that seek to expand expertise sharing across disciplines, colleges, and positions, use best practices for meeting student learning needs, provide opportunities for faculty to identify changes needed in instructional practice and pedagogy, and investigate new areas of teaching, learning, and service delivery.

Requested Funding by Fiscal Year

<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,500,000	\$1,500,000	\$3,000,000

Support for Request:

Higher education faces two significant instructional challenges:

- First, changing student demographics require the colleges to adequately address student diversity and cultural differences in the classroom.
- Second, instructional methods have not kept pace with recent explosions in technology, and the corresponding shift in student learning styles.

Faculty and staff professional development must be retooled to address both of these problems so that college instruction fully addresses students' modern needs.

Professional development across the colleges is sporadic and inconsistent, as it is currently handled individually at each college and based upon available funds. The State Board seeks funding to provide comprehensive education and training for faculty and staff across the community and technical colleges. This will equip them with the knowledge, skills, and abilities to respond to a widening variety of student needs and advance student achievement. Particular attention will be paid to improving faculty and staff skills in addressing the following range of student characteristics: learning style, literacy, disability, lifestyle, digital usage, ethnicity, age, gender, and sexual orientation.

Specific outcomes related to this statewide development system include, but are not limited, to:

- Culturally competent staff members delivering comprehensive services to diverse student populations.
- Staff members delivering comprehensive services using a variety of technology tools.
- Culturally competent faculty members delivering culturally rich curriculum across disciplines.
- Technology literate faculty members using a variety of technology tools to increase educational access and enhance teaching and learning across disciplines.
- The development of shared learning resources that are portable and scalable.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Staff Development

- The creation of a critical framework for collaboration among faculty and staff across Washington community and technical colleges and within and across academic disciplines.
- The development of a diverse network of faculty and staff experts willing and able to support others across the system as they address current issues around teaching, learning, instructional technologies, and student services delivery. (Note: The term faculty includes transfer, workforce, adult basic education, corrections, adjunct, and full-time faculty, as well as other staff who teach students.)

The \$3 million will specifically purchase:

College Leadership Teams

A cadre of faculty and staff representing each college will be trained in providing college-level leadership for the coordinated faculty and staff development system. The leadership team will be responsible for establishing training needs, outcomes, and implementation strategies. The leadership team members will also act as faculty/staff development liaisons with their campus and coordinate faculty/staff learning communities. This will cost \$1,405,000 for the biennium.

System Wide Learning Communities

The State Board will support 20 faculty and staff learning communities across the state. The communities will provide speakers, materials, training aids, curriculum development, meeting spaces, and webinars. This will cost \$1.4 million for the biennium, with each learning community receiving \$70,000.

State Board Coordination

The State Board will staff and coordinate the initiative at a cost of \$195,000 for the biennium.

Expected Outcomes:

1,500 Student Achievement points from improved ability by faculty and staff to advance students toward: (1) college-level skills; (2) the educational tipping point of 45 credits, a credential, and beyond; (3) completing college level math; and (4) earning certificates and degrees.

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Provide convenient and efficient post-secondary education
- Increase access to high-quality post-secondary education programs

This package supports the following Washington Learns Priorities:

- Tailoring Education to Fit the Needs of Individual Students
- Give high school and college students the information they need to make informed decisions

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Create a system of support for lifelong learning

Ongoing vs. One-Time Costs:

These costs are all ongoing.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Campus Security

Brief Description:

In the 2008 legislative session, the legislature passed Governor requested legislation requiring assessments of the colleges' ability to protect students, faculty and staff and to disseminate information in the event of an emergency. Preliminary results of these assessments indicate the need for additional investments in communication and warning systems, additional incident response equipment, and planning and training to make our campuses safer. The 2008 supplemental budget included partial funding to map college campuses for emergency responders. The State Board requests \$3 million to complete the mapping of college campuses and to provide the resources to allow colleges to respond effectively and appropriately in the event of an emergency or incident, based on the outcome of the assessments.

Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
\$1,500,000	\$1,500,000	\$3,000,000

Support for Request:

Recent events in Virginia, Illinois and at the University of Washington have increased awareness of threats to community and technical colleges and the need to re-examine our readiness and capability to respond to emergencies. The Governor and legislature responded to this need in 2008 by enacting legislation (SSB 6328, Campus Safety and Security) that requires each higher education institution to assess its ability to ensure campus safety and to provide an appropriate level of mental health services. The assessments must include plans to address unmet safety needs. In addition, the legislation requires colleges to provide campus security plans to students, faculty and staff, that include descriptions of campus crime prevention programs and counseling services, as well as the college's security policies. Each institution must enter into memoranda of understanding with local emergency responders, and mutual aid agreements with local jurisdictions, regarding equipment and technology sharing during emergencies and incidents. Campus safety task forces must annually review campus safety plans and make suggestions for improvement.

In addition, the Governor and legislature enacted legislation in 2008 (2SHB 2507, Emergency Systems – Higher Education Institutions) directing the Washington State Patrol (WSP) and the Washington Association of Sheriffs and Police Chiefs (WASPC) to conduct an assessment to determine whether campus emergency and critical incident plans are up-to-date, comprehensive and regularly exercised. The assessment must also include an evaluation of campus emergency notification systems. The legislation includes the finding that “notifying college and university campus communities of an impending, ongoing, or diffused emergency situation is one of the most critical capabilities that a college or university must have.”

And finally, the 2008 supplemental capital budget bill provided \$1 million to the WASPC to include community and technical college campuses in the statewide first responder building mapping information system. As of September 2008, the mapping process is underway at 15 of colleges, with another four scheduled to begin in the next few months. To finish mapping the remaining two-year college campuses requires an additional \$750,000.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Campus Security

As a result of the enacted legislation, colleges are in the process of reviewing and updating campus safety and security plans using an “all risk” assessment strategy and identifying critical needs to enhance their ability to respond to emergencies. The State Board requests \$1.5 million per year in on-going funding to ensure that community and technical colleges are able to effectively respond to and build on the assessments and studies currently underway. Preliminary results of the assessments indicate the need for additional investments in communication and warning systems, additional incident response equipment, and planning and training to make our campuses safer.

Although all 34 community and technical colleges have comprehensive emergency plans complying with both National Incident Management System (NIMS) as well as Incident Command System (ICS) Framework, more work is needed to ensure that each campus community and the local responders are well trained to implement the plans in the event of an emergency or incident.

And finally, the requested funding will allow WASPC to complete the work of mapping community and technical college campuses for inclusion in the statewide first responder building information system.

Budget Priorities:

This package supports the following 2009-11 Priorities of Government:

- Provide convenient and efficient post-secondary education
- Increase emergency response readiness
- Increase citizen confidence of their safety within their communities

This package supports the following Washington Learns Priorities:

- Give high school and college students the information they need to make informed decisions

This package supports the following fiscal priorities of the Higher Education Coordinating Board:

- Provide funding levels to ensure superior quality in Washington’s higher education enterprises
- Make college affordable and easy to access

Ongoing vs. One-Time Costs:

All costs are ongoing.

Washington State Board for Community and Technical Colleges
2009-11 Operating Budget Policy Level Request
Yakima Valley Community College Collective Bargaining Placeholder

Brief Description:

This is a placeholder for appropriations that may be needed to implement the Chapter 41.80 RCW collective bargaining agreements for 2009-11 biennium that may be applicable to Yakima Valley Community College. OFM budget instructions the State Board to submit a decision package for Yakima Valley Community College, however, the agreements is not due to OFM until October 1, 2008, one month after the SBCTC budget request is due.

Requested Funding by Fiscal Year		
<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
To Be	To Be	To Be
Determined	Determined	Determined

Support for Request:

Under the Personal System Reform Act of 2002, RCW 41.80.010 (4), for the purposes of negotiating collective bargaining agreements, when the agency employer is an institution of higher education, the employer may be represented by their governing boards or the Governor or Governor's designee. Yakima Valley Community College elected to be represented by its Board of Trustees; the remaining community colleges are represented by the Governor's Labor Relations Office.

Under RCW 41.80.010(3), the collective bargaining agreement must be submitted to the Director of the Office of Financial Management by October 1st. Additionally, under RCW 41.80.010(4), if appropriations are necessary to implement the compensation and fringe benefits provisions of the bargaining agreements, the Governor shall submit a request for such funds to the Legislature.

OFM budget instructions require a decision package for each collective bargaining agreement not negotiated by the Labor Relations Office. This is a placeholder for the appropriations that may be needed to implement the Chapter 41.80 RCW collective bargaining agreement for Yakima Valley Community College for the 2009-11 biennium. The agreement is not due to OFM until October 1, 2008, one month after the SBCTC budget request is due.

**State of Washington
Decision Package**

Agency: 540 Employment Security Department
Decision Package Code/Title: PL-CA Integrated Job Search

Budget Period: 2009-2011

Budget Level: PL – Performance Level

Recommendation Summary Text:

This department requests resources to upgrade a system used by WorkSource system staff to assist job seekers to find work and employers to find workers. This is the first stage in a long term strategy to modernize and integrate existing labor exchange and case management systems.

Agency Total

	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
Operating Expenditures			
134-1 Employment Services Admin (CPP)	\$1,160,000	\$840,000	\$2,000,000

	<u>FY 2010</u>	<u>FY 2011</u>	<u>Annual Average</u>
Staffing			
FTEs	N/A	1.1	0.6

Package Description

What is the problem or opportunity the agency wants to address?

This project is the recommended alternative of the Integrating Job Search Data Systems Feasibility Study that was funded by the Legislature during the 2007 session for Integrate Data Systems for More Effective Job Matching. The department proposes to upgrade the core system, SKIES (*Service, Knowledge and Information Exchange System*), to a modern architecture and significantly reduce the time spent by WorkSource Specialists to record WorkFirst Comprehensive Evaluations, a determination if an employment pathway is appropriate.

Currently, department employees and their WorkSource partners help place unemployed and underemployed workers on an employment pathway with the ultimate objective to get a good job. This has social as well as economic benefits for the state of Washington.

Recent developments are converging which make it more difficult to maintain quality services to our clients.

- The federal government is reducing, and will continue to reduce, funding to support WorkSource operations. Shortfalls are expected to continue to grow in future biennia.
- Caseloads are expected to increase as the current recession takes hold, as department manages the federal emergency unemployment compensation program, and as additional populations are targeted by the Department of Social and Health Services for job placement.
- Case intensity, or case worker time per job seeker, is expected to increase as the division's new strategic direction to move from customer self service to more intensive direct, one-on-one service delivery is implemented.

Taken together, these three trends mean that the department will be **seeing more job seekers, spending more time with them** and **doing this with less staff**.

Compounding this problem, three of the five key systems that WorkSource Specialists use while working with job seekers are built on obsolete technology, which makes maintaining and enhancing the systems extremely difficult.

This decision package is the first phase of a long-term strategic plan to modernize these systems and at the same time reduce the amount of duplicate functionality and redundant data entry required to maintain information on jobs and job seekers.

Exactly how does the agency want to address this problem or opportunity?

Operational Background

The WorkSource system is a partnership of the Employment Security Department, local Workforce Development Councils (WDCs) and other service providers. In total, there are 2,100 users of these systems: 1,100 within the department, 500 from the Department of Social and Health Services and 500 from other partners including 12 local WDCs, community and technical colleges and local non-profit service providers.

The WorkSource system offers a wide range of job-related services for job seekers, including one-on-one skill and employability assessments, career counseling, free classes aimed at improving employability, active job-matching assistance and follow-through activities with job seekers. Special programs are available that offer extra assistance to people who have the hardest time finding employment, such as veterans, at-risk youths, offenders, welfare recipients and dislocated workers. The WorkSource system also provides services to employers seeking workers, including posting job listings, pre-screening job candidates, and providing qualified referrals for job interviews.

The department has made a number of improvements in administering and integrating its systems. However, due to the overall size and complexity of WorkSource systems, fully functioning integration is not cost effective. The Integrated Job Search Project will provide a cost-effective alternative to full integration that will meet the department's two major goals:

- Move toward an enterprise-oriented approach to technology so that, from the user's perspective, the automated business systems appear to be seamlessly integrated.
- Increase operating efficiencies and reduce unnecessary redundancies in data entry, storage and the hardware and software components.

Systems Background

WorkSource Specialists use 11 automated business systems in carrying out their duties. These 11 systems are described in *Appendix A*. Of these 11, five are core to the process of helping job seekers find jobs or conduct other services that would help them become more employable. These five systems are:

- **SKIES** – The key system used by WorkSource Specialists contains information on job seekers as well as employers and jobs and provides job matching.
- **Go2WorkSource.com** – The system targeted at the general public where employers and job seekers can post jobs or resumes and conduct job matches.
- **eJAS** – The Department of Social and Health Services system for tracking WorkFirst clients who are receiving job search related services.
- **CATS** – An extension to eJAS that includes additional job search-related information for WorkFirst clients.
- **JFS** – This system processes payments related to WorkFirst clients.

Overlap

These systems have a great deal of overlap; the same seeker or the same job will be in many different systems, causing extra work for WorkSource Specialists. This table summarizes the key functional overlaps between systems:

Function	Go2WorkSource	SKIES	CATS/eJAS/JFS
Employer Registration and Job Seeker Resumes	✓	✓	
Job postings	✓	✓	
Job Seeker Registration , Job Search, and Resumes	✓	✓	✓
Enrollment Information	✓	✓	✓
Job Matching	✓	✓	
Vouchers		✓	✓
Reporting	✓	✓	✓

Obsolescence

Four of the five core applications are built on obsolescent technology platforms. The two obsolete platforms are Oracle Forms and Mainframe/Adabase. Even though the technology is still supported by the vendors, it is difficult to find individuals with the appropriate skill sets. The hourly rates for these rare skills are high relative to state wages, which makes it hard to hire staff, forcing the use of highly paid contractors. Even at high rates, these contractors are very hard to find. The most serious constraint is that because of the terms of the Collective Bargaining Agreement, the department can no longer retain or hire such contractors.

This issue has become critical. There is a real risk is that it might not be possible to make required changes due to the difficulty of finding, training and retaining qualified Oracle Forms developers. When developers are available, changes to programs on these platforms take considerably longer than modern technologies

What will the package funding actually buy?

The department has a strategic long-term goal to combine all the redundant functions and provide users a seamless integrated system. The outline of this strategic plan is in *Appendix B*. One of the key features of this plan is to use modern technology to allow the migration to the new solution in a step by step fashion. This greatly reduces the risk and improves flexibility, allowing the department to respond to changing requirements much more rapidly.

The department had opted to start with a conversion of the SKIES system. This conversion will remove the risk of failure from lack of Oracle Forms resources and make the system more maintainable in a modern language.

The department will also, in this first phase, provide a needed integration of the Comprehensive Evaluation and related assessment functionality. Currently, in order to prepare WorkFirst clients for a job search, a WorkSource Specialist must enter the Comprehensive Evaluation into the CATS system and then re-enter redundant information into SKIES.

The resources outlined in this decision package will:

- Replace obsolete and hard to maintain technology with more modern technology, and reduce the number of different platforms and languages that must be supported.
- Improve productivity in the field by reducing duplicate data entry.

Department contact: Randi Warick
(360) 902-9423

Narrative Justification and Impact Statement

What desired results will be achieved?

Improved Productivity

The main improvement expected is improved productivity. In this first phase, productivity improvements will be in two main areas:

- **Reducing redundant data entry** – the redundant entry of Comprehensive Evaluation data adds approximately 15 minutes for every WorkFirst client. These time savings will allow staff to provide better service to job seekers.
- **Improving software maintenance productivity** – even among trained Oracle Forms developers, changes in the SKIES environment take 50% more staff time than similar changes in the modern (Microsoft .NET) environment. However, with the loss of key Oracle Forms developers we are expecting this difference to increase even more.

What undesired results will be reduced?

Catastrophic Failure of SKIES

There exists a real possibility that our few remaining Oracle Forms developers could leave because their unique skill sets may lead to offers of higher paying positions in other agencies or the private sector. An additional possibility is that even with a skeleton crew maintaining the system, the number of required changes from the federal government would overwhelm our ability to keep up, jeopardizing the program.

Uneconomic System Redevelopment

The department could easily be in a situation where the pain of continuing with the obsolete system would force a rushed implementation of a new system. These forced major systems projects are notoriously expensive and risky and should be avoided if at all possible.

Dependence on Multiple Skill Sets

Each technology platform requires staff that have highly specialized skill sets. This limits the ability to use staff flexibly and requires redundant staffing to ensure adequate backup coverage for each platform. Using one platform would simplify recruitment, reduce training costs and allow staff to be pooled for backup.

Will efficiency increase and if so, how?

Increase Face-to-Face Quality Time with Job Seekers

The department is significantly transforming its WorkSource Service Delivery Model. Job seekers with the skills and resources necessary will continue to use the Internet-based Go2WorkSource.com application for self-service assistance. Customers who are not “Internet savvy” will receive more intensive one-on-one interaction. The productivity savings described in this decision package will reduce use of redundant computer systems and free up staff time for increased personal interaction.

Will outputs change and if so, how?

These improvements are buying the time needed to execute plans already in place. Time saved from eliminating redundant data entry will be used to work more closely with job seekers. More personal interaction will improve the quality of job matches and help job seekers find stable employment. In the case of the development improvement, the increased productivity would allow the department to reduce the backlog of changes and program for new requirements.

What is the expected impact on clients, services provided, citizens or other agencies or governments?

The department expects the changes suggested in this decision package to have a very significant impact on current WorkSource Specialist staff:

- Improved work quality – staff can spend more of their time doing value-added work and eliminate duplicate data entry.
- The same staff can provide more services to more clients.

For the staff maintaining the SKIES systems, the department expects:

- Higher productivity, resulting in more system changes done in the same amount of time;
- Fewer technologies to support (*Oracle Forms technology and Oracle Database*);
- Much less effort to attract and retain staff to work with new technologies rather than outdated ones.

As described above, the department expects the quality and quantity of service to increase, which will have the positive effect of more people being helped and more people getting better jobs.

This decision package is not expected to have an impact (*positive or negative*) on other units of government.

The architecture being suggested here aligns with the state's initiatives for Enterprise Architecture, especially Service Oriented Architecture. This is the approach the Department of Information Services is currently promoting and to which the Department of Labor and Industries, the Department of Transportation, and the Office of Financial Management are all committed.

Performance Measure Detail

The average time for a WorkSource Specialist to enter a Comprehensive Evaluation for WorkFirst clients will be reduced from one hour to forty-five minutes which equates to a twenty-five percent reduction.”

Is this decision package essential to implement a strategy identified in the agency's strategic plan? If so, please describe.

The implementation of the Integrated Job Search Project will ensure that the department has the necessary tools to improve the department's activity *One-Stop WorkSource System*. This investment will contribute to the department's success in achieving its strategic goals, specifically supporting the following elements:

Strategic Goal 2-Contribute to an effective workforce system by strengthening state and community partnerships and delivering a prepared and stable work force.

Key Strategy

- Identify more of the people who are most likely to benefit from enhanced services by improving the WorkSource intake process

Strategic Goal 3-Support Washington's economy by providing excellent service and information to internal and external customers to assist in making data-driven decisions.

Key Strategy

- Maximize current resources to their fullest potential

Strategic Goal 4: Value, develop and support employees to increase effectiveness.

Key Strategy

- Maintain the capacity, security and availability of information technology systems to meet changing needs and requirements

Does this decision package provide essential support to one of the Governor's priorities? If so, please describe.

This decision package directly supports Governor Gregoire's priority for "Building Prosperity" in Washington State. This priority includes strategic investments in infrastructure. This decision package represents an investment that will result in strategic improvements to the technology infrastructure that supports the WorkSource Service Delivery System. The results of that investment will be more efficient and effective job placement services, which will benefit citizens and the private sector, and reduced costs for infrastructure support and maintenance.

This decision package also directly supports the Workforce Training and Education Coordinating Board's report to the Governor: Washington Works, Strengthening the Workforce for Washington's Future. The department's framework for the integration of the WorkSource Service Delivery System is based upon Washington Works. This decision package addresses Section 4, Strengthening the Local Workforce Partnership, specifically, subsection 4.4, Enhance management information system integration, which is quoted in part below.

"The management information system for WorkSource is the Services Knowledge and Information Exchange System or better known by the acronym SKIES. SKIES has helped to integrate ESD administered programs that are part of WorkSource, including WIA Title I, the Employment Service, Veterans, Trade Adjustment Assistance, and WorkFirst employment services. These programs use SKIES for reporting purposes. However, not all these and other programs available through WorkSource use SKIES for case-management purposes

Does this decision package make key contributions to statewide results? Would it rate as a high priority in the Priorities of Government process? If so, please describe.

This decision package contributes directly to the Priorities of Government (POG) statewide result area to improve economic vitality of business and individuals in the following three key result areas:

- Do people have jobs?
- Are individuals prosperous?
- Are businesses successful?

This decision package will contribute to economic vitality by improving the efficiency and effectiveness of the automated business systems that support the WorkSource Service Delivery System. This means better quality job matching services to unemployment insurance claimants, WorkFirst recipients and other priority targeted populations, and a reduction in the amount of time required to conduct such services. This will improve the economic vitality of businesses and individuals by increasing the likelihood that people will have jobs, that individuals will be prosperous and, by more timely and higher quality candidate referrals, contribute to the success of businesses. For these reasons, the decision package should rate as a high priority in the POG process.

What are the other important connections or impacts related to this proposal?

Almost all of the changes that will result from the conversion of SKIES will be invisible to users. The changes to the WorkFirst Comprehensive Evaluation (CE) will result in a simplification of a major work process and a noticeable reduction spent on the CE transaction. The most likely area of concern for stakeholders would result from the need to freeze changes to the SKIES and CATS systems, which may lead to changes in the priority of work previously planned for these systems. However, experience has shown that communication with stakeholders will obviate their concerns, especially when the project will have overarching benefits to stakeholders, as this project will. Specifically, stakeholders will directly benefit from improved maintenance, enhanced turnaround times, and the time savings from eliminating redundant data entry in the CE transaction. The underlying technology changes will be invisible to stakeholders and will not require changes to their technology systems, however some user screens will change. This issue will be addressed through normal staff training procedures.

The improved integration needed to eliminate redundant data entry in the CE transaction was recommended by the task force that drafted the Workforce Training and Education Coordinating Board's report to the Governor: Washington Works, Strengthening the Workforce for Washington's Future.

What alternatives were explored by the agency, and why was this alternative chosen?

A number of alternatives to the Integrated Job Search Project were thoroughly reviewed in the course of a feasibility study. (*The final draft of the study is due in November 2008.*)

1. “Do Nothing”
2. Develop an integrated system to replace SKIES
3. Automated SKIES conversion
4. Partial SKIES conversion (manual)
5. Full SKIES conversion (manual).

1. “Do Nothing”

SKIES is built on a technology (*Oracle Forms*) for which it is hard to recruit technical support staff. The department has lost some experienced contractors due to the terms of the Collective Bargaining Agreement, and as yet has not been able to recruit qualified employees to replace them. It takes several years to train a developer in the Oracle Forms tools, as training opportunities are few and far between. While money is saved in the “do nothing” approach, there are greater risks. Even without change the department lacks adequate staff to address system breakdowns and bug repairs. The larger issue is that we will not be able to complete required changes to the system to accommodate federal and state policy, putting the entire mission at risk.

2. Develop an integrated system to replace SKIES

The department currently uses five systems to deliver the WorkSource mission. These systems are not well integrated. The combined systems cover a great deal of functionality. The number of different user screens is a rough proxy for the size and complexity of a system. In total, these five systems have 531 user screens. Collectively this would be a large system if replaced all at once.

By using standard estimating metrics, this single project would cost between \$20 and \$50 million. The user base would need to be consulted and management would need to weigh in. The redesign alone would take most of a biennium. The system roll out would also involve training and new procedures for the 2,100 users of this system.

This would be a very major, high risk project, which the department cannot go forward with at this point.

3. Automated SKIES conversion

Tools exist to automate the conversion of the existing system to a modern programming language. The department has brought these tools in house and has attempted to convert a small sample of the system. Unfortunately, because the system is highly customized to meet Washington’s needs, it is not a very good candidate for an automated conversion.

High error rates and difficulties in maintenance led the department not to support an automated conversion of the SKIES system.

4. Partial SKIES conversion (manual)

The department considered the possibility of converting part of the SKIES system. There are serious drawbacks to this option. Carving out part of an application will require users to use two applications to get their work done instead of one. Having part of the application in one platform and part in another would also add to the integration work load. Without the full architecture in place, options that involve splitting the application will actually make matters worse.

5. Full SKIES conversion (manual)

In order to reduce risk and avoid unnecessary costs, in the full SKIES conversion the department will base the new system on the existing system without making significant changes.

The department will convert the database exactly as it is, from Oracle Forms to Microsoft SQL. Leaving the structures the same means historical data can be brought over without transformation, and existing ad hoc queries and many of the end user reports will also be available.

Recommended Alternative

6. Full SKIES conversion (manual)

The department is recommending option 6, the Full SKIES conversion, coupled with a much smaller project to automate the integration of Comprehensive Evaluations between the (new) SKIES system and CATS.

This approach takes care of the mission critical risks and staffing issues associated with the Oracle Forms technology, provides substantial productivity boosts for programming staff and WorkSource Specialists working with WorkFirst clients, and accomplishes an important objective of the Washington Works initiative.

What are the consequences of not funding this package?

Non-funding will leave the SKIES system unchanged. As noted above under the “Do Nothing” alternative, the department would risk not being able to hire qualified staff to maintain and enhance a mission critical system, and face the inability to address federal and state policy changes. In addition, the substantial increase in efficiency from eliminating duplicate data entry in the WorkFirst Comprehensive Evaluation process would not be realized.

What is the relationship, if any, to the state capital budget?

None.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None.

Expenditure and revenue calculations and assumptions. (Agencies should display the calculations used to arrive at expenditure, revenue and workload estimates connected with the decision package.)

The majority of the request, \$1.0 million, will fund a personal services contract for application development. Contractor staff will convert SKIES from Oracle Forms to .Net (\$700,000) and will provide a technical solution for eliminating duplicate data entry related to the Comprehensive Evaluation (\$300,000). This contract will be established through an RFP process. Additionally, this project includes funding for a contract project manager calculated at \$135 per hour, temporary information technology testers for 6 months in FY2011 for user acceptance testing, and the acquisition of hardware and software. The hardware and software is comprised of eight SQL Server licenses, additional processors, and the purchase of a Storage Area Network.

<u>Object Detail</u>	<u>FY 2010</u>	<u>FY 2011</u>	<u>Total</u>
A Salaries & Wages		\$76,000	\$76,000
B Employee Benefits		\$20,000	\$20,000
C Personal Services	\$870,000	\$670,000	\$1,540,000
E Goods & Services		\$16,000	\$16,000
J Equipment	\$290,000	\$58,000	\$348,000
Total	\$1,160,000	\$840,000	\$2,000,000

What costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

➤ ***Budget impacts in future biennia***

None. All costs associated with this project are one-time. However, the feasibility study proposes additional upgrades in future biennia to the technologies that support the WorkSource Service Delivery System. This request is not dependant on funding any of the future projects identified in the study.

➤ ***One-time versus ongoing functions and costs***

The costs in this decision package are one-time and represent temporary FTEs for testing, contract services for data conversion, and the acquisition of hardware and software.

Appendix A: Automated Business Systems that Support WorkSource

CORE SYSTEMS

CATS (*Customer Automated Tracking System*)—the case management system that is used to monitor WorkFirst recipient job search participation.

EJAS (*Electronic Jobs Automated System*)—the Department of Social and Health Services' web-based WorkFirst client employment information system, which is used by WorkFirst partners to track participants' progress, keep their plans coordinated and current, and identify those who need extra attention to keep them moving forward.

JFS (*Jobs Financial System*)—the system that processes payments for the WorkFirst Program.

Go2WorkSource.com, the ESD website that is used as a universal labor exchange to allow job seekers to look for jobs and employers to seek workers through Internet-based self-service.

SKIES (*Service, Knowledge, and Information Exchange System*)—the labor exchange and case management system that is used by WorkSource system staff to assist job seekers to find work and employers to find workers.

OTHER AFFECTED SYSTEMS

GUIDE (*General Unemployment Insurance Development Effort*)—which supports the payment of Unemployment Insurance benefits to unemployed citizens

Internet IC (*Internet Initial Claim*)—the self-service web-based system that allows Unemployment Insurance (UI) claimants to apply for UI initial claims from the Internet

IVRS (*Interactive Voice Response System*)—the system that hosts the Washington Unemployment Claims TeleCenter and Automated Claims Line applications, which allow callers to use self-service options provided by Dialed Number Identification Service applications, thus minimizing the need to communicate directly with TeleCenter agents

TAXIS—the ESD Tax Information System that provides information technology support to the Unemployment Insurance Tax program

WMS (*WorkSource Membership System*)—the system that WorkSource system partners use to track and manage customer self-service

Workforce Explorer.com—the self-service, web-based system for evaluating labor market trends based on economic data and the relationship of those trends to employment

Appendix B: Outline of Strategic Information Plan for WorkSource Information Systems.

Goals

ESD has developed a long range information systems strategy and plan for the WorkSource Information Systems discussed in this decision package. Key goals of the strategy are:

- Eliminate dependency on obsolete technologies
- Future proof the systems such that as technology becomes obsolete in the future it is possible to upgrade gracefully
- Create an integrated experience for the users of the system (eliminate task switching, multiple logins and redundant data entry) whether or not all the data is in the same system
- Make the applications agile, that is easy to introduce new business requirements, by reducing the effort to make changes and reducing the side effects of changes.
- Avoid “big bang” conversion projects

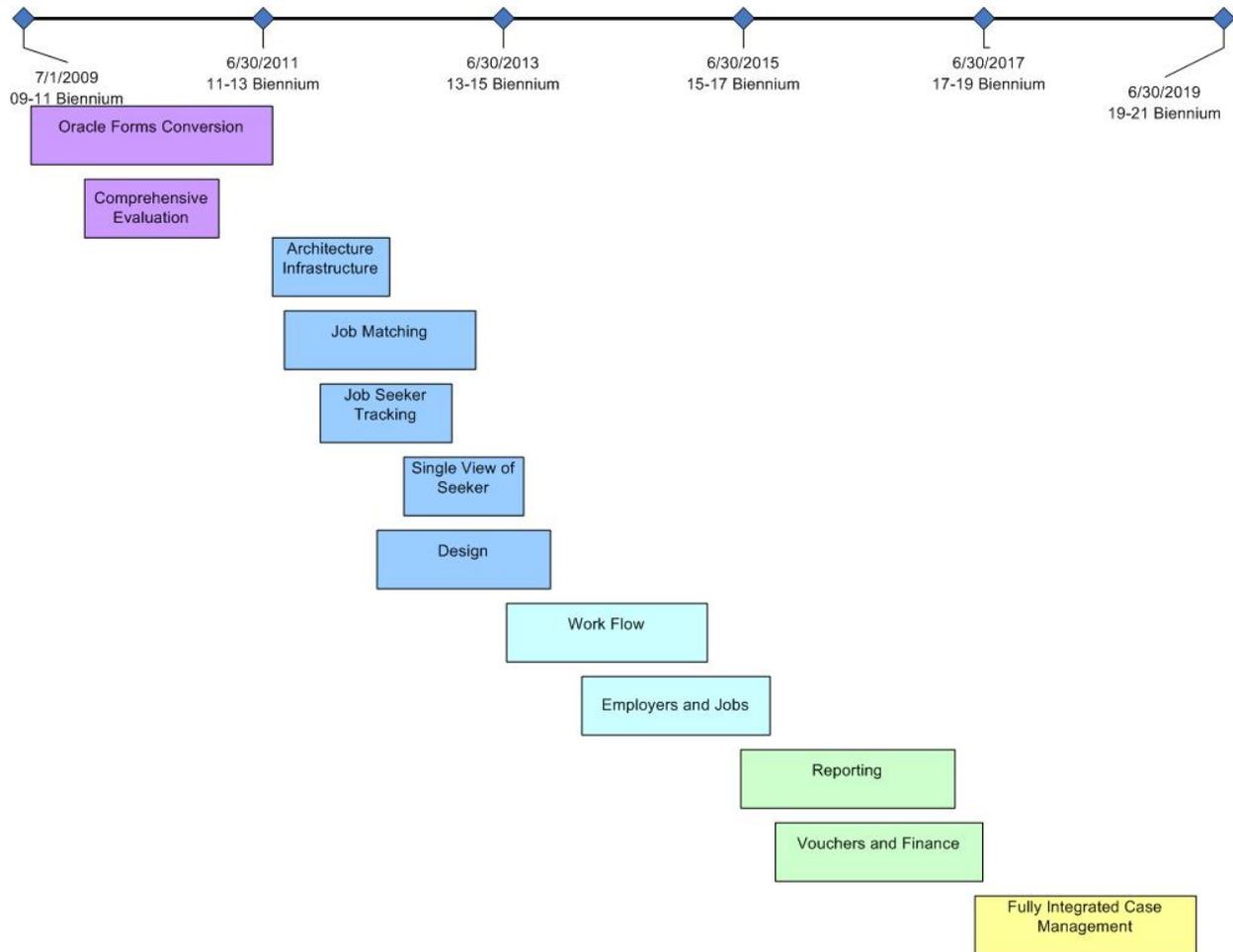
General Approach

The central aspect of this approach is to adopt what is called a “Service Oriented Architecture” (SOA) approach. This is the approach adopted by the Department of Labor and Industries, the Washington State Department of Transportation, and the Office of Financial Management and recommended by the Department of Information Services.

The central difference in an SOA approach is rather than trying to achieve integration by getting all the data in the same place, the SOA approach allows the data to remain in the most appropriate place, and provides a technology neutral interface to it. An additional benefit that comes along with this is that the components are much more modular, and of modest size, and therefore can be upgraded more easily.

Specific Plan

This chart shows the department’s long-term plan for achieving this. The sequence of these projects may change. The projects have a low degree of interdependence. In a traditional system project improvements do not begin until the last phase is complete. With this approach each phase adds business functional improvements, technical improvements and moves the architecture closer to its goal. Each phase results in a complete, fully functional product that is not dependent upon the completion of any of the other subsequent phases in the plan.



The department expect to complete these 12 projects over the course of four biennia. Each biennial budget will be in the \$2-3 million range. These are planning level estimates. At the end we will have a fully integrated system, in modern technology, without having to incur a “big bang” implementation and conversion.

State of Washington
Department of Labor and Industries
Decision Package

Decision Package Code/Title	QF	Strengthening Apprenticeship
Budget Period	2009-11	Biennial Budget
Budget Level	PL	Policy/Performance Level
Region(s)/Division(s) Name: Specialty Compliance Services/Apprenticeship Program		

Recommendation Summary Text

In 2006, the Governor’s Office asked business and labor stakeholders and Labor and Industries (L&I) to develop a plan to expand apprenticeship as a workforce- and economic-development training model and to strengthen oversight to protect the interests of all apprentices. The plan recommended L&I to request additional staffing and resources to strengthen the apprenticeship system.

The department requests one FTE for improved oversight of apprenticeship programs, two FTEs for expanded marketing of apprenticeship to employers and schools, funding to provide statewide training for improved recruitment and retention of women and minorities in apprenticeship, and funding to establish apprenticeship incubator grants.

Fiscal Detail

Change to Agency’s Budget:

	FY 2010	FY 2011	TOTAL
Staffing:			
001-1 General Fund-State	3.2	3.2	3.2
All Other Funds	0.0	0.0	0.0
TOTAL FTEs	3.2	3.2	3.2

	FY 2010	FY 2011	TOTAL
Operating Expenditures:			
001-1 General Fund-State	539,000	497,000	1,036,000
	0	0	0
TOTAL Expenditures	539,000	497,000	1,036,000

Package Description

During the year ending July 31, 2008, 250 different apprenticeship-training programs had active participation from 18,516 apprentices. Upon graduation, these apprentices earn on average \$52,000 per year, and have the highest rate of employment after leaving training compared to other workforce training options in Washington State. During this same period, the number of active apprentices per month rose 22 percent, from 12,399 to 15,178. Due to a number of factors, this unprecedented growth is expected to continue.

The department developed a plan with key business and labor stakeholders to continue expanding apprenticeship as a workforce- and economic-development training model. The plan includes:

- Increased oversight of apprenticeship programs and improved departmental program assessment compliance reviews.
- Supporting Running Start to the Trades secondary pre-apprenticeship programs and building partnerships with the K-12 system.
- Marketing apprenticeship to employers and providing incubator grants for new apprenticeship programs.
- Providing statewide training to apprenticeship sponsors toward improved recruitment and retention of women and minorities, so that all of Washington's residents can experience the benefits of apprenticeship.

In order to meet the stakeholders expectations, L&I needs additional staff and resources to strengthen the apprenticeship system.

Narrative Justification and Impact Statement

Background

Registered apprenticeship is a system of structured on-the-job training, supplemented by related technical classroom instruction, designed to teach highly technical skills. It is designed to produce craft workers who are fully competent in all aspects of an occupation, including knowledge, skill, and proficiency of the job. With registered apprenticeship training, there is a written agreement between the apprentice, the employer, and the apprenticeship program sponsor, which are all approved by and registered with L&I. This agreement specifies the length of training, related technical instruction, an outline of the skills of the trade to be learned and the wages the apprentice will be paid. After successfully completing the prescribed hours of related classroom instruction and hands-on training, the apprentice receives a Certificate of Completion and will graduate to be a highly skilled "journey worker."

The Department is required to enact and enforce registered apprenticeship through support for the statutory requirements and ensuring conformity with federal and state laws and rules.¹ In Washington State, registered apprenticeship is directed and regulated through the seven-member Washington State Apprenticeship and Training Council (WSATC). The WSATC is comprised of labor, management, and public representatives.

In January 2007, the Washington State Apprenticeship and Training Council (WSATC) adopted its strategic plan and key steps for enhancing the system of registered apprentices in the State of Washington. The number one priority is to ensure the safety, health, and education for all registered apprentices in the state. Three other focuses for the program are:

- Place an emphasis on program assessments to build a level playing field for all competing apprenticeship programs.

¹ The National Apprenticeship Act, 29 U.S.C. 50; Apprenticeship Programs, Title 29 Part 29 CFR; Equal Employment Opportunity in Apprenticeship and Training, Title 29 Part 30 CFR; Washington State Apprenticeship Act, chapter 49.04 RCW; Chapter 296-05 WAC, Apprenticeship rules

- Expand knowledge about apprenticeship in the K-12 system and with employers statewide.
- Develop system expertise and capacity for recruiting and retaining women and minorities in apprenticeship programs.

L&I's Apprenticeship Program acts as the administrative arm of WSATC, and is responsible for the following activities:

- Provide technical assistance in developing new programs and ensure their compliance with existing federal and state laws.
- Approval of new apprenticeship programs.
- Compliance reviews on state and federal standards for new and existing programs.
- Development of new and emerging programs and expansion of existing programs.
- Coordination and promotion of pre-apprenticeship opportunities for adults and youth.
- Collaboration with other education, economic development, and workforce training entities to move more individuals and employers into apprenticeships.

The Labor and Industries Apprenticeship Program currently consists of:

- One Program Manager.
- Six central office customer service FTEs, which consists of three processing staff, one administrative staff, and two Apprenticeship Consultant 4 technical staff.
- Eight Apprenticeship Consultant 3 staff stationed around the state, whose primary responsibilities are to:
 - Create new training programs for WSATC approval.
 - Monitor compliance and assist existing programs.

- Promote apprenticeship to potential applicants and employers.

Statutory Requirements

The Apprenticeship Program at L&I is required to²:

- Ensure the integrity of apprenticeship programs in order to protect the welfare of apprentices.
- Conduct employer outreach to expand the use of apprenticeship as a workforce development model.
- Oversee and monitor efforts by apprenticeship programs to increase women and minority representation in their apprenticeship programs, as required by federal law.
- Work with educational institutions to increase articulated pathways to registered apprenticeship programs.

The apprenticeship program assessments ensure that each apprenticeship program sponsor is operating in compliance with the law and fulfilling obligations to apprentices registered with their program. Apprenticeship Utilization Requirements (AURs) across the state have augmented departmental employer outreach activities with considerable interest from employers in the construction occupations. The governor’s Running Start to the Trades initiative has also raised the visibility of registered apprenticeship as a post-secondary option, which in turn has placed increased demands on staff to facilitate relationships between schools and apprenticeship program sponsors.

The Mandate for Compliance

While apprenticeship is often referred to as “workforce training’s best kept secret,” and many employers, students and job seekers discover it for the first time each year, within the building and construction trades, apprenticeship is an institution. Most highly skilled construction journey workers, in all trades, initially learned their craft through an apprenticeship.

Beyond being established as a tradition in the industry, registered apprenticeship has been formally instituted as a fixture in the building and construction trades through federal and state Prevailing Wage laws. On a public works project, there are two wage rates for a given occupation – the journey-level rate and the registered apprentice rate, which is a lower rate than the journey rate. Per state law, the lower apprentice wage may only be paid if the individual is duly registered with the Apprenticeship section and the apprentice is in compliance with the laws and rules established through the Washington State Apprenticeship and Training Council.

While the lower wage rates for apprentices on Public Works creates an incentive for employers to employ apprentices, they also create an incentive for businesses to abuse apprentices by employing them solely for the purpose of lowering their labor costs and not doing any legitimate training. L&I is responsible for overseeing all apprentice agreements and monitoring programs to ensure the welfare of apprentices and protect against any non-compliant training programs or employers who may be abusing registered apprentices. As the registration agency, it is incumbent upon the department to monitor the performance of training programs and guard against the abuse of apprentices.

Additionally, since the late 1990's, Washington State has led the nation in the creation of state and local Apprenticeship Utilization Requirements. AURs require a certain percentage of labor hours for a given construction project be performed by Washington State registered or approved apprentices.

When Apprenticeship Utilization Requirements were implemented in the late 1990's, apprenticeship stakeholders saw the increased potential for abuse of registered apprentices. The stakeholders began calling for increased oversight efforts to maintain the integrity of the system as more businesses participate and overall numbers of apprentices increase.

² RCW 49.04

Currently, apprenticeship staff review and monitor the compliance of apprenticeship programs through three means:

1. Annual program assessment compliance reviews. For most of the existing 240 apprenticeship programs, these are conducted either every year or every other year. Currently, the department performs between 100 to 150 reviews each year. In this process, the regional Apprenticeship Consultant (AC) 3 conducts the program assessment, which involves both a desk audit and an on-site record audit, as well as interview of sponsor staff. One program assessment compliance review takes approximately 35 hours for start-to-finish completion. This review is then sent to an AC 4 for their review and analysis, after which, it is readied to be acted upon by the WSATC. Following the WSATC's hearing on the review, the AC 4 and the AC 3 communicate any changes needed to the sponsor and follow-up to see that any required changes are made.
2. In-person consultative visits by field staff to apprenticeship programs to monitor progress and provide technical assistance. Each regional AC 3 is required to perform a minimum of one technical visit to each of their assigned program sponsors per year. Each apprenticeship sponsor that is a jointly-run labor and management committee must conduct a minimum of three meetings per year, and the AC 3 must attend at least one of these meetings. In Fiscal Year 2008, field staff performed an initial technical consultation visit with 188 of 241 programs. Beyond this initial visit, staff typically provide on-site consultations with each of their sponsors 2 to 3 times per year.
3. Investigations generated by complaints or appeals as needed. These are received by Central Office and are given to the AC 4 focused on compliance. These can take 30 to 180 days for investigation and resolution. In Fiscal Year 2006 there were 13 investigations, in Fiscal Year 2007, there were 9 investigations, and in Fiscal Year 2008, so far, 23 have been opened.
4. Day-to-Day monitoring: Each Apprenticeship Consultant (AC) 3 field staff is assigned about 30 programs that they continually assist and monitor. One component of this is that every time an apprenticeship program wants to register a new apprentice, add or remove

employer partners, or take any action with existing apprentices (such as upgrade, cancel, graduate or transfer them) these actions must be reviewed and signed off on by their AC3 before it is completed by Central Office. The AC3 reviews (and either returns, if needed, or sends on to Tumwater) any tracking reports of school hours, work hours, or injury incidents. Additionally, the AC3 assists and signs off on any proposed changes to their apprenticeship program structure, membership, entry criteria, administrative or disciplinary protocols.

Mandate for Recruitment and Retention of Females and Minorities

Additionally, the WSATC is required to ensure that apprenticeship programs are either meeting their required participation levels for females and minorities, or be found to have conducted adequate outreach in good faith to increase their numbers. The analysis of whether a program needs to change their activities in order to increase women and minority participation in apprenticeships occurs with the program assessment compliance reviews conducted periodically by department staff. While the WSATC makes a decision as to whether a sponsor is doing enough to recruit females or minorities, it falls to the WSATC and L&I Recruitment and Retention Resources Committee (JRRC) to provide expertise, ideas and information on how to effectively conduct outreach.

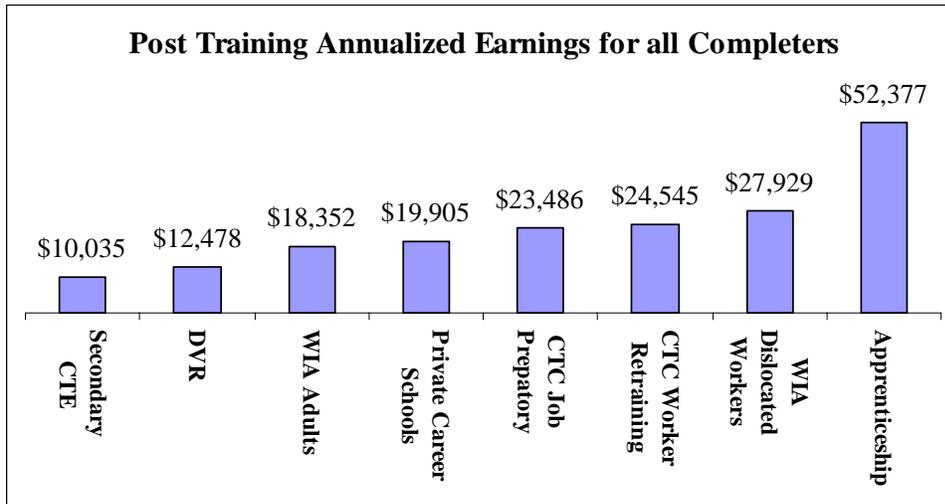
Growth and Development of Apprenticeship's Profile with Employers and Schools

Beyond compliance, the Apprenticeship Program is tasked with promoting registered apprenticeship with employers in Washington State to encourage their adoption of the training model that richly benefits both workers and businesses.

In the 2006 Workforce Results study, labor market outcomes for apprenticeships were higher than for any other program they studied. According to survey results, 87 percent of apprentices reported being employed nine months after leaving training. The median annualized earnings of apprenticeship completers in 2003-04 (the most recent year that data is available) was \$52,377. For all participants in apprenticeships for that year (this includes individuals who participated in but didn't complete their apprenticeship) the median annualized earnings was \$33,229. This amount, even though substantially less than what completers earn, is still more than the

annualized earnings for participants in any of the other similar adult training programs. (Career/technical college job prep, private career schools, career/technical college worker retraining, or Workforce Investment Act dislocated workers)

Table 1: Apprentice Wages compared to other training programs



Despite the evidence that it is an effective training system that benefits workers and employers, registered apprenticeship is underutilized by employers. As a training and talent development system, it is mostly unknown to employers facing skill gaps. At the same time, it is passed over by young people and adults exploring their workforce training options. Increased marketing and outreach have been effective in the past to expand apprenticeship, and currently, marketing to employers and potential apprentices is limited by the much-expanded workload caused by the significant growth of apprentices in the current system.

For all the financial benefits of apprenticeship, most young people know little about this well-paying, highly desirable training option. In 2006, the Governor’s Running Start for The Trades (RSTT) initiative was established to change this, and aimed to establish partnerships between school districts and apprenticeship programs. The goal would be establishing connections where students could move directly from high school to an apprenticeship. Running Start to the Trades initially put \$350,000 towards grants to school districts establishing secondary CTE programs

that articulate (or feed into) registered apprenticeship programs. In 2007, an equivalent amount was allocated.

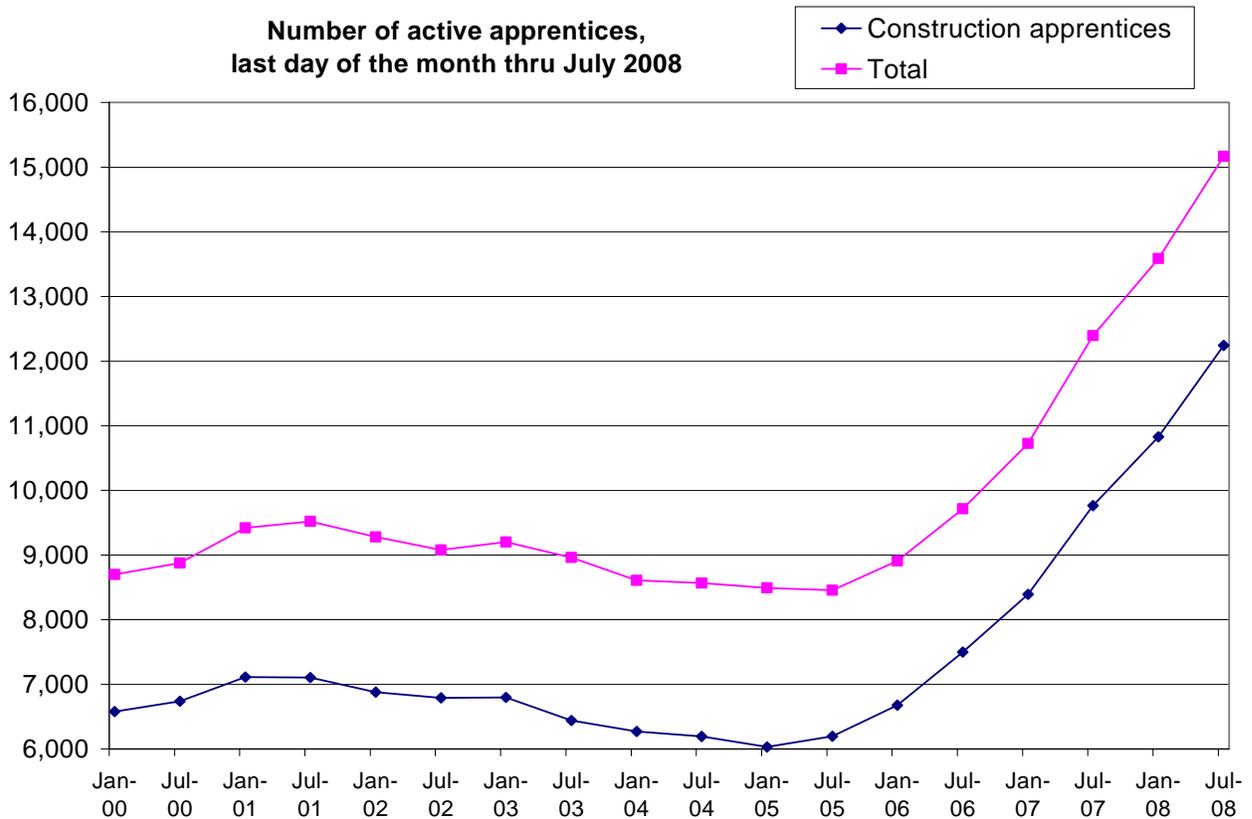
Currently, there are 24 RSTT schools creating these unique articulations around the state, and another 35 schools who, while not receiving RSTT funding, have received 2008 CTE High Demand dollars, which allow them to similar partnerships. Each of these 59 schools needs specialized technical help, coordination, support and information resources in order to create and sustain success. Currently, regional Apprenticeship Consultant 3 field staff are working with their local schools districts (4 to 6 per region), as their workload allows. This involves advising the school in their partnerships with apprenticeship programs, and consulting with apprenticeship programs as they formalize their direct entry agreements with the school.

Building partnerships with the K-12 system is a key step toward putting more young people in the pipeline towards jobs in the skilled trades. This effort is a cornerstone in the larger effort to address looming skills gaps due to retirements, mostly in the building and construction trades. As the numbers of grantee schools has grown, the work to coordinate these efforts, while valuable, has demanded greater resources.

Expanding Workload

The onset of several apprenticeship utilization requirements has vastly changed the pressures on the apprenticeship system by increasing the number of participating apprentices. In the last year alone, the monthly number of active apprentices increased 22.4 percent during the 12-month period ending July 31, 2008. Since July 2005, when there were 8,455 active apprentices, there has been a 79 percent increase to the current level of 15,178 apprentices. The chart below shows the increase in apprentices in the Washington State Apprenticeship Program.

Table 2: Active Apprentices



The dramatic increase in the number of apprentices, particularly, building and construction trades apprentices, is mostly due to three factors:

- **Widespread adoption of apprenticeship utilization requirements:** State and local governments now have requirements that construction projects include apprentices as part of the work force. These laws typically require 15 percent of total labor hours on a project be performed by Washington State registered apprentices.
- **More construction work:** The number of construction projects greatly increased due to large public investment in infrastructure for roads, buildings, and energy and an increase in commercial and industrial building efforts.
- **Fewer workers:** The departure or retirement of many “Baby Boom” age workers in the building and construction workforce is creating a large number of vacancies for apprentices to fill.

With that increase, the workload of the Apprenticeship Program has increased significantly. For each apprentice, the department must process registration paperwork, create and keep electronic records on classes taken and hours worked, issue apprentice ID cards, completion certificates, and a number of letters. Each of these steps is reviewed and acted upon by the Apprenticeship Consultant 3 who is assigned to their program. As a result, the growth in the number of apprentices has significantly impacted the ability of the statewide field staff to perform employer outreach, facilitate partnerships with schools, or provide technical assistance on more effective recruitment and retention strategies.

Reason for change

In order for Washington State to become and remain a globally competitive economy, the state must focus its efforts on making high quality pathways to the skills and education available to workers. Registered apprenticeship must be a part of this focus. Registered apprenticeship, as both a talent development system for employers and as a workforce training system for individuals seeking a career, needs to be an obvious and available option in a wide variety of industries and occupations.

America's workforce is aging. As the baby boomers begin to retire, they will take with them a lifetime of skills and expertise, leaving potential gaps in the labor force and a demand for younger, skilled workers. A recent Employment Security Department study noted that the average age of The Boeing Co.'s workers is 50. The average age of electrical workers is about 48.

Meanwhile, to compete in a global economy, employers need employees with increasingly specialized skills, and these employees are hard to find and keep. Especially in the trades, where the primary entryway to high skill, specialized positions is through an apprenticeship, and apprenticeship is largely unknown to most students or teachers. Leaders in these industries look down the road, see looming skills gaps, and are rightly concerned. In order to move forward, both schools and employers must know more about registered apprenticeship.

Oversight and Compliance

Apprenticeship stakeholders are calling for increased oversight efforts to maintain the integrity of the system as more businesses participate and overall numbers of apprentices increase.

The WSATC asked the department to simultaneously increase program assessment compliance activities, increase efforts to reach new employers, and increase the number of women and minorities that are in construction apprenticeship programs. L&I cannot meet this increased workload with current staffing levels, and thus, the program has not yet been able to meet the Washington State Apprenticeship and Training Council's (WSATC) expectations.

As the number of apprentices has increased since 2004, it is increasingly difficult to complete program compliance assessments. The table below illustrates this trend.

Table 3: The Growing Workload's Increasing Impact on Annual Compliance Review Completion

Fiscal Year	Assigned	Completed
2004	220	220
2005	64	62
2006	99	70
2007	141	8*

* As of August 20, 2008

Additionally, as the number of apprentices has grown, the number of formally filed investigations and apprentice appeals increased. Each of these must be resolved by an Apprenticeship Consultant 4, and involves extensive research, communication, analysis, and often, in-person visits. The increase in the number of formal investigations is evidenced below, in Table 4.

Table 4:

With more apprentices comes more investigations and appeals

Fiscal Year	Number of Investigations
FY 2006	13
FY 2007	9
FY 2008	23 total (through August 20, 2008)

At the same time, increased oversight of apprenticeship in prevailing wage projects have shown that compliance activities are an effective deterrent to abuses of apprentices. In early 2007, the Apprenticeship program began a partnership with Prevailing Wage section, where our staff reviewed all affidavits submitted by contractors with apprentices listed as workers. On these, Apprenticeship staff would verify that the apprentice was validly registered, that they were working in the correct occupation and being paid the correct wage rate, and that they were working for a company that was approved to train them. Affidavits submitted showing apprentices working under the wrong conditions would be turned back to the employer who submitted them or investigated and resolved by either an Apprenticeship Consultant 3 or the Apprenticeship Consultant 4 compliance specialist. This has proven to be an incredibly effective means to find and address non-compliance. The incidence of problems when the reviews started was high, and as we have reviewed and followed-up on these, the incidence of problems found has decreased significantly. Table 5 shows the increased levels of compliance that resulted from this effort.

Table 5

Increased watchfulness garners increased compliance

Quarter starting	Total Affidavits reviewed	Total with problems found	Percent with problems found
9/30/07	1656	174	10.51%
12/31/07	1359	194	14.28%
3/31/08	1248	79	6.33%
6/30/08	1184	55	4.65%

Apprenticeship Growth and Development

Despite the evidence that registered apprenticeship is an effective training system that richly benefits both workers and employers, it is underutilized by both.³

Promoting apprenticeship is a necessary component of any strategy intended to increase the use of apprenticeship in the state, and it is the mandate of the WSATC and the Department of Labor & Industries to promote registered apprenticeship. While the Apprenticeship training model is effective at both meeting employer's training needs and providing a profitable career path for apprentices, it is not well known. There are many misperceptions among the employer community about apprenticeship, which keep many from even exploring whether or not the model would work for them.

Recruitment and Retention of Females and Minorities

Though there has been a historic increase in the number of registered apprentices driven by the building and construction trades, the percentage participation of females in trades apprenticeships has actually decreased and minority participation has remained relatively flat. Washington State has a pool of stable, high-demand, family-wage jobs in skilled trade occupations that are available, though unknown, and sometimes inaccessible for individuals with barriers to employment. To remain competitive and increase the pool of qualified applicants, it is imperative that the department work with construction apprenticeship stakeholders to recruit, support and retain from underrepresented populations.

Proposed Solution

Improved Protections for Apprentices

One Apprenticeship Consultant 4 position to focus on increased compliance and target underperforming apprenticeship programs, specifically in the building and construction trades. Adequate compliance ensures that there is a level playing field between employers and programs and that the welfare of apprentices is protected. This will meet the expectation of stakeholders for greater emphasis on apprenticeship program compliance. The creation of this position will

³ ESD research, "*Apprenticeship: Effective, but Underutilized*". 1998

remove substantial burdens from existing field staff, allowing them to focus on their expanded workload and customer needs.

Apprenticeship Growth and Development

Two Apprenticeship Consultant 4 positions to administer and oversee implementation of two separate grant programs (currently existing Running Start for the Trades school district grants and the newly proposed Apprenticeship Advantage Incubator Grants) and the training provided by the recruitment and retention training contract funding. One of these positions will be located in Western Washington, and the other will be located in Eastern Washington. Together, they will:

- Oversee the implementation and disbursement of the Employer Incubator grants, monitor and provide technical assistance on the Incubator Grants as they are implemented
- Lead in the development and marketing for the recruitment and retention training, monitor and support these Joint Recruitment Resources Sub-Committee Council initiatives.
- Provide formal presentations on apprenticeship to employer and industry groups and associations for high demand industries and occupations.
- Lead relationships with Running Start to the Trades grantee schools in their areas.
- Coordinate with workforce and economic development entities to provide outreach to employer and industry associations.
- Coordinate with the regional L&I apprenticeship consultants statewide and their assigned local apprenticeship programs and schools to develop and foster pre-apprenticeship opportunities in the state's high schools.

The creation of this position will remove substantial burdens from existing field staff, allowing them to focus on their expanded workload and customer needs. Each of these AC4 FTEs would take the lead on making apprenticeship outreach presentations to employers in their parts of the state, approximately 3 per month. These would include presentations to workforce development councils, chambers of commerce, employer and industry associations, and more. Current AC3 staff would no longer be called on to do these, and would be allowed to focus on their expanded workloads and needs of existing customers.

Apprenticeship Advantage Incubator Grants: Next Washington, the Governor's plan for economic growth for the state, prioritized the need for skills and education as the path to a globally competitive economy. For many of the industries that will experience the most growth in the future, the educational infrastructure is not currently in place to train an adequate number of workers for the industry. In order to be productive, employers need flexible avenues to train their workforce, both incumbent workers and new workers, in the technical skills and academic theory of their trade. We are proposing \$300,000 to support six competitive incubator grants intended to augment the start up costs for new apprenticeship program sponsors.

Registered apprenticeship is a perfect fit for many of these industries, but since it is not a traditional means of training, many employers are reluctant to try the model. Outreach to employers and incubator grants, will broaden the knowledge and then provide seed money for employers to implement apprenticeship training. Incubator grants give incentives to cultivate success stories that may then be more widely distributed.

The purpose of the grants is to defray the financial burden of maintaining and growing a start-up apprenticeship programs in high demand occupations, such as health care, information technology, green and sustainable technology and other areas deemed high demand by local workforce and economic development entities. Potential uses of this funding include non-recurring costs associated with starting and establishing a sustainable apprenticeship program, such as:

- Organization and Training Plan preparation.
- Administrative development.
- Market analysis and strategic planning.
- Marketing.
- Organizational development.
- Coordinating and start-up costs.
- Locating new facilities.
- Specialized Equipment.

For a potential sponsor of apprenticeship, the legal, administrative, and programmatic costs of setting up a program can seem overwhelming. Providing incentives to employers who sponsor apprenticeship programs is good business for Washington State.

This type of grant has shown to be effective in the past. In 2002, the Pierce County Workforce Development Council (WDC) was approached by Multicare Health System, one of the largest employers in Pierce County, for assistance in developing training programs for their incumbent workers. They had many workers that in low wage dietary and laundry positions, many of whom were single mothers, who were interested in upgrading their skills and moving into higher wage jobs, but who could not possibly attend school full time in order to get these skills.

To meet the needs of these employees, they were interested in establishing an apprenticeship training program for Health Unit Coordinators. Seeing their need, the WDC provided \$50,000 matching funds from federal Workforce Investment Act grant for incumbent workers, which paid for an administrative coordinator who could get the program, the on-the-job training, and the instruction modules established. Now, four years later, the program is thriving, and has graduated over 30 apprentices. Without the start up funding, Multicare may not have taken a chance on the significant investment that is required in setting up a registered apprenticeship program.

In other occupations as well, state or federally grants for emerging apprenticeships have proven successful in expanding the number of occupations with apprenticeship programs, especially in occupations that have significant skills gaps and educational bottlenecks, but little experience or familiarity with apprenticeship. There are positive examples in childcare, firefighting, food processing, and classified staff in public schools. These opportunities, however, have been few and far between in the past decade. If registered apprenticeship is to be successfully integrated as a talent development model among key industries, it needs a little bit of a push to really get it going. The AC 4 charged with implementing the grants will create the application, facilitate the selection process, and then stay in close contact with the grantees to ensure that they are connected with all necessary resources.

Recruitment and Retention of Females and Minorities

The Joint L&I and WSATC Recruitment Resources Sub Committee (JRRC) is developing a strategic year-long action plan with specific goals. Three outcomes identified by the JRRC include the following:

- Create year-long outline of workshops/presentations to be presented at the Quarterly WSATC Wednesday afternoon meetings
- Develop Regional Resource Guide to serve as a resource for the apprenticeship and workforce development community
- Host a Washington State Apprenticeship Recruitment and Retention Conference (2009) to provide technical training and assistance on best practices for recruiting and retention.

\$50,000 each year is needed to contract for services to support annual training conferences and events on best practices for the successful recruitment and retention of women and minorities into building and construction trade apprenticeships. These dollars would support the efforts of the WSATC Joint Recruitment Resources Sub Committee who is constantly engaging apprenticeship stakeholders around issues of recruitment and retention of females and minorities but lacks the resources to act.

This funding would allow the department to engage the services of individuals with specialized knowledge in recruitment and retention strategies, and would provide the ability to convene an annual apprenticeship training conference. The training conference would be intended for those who administer apprenticeship programs in Washington, non-profit organizations who conduct pre-apprenticeship training, educators who are actively seeking post-secondary articulated pathways for their students and other interested stakeholders.

Measurable Results

Measure	FY2008	FY2009	FY2010	FY2011
	6/30/08 Actual:	Target	Target	Target
Program assessments completed on-time	60	60	60	60
Investigations completed	24	24	24	24
Increased level of apprenticeship compliance on public works projects			94%	96%
Apprenticeship investigations and program compliance assessments completed on-time			80%	100%

Impact of the change on clients and services

Increased Compliance

The heightened scrutiny around whether apprentices train in accordance with the established standards in the law will better ensure that all apprentices gain a real education during their apprenticeship. These stepped up compliance efforts curtail abusive practices such as apprentices being used as discount labor with little skill development or training. This effort will also effect apprenticeship programs and employers who are spending time and money to properly train their apprentices, by making sure that their investments in apprentices does not put them at a competitive disadvantage.

Apprenticeship Growth and Development

Successful management of school grants will focus on developing students' interest and direction toward Apprenticeship training programs, which will increase the pipeline of qualified candidates headed into these occupations facing potentially debilitating skills gaps. Raising the

profile of apprenticeship in the K-12 system will present students with viable post-secondary options and articulated pathways to access them.

For employers, strategic distribution and comprehensive support of the Apprenticeship Advantage incubator grants will serve as a best-practice demonstration project. Successful results from this effort can then be used to highlight the apprenticeship-training model in key industries and regions throughout the state. Businesses are interested in following in the path of another's successful footsteps. Therefore, providing businesses with an incentive to adopt apprenticeship training as their workforce development model could inspire a snowball effect toward our overall goal for Washington State: a well-trained, highly skilled workforce.

Increased support through added resources for program compliance, school and employer educational outreach will also benefit service to existing sponsors of apprenticeship training and their apprentices.

Recruitment and Retention of Females and Minorities

The success stories are well documented for single women who have accessed careers through building and construction trades apprenticeship. Because of the difficult circumstances that many single mothers face (struggle to pay bills, support children and thrive in the work place), too few women have the means or support necessary to access these high-skill, high-wage career opportunities.

Along with women, disadvantaged populations, which tend to be over represented by minorities, are often uninformed about apprenticeship training as a viable career path. The huge untapped potential within female and minority populations will be essential to the viability of many industries as we face unprecedented demographics shifts in the population. Through increased attention and resources, the department will continue to facilitate and expand career pathways and support services for women and minorities within the building and construction trades programs.

Other impacted programs/divisions/regions

There will be better facilitation between Work Source, higher education, community colleges, high schools, and vocational schools between the K-12 and pre-apprenticeship programs.

Relationship to capital budget

None.

Required changes to existing RCW, WAC, contract or plan

None.

Alternatives explored by agency

None.

Effects of non-funding

Staff for Increased Compliance

If this request is not funded, it will be a denial of a direct request from both business and labor members of the apprenticeship community for increased compliance among apprenticeship programs.

For apprentices, especially as the number of apprentices increase statewide, there is an increasing risk that they could be subject to a sub-standard apprenticeship training program. Apprentices may commit themselves to apprenticeship programs for years, with the possible end result being that they receive reduced wages, and are not legitimately trained for their careers.

Additionally, it could potentially create negative economic consequences for many of the state's businesses in the building and construction trades. With the additional apprenticeship utilization laws (transportation and school projects) increasingly coming into effect over the next three years, the need for registered apprentices has, and will continue to, increase markedly.

Ignoring this request would likely mean a continued legal battle over non-union programs, which would prove detrimental to many Washington businesses who are not signatory to a union, and who would then be effectively shut out of bidding for public works project because they could not hire apprentices they are now required to hire by state law.

Expertise for Outreach and Implementation of Running Start for the Trades Grants and Employer Incubator grants

Not funding this position would extend the current status quo, where essentially the Governor, the WSATC, the apprenticeship community and schools are expecting substantial results and measurable benefits from the investment of the money in the school districts that receive the grants. Schools receiving the RSFTT grants need personalized, frequent assistance and facilitation from a statewide manager who can develop an extensive network of contacts, resources, and relationships to help each of these grantee schools find their way to success, and then help them make their success sustainable.

The need for this level of expertise is just as great to adequately implement the incubator grants to help employers develop apprenticeship programs. If a highly skilled AC 4 were not appointed to promote, facilitate, and then follow-up with these employers, the efficacy of the incubator grants would diminish substantially.

Apprenticeship Advantage Employer Incubator Grants

Few employers would hear about the benefits of registered apprenticeship, and for the few that do hear about them, it will be hard to convince them to “take the leap” because they won’t see many businesses providing examples of the benefits of making this investment. Economic shifts to new industries and the pending retirement of many Baby Boomer workers will create significant skills gaps and demand for technically trained workers in many industries important to Washington’s economy.

Recruitment and Retention for Females and Minorities

Currently programs are told to recruit and keep female and minority apprentices, but there is almost no technical assistance on how they might actually do this. As a result, the outreach

efforts of most apprenticeship programs, while well intentioned, are ineffective. These apprenticeship programs will not improve their participation levels unless they have real, sustained expertise dedicated toward this topic. On the other hand, female and minorities who are potential apprentices will simply not know about these training opportunities until apprenticeship programs are able to be more effective recruiters.

How this Decision Package contributes to agency’s strategic plans and activities

Statewide Result Area – Priority of Government (POG):

Priority of Government Result #2: Improve the quality and productivity of our workforce.

L&I’s Strategic Goals:

Play a leadership role in developing and maintaining high-quality apprenticeship programs in Washington State.

Activity Performance Measures

Agency Activity Performance Measures with in the Current Budget. (07-09)

Measure:	FY2008	FY2009	FY2010	FY2011	Comments
New measure	06/30/2008				Annual measure: Baseline is 42%
Percentage of apprentices who graduate from their apprenticeship program	Actual: 42%	Target: 42%	Target: 43%	Target: 44%	

Performance Measure Detail

Performance Measure Changes	Incremental Changes	
	FY 2010	FY 2011
Outcome Measures:		
1. Percentage of apprentices who graduate from their apprenticeship program	43%	44%
2.		
Output Measures:		
1.		
2.		
Efficiency Measures:		
1.		
2.		

Statement of Expected Results:

Funding for this package will ensure the program continues to provide responsive, quality service to the state's businesses seeking trained workers and apprentices seeking high quality training opportunities. This will support these companies and individuals help ensure their stability. Funding and staffing is requested to establish apprenticeship incubator grants, which will increase the number of apprenticeship opportunities in new areas.

The department FTEs will improve oversight including compliance assessment and investigations of apprenticeship programs. It will expand marketing of apprenticeship to employers and schools. It will also fund statewide training for improved recruitment and retention of women and minorities in apprenticeship.

All of these activities will result in an increased number of apprentices who will graduate from their apprenticeship programs.

One-time costs

This request has one-time equipment start-up and lease office space costs for the three FTEs.

Budget impacts in future biennia

There are on-going costs for three FTEs along with contract and grant funding.

Expenditure Calculations and Assumptions

In response to the concerns of Industrial Insurance stakeholders that the Apprenticeship (or Wage Payment Act) program is currently funded using the Workers' Compensation Funds, L&I proposes this initiative be funded using the General Fund-State. Without enacting into law a new fee to support the Apprenticeship (Wage Payment Act) Program, the General Fund-State is the only other funding source available.

If a decision is made that the General Fund cannot be used, we request consideration of the Accident Fund and Medical Aid Fund instead. In this case, the funding split should be 85 percent Accident Fund and 15 percent Medical Aid.

Cost estimates include:

- Salaries, benefits, and FTE standard costs for three Apprenticeship Consultant 4 positions at a range 56, step G.
- Apprenticeship Advantage Incubator Grants: \$300,000 per biennium.
- Recruitment and Resources training for Washington State apprenticeship sponsors: \$100,000 per biennium.

Apprenticeship Advantage Incubator Grants: We propose \$300,000 to support six competitive incubator grants intended to augment the start up costs for new apprenticeship program sponsors. Incubator grants expenditure is based on an assumption that the average grant amount will be \$30,000 to \$50,000, providing 6 to 10 employer grants over the course of two

years. This is similar to the dollar amount that has been successful with apprenticeship related start-up funding in previous grants, such as Multicare in Pierce County, or the Washington State Early Education Apprenticeship.

Employers will be expected to provide some degree of funding to match the grant for goods, services and personnel costs. This level of grant funding is analogous to the Job Skills grant projects that are allocated by the State Board for Community and Technical Colleges.

Recruitment and Resources training for Washington State apprenticeship sponsors: We propose that \$100,000 each biennium to contract for services to support annual training conferences and events on best practices for the successful recruitment and retention of women and minorities into building and construction trade apprenticeships.

Cost assumptions are:

- Develop Regional Recruitment Resource Guide to serve as a resource for the apprenticeship and workforce development community. Total cost: \$10,000.
 - Community stakeholder meetings to be held in each of the regions to develop the Guide. Cost: \$5,000.
 - Printing costs to print and mail 1,000 Regional Recruitment Resource Guides, covering each of the six regions. Cost: \$5,000.
- In calendar year 2009, host two Apprenticeship Recruitment and Retention Symposiums, one day conference-like events to bring best practices to sponsors and roll out the information in the new Regional Recruitment Resource Guides, one on the east and one on the west. Total cost: \$17,100.
 - One day meeting room rental at South Puget Sound area hotel/conference center. Cost: \$1,500.
 - One day meeting room rental at Spokane area hotel/conference center. Cost: \$1,200.

- Travel expenses for speakers: three in state speakers at \$2,000 per conference and three out-of-state speakers at \$3,000 per conference.
Cost: \$10,000.
 - Creation and printing of symposium binder materials for two conferences.
Cost \$2,000.
 - Travel and lodging for four staff at \$300 per person per conference.
Cost: \$2,400.

- In calendar year 2010, host a statewide Washington State Apprenticeship Recruitment and Retention Conference. We estimate that there will be 300 participants at this event. To estimate costs we looked at a similar conference, the Governor's Annual Workforce and Economic Development Conference, hosted in 2007 by the Workforce Training and Education Coordinating Board. Here is the breakdown of planned expenditures totaling \$45,000.
 - Contracted conference coordination. Cost: \$16,000.
 - Two and a half days meeting room rental at South Puget Sound area hotel/conference center at \$1,250 per day. Cost: \$4000.
 - Travel expenses for six speakers: three in state speakers at \$4,000 and three out-of-state speakers at \$6,000. Cost: \$10,000.
 - Creation and printing of symposium binder materials for two conferences.
Cost \$5,000.
 - Travel and lodging for twelve staff at \$300 per person for up to three nights.
Cost: \$10,000.

- Development of targeted promotional materials focused at females and minorities, which may be adopted and used by sponsors in the recruitment of females and minorities. These materials may also be distributed at symposiums, conferences, Regional Resource Guide

Development events, and Quarterly WSATC meetings. Total cost for development and printing: \$14,000.

- Support for five regional construction career day events (Pasco, Spokane, Snohomish, Seattle, Pierce County) to target female and minority attendees and participants. Total Cost: \$14,000.

FTE Standard Costs

Permanent and temporary FTE costs include salary and benefits, and the standard costs associated with a new FTE. These standard costs include:

- Leased office space.
- Work unit (desk, file cabinet, etc.) and furniture (if needed).
- Telephone and communication expenses.
- Training.
- Travel.
- Leased PC equipment.

We assume new FTEs require new leased office space. Costs are included, prorated on a per FTE basis, to cover tenant improvements necessary to lease more office space. Tenant improvements include:

- One-time expenditures for GA real estate and architectural fees.
- Phone and data wiring.
- Copy room and conference room equipment and furniture.
- Lunch and break room equipment.
- Staff moving costs.
- Security system.
- Other miscellaneous supplies.

Indirect Allocation Included In Cost Estimates

We include agency wide indirect cost estimates. Only our Administrative Services and Information Services programs receive indirect cost allocation.

Our methodology was updated and funding approved in the 2007-2009 Budget. The biennial average indirect rates for Specialty Compliance Services (SCS) Program include:

- 3.6 percent for both fiscal years.

The annual indirect cost is calculated on:

- Requested FTE salary and benefit costs.
- Standard costs associated with new FTEs.
- IT equipment is not included.

We convert the total indirect amount into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Financial Analyst 2 (Range 44, Step G).

The amount received for the indirect FTE(s) may not be enough to actually hire a new staff person. But, this indirect funding may be used instead to pay current staff for overtime or increasing the use of temporary and seasonal employees.

Depending on the agency's needs, examples of activities provided in Administrative Services and Information Services include:

- Vendor payment and payroll processing.
- Equipment purchase, delivery, inventory, storage and set-up.
- Technical support to employees.
- Desk-top and network support.
- Internal IT systems support.
- Contract and purchasing services.
- Legislative and Public Affairs.
- Library services and public disclosure.
- Personnel and employee services.
- Budget and accounting.
- Facilities management.

	FY 2010	FY 2011	TOTAL Biennium	Biennium 2011-2013	Biennium 2013-2015	TOTAL
FTEs - Direct	3.0	3.0	3.0	3.0	3.0	3.0
FTEs - Indirect	0.2	0.2	0.2	0.2	0.2	0.2
Objects of Expenditure:						
A - Salary and Wages	163,512	163,512	327,024	327,024	327,024	981,072
Indirect FTE Salary	6,951	6,951	13,902	13,902	13,902	41,706
B - Employee Benefits	53,364	53,364	106,728	106,728	106,728	320,184
Indirect FTE Benefits	3,370	3,370	6,740	6,740	6,740	20,220
C - Personal Service Contracts	50,000	50,000	100,000	100,000	100,000	300,000
E - Goods and Services	64,387	49,387	113,774	98,774	98,774	311,322
AG Costs	0	0	0	0	0	0
G - Travel	20,416	20,416	40,832	40,832	40,832	122,496
J - Capital Outlays	27,000	0	27,000	0	0	27,000
N - Grants	150,000	150,000	300,000	300,000	300,000	900,000
TOTAL Expenditures	539,000	497,000	1,036,000	994,000	994,000	3,024,000
Funds:						
001 - General Fund	539,000	497,000	1,036,000	994,000	994,000	3,024,000
02V - PSEA	0	0	0	0	0	0
095 - Electrical	0	0	0	0	0	0
608 - Accident Account	0	0	0	0	0	0
609 - Medical Aid Account	0	0	0	0	0	0
Other	0	0	0	0	0	0
TOTAL Funds	539,000	497,000	1,036,000	994,000	994,000	3,024,000

The amount included in this decision package for indirect is:

Fund Name, Fund #	FY 2010	FY 2011	TOTAL Biennium	Biennium 2011-2013	Biennium 2013-2015	TOTAL
001 - General Fund	10,321	10,321	20,642	20,642	20,642	61,926
Total	\$ 10,321	\$ 10,321	\$ 20,642	\$ 20,642	\$ 20,642	\$ 61,926