

**WASHINGTON STATE  
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD  
MEETING NO. 109  
MARCH 16, 2006**

**WORKFORCE INVESTMENT ACT 10 PERCENT FUNDS**

Ten percent of Workforce Investment Act (WIA) Title I funds are set aside for statewide activities to be determined by the Governor. WIA requires that certain activities must be performed, while other activities are permissive. The amount invested per activity, and whether or not investments are made in the permissive activities, is at the discretion of the Governor. The Workforce Training and Education Coordinating Board (Workforce Board) makes recommendations to the Governor.

The paper in this tab includes last year's recommendations from the Board to the Governor. The Governor accepted the recommendations and placed \$1.15 million into reserve.

During the March meeting, the Board will have the opportunity to discuss priorities for 2006. Based upon that discussion, direction provided by the Governor, how much the actual federal allotment is, and the cost of required activities, staff will work with the Employment Security Department to prepare recommendations for the Board to act on at the May meeting.

**Board Action Requested:** None. For discussion purposes only.

May 19, 2005

TO: Governor Christine O. Gregoire

THROUGH: Debora Merle, Governor's Executive Policy Office

FROM: Ellen O'Brien Saunders, Executive Director  
Workforce Training and Education Coordinating Board

SUBJECT: Recommendations for Workforce Investment Act Funds for 2005-2006

On behalf of the Workforce Training and Education Coordinating Board, I am pleased to forward recommendations affecting funds from the federal Workforce Investment Act (WIA), which are known as the "10%" funds or the "Governor's Discretionary Funds."

The Board initially discussed a set of proposals at our March 31, 2005 meeting; we reached our final decisions on May 12, 2005. In addition, we have been in close communications with Deb Merle so that we were able to develop recommendations aligned with your priorities.

As the attachment describes, there are two statutory uses for the funds: required and optional. Funds must be spent for each of the former, and may be used for any of the latter purposes. In addition, you indicated an interest in investing in two specific areas: the dropout prevention and retrieval initiative and economic development. And, Deb communicated that you were interested in investments that would have clear results. We believe that these recommendations meet your criteria.

With regard to economic development, the combination of Industry Skill Panels, Incumbent Worker Training and improvements in the WorkSource (One-Stop) infrastructure is a down payment on your commitment to Regional Skills Alliances and will strengthen local communities' ability to create and sustain a high quality and responsive workforce development system. As far as dropout reduction and retrieval are concerned, we recommend that you continue the innovative approach which uses these funds to leverage Basic Education Act funds to help more kids graduate from high school.

Now that the 2005 Legislative session is concluded, we anticipate that you will be turning your attention to additional investments you can make in priority projects; for this reasons, we are confident that the funds set aside in reserve will be beneficial and have begun to think about options for your consideration.

If you or your staff have any questions or concerns regarding these recommendations, please let me know 360.753.5660. Thank you for your consideration.

Attachment

cc: Workforce Training and Education Coordinating Board Members

## Activities Required by the Workforce Investment Act

**Eligible Training Provider List (ETPL) and Evaluations.** The Workforce Investment Act (WIA) requires the state to establish performance criteria and maintain a list of training programs that meet the criteria and are eligible to receive Individual Training Account vouchers for training funded through WIA Title I-B. The state is also required to evaluate the effectiveness of the workforce investment system, including the 17 core indicators for WIA Title I-B, and report the results for the state as a whole and for each of the 12 workforce development areas in the state. Costs will be higher in PY 2005 for three main reasons: (1) PY 2005 is a year in which the Workforce Training and Education Coordinating Board (Workforce Board) conducts a net impact and benefit/cost evaluation (conducted every four years), (2) PY 2005 is a year that surveys are administered to program participants and employers (conducted every two years), and (3) the ETPL websites need updating to maintain and improve their functionality (including accuracy).

Category	2003	2004	2005 Minimum Amount Suggested
ETPL and Evaluations	\$700,000 75,000 Carry Forward (CF)	\$400,000	\$1,000,000

**Incentive Grants for Exemplary Performance.** This money is directed to Workforce Development Councils (WDCs) that meet or exceed performance targets. WDCs may use the funds for any purpose authorized by WIA. In earlier years, not shown in the table, the amount was substantially higher.

Category	2003	2004	2005 Minimum Amount Suggested
Incentive Grants	\$400,000	\$300,000 (CF)	\$300,000

**Development and Expansion of One-Stop System.** WIA requires the state to operate a One-Stop system with access to 15 workforce development programs. WIA 10 percent money has been used to fund infrastructure and implement innovations that broaden partner participation and customer access. Sample services have included: new partner access to electronic backbone; partner staff training in American Sign to meet the Americans with Disabilities Act standards; expanding resource rooms and self-service capacity; and adding personal computers to the network for customer self-service. Due to commitments already made, no PY 2004 funds were dedicated to this purpose. Partly as a result, there is substantial pent-up need for investments in WorkSource, Washington's One-Stop system.

Category	2003	2004	2005 Minimum Amount Suggested
One-Stop	\$850,000 725,000 (CF) 600,000 (Wagner-Peyser)	0	\$1,200,000

**Assist Areas With High Concentrations of Eligible Youth.** High concentrations of eligible youth are defined as geographical areas with above average concentrations of low-income youth. Beginning with PY 2003, funds have been used to leverage Basic Education Act dollars in community partnerships with school districts and WDCs. The funds are used to address dropout prevention and retrieval.

Category	2003	2004	2005 Minimum Amount Suggested
Youth	\$670,000	\$670,000 670,000 (CF)	\$670,000

**Operate a Fiscal and Management Information System.** Congress reduced allowable administrative limits when it passed WIA. In return, it informed states that the 10 percent funds were an appropriate source to cover the costs of information technology systems. In order to support One-Stop, the state has directed funds to consolidating and coordinating multiple fiscal and participant (customer) tracking systems and self-service access. These include: WorkSource presence on the Internet (Go2Worksource), Dataflex, Datamart, Services Knowledge and Information Exchange System (SKIES), unemployment insurance benefit payment interface, and JAS (WorkFirst). SKIES is the major recipient of these 10 percent funds. Information systems include making information about job openings available in-person or via the Internet. The expenses for SKIES covers: system administration and operation; software development, maintenance, and upgrades; and hardware maintenance.

Category	2003	2004	2005 Minimum Amount Suggested
Information Systems	\$2,700,000 950,000 (Wagner-Peyser and Claimant Placement)	\$2,689,200 310,000 (CF) 1,150,000 (Wagner-Peyser and Claimant Placement)	\$2,700,000 1,150,000 (Wagner-Peyser and Claimant Placement)

**Technical Assistance.** WIA requires states to provide technical assistance to workforce development areas that fail to meet performance targets. Employment Security Department and Workforce Board staff will continue to provide technical assistance as needed, without dedicating 10 percent funds for this purpose.

Category	2003	2004	2005 Minimum Amount Suggested
Technical Assistance	\$125,000	0 \$25,000 (CF)	0

**Optional Activities (Activities That WIA Permits, but Does not Require)**

**Industry Skill Panels.** Industry skill panels are partnerships of employers, labor, and training providers. The panels assess skill gaps in their industry and design actions to close the gaps. Such actions can include the development of new courses, customized training, recruitment efforts, internships, loaned faculty, shared facilities, and others. Skill panels improve efficiency by targeting workforce development activities (including incumbent worker training) to areas identified by industry representatives as necessary to close skill gaps in their industry.

<b>Category</b>	<b>2003</b>	<b>2004</b>	<b>2005 Minimum Amount Suggested</b>
Skill Panels	\$790,000 120,000 (CF)	\$680,000	\$680,000

**Health Care.** Investments to address the shortage of health care workers are included above under skill panels and below under incumbent worker training. In 2003, funds were also allocated for establishing health care programs in secondary school and for a study of how best to collect on-going data on the supply of health care workers. In 2004, some funds from 2003 were carry forward to complete the study and to start to implement its recommendations.

<b>Category</b>	<b>2003</b>	<b>2004</b>	<b>2005 Minimum Amount Suggested</b>
Health Care (other than skill panels and incumbent worker training)	\$400,000	0 \$70,000 (CF)	0

**Incumbent Worker Training.** Washington has long lagged behind other states in the amount of public funds invested in customized training of incumbent workers. In order to increase this investment, the Governor allocated substantial funds from WIA 10 percent to this purpose. As part of WIA reauthorization, Congress is expected to increase the flexibility of local areas to use their formula funds for incumbent worker training. In both the House and Senate Bills local areas may use up to 10 percent of their adult monies for incumbent worker training.

<b>Category</b>	<b>2003</b>	<b>2004</b>	<b>2005 Minimum Amount Suggested</b>
Incumbent Worker Training	\$1,000,000 2,200,000 (CF)	\$ 700,000 1,000,000 (CF- Apprenticeship)	\$700,000

**Reserve Fund.** In the past, money has been held in reserve to enable the Governor to fund activities not originally planned for. Because of commitments made for the PY 2004 funds (the 7E7 Dreamliner Project) there were no reserve funds in 2004, but instead, the funds were committed to this Governor's initiative.

<b>Category</b>	<b>2003</b>	<b>2004</b>	<b>2005 Minimum Amount Suggested</b>
Governor's Reserve/Initiative	\$1,500,000	\$3,500,000 1,500,000 (CF) 1,000,000 (Wagner Peyser CF) 1,000,000 (Wagner Peyser)	?

**Summary Table (WIA Title I-B Funds unless otherwise indicated)**

<b>Category</b>	<b>2003</b>	<b>2004</b>	<b>2005 Minimum Amount Suggested</b>
ETPL and Evaluations	\$700,000 75,000 (CF)	\$400,000	\$1,000,000
Incentive Grants	\$400,000	\$300,000 (CF)	\$300,000
One-Stop	\$850,000 725,000 (CF) 600,000 (Wagner-Peyser)	0	\$1,200,000
Youth	\$670,000	\$670,000 670,000 (CF)	\$670,000
Information Systems	\$2,700,000 950,000 (Wagner Peyser and Claimant Placement)	\$2,689,200 310,000 (CF) 1,150,000 (Wagner Peyser and Claimant Placement)	\$2,700,000 1,150,000 (Wagner Peyser and Claimant Placement)
Technical Assistance	\$125,000	0 \$25,000 (CF)	0
Skill Panels	\$790,000 120,000 (CF)	\$680,000	\$680,000
Health Care (other than skill panels and training)	\$400,000	0 \$70,000 (CF)	0
Incumbent Worker Training	\$1,000,000 2,200,000 (CF)	\$ 700,000 1,000,000 (CF- Apprenticeship)	\$700,000
Governor's Reserve/Initiative	\$1,500,000	\$3,500,000 1,500,000 (CF) 1,150,000 (Wagner Peyser and Claimant Placement)	?
<b>To Be Determined</b>			<b>\$1,150,000 est.</b>
<b>Total WIA</b>	<b>\$9,238,190</b>	<b>\$8,639,200</b>	<b>\$8,400,000 est.</b>