

**WASHINGTON STATE  
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD  
MEETING NO. 200  
June 8, 2016**

**WORKFORCE BOARD FISCAL YEAR 2017 OPERATING BUDGET**

The agency's operating budget is guided by the goals, objectives, and strategies determined by the Board and state and federal statutes. The operating budget defines the categories of anticipated expenditures necessary to accomplish the work of the Board. A summary of programs identifies the agency's total resources and specific resources for each program. The Agency Source of Funds and Operating Budget Sheet for FY 2017 follow the Program Summary. An appendix is included that contains a comparison by program for FY 2016 and FY 2017 of the major cost categories, including salaries, fringe benefits, goods and services, travel, contracts, and grants. The 2015-2017 Biennial Budget as well as the 2016 Supplement Budget containing General Fund State and Federal appropriations for state fiscal year 2016, 2017 and 2018 have yet to be finalized.

**Board Action Requested:** For discussion and review, with Adoption of the Recommended Motion to be requested.

## **RECOMMENDED MOTION**

**WHEREAS**, The Workforce Training and Education Coordinating Board uses the agency operating plan for 2016-2017 containing goals, objectives, and strategies for accomplishing its work; and

**WHEREAS**, The 2015-2017 Biennial Budget has been finalized and contains appropriations for the Workforce Training and Education Coordinating Board for the period of July 1, 2016, through June 30, 2017; and

**WHEREAS**, the operating budget identifies the required resource needs for the coming year; and

**WHEREAS**, each year, the Workforce Training and Education Coordinating Board adopts the operating budget of the agency to align resources with its operating plan;

**NOW, THEREFORE, BE IT RESOLVED**, that the Workforce Training and Education Coordinating Board approve the Agency Source of Funds and Operating Budget for the period July 1, 2016, to June 30, 2017.

## **Workforce Training and Education Coordinating Board Summary of Programs**

### **ALL PROGRAMS - \$24,064,980**

- Provide for leadership, coordination, and implementation of the goals, objectives, and strategies in *Talent and Prosperity for All (TAP)* Washington's Strategic Plan for Workforce Development.
- Achieve the goals, objectives, and strategies contained in the agency's Operating Plan for 2016-2017 including planning for and implementation of the Workforce Innovation and Opportunity Act.
- Conduct LEAN management principles and activities, continue to improve the quality and efficiency of agency operations.

### **WORKFORCE POLICY - \$1,321,891 (excluding private local contributions)**

- Address the content and timelines of statutory requirements in RCW 28C.18 and other related statutory and administrative requirements and guidance for the Workforce Board. Provide planning, coordination, evaluation, monitoring, and policy analysis for the state training system and advice to the Governor and Legislature.
- Provide policy analysis and advice at the international, national, state, and local levels for workforce issues, including career and technical and workforce education.
- Lead development of a performance management system that results in continuous quality improvement, including required accountability for state and federal programs.
- Fulfill the dollar-for-dollar match requirements for the Carl Perkins administrative activities while contributing to the workforce training and education system as a whole.

### **PRIVATE VOCATIONAL SCHOOLS ACT - \$422,109 (excluding Tuition Recovery Trust Fund)**

- Administer an effective and efficient licensing system for private vocational schools and colleges, including pre-license technical assistance and electronic license filing.
- Investigate and resolve student concerns and complaints.
- Provide staff support to the Private Vocational Schools Advisory Committee.
- Collaborate and coordinate with the U.S. Department of Education, Northwest Career College Federation, other federal and state agencies and others involved in licensing and consumer protection activities.
- Monitor the role of private career schools and colleges within the workforce development system.

**TUITION RECOVERY TRUST FUND - \$65,000**

- Administer a tuition guarantee fund for students enrolled in private vocational schools and colleges.

**CARL D. PERKINS VOCATIONAL EDUCATION - \$20,450,079**

- Administer and provide state leadership for activities required and allowed by the Carl D. Perkins Career and Technical Education Act, including programmatic and fiscal responsibilities as the eligible agency.
- Conduct activities contained in the state's Carl Perkins Five Year Plan and subsequent updates, including implementation of Multiple Pathways and Programs of Study.
- Provide opportunities to promote and foster the relationship between Carl Perkins programs and activities and the larger workforce training and education system in the areas of planning, coordination, and evaluation.
- Lead and support partnerships among labor, business, education, industry, community-based organizations, and government.
- Integrate and coordinate with other federal acts, including, but not limited to, the Workforce Innovation and Opportunity Act.

**VETERANS COURSE APPROVAL - \$188,651**

- Administer an effective and efficient program of approving occupational courses and programs for veterans and their beneficiaries and conduct compliance responsibilities based on Public Law 111-377.
- Coordinate activities with the U.S. Department of Veterans Affairs, the National Association of State Approving Agencies, the Washington Student Achievement Council, and other federal, state, and local entities.
- Investigate and resolve occupational education-related veterans' concerns and complaints.

**MAKE IT IN WASHINGTON GRANT PROJECT – \$473,350**

- Administer an effective and efficient program to advance the careers of manufacturing workers in Washington's rural and distressed counties through tuition-funded, industry-recognized online training.
- Boost Washington manufacturing firms' capacity, strengthen supply chains, attract investment, and create new opportunities for businesses and individuals.

**WORKFORCE INNOVATION AND OPPORTUNITY ACT – \$471,900 (estimate)**

- Conduct on-going planning and coordination activities identified in Washington’s Strategic Plan for Workforce Development, *Talent and Prosperity for All*; Washington Works; and the Workforce Innovation and Opportunity Act, including strategic and technical support to local Workforce Development Councils.
- Implement evaluation and accountability activities and technical assistance efforts associated with meeting the performance measurement requirements of state laws and orders and federal statutes for workforce development.
- Support the activities of the Board as it carries out its role as the State Workforce Investment Board.
- Provide performance information to consumers and the workforce development system through the administration, maintenance and enhancement of Career Bridge (Eligible Training Provider List and Training Program Performance), our web-based consumer report card system.
- Support Workforce Innovation and Opportunity planning, transition, implementation, information, and other workforce initiatives.

**Private/Local Contributions– \$122,000**

- Support the Seattle Foundation’s Skillsource Project
- Support the Bainbridge Graduate Institute’s Ice House Entrepreneurship Program
- Support the National Governors Association Policy Academy

**Interagency Agreements – \$550,000**

- Support the State Board for Community and Technical College’s Opportunity Partnership Program
- Support the Health Care Authority’s Healthcare Workforce Sentinel Network Project
- Support the anticipated proviso for Behavioral Health Workforce Project

## Workforce Training and Education Coordinating Board

### Agency Source of Funds and Operating Budget July 1, 2016 – June 30, 2017

#### Source of Funds For Budget

General Fund – State Appropriation (tentative)	\$1,744,000
Interagency Agreement (Federal – WIOA)	\$471,900
Interagency Agreements (State)	\$550,000
Tuition Recovery Trust Fund Admin (State)	\$65,000
Private Local Contributions	\$122,000
General Fund – Federal Appropriations	<u>\$21,112,080</u>
Total Funds Available	\$24,064,980

#### Operating Budget by Cost Category

Staff	27.50
Salaries	\$1,884,523
Benefits	\$693,233
Goods & Services (i.e., rent utilities, service agency costs, etc.)	\$640,348
Travel	\$93,131
Contracts (i.e., evaluations, surveys, tuition assistance, CareerBridge, etc.)	\$935,551
Grants (i.e., OSPI and SBCTC)	<u>\$19,818,194</u>
Total Budget	\$24,064,980

Tuition Recovery Trust Fund (tentative fund balance) \$2,500,000

**WASHINGTON STATE  
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD  
MEETING NO. 200  
June 8, 2016**

**CARL D. PERKINS CAREER AND TECHNICAL EDUCATION ACT  
FUNDING FORMULA**

The Workforce Training and Education Coordinating Board is statutorily designated as the State Board of Career and Technical Education (RCW 28C.18.050) and is responsible for the receipt and distribution of federal funds for career and technical and workforce education. Each year the Workforce Board adopts the federal funds distribution matrix that identifies the purposes and amounts available to implement the Carl D. Perkins Career and Technical Education Act. This document provides additional details on the allocation of these federal funds within the state for the program year beginning July 1, 2016 and ending June 30, 2017 (PY 2016).

The Act contains three categories of funding available in the budget:

- Basic grants for local school and community and technical college district programs and services.
- State leadership activities, including nontraditional training and employment preparation and services to individuals in state institutions.
- Administration.

The FY 2015 federal budget contains \$1,100,834,030 in Perkins funding for Basic State Grants for the states and territories. This appropriation flows to states based on the statutory formula driven by population cohorts. Washington's share is \$20,450,079 for the July 1, 2016, through June 30, 2017, program year. This amount is decreased from last year by \$160,655. The flow of funds is contained in the attached Federal Funding Flow Chart. A summary of explanatory information follows the flow chart and provides additional information on levels and uses of funds by the operating agencies and the Workforce Board. The PY 2016 allotments are contained in the attached funding distribution matrix.

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

**RECOMMENDED MOTION**

**WHEREAS**, The Workforce Training and Education Coordinating Board is designated as the State Board for Career and Technical Education [RCW 28C.18.050] to be the eligible agency to receive and distribute federal funding; and

**WHEREAS**, The Workforce Training and Education Coordinating Board identified in the Washington State Five Year Carl Perkins Plan, the purposes, categories, and uses of these funds, including distribution of the federal funds for the five-year period; and

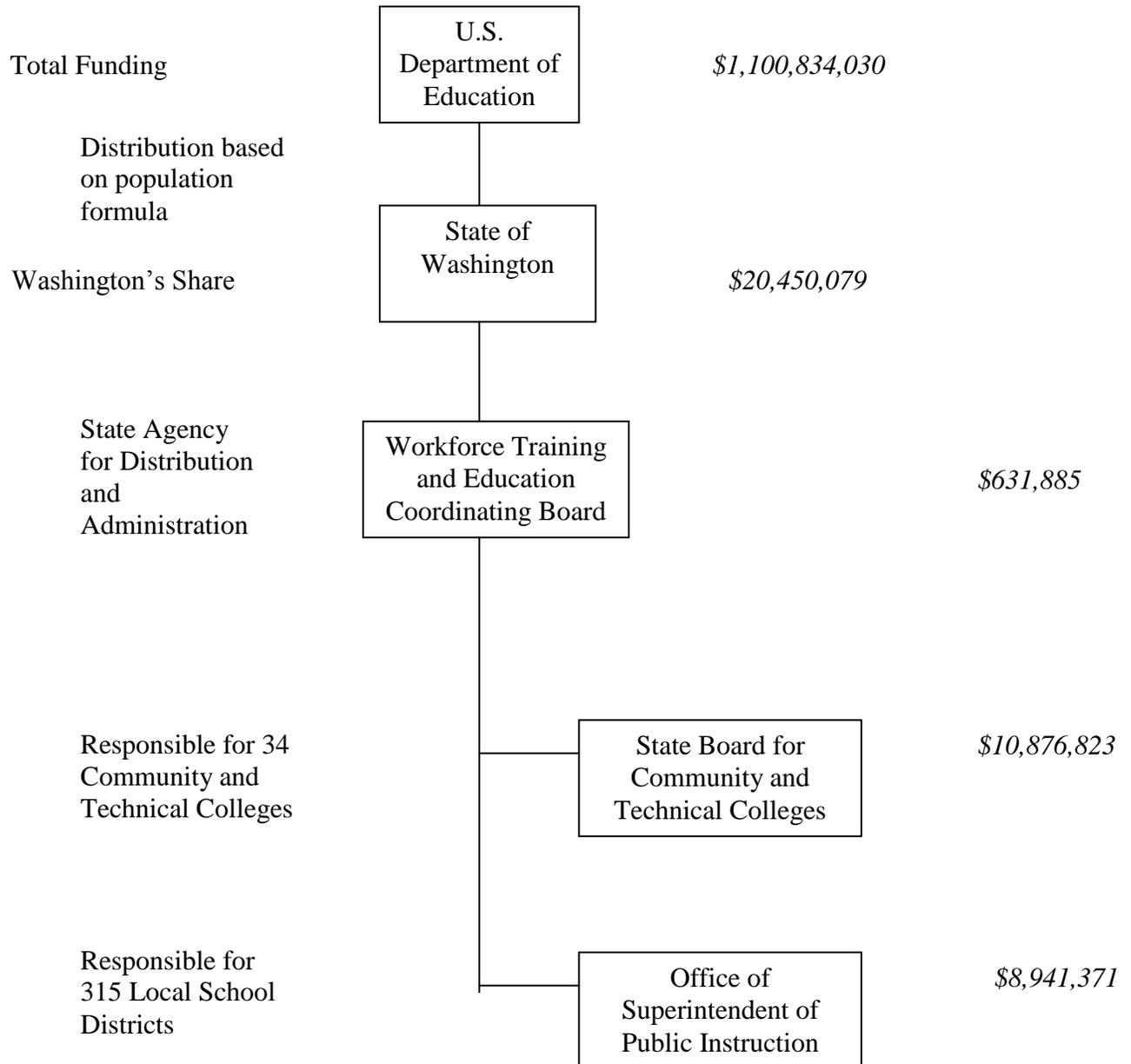
**WHEREAS**, The Workforce Training and Education Coordinating Board intends to make federal funds available to state agencies and related sub-recipients for use during PY 2016, July 1, 2016 through June 30, 2017; and

**WHEREAS**, The Workforce Training and Education Coordinating Board intends to continue the distribution from the current year, including: secondary/postsecondary split of 44 percent to 56 percent and the secondary and postsecondary 10 percent reserves for Basic Grants; providing funding among the three agencies for State Leadership, to include required contributions for nontraditional training and institutionalized services; and administration (with required state match);

**NOW, THEREFORE, BE IT RESOLVED**, That the Workforce Training and Education Coordinating Board approve the Distribution of PY 2016 Federal Career and Technical Education Funds (July 1, 2016 to June 30, 2017) and enter into agreements with its partner agencies to distribute the funds in accordance with the fund distribution matrix.

Carl D. Perkins Career and Technical Education Act  
Federal Funding Flow Chart

PY 2015 Appropriation



**FEDERAL CAREER AND TECHNICAL EDUCATION FUNDS**  
**July 1, 2016 – June 30, 2017**  
**Summary of Explanatory Information**

The Carl D. Perkins Career and Technical Education Act mandates distribution of federal funding into the three categories of the Basic State Grant: Basic Programs, State Leadership, and Administration.

Basic programs are funded at 85 percent with both required and permissive uses of the funds. Funds flow to local recipients (school districts and skills centers, and community and technical colleges) through the Office of Superintendent of Public Instruction (OSPI) and the State Board for Community and Technical Colleges (SBCTC), according to statutory formulas. The secondary/postsecondary split continues at 44/56 percent.

The law allows secondary and postsecondary systems to reserve 10 percent of their funding for use as grants. These reserve grants may be used for rural areas and areas with either high percentages or high numbers of career and technical education (CTE) students. Washington's secondary and postsecondary systems continue to reserve the 10 percent available to them.

State Leadership is limited to 10 percent. Each agency retains some Leadership funds for state level staff and other costs. These dollars when combined with Administration funds remain unchanged from previous years and are provided to each agency using the existing distribution formula. Remaining Leadership funds are shared equally between secondary and postsecondary to cover activities either directly undertaken by the agency or for use by local recipients for targeted purposes. Required set asides include nontraditional activities (\$150,000 equally distributed to secondary and postsecondary) and the one percent portion for individuals in state institutions (\$102,250 equally distributed to secondary and postsecondary). All together under State Leadership, OSPI receives \$1,054,843; SBCTC receives \$839,106; and the Workforce Board receives \$151,308.

In addition to the required preparation for nontraditional training and employment activities and services to individuals in state institutions, OSPI continues to use its Leadership funds for CTE standards and curriculum frameworks; targeted efforts in science, technology, engineering, and mathematics; Jobs for America's Graduates activities; integration of CTE with education reform work; Programs of Study support; and 21<sup>st</sup> Century Skills Integration. SBCTC continues to use its funding to support regional clusters work, linkages with economic development, program improvement through best practices and innovations, integration of occupational and basic skills, conference support, and Programs of Study support. Other uses for both delivery systems include professional development, curriculum development, assessment and accountability, and student leadership organizations. The Workforce Board uses its share to publish and distribute the *Where Are You Going?* career guide; support career guidance activities; Programs of Study and evaluation support; and advocacy and promotion of CTE.

Administration is limited to 5 percent and requires a dollar-for-dollar match. Each agency uses General Fund State appropriations to meet this requirement. As the designated State Board, the Workforce Board is responsible for fund distribution, overall grant administration, including federal fiscal and programmatic reporting, evaluation and accountability activities, and liaison with the U.S. Department of Education. The Workforce Board uses some of its administration funds for unified planning, accountability, and system performance management activities.

Publications and other products associated with that work include: *High Skills, High Wages: Washington's Strategic Plan for Workforce Development*; *Workforce Training Results and Net Impact Study*; *Career and Technical Education: Invest in Success*; *online Workforce Development Directory*; *Workforce Focus Papers*; and *Annual Progress Report to the Legislature*.

OSPI and SBCTC have responsibility for administration of their local recipients (315 local school districts/13 Skills Centers and 34 community and technical colleges). This includes approval of local plans, fiscal and program compliance, monitoring, and other administrative activities.

**WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**

**Draft**

**Agency Source of Funds and Operating Budget**

**Detailed Comparison by Program**

Source of Funds for Budget	FY 2016	FY 2017 Estimate	Increase	Reduction in Operating Funds	See Notes
General Fund – State Appropriation	\$ 1,424,000	\$ 1,744,000	\$ 320,000		*1
<b>Interagency Agreement (Federal – WIA)</b>	<b>\$ 471,900</b>	<b>\$ 471,900</b>	<b>\$ -</b>		<b>*2 Yet to be determined</b>
Interagency Agreement (Federal – WIOA Plan)	\$ 507,000	\$ -		\$ (507,000)	*3
Interagency Agreement (Federal – WIOA Transition)	\$ 207,896	\$ -		\$ (207,896)	*4
Interagency Agreements (GFS - OPP/HCA/BHR)	\$ 300,000	\$ 550,000	\$ 250,000		*5
Private Local Contributions	\$ 22,000	\$ 122,000	\$ 100,000		*6
Tuition Recovery Trust Fund (State)	\$ 65,000	\$ 65,000			*7
<b>General Fund – Federal Carl Perkins</b>	<b>\$ 20,610,734</b>	<b>\$ 20,450,079</b>		<b>\$ (160,655)</b>	<b>*8 Preliminary</b>
General Fund – Federal Make it in Washington	\$ 423,000	\$ 473,350	\$ 50,350		*9
General Fund - Federal Veterans	\$ 186,490	\$ 188,651	\$ 2,161		*10
<b>Total Funds Available</b>	<b>\$ 24,218,020</b>	<b>\$ 24,064,980</b>	<b>\$ 722,511</b>	<b>\$ (875,551)</b>	<b>*11</b>
Funded FTE Count	27.50	27.50			

**Budget by Program**

	Workforce Policy, Private/Local & Other Interagency Agreements		Private Schools/Tuition Recovery Trust Fund		Carl Perkins CTE		Vets Course Approval		Workforce Innovation & Opportunity Act		Make it in Washington		Total	
	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
Staff	10.1	10.1	4	4.5	5.9	5.9	2	2	3	3	1.5	2	26.5	27.5
Salaries	677,000	814,044	199,830	212,214	391,576	391,576	107,004	122,136	219,551	219,551	96,356	125,002	1,691,317	1,884,523
Benefits	236,950	257,800	69,941	128,747	143,983	140,967	32,532	43,969	76,749	76,749	28,107	45,001	588,262	693,233
Goods & Services	169,067	324,231	56,000	134,411	88,500	72,455	25,433	17,106	70,500	70,500	11,086	21,645	420,586	640,348
Travel	18,715	35,095	3,497	7,714	7,826	23,071	21,521	5,345	18,400	18,400	18,600	3,506	88,559	93,131
Contracts	80,000	562,721	0	4023	0	3816	0	95	86,700	86,700	268,851	278,196	435,551	935,551
Grants			0	0	19,978,849	19,818,194	0	0	0	0	0	0	19,978,849	19,818,194
WIOA Planning/Transition	0	0	0	0	0	0	0	0	714,986	0	0	0	714,986	0
<b>TOTAL</b>	<b>1,181,732</b>	<b>1,993,891</b>	<b>329,268</b>	<b>487,109</b>	<b>20,610,734</b>	<b>20,450,079</b>	<b>186,490</b>	<b>188,651</b>	<b>1,186,886</b>	<b>471,900</b>	<b>423,000</b>	<b>473,350</b>	<b>23,918,110</b>	<b>24,064,980</b>

## Appendix 2

### Notes to Source of Funds:

- (1) General Fund – State Appropriation is yet to be passed into law. It is not expected to decline but will not be known until signed by the Governor. The appropriation is anticipated to include the required dollar for dollar match for state administration of the Carl D. Perkins Act, the PVS FTE added last session, and the Lighthouse Pilot Program of \$75,000 for a net increase of \$320,000.
- (2) The interagency contract, provided by the Employment Security Department, is expected to provide a static level of funding at \$471,900. These funds are for Workforce Innovation and Opportunity Act activities, including but not limited to Board support, Eligible Training Provider List activities, and evaluation of the workforce system's major programs. The agreement has yet to be negotiated.
- (3) One-time WIOA implementation planning funds, an interagency contract with the Employment Security Department, for the facilitation and enhancement of planning activities, was awarded May 1, 2015. This flexible funding pool is expected to carry through to June 30, 2016.
- (4) One-time WIOA transition funding by interagency contract with Employment Security Department.
- (5) Continuing interagency agreements with the State Board for Community and Technical Colleges - Opportunity Partnership Program, and the Health Care Authority - Healthcare Workforce Network, and a new budget proviso for an interagency agreement for Behavioral Health Workforce Project which is expected once the budget bill is passed into law.
- (6) General Fund - Private Local Appropriation includes funding received from Seattle Foundation and the Bainbridge Graduate Institute. Each of these entities have provided small amounts of funding for consultation and program development assistance. Both the Seattle Foundation's Skillsource Project and the Bainbridge Graduate Institute's Ice House Pilot Entrepreneurship Program advisory activities are funded through 2017, and a new award from the National Governors Association for the Workforce Policy Academy.
- (7) Tuition Reimbursement Trust Fund – Not Legislatively appropriated but subject to allotment, funding includes administration of the account and student claims for tuition reimbursement. Administrative funding remains unchanged from state fiscal year 2016.
- (8) General Fund – Federal Appropriation includes funding for Carl D. Perkins Act administration and Career and Technical Education leadership activities. Historically any change in funding level is passed on through contracts with the State Board for Community and Technical Colleges (SBCTC) and the office of the Superintendent of Public Instruction (OSPI), as agreed. The historic formula has held Workforce Board funding constant at \$631,885 since 1995.
- (9) General Fund – Federal Appropriation includes activities tied to the Make it in America grant award under the Make it in Washington project (MiiW). Of the \$1.3 million grant award \$912 thousand (70%) is designated as tuition assistance for incumbent workers in Washington's economically distressed counties. The grant ends on Sept. 30, 2017.
- (10) General Fund – Federal Appropriation also includes funding the Veterans Act State Approving Agency (SAA). No change in funding level is anticipated, however contract negotiations do not begin until August.
- (11) The bottom line Workforce Board operating budget is expected to shrink by \$153,040. Increases in funding are dedicated to cost objectives of grants and contracts or by statute (such as Tuition Recovery Trust Fund). Funding dedicated to educational institutions is \$20,340,849 and the agency operating budget and operating plan have yet to be finalized.

**Proposed\*\*\*\* Distribution of PY 2016 \*\*\*\*Proposed**  
**Federal Career and Technical Education Funds**  
**July 1, 2016 – September 30, 2017**

	OSPI	SBCTC	Workforce Board	TOTAL
<b>Basic Programs</b> (Funding for Local Distributions)	<b>\$ 7,648,329</b>	<b>\$ 9,734,238</b>		<b>\$ 17,382,567</b>
Postsecondary 56% (Formula)		\$ 8,760,814		
Secondary 44% (Formula)	\$ 6,883,496			
Reserve (State Grants)	\$ 764,833	\$ 973,424		
<b>State Leadership</b> (Assessment & Research, Technology & Improved Programs, Partnership & Articulation, Special Populations & Career Guidance, Professional & Curriculum Development, & Technical Assistance)	<b>\$1,054,594</b>	<b>\$839,106</b>	<b>\$ 151,308</b>	<b>\$ 2,045,008</b>
State & Local Level Activities	\$ 877,344	\$ 661,856	\$ 151,308	
Nontraditional Services (Required)	\$ 75,000	\$ 75,000		
Institutionalized Services (Required)	\$ 102,250	\$ 102,250		
<b>Administration</b> (State Planning & Coordination, Fiscal & Audit, Reporting & Accountability, Monitoring & Evaluation, Technical Assistance)	<b>\$ 238,448</b>	<b>\$ 303,479</b>	<b>\$ 480,577</b>	<b>\$ 1,022,504</b>
State Match (Required)	\$ 255,626	\$ 286,301	\$ 480,577	
<b>Total</b>	<b><u>\$ 8,941,371</u></b>	<b><u>\$ 10,876,823</u></b>	<b><u>\$ 631,885</u></b>	<b><u>\$ 20,450,079</u></b>
<b>Grand Total</b>	<b>\$ 8,941,371</b>	<b>\$ 10,876,823</b>	<b>\$ 631,885</b>	<b>\$ 20,450,079</b>

**WASHINGTON STATE  
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD  
MEETING NO. 200  
June 8, 2016**

**CARL D. PERKINS CAREER AND TECHNICAL EDUCATION ACT  
FUNDING FORMULA**

The Workforce Training and Education Coordinating Board is statutorily designated as the State Board of Career and Technical Education (RCW 28C.18.050) and is responsible for the receipt and distribution of federal funds for career and technical and workforce education. Each year the Workforce Board adopts the federal funds distribution matrix that identifies the purposes and amounts available to implement the Carl D. Perkins Career and Technical Education Act. This document provides additional details on the allocation of these federal funds within the state for the program year beginning July 1, 2016 and ending June 30, 2017 (PY 2016).

The Act contains three categories of funding available in the budget:

- Basic grants for local school and community and technical college district programs and services.
- State leadership activities, including nontraditional training and employment preparation and services to individuals in state institutions.
- Administration.

The FY 2015 federal budget contains \$1,100,834,030 in Perkins funding for Basic State Grants for the states and territories. This appropriation flows to states based on the statutory formula driven by population cohorts. Washington's share is \$20,450,079 for the July 1, 2016, through June 30, 2017, program year. This amount is decreased from last year by \$160,655. The flow of funds is contained in the attached Federal Funding Flow Chart. A summary of explanatory information follows the flow chart and provides additional information on levels and uses of funds by the operating agencies and the Workforce Board. The PY 2016 allotments are contained in the attached funding distribution matrix.

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

**RECOMMENDED MOTION**

**WHEREAS**, The Workforce Training and Education Coordinating Board is designated as the State Board for Career and Technical Education [RCW 28C.18.050] to be the eligible agency to receive and distribute federal funding; and

**WHEREAS**, The Workforce Training and Education Coordinating Board identified in the Washington State Five Year Carl Perkins Plan, the purposes, categories, and uses of these funds, including distribution of the federal funds for the five-year period; and

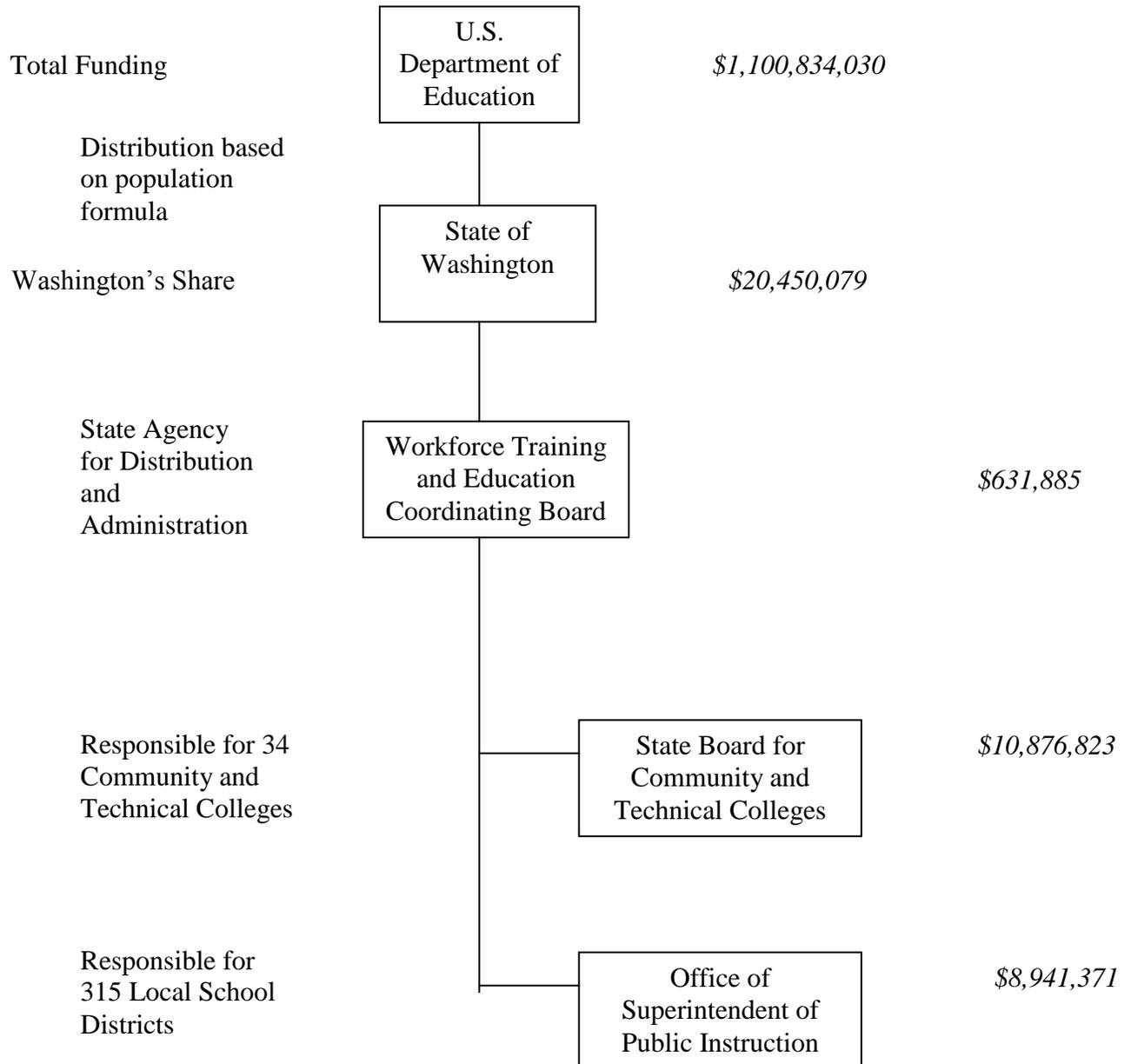
**WHEREAS**, The Workforce Training and Education Coordinating Board intends to make federal funds available to state agencies and related sub-recipients for use during PY 2016, July 1, 2016 through June 30, 2017; and

**WHEREAS**, The Workforce Training and Education Coordinating Board intends to continue the distribution from the current year, including: secondary/postsecondary split of 44 percent to 56 percent and the secondary and postsecondary 10 percent reserves for Basic Grants; providing funding among the three agencies for State Leadership, to include required contributions for nontraditional training and institutionalized services; and administration (with required state match);

**NOW, THEREFORE, BE IT RESOLVED**, That the Workforce Training and Education Coordinating Board approve the Distribution of PY 2016 Federal Career and Technical Education Funds (July 1, 2016 to June 30, 2017) and enter into agreements with its partner agencies to distribute the funds in accordance with the fund distribution matrix.

Carl D. Perkins Career and Technical Education Act  
Federal Funding Flow Chart

PY 2015 Appropriation



**FEDERAL CAREER AND TECHNICAL EDUCATION FUNDS**  
**July 1, 2016 – June 30, 2017**  
**Summary of Explanatory Information**

The Carl D. Perkins Career and Technical Education Act mandates distribution of federal funding into the three categories of the Basic State Grant: Basic Programs, State Leadership, and Administration.

Basic programs are funded at 85 percent with both required and permissive uses of the funds. Funds flow to local recipients (school districts and skills centers, and community and technical colleges) through the Office of Superintendent of Public Instruction (OSPI) and the State Board for Community and Technical Colleges (SBCTC), according to statutory formulas. The secondary/postsecondary split continues at 44/56 percent.

The law allows secondary and postsecondary systems to reserve 10 percent of their funding for use as grants. These reserve grants may be used for rural areas and areas with either high percentages or high numbers of career and technical education (CTE) students. Washington's secondary and postsecondary systems continue to reserve the 10 percent available to them.

State Leadership is limited to 10 percent. Each agency retains some Leadership funds for state level staff and other costs. These dollars when combined with Administration funds remain unchanged from previous years and are provided to each agency using the existing distribution formula. Remaining Leadership funds are shared equally between secondary and postsecondary to cover activities either directly undertaken by the agency or for use by local recipients for targeted purposes. Required set asides include nontraditional activities (\$150,000 equally distributed to secondary and postsecondary) and the one percent portion for individuals in state institutions (\$102,250 equally distributed to secondary and postsecondary). All together under State Leadership, OSPI receives \$1,054,843; SBCTC receives \$839,106; and the Workforce Board receives \$151,308.

In addition to the required preparation for nontraditional training and employment activities and services to individuals in state institutions, OSPI continues to use its Leadership funds for CTE standards and curriculum frameworks; targeted efforts in science, technology, engineering, and mathematics; Jobs for America's Graduates activities; integration of CTE with education reform work; Programs of Study support; and 21<sup>st</sup> Century Skills Integration. SBCTC continues to use its funding to support regional clusters work, linkages with economic development, program improvement through best practices and innovations, integration of occupational and basic skills, conference support, and Programs of Study support. Other uses for both delivery systems include professional development, curriculum development, assessment and accountability, and student leadership organizations. The Workforce Board uses its share to publish and distribute the *Where Are You Going?* career guide; support career guidance activities; Programs of Study and evaluation support; and advocacy and promotion of CTE.

Administration is limited to 5 percent and requires a dollar-for-dollar match. Each agency uses General Fund State appropriations to meet this requirement. As the designated State Board, the Workforce Board is responsible for fund distribution, overall grant administration, including federal fiscal and programmatic reporting, evaluation and accountability activities, and liaison with the U.S. Department of Education. The Workforce Board uses some of its administration funds for unified planning, accountability, and system performance management activities.

Publications and other products associated with that work include: *High Skills, High Wages: Washington's Strategic Plan for Workforce Development*; *Workforce Training Results and Net Impact Study*; *Career and Technical Education: Invest in Success*; *online Workforce Development Directory*; *Workforce Focus Papers*; and *Annual Progress Report to the Legislature*.

OSPI and SBCTC have responsibility for administration of their local recipients (315 local school districts/13 Skills Centers and 34 community and technical colleges). This includes approval of local plans, fiscal and program compliance, monitoring, and other administrative activities.

**WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**

**Draft**

**Agency Source of Funds and Operating Budget**

**Detailed Comparison by Program**

Source of Funds for Budget	FY 2016	FY 2017 Estimate	Increase	Reduction in Operating Funds	See Notes
General Fund – State Appropriation	\$ 1,424,000	\$ 1,744,000	\$ 320,000		*1
<b>Interagency Agreement (Federal – WIA)</b>	<b>\$ 471,900</b>	<b>\$ 471,900</b>	<b>\$ -</b>		<b>*2 Yet to be determined</b>
Interagency Agreement (Federal – WIOA Plan)	\$ 507,000	\$ -	\$ -	\$ (507,000)	*3
Interagency Agreement (Federal – WIOA Transition)	\$ 207,896	\$ -	\$ -	\$ (207,896)	*4
Interagency Agreements (GFS - OPP/HCA/BHR)	\$ 300,000	\$ 550,000	\$ 250,000		*5
Private Local Contributions	\$ 22,000	\$ 122,000	\$ 100,000		*6
Tuition Recovery Trust Fund (State)	\$ 65,000	\$ 65,000			*7
<b>General Fund – Federal Carl Perkins</b>	<b>\$ 20,610,734</b>	<b>\$ 20,450,079</b>		<b>\$ (160,655)</b>	<b>*8 Preliminary</b>
General Fund – Federal Make it in Washington	\$ 423,000	\$ 473,350	\$ 50,350		*9
General Fund - Federal Veterans	\$ 186,490	\$ 188,651	\$ 2,161		*10
<b>Total Funds Available</b>	<b>\$ 24,218,020</b>	<b>\$ 24,064,980</b>	<b>\$ 722,511</b>	<b>\$ (875,551)</b>	<b>*11</b>
Funded FTE Count	27.50	27.50			

**Budget by Program**

	Workforce Policy, Private/Local & Other Interagency Agreements		Private Schools/Tuition Recovery Trust Fund		Carl Perkins CTE		Vets Course Approval		Workforce Innovation & Opportunity Act		Make it in Washington		Total	
	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
Staff	10.1	10.1	4	4.5	5.9	5.9	2	2	3	3	1.5	2	26.5	27.5
Salaries	677,000	814,044	199,830	212,214	391,576	391,576	107,004	122,136	219,551	219,551	96,356	125,002	1,691,317	1,884,523
Benefits	236,950	257,800	69,941	128,747	143,983	140,967	32,532	43,969	76,749	76,749	28,107	45,001	588,262	693,233
Goods & Services	169,067	324,231	56,000	134,411	88,500	72,455	25,433	17,106	70,500	70,500	11,086	21,645	420,586	640,348
Travel	18,715	35,095	3,497	7,714	7,826	23,071	21,521	5,345	18,400	18,400	18,600	3,506	88,559	93,131
Contracts	80,000	562,721	0	4023	0	3816	0	95	86,700	86,700	268,851	278,196	435,551	935,551
Grants			0	0	19,978,849	19,818,194	0	0	0	0	0	0	19,978,849	19,818,194
WIOA Planning/Transition	0	0	0	0	0	0	0	0	714,986	0	0	0	714,986	0
<b>TOTAL</b>	<b>1,181,732</b>	<b>1,993,891</b>	<b>329,268</b>	<b>487,109</b>	<b>20,610,734</b>	<b>20,450,079</b>	<b>186,490</b>	<b>188,651</b>	<b>1,186,886</b>	<b>471,900</b>	<b>423,000</b>	<b>473,350</b>	<b>23,918,110</b>	<b>24,064,980</b>

## Appendix 2

### Notes to Source of Funds:

- (1) General Fund – State Appropriation is yet to be passed into law. It is not expected to decline but will not be known until signed by the Governor. The appropriation is anticipated to include the required dollar for dollar match for state administration of the Carl D. Perkins Act, the PVS FTE added last session, and the Lighthouse Pilot Program of \$75,000 for a net increase of \$320,000.
- (2) The interagency contract, provided by the Employment Security Department, is expected to provide a static level of funding at \$471,900. These funds are for Workforce Innovation and Opportunity Act activities, including but not limited to Board support, Eligible Training Provider List activities, and evaluation of the workforce system's major programs. The agreement has yet to be negotiated.
- (3) One-time WIOA implementation planning funds, an interagency contract with the Employment Security Department, for the facilitation and enhancement of planning activities, was awarded May 1, 2015. This flexible funding pool is expected to carry through to June 30, 2016.
- (4) One-time WIOA transition funding by interagency contract with Employment Security Department.
- (5) Continuing interagency agreements with the State Board for Community and Technical Colleges - Opportunity Partnership Program, and the Health Care Authority - Healthcare Workforce Network, and a new budget proviso for an interagency agreement for Behavioral Health Workforce Project which is expected once the budget bill is passed into law.
- (6) General Fund - Private Local Appropriation includes funding received from Seattle Foundation and the Bainbridge Graduate Institute. Each of these entities have provided small amounts of funding for consultation and program development assistance. Both the Seattle Foundation's Skillsource Project and the Bainbridge Graduate Institute's Ice House Pilot Entrepreneurship Program advisory activities are funded through 2017, and a new award from the National Governors Association for the Workforce Policy Academy.
- (7) Tuition Reimbursement Trust Fund – Not Legislatively appropriated but subject to allotment, funding includes administration of the account and student claims for tuition reimbursement. Administrative funding remains unchanged from state fiscal year 2016.
- (8) General Fund – Federal Appropriation includes funding for Carl D. Perkins Act administration and Career and Technical Education leadership activities. Historically any change in funding level is passed on through contracts with the State Board for Community and Technical Colleges (SBCTC) and the office of the Superintendent of Public Instruction (OSPI), as agreed. The historic formula has held Workforce Board funding constant at \$631,885 since 1995.
- (9) General Fund – Federal Appropriation includes activities tied to the Make it in America grant award under the Make it in Washington project (MiiW). Of the \$1.3 million grant award \$912 thousand (70%) is designated as tuition assistance for incumbent workers in Washington's economically distressed counties. The grant ends on Sept. 30, 2017.
- (10) General Fund – Federal Appropriation also includes funding the Veterans Act State Approving Agency (SAA). No change in funding level is anticipated, however contract negotiations do not begin until August.
- (11) The bottom line Workforce Board operating budget is expected to shrink by \$153,040. Increases in funding are dedicated to cost objectives of grants and contracts or by statute (such as Tuition Recovery Trust Fund). Funding dedicated to educational institutions is \$20,340,849 and the agency operating budget and operating plan have yet to be finalized.

**Proposed\*\*\*\* Distribution of PY 2016 \*\*\*\*Proposed**  
**Federal Career and Technical Education Funds**  
**July 1, 2016 – September 30, 2017**

	OSPI	SBCTC	Workforce Board	TOTAL
<b>Basic Programs</b> (Funding for Local Distributions)	<b>\$ 7,648,329</b>	<b>\$ 9,734,238</b>		<b>\$ 17,382,567</b>
Postsecondary 56% (Formula)		\$ 8,760,814		
Secondary 44% (Formula)	\$ 6,883,496			
Reserve (State Grants)	\$ 764,833	\$ 973,424		
<b>State Leadership</b> (Assessment & Research, Technology & Improved Programs, Partnership & Articulation, Special Populations & Career Guidance, Professional & Curriculum Development, & Technical Assistance)	<b>\$1,054,594</b>	<b>\$839,106</b>	<b>\$ 151,308</b>	<b>\$ 2,045,008</b>
State & Local Level Activities	\$ 877,344	\$ 661,856	\$ 151,308	
Nontraditional Services (Required)	\$ 75,000	\$ 75,000		
Institutionalized Services (Required)	\$ 102,250	\$ 102,250		
<b>Administration</b> (State Planning & Coordination, Fiscal & Audit, Reporting & Accountability, Monitoring & Evaluation, Technical Assistance)	<b>\$ 238,448</b>	<b>\$ 303,479</b>	<b>\$ 480,577</b>	<b>\$ 1,022,504</b>
State Match (Required)	\$ 255,626	\$ 286,301	\$ 480,577	
<b>Total</b>	<b><u>\$ 8,941,371</u></b>	<b><u>\$ 10,876,823</u></b>	<b><u>\$ 631,885</u></b>	<b><u>\$ 20,450,079</u></b>
<b>Grand Total</b>	<b>\$ 8,941,371</b>	<b>\$ 10,876,823</b>	<b>\$ 631,885</b>	<b>\$ 20,450,079</b>