

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 110
May 11, 2006**

**WORKFORCE INVESTMENT ACT (WIA) 10 PERCENT FUNDS
RECOMMENDATIONS**

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 offers recommendations for 10 percent funding for the program year that begins July 1, 2006 (PY 2006). The Workforce Board and Employment Security Department (ESD) staff developed the recommendations.

Washington's 10 percent funds for 2006 are expected to drop from \$8,412,184 in 2005 to \$7,264,087, a reduction of nearly 14 percent. Despite this reduction, the recommendations include maintaining a large reserve fund for the Governor to use to meet emerging needs, maintaining funding for the Board's priority initiatives of industry skill panels and dropout prevention, and required spending to maintain fiscal and management information systems. Maintaining level funding in these areas was achieved largely by using \$400,000 in unobligated funds carried forward from 2005, and by the relatively lower spending level for evaluations that is normal every other year.

In developing the recommendations, the Workforce Board and ESD staff consulted with representatives of Workforce Development Councils (WDCs). At the urging of the WDCs, the recommendations include \$700,000 to be allocated to the WDCs for use for either one-stop (WorkSource), incumbent worker training, or dropout prevention. In 2005, \$700,000 was allocated for incumbent worker training. The 2005 Legislature, however, provided over \$4 million in new funds for incumbent worker training. In addition, the WDCs indicated that while in some areas their share of \$700,000 would be very useful for incumbent worker training, in other areas, the money could be put to better use elsewhere.

This tab contains the recommended allocations and background information.

Board Action Requested: Adoption of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, Ten percent of funding under the Workforce Investment Act Title I-B is set aside to be allocated at the Governor's discretion, subject to certain limitations in the Act;

WHEREAS, One of the functions of the Workforce Training and Education Coordinating Board is to make recommendations to the Governor on WIA statewide activities; and

WHEREAS, Workforce Training and Education Coordinating Board and Employment Security Department staff, with input from the Workforce Development Council directors, have prepared recommended allocations for the Board's consideration;

NOW, THEREFORE BE IT RESOLVED, that the Workforce Training and Education Coordinating Board recommend to the Governor the attached allocations of the Workforce Investment Act 10 Percent Funds for July 1, 2006, to June 30, 2007.

**Recommended Allocations of Workforce Investment Act (WIA) 10 Percent Funds
July 1, 2006 to June 30, 2007**

Category	Amount
Eligible Training Provider List and Evaluations	\$500,000
Incentive Grants	\$200,000
One-Stop (WorkSource)	\$1,200,000
Fiscal and Management Information Systems	\$2,700,000
Demonstration of Statewide Youth Activities (Dropout prevention and retrieval)	\$670,000
Industry Skill Panels	\$680,000
State Assistance to Local Areas (May be used for Incumbent worker training, One-stop, or Dropout prevention)	\$700,000
Governor's Reserve	\$1,014,087
Total	\$7,664,087

Background Information on Recommendations

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 lower in PY 2006 for two main reasons: (1) PY 2006 is not 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) and (2) PY 2006 is not a year that surveys are administered to program participants and employers (conducted every two years).

Category	2003	2004	2005	2006 Recommended
ETPL and Evaluations	\$700,000 75,000 Carry Forward (CF)	\$400,000	\$1,000,000	\$500,000

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	2006 Recommended
Incentive Grants	\$400,000	\$300,000 (CF)	\$300,000	\$200,000

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. This category continues to be a high priority of WDCs who do not receive any other earmarked funding from WIA Title I to support one-stop infrastructure and operations.

Category	2003	2004	2005	2006 Recommended
One-Stop	\$850,000 725,000 (CF) 600,000 (Wagner- Peyser)	0	\$1,200,000	\$1,200,000

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	2006 Recommendation
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)	\$2,700,000

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.

Category	2003	2004	2005	2006 Recommendation
Skill Panels	\$790,000 120,000 (CF)	\$680,000	\$680,000	\$680,000

Demonstration of Statewide Youth Activities (dropout prevention and retrieval). 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	2006 Recommended
Youth	\$670,000	\$670,000 670,000 (CF)	\$670,000	\$670,000

Incumbent Worker Training and State Assistance to Local Areas. 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. The 2006 Legislature appropriated over \$4 million in new funds for incumbent worker training. This allows for greater flexibility in state assistance to local areas for incumbent worker training and other priorities.

Category	2003	2004	2005	2006 Recommendation
Incumbent Worker Training	\$1,000,000 2,200,000 (CF)	\$ 700,000 1,000,000 (CF-Apprenticeship)	\$700,000	
State Assistance to Local Areas (May be used for Incumbent worker training, One-stop, or Dropout prevention)				\$700,000

Governor's Reserve/Initiative 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. For 2005, \$1,162,184 was held in reserve for the Governor to meet emerging needs, such as training for a firm newly recruited to the state. The 2005 fund has been largely untapped and remains available in 2006, as well as the new recommended funding for 2006

Category	2003	2004	2005	2006 Recommendation
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)	\$1,162,184	\$1,014,087 plus carry forward from 2005

Summary Table (WIA Title I-B Funds unless otherwise indicated. CF = Carry Forward)

Category	2003	2004	2005	2006 Recommended
ETPL and Evaluations	\$700,000 75,000 (CF)	\$400,000	\$1,000,000	\$500,000
Incentive Grants	\$400,000	\$300,000 (CF)	\$300,000	\$200,000
One-Stop	\$850,000 725,000 (CF) 600,000 (Wagner-Peyser)	0	\$1,200,000	\$1,200,000
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)	\$2,700,000
Skill Panels	\$790,000 120,000 (CF)	\$680,000	\$680,000	\$680,000
Demonstration of Statewide Youth Activities (Dropout prevention and retrieval)	\$670,000	\$670,000 670,000 (CF)	\$670,000	\$670,000
Incumbent Worker Training/State Assistance to Local Areas	\$1,000,000 2,200,000 (CF)	\$ 700,000 1,000,000 (CF-Apprenticeship)	\$700,000	\$700,000
Governor's Reserve/Initiative	\$1,500,000	\$3,500,000 1,500,000 (CF) 1,150,000 (Wagner Peyser and Claimant Placement)	\$1,162,184	\$1,014,087
Total	\$9,238,190	\$8,639,200	\$8,412,184	\$7,664,087