Comments on Draft Review Problems and Solutions

Washington Workforce Association

December 7, 2009

The Washington Workforce Association, representing the twelve Workforce Development Councils (WDCs), offers the following comments on the specific draft problems and solutions. Throughout the study, we would prefer to be named WDCs rather than "local boards." This is a term of significance at our local levels, and part of being recognizable in the community is to be consistently named. Since the input given is referred to as opinion (page 11, paragraph 3) and does not attest to the accuracy of the information, we question the description of the recommendations as "problems and solutions." A better designation might be "challenges and responses."

Challenge 1: We agree that the number of people needing assistance is far larger than the system's ability to serve, especially those needing specialized assistance. We would like to have seen more evidence of input and suggestions for improvement from agencies serving those populations included in the study.

WDCs have long been engaged in efforts to create a seamless system from the pre-WIA one-stop planning and implementation grants to the present. We are ready to discuss ways to create a truly seamless system as envisioned by the one-stop concept. This has been attempted in the past through such efforts as integrated WorkSource budgeting, WorkFirst integration, and broadening services to customers regardless of funding source. Each of these experiments has fallen into a conflict with the funding silos found in federal legislation. Response 1.1 reopens this effort, and the development of a process to serve the common customer that addresses the barriers is necessary. Co-enrollment is just one of the options to be considered in achieving a seamless system. This work needs to be across all programs in the workforce system. The establishment of performance targets for WIA must take into account the implications for incentives and sanctions.

Response 1.2: This language should be clarified; or should it be interpreted to mean attracting additional partners to the one-stop system that can assist in providing the whole range of services required? The visibility of WDCs in the community is important for a variety of reasons. Visibility contributes to success with employers and economic development activities as well.

Response 1.3 would continue efforts to offer services in the most efficient manner possible. Successful self-service strategies have been pioneered in many WorkSource centers, but there is no consistent effort statewide to share these best practices. The level of resources determines an area's ability to implement technological advances. It should include on-going training and the updating of equipment.

We cannot forget, however, that success for customers is obtained through empathetic and competent staff.

Challenge 2: We agree that too few clients receive the benefit of training. This is primarily due to the significant decline in WIA resources in recent years – 60% over the last seven years – and the lack of full participation by Adult and Technical training entities in WorkSource Centers. While ARRA funding has helped to mitigate the problem this year, we expect a return to insufficient funding levels in PY 2010. The necessity to support the physical one-stop infrastructure as well as core and intensive services with WIA funds competes with the availability of training resources. The proposed amendment to WIA to separately fund the infrastructure would alleviate that pressure. The success of the SB5809 model has greatly expanded the training capacity of the colleges and the training availability to jobseekers. The respective roles of the colleges, ESD, and WDCs operate efficiently in creating and maximizing access to more training opportunities.

We would add to 2.1 that colleges should examine their ability to offer training at alternate times and through alternate designs to better meet the needs of jobseekers with broader responsibilities. The working relationships with apprenticeships suggested in 2.2 are worth expanding. Work-based learning is key to the development of our workforce. A significant portion of learning occurs within the context of a job.

Response 2.3 recognizes the importance of the "honest" broker role performed in WorkSource centers and affiliates. Thorough knowledge of training and support resources is an essential service in WorkSource. Training for jobs in demand and customer choice are key values in the one-stop system. We support the flexibility to build training capacity cited in 2.4

Simplifying the qualification of training entities for the eligible training provider list as suggested in 2.5 should be pursued with caution to ensure programs and providers are well qualified and financially stable. We want to retain the value in screening potential investments of training dollars.

We wholeheartedly support the modernization of the Commissioner Approved Training function included in 2.6. Workforce development customers need and deserve the greatest amount of support possible to succeed in high-demand, long-term training.

Challenge 3: We agree that the performance management system is complex with a multiplicity of state and federal measures. This does not translate into a lack of accountability for achieving results nor an ability to effectively manage operations. WDC outcomes for WIA have consistently been at the highest levels according to federal and state measures. There are consequences specified in WIA through sanctions and reorganization for areas that continuously fail to perform. The state has just recently sought to adopt DOL's common measures to document the success of all workforce development

programs, not just WIA, in meeting workforce customer needs. We support the implementation of these measures.

Challenge 3 also states that there is a lack of accountability for achieving results identified in strategic plans. A careful review would have found that WDCs report quarterly to the State Workforce Board on progress toward achieving the objectives and strategies contained in the state strategic plan for items they have been assigned a lead or other significant role. Are such progress reports submitted by other members of the workforce development system?

Response 3.2 assigns the development of operational standards and measures for WIA to the Employment Security Department (ESD). The section states that WDCs will continue to have the opportunity to "weigh in" on this process. In fact, WIA requires that "The local board, the chief elected official, and the Governor shall negotiate and reach agreement on the local levels of performance."

ESD is already implementing some of these standards and measures by issuing new WorkSource policies that contain very detailed operational requirements. WDCs have expressed concerns to ESD regarding a consistent method of providing input and the level to which state policies govern operations. The state should be defining the "what," and local policies should be specifying the "how." Also, it should be noted that higher administrative costs will be incurred at all levels in order to implement and monitor new policies. This diverts funding from training activities.

WDCs have long been governed by federal incentives and sanctions as referred to in Solution 3.3. WIA requires that 10% money must be used for incentives. It is already within the Governor's responsibility to set such a policy. The bar for de-certification of a WDC based upon achieving *performance* standards is set in federal regulations. In establishing the process for de-certification, WIA takes into account the fact that a WDC has the authority to control the selection of service providers and service delivery strategies for WIA Title 1-B programs. WDCs have no authority to control the funding or personnel of other WorkSource entities such as ESD, DVR, etc. Any sanctions that WSID proposes must take this into account.

Further, it is unclear to WWA as to what types of interim sanctions might be instituted and for what level of performance. Will these same sanctions be applied to criteria other than outcome measurement? It seems as if this solution creates another system to judge operational performance that competes with the performance outcomes that are the priority in WIA. In principle, we would support a system that is transparent and predictable but not one that allows the state to micromanage that part of the system WIA has placed under the authority of WDCs.

We are very concerned about Response 3.4. This response will authorize ESD to add additional criteria for the certification of WDCs beyond the membership requirements set forth in the Workforce Investment Act (WIA). Response 3.4 expands the WIA policy on sanctions beyond meeting performance standards to include vague "board effectiveness" criteria. Relating effectiveness to whether a WDC operates programs is immediately inappropriate and may create unnecessary conflict between the two major WorkSource partners. It must be remembered that ESD also plays such a dual role. No other

indication is given as to the definition of an "effective" board. The local elected officials appoint WDC members and are the final judge of a WDC's effectiveness beyond compliance with WIA specified criteria.

We strongly disagree with and find no basis for this recommended response. In fact, we find this recommendation contradicts many sections in the report that speak to Washington's national reputation for having a leadership role in workforce development. We assert that this reputation has been developed by the long-term participation of local WDCs that have worked hard to achieve the goals and objectives of the state and to provide quality services to the citizens they serve.

We also find that Response 3.4 goes beyond the scope of the study commissioned by Governor Gregoire. The August 11, 2009, announcement letter from ESD, SBCTC, and the WTECB clearly stated the purpose of the study was to clarify roles and responsibilities. It goes on to say, "It will not examine the membership structure or independence of the current State Workforce Board or the number of workforce development areas or membership structure of Local Councils, or the Community College system."

The report itself (page 16, WorkSource program evaluation) speaks to effectiveness of the I-B programs. It states that among the eleven workforce programs studied in the state, the I-B programs have provided by far the largest increase in employment and earnings to the participants they serve. The report also cites that among the 2,400 WorkSource job seekers and 2,000 employers surveyed in 2008, high levels of customer satisfaction were reported by both employers and individuals.

Challenge 4: We agree that there is confusion about the roles and responsibilities of system partners at the state and local levels. The WIA is a complex law and asks states and local areas to be responsible for building partnerships while providing few resources and little authority. Partnerships are built on mutual respect and trust. Actions that marginalize partners will not improve our system. We are committed to working with all stakeholders to establish the appropriate balance between the roles and responsibilities for state and local entities. Some of these same comments are contained under Problem 3.

The proposed functions outlined in Response 4.1 seem to conflict with the intent of WIA. Sections 121 and 118 of WIA clearly outline the roles of WDCs. The role of the grant administrator is outlined in Section 184. The role of the state WIB is included in Section 111. Some of the proposed transfers of functions seem to violate those sections. ESD as the grant administrator cannot serve as the state WIB, and therefore, cannot assume the Board responsibilities such as approving strategic plans and negotiating performance targets. As Solution 4.3 cites, ". . . the Workforce Board will take the lead to increase communication about its role as the **statewide strategic planning body** . . ." This cannot be done without having the approval of local strategic plans as part of its communication plan.

Changes in function for the current Workforce Board may jeopardize its status as an alternate entity approved under WIA and result in a wholesale change in Board structure. The Workforce Board serves as a neutral force within the workforce development system. With ESD serving as both grant administrator and, in some areas, a contracted service provider, unnecessary tension is added to the system relationship.

As in 4.4, WDCs will continue to solidify their working relationships with economic development to improve the State's competitive position and more closely reflect local priorities for job development, job creation, and training.

Challenge 5: We agree that planning efforts should be simplified to improve coordination so that more customers are served.

As outlined in 5.1, a unified plan has been submitted to the State since the implementation of WIA. This is comprised of the strategic plan and the operational plan. As commented in Challenge 4, the Workforce Board should issue instructions and recommend approval of strategic plans to the Governor as it is the statewide strategic planning body. ESD has issued instructions for operational plans and submitted them to the Governor for approval.

As in 5.2, WDCs seek to include all system partners in planning and operations of the one-stop system. At least two college presidents/representatives are required to serve on a WDC.

We agree with Response 5.3 that calls for an improved process for determining the use of the Governor's WIA 10%. WDCs should be an integral part of that decision-making process that leads to a recommendation to the Governor. Required activities need to be defined up front and requests for resources justified. The maximum amount available should be allocated to through the WIA system to support local WIA activities.

While improvements or replacement of SKIES may be necessary, this recession and the solutions for economic recovery do not allow this need to be addressed in the short term. The costs of maintaining the SKIES system should be thoroughly reviewed as should the costs and benefits of developing a new Management Information System. Again, at this time, we believe that the maximum amount of funds should be set aside for training.

Challenge 6: We agree that the WorkSource experience should be consistent, meaningful, and significant for customers.

In Responses 6.1 and 6.2, the role of policy-making should be developed around the State setting the "what "and the WDCs determining the "how." The State may require assessments (the what). The depth of those assessments should vary depending upon services to be received. The assessment needs

of employers vary in each area. Therefore, the assessment tools should be a local determination in consultation with system partners (the how). A single statewide approach has not proven successful in Oregon.

As proposed in 6.3, we support an amendment to WIA to provide a separate funding mechanism for the one-stop infrastructure. This should not be at the expense of regular formula allotments to states and local allocations, but in addition to those allotments and allocations.

As in 6.4, cross training is a vital part of service integration. The cost of this should be borne by all programs under the umbrella of WorkSource.

Challenge 7: We welcome improvements to the labor market information and research being made available. This is a legitimate role for the state. However, the value of local and real time regional economic and labor market information should be recognized.