



Washington **WORKS** \_\_\_\_\_  
Strengthening the Workforce for Washington's Future

A Report to Governor Christine Gregoire

January 2007



Workforce Training and Education Coordinating Board



## Executive Summary

This report responds to your charge for the Workforce Training and Education Coordinating Board (Workforce Board) to review Washington's workforce development system and recommend improvements that will enable the system to better serve the employers and citizens of our state. As you stated in your letter of March 14, 2006, your goal is to have the best workforce development system in the world.

Your international efforts have underscored the urgency of this assignment. As you noted, Washington companies and their workers must compete in a global marketplace. With ever heightening global competition, fueled by technological changes that make geographic distances less meaningful, Washington's employers will not compete by pursuing a low-road strategy of low-paid labor and inexpensive products. Other nations will be better at that. We must compete by having skilled workers who are more productive than workers of other nations. We must ceaselessly prepare our workers with higher levels of skills required to compete globally.

Your attention to how Washington learns underscores the same lesson. Workers' knowledge and skills gained through education and training are more critical to whether or not companies, communities, and citizens will flourish than they have ever been. The appropriate levels of investment in higher education are necessary, but insufficient alone. To compete globally, our state must also greatly increase the skills of adult and youth workers who are not baccalaureate bound.

There is good news. The workforce system strategic plan *High Skills, High Wages* articulates well the multiple approaches that are key to preparation of the workforce of the future. Our integrated workforce system that includes the efforts of business, labor, seven state agencies, 12 regional Workforce Development Councils (WDCs), and 34 community and technical colleges is

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regarded as a leading system among the states. Most importantly, the education and skill levels of Washington's current workforce are high.

But this good news is insufficient to meet the global challenge you have emphasized. The annual employer survey conducted by the Workforce Board reveals workforce skill gaps that sap the competitiveness of companies. Over 51 percent of the employers that were hiring indicated difficulty finding qualified applicants. Put simply, though our annual output of newly-trained (or retrained) workers is impressive, we still have a skill shortage and an unacceptable mismatch between the skills of our workers and the needs of our companies in the global economy. These needs include better trained job applicants and the constant upgrading of the skills of current workers.

At the same time, the workforce system is facing a demographic challenge. The aging of the baby boomer generation and declining birth rates means that employers are increasingly seeking workers from segments of the population that have previously been under-represented in the labor market—except in low-skill, low-wage positions. Employers are drawing upon recent immigrants, diverse populations, and people with disabilities in order to fill higher-skill jobs. This will create economic opportunity for many who have previously been left out of the economic mainstream, even as this demographic shift requires us to adjust and make certain that necessary education and training is available.

Thus, the fundamental challenge of this review is **how to improve the capacity and performance of the system in putting workers on the high-skill path and making certain the skill gap is narrowed and ultimately closed in order to improve the standard of living of workers and the competitiveness of businesses.**

There are continued significant advantages of a system that goes far beyond a single agency to integrate the efforts of business, labor, education, state agencies, and local government. The Washington system reaches far

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beyond those agencies involved in activities under the federal Workforce Investment Act (WIA). The Workforce Board and its partners bear the responsibility to gain the highest level of performance from the entire system in closing the skill gap and investing in presently under-skilled workers. This report's recommendations are designed to guarantee that those responsibilities will be carried out at the highest possible level of efficiency and excellence, thus responding to the global challenge. (Appendices A and B describe the review methods and the current system.)

The Workforce Board, its partners, and the system they comprise must become even more:

- *Sharply focused – able to more easily and quickly respond to gubernatorial goals and deploy system resources to skill gap closing strategies.*
- *Customer driven – eager at every level to form partnerships with business and labor to leverage government resources and make certain public investments respond to the specific needs of the workplace.*
- *Active listeners – to the needs of our partners, understanding of their roles, responsibilities, organizational culture, political environment, strengths and weaknesses, aware of their specific (unique) needs and to provide a safe venue to express concerns, fears, and frustrations.*
- *Opportunistic – willing to try promising new approaches.*
- *Accountable – not just within individual agencies but for the effectiveness of initiatives that cross agency lines.*
- *Fully integrated – presenting itself as a seamless system to the companies and workers that seek its services.*

The Workforce Board recommends improvements in eight aspects of the system. The recommendations are comprehensive, ranging from improvements in retail customer service to changes in state structure. In

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addition, these recommendations are interrelated, seeking to address any and all barriers to performance. The recommendations are far reaching, innovative, and bold, including changes in state structure, policy, operations, communications, and integration based on a review of best practices from other states and honest self-examination of our current system. We recommend:

### **Increasing Coordination With Educational Systems**

The workforce system must be more formally tied with Washington State's other education structures through participation in the P-20 Education Council.

### **Developing a New Partnership With Economic Development**

The system must be called upon to develop an all new set of practices regarding its partnership with economic development entities, including the Economic Development Commission; the Department of Community, Trade and Economic Development (CTED); Economic Development Councils; and other organizations. These practices must include the development of a clearer framework for collectively investing in selected economic clusters and the increased availability of targeted training resources to boost those clusters of opportunity.

### **Aligning State and Local Goals for WorkSource**

A new approach to management accountability must be developed at the local level between the Employment Security Department (ESD) and the 12 locally controlled WDCs. This approach must continue to respect local decision-making flexibility while increasing the tools through which ESD guarantees WDC performance in addressing statewide goals and results for employers, workers, and job seekers.

## **Strengthening the Local Workforce Partnership**

At the local level, entities that provide “one-stop” services to those seeking jobs and/or training must be connected better on a daily basis to agencies that provide assistance to special needs clients such as the Division of Vocational Rehabilitation (DVR) of the Department of Social and Health Services (DSHS) and also with direct providers of training, including the 34 community and technical colleges. This improved level of program integration must be secured through new agreements, including a possible new Executive Order and Memorandums of Understanding, that will formalize and expand present interagency arrangements. Improved program integration will keep those seeking job search or training assistance from falling through the cracks, expand the opportunity for joint case management, and assist in providing support services to increase work readiness.

## **Expanding Performance Accountability for Integrated Services**

As integration of service delivery improves, so must the systems that measure the extent to which the skill gap is being closed. Measurement practices must be sorted out and better tied to the management decision-making process. We must know the measurable results for employers, workers, and job seekers.

## **Expanding Services to Youth at Risk**

This better integrated and more accountable local, regional, and state workforce system must increase its focus on the “seams”—the places where underskilled individuals fail to take advantage of the resources that are available. A waiver of federal WIA provisions should be explored to enable local WDCs to work with K-12 partners to develop additional student retention and dropout retrieval programs.

## **Increasing Postsecondary Training Access and Retention**

This better integrated and more accountable local, regional, and state system must also focus more attention on multiple means of closing the skill gap at the adult level, including increasing the overall workforce education and training capacity of the system; providing new opportunities for underserved populations; and using system resources to increase the retention of enrolled trainees. The state must continue to expand the Opportunity Grant program. A waiver of federal WIA provisions should be considered to permit WDCs to sponsor training initiatives that support wage progression for low-income workers in conjunction with the State Board for Community and Technical Colleges (SBCTC) and Industry Skill Panels. The Workforce Board should broaden its strategic planning approval process to assist in sharpening the focus of WDCs on these goals.

## **Improving the Statewide Structure**

The Workforce Board must be the voice of the customers by strengthening existing (or building new) partner relationships; focusing on the overall policies being carried out by the system; the performance of participating agencies under those policies; and the means through which that performance can be improved. Additional education and training efforts of selected programs should be added to this performance measurement system. The Workforce Board should include representation from the local WDCs. The Workforce Board must more clearly delineate between its policy role and the program management activities of its partner agencies and should strengthen the role of the Interagency Committee to better involve the perspective and experience of the operating agencies in the Board's policy development and coordinating duties.

# Washington **WORKS**

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## Strengthening the Workforce for Washington's Future

### 1. Increasing Coordination With Education Systems

The Workforce Training and Education Coordinating Board (Workforce Board) welcomes any and all opportunities to better connect with the other systems addressing the education and training needs of Washington's citizens. In addition to the education partners represented on the Board, the Office of Superintendent of Public Instruction (OSPI) and the State Board for Community and Technical colleges (SBCTC), other education boards and councils must be mindful of workforce issues in their deliberations. The Governor and the Workforce Board should seek stronger connection through these steps.

#### 1.1 Establish a P-20 Education Council.

The Workforce Board supports the creation of a P-20 education council and the representation of the Workforce Board's executive director on the council. The council would help secure improved coordination and integration among education partners and increased accountability.

There are several policy and coordinating entities for education. These include the Department of Early Childhood Education, the State Board of Education, OSPI, SBCTC, the Workforce Board, and the Higher Education Coordinating Board (HECB). A P-20 council would enable the development and implementation of shared strategies. The council would be a place where formal agreements could be reached among the partners, and partners, in turn, could be very visibly held accountable for carrying out the agreements. The agreements would be especially important for improving transition points between "silos"—making P-20 a more integrated system and helping students from falling through seams in the system. Representation of the Workforce Board would be critical for ensuring that the needs of secondary and postsecondary career and technical education (CTE) students and the employers who hire them are a major focus of the council. As an example, the P-20 council could be a useful vehicle for building career pathways that span secondary and postsecondary education, enabling more CTE students to attain the skills that employers need.

## **1.2 Participate in Reconstituted Higher Education Coordinating Board.**

The Washington Learns process has considered changing the membership structure of the HECB by adding representation of other agencies and institutions to the citizen representation currently on the HECB. If such a change is made and the HECB continues responsibilities for all of higher education, the Workforce Board supports the inclusion of the Workforce Board on the reconstituted HECB. Such a change would be very useful, particularly given the assignment of the HECB to establish and maintain a comprehensive plan for all of higher education, not just baccalaureate, professional, and graduate programs.

Workforce training is a major part of higher education. Over 180,000 students attend community and technical college workforce education programs, over 28,000 students attend private career schools, and over 11,000 apprentices are in training each year. Including a representative of the Workforce Board on the HECB would make certain that a specific voice at the table would be focused on programs serving these students and the employers who hire them. It would help attend to barriers separating baccalaureate and sub-baccalaureate education. In addition, many of these students are funded by, and co-enrolled in, other workforce development programs, including WIA and vocational rehabilitation. Representation would also provide a linkage with workforce development programs that fund, but do not directly provide, postsecondary training.

## **2. Developing a New Partnership With Economic Development**

Workforce investment is an indispensable economic development strategy in a global economy. Despite this, the connections between workforce and economic development programs have not been strong enough. To respond to this situation, the Governor should charge the Workforce Board; Community, Trade and Economic Development (CTED); and the Economic Development Commission to enter into an all new working agreement outlining in detail multiple functions that will be carried out in concert. The goal of such an agreement is to better enable the state to aid the competitiveness of Washington employers.

### **2.1 Appoint the director of CTED as an ex officio participating official on the Workforce Board.**

This appointment would enable the CTED director or her representative to advance economic development approaches within the context of workforce system decision making. The director of DSHS presently serves in such an ex officio capacity.

**2.2 Appoint the executive director of the Workforce Board as an ex officio member of the Economic Development Commission.**

Similar to the above recommendation, this appointment would facilitate interagency coordination at the Board, executive director, and staff level.

**2.3 Direct the Workforce Board and CTED, in collaboration with WDCs, Economic Development Councils (EDCs), community and technical colleges, and local governments to develop a plan to support coordination at the regional level of workforce and economic development efforts.**

At the regional level, WDCs, EDCs, community and technical colleges, and local government economic development offices all engage in economic development planning activities. While many areas (for example, Pierce County) have worked out constructive relationships among these entities, more can be done to aid coordination across the state. Much of the desired coordination will take place within sectoral partnerships (see recommendation 2.4). Workforce and economic development leaders must take a comprehensive look at boundaries and service delivery systems.

**2.4 Direct CTED and the Workforce Board to develop a cluster-based strategy as a central organizing principle for their joint activities and as an important means to close skill gaps.**

A cluster-based approach to workforce and economic development has three distinguishing features:

- A cluster-based approach focuses on regions that are smaller than states. This approach recognizes that while we are in a global economy, it is local regions that generate economic growth.
- It focuses on industry sectors that have demonstrated their competitive advantage in the marketplace as evidenced by an above average concentration of firms and employment.
- It encompasses not just the firms within the industry, but also inter-related businesses outside the industry that are suppliers or customers of the industry and other organizations, such as training providers that support the industry.

Public investments in such clusters of opportunity are more likely to pay off than investments in other economic sectors, since clusters have already demonstrated their success in the market. CTED and the Economic Development Commission should work with the Workforce Board and its state and local partners to create an all new framework for joint cluster investment. This framework will specify how clusters are

identified based in part upon ESD and local labor market data; the means by which clusters are targeted and new cluster partnerships are organized; and the funding streams that can be more intensively devoted to clusters (see recommendation 2.6). This approach will also align the business assistance efforts of WDCs and EDCs at the regional and local level with the cluster-supporting training efforts of SBCTC.

## **2.5 Provide state general funds to support Industry Skill Panels.**

Industry skill panels are regional alliances of employers, labor, and education and training providers in key industry clusters. They work in conjunction with Centers for Excellence organized by SBCTC. The panels assess skill gaps in the industry and design and implement strategies to close those gaps. Washington was the first state in the nation to create a system of such panels and is often looked to as a model as evidenced by the recent National Governors Association invitation to mentor other states in a Learning Network. Washington, however, has relied on funding from WIA dollars for research and demonstration projects. Skill panels have been funded exclusively from this source for six years. Such regional skill alliances should become an inherent trait of the system. There are, however, no skill panels in many key economic clusters. Providing state general funds dollars would enable the Workforce Board to help establish and sustain skill panels in key economic clusters and build on existing work to leverage private investments.

## **2.6 Direct CTED, the Workforce Board, SBCTC, and ESD to coordinate grant processes wherever appropriate.**

Workforce agencies and CTED operate a number of programs whereby grants are awarded to entities through a Request for Proposal (RFP) or similar process. As noted above, a new framework must be established to guide coordinated investment, especially to cluster-based initiatives. Examples of these grant programs include: Industry Skill Panels, Cluster Grants, High Demand Grants, Centers of Excellence, the Job Skills Program, and WIA Incumbent Worker Grants. More could be done to coordinate these efforts so they reinforce one another creating a synergistic effect. For example, the Workforce Board and SBCTC have coordinated grants for Industry Skill Panels and College Centers of Excellence by including overlapping RFP criteria, consistent timing of applications, and shared review committees.

## **2.7 Require the coordination of research activities of workforce and economic development agencies.**

Workforce and economic development entities engage in research regarding the state's economic clusters and needs. At times, this research has taken insufficient advantage of the efforts of other agencies. The Workforce Board, CTED, SBCTC, and ESD should

identify common research needs and activities in order to better coordinate these activities. The labor market information services of ESD should be better utilized by all workforce and economic development agencies at the state and local level as a source of how the state's economy is changing and where skill gaps may materialize in the future.

### **3. Aligning State and Local Goals for WorkSource**

WorkSource, the state's one-stop system for employment and related services, operates within requirements established by the federal WIA. WIA requires each state to implement a one-stop system with access to 14 programs that receive federal funding. These programs include the three funding streams of WIA Title I (youth, adults, and dislocated workers) and the Employment Service.

The WorkSource system's governance and accountability structure, mandated by the federal act, is complex. The Governor appoints a state policy board, selects the state administrative and fiscal agent, and with the assistance of the state board certifies and decertifies local WDCs, develops the state plan, and sets performance targets for WDCs. Local Elected Officials appoint the local WDC members for their region who are responsible for local strategic planning, designating the local WorkSource center operators, and overseeing the local WorkSource system with the agreement of the local elected officials.

Questions arise as to how to resolve issues between local and state interests. In some instances there are differences that must be resolved in either the operations of the WorkSource system or its governing policies.

The challenge for the entire WorkSource system is to establish the most effective method of balancing the varying interests that exist at the federal, state, and local levels. The Workforce Board, ESD, and the WDCs must work closely together to develop policies and practices that will serve employers and job seekers in the best possible manner. It is within this context that the Workforce Board makes the following recommendations regarding the management of WorkSource:

#### **3.1 ESD's senior leadership team and the WDC directors should commit to an even stronger partnership in overseeing the WorkSource System.**

The commissioner of ESD should be seen as the Governor's lead and WDC directors should be seen as the local elected officials' lead for directing and overseeing the WorkSource system. ESD's senior leadership team and the WDC directors should work

together to ensure that one-stop operators receive clear direction that is well aligned between both organizations.

### **3.2 ESD should continue to be the lead organization for developing statewide WorkSource operational policies.**

In exercising its leadership, ESD will use consultative mechanisms, such as the WorkSource Executive Oversight Committee to form, communicate, and enforce statewide WorkSource operational policies in unison with WDCs whenever possible. ESD will also regularly consult with partner agencies such as DSHS, SBCTC, and the Workforce Board. ESD's role will include clarifying areas where statewide the customers of the WorkSource system benefit from consistent and coordinated services and monitoring to ensure that implementation occurs throughout the state.

### **3.3 WDCs should continue to be the lead organizations for developing local WorkSource policies.**

The WDCs should develop local WorkSource policies, consistent with statewide policies, and consult with the ESD senior leadership team, department and partner agency representatives on WDCs to form, communicate, and enforce local WorkSource policies in unison with ESD whenever possible.

### **3.4 All staff within a WorkSource center should function as part of a multi-agency team coordinated by the one-stop operator.**

Each WorkSource center is administered by a one-stop operator. WIA requires WDCs to select the one-stop operator and provide local-level oversight for one-stop operators. The one-stop operator should ensure that the staff from multiple programs work together as part of a multi-agency team. All partner organizations should send clear messages to their staff in WorkSource centers that this is the expectation. Partner organizations should provide direction to their staff in WorkSource centers that is consistent with the WorkSource policies established by the one-stop operator, the WDC, and ESD.

### **3.5 ESD and the WDC directors should work with WorkSource partner programs toward integrated, not co-mingled, budgets for WorkSource centers.**

ESD and WDCs will begin by piloting the concept of an integrated budget, working in coordination with partner agencies. They will develop a model by which they and partner programs agree to an integrated, not co-mingled, budget that can be used by one-stop operators to better manage services and results for customers.

### 3.6 One-stop center results will be reported in concert with ESD using a GMAP approach.

One-stop operators and ESD area directors will report WorkSource results to the WDC boards and the ESD senior leadership team using a GMAP approach.

## 4. Strengthening the Local Workforce Partnership

As stated above, WIA requires states to include 14 programs that receive federal funding as a part of their one-stop system. In addition to the three funding streams of WIA Title I and the Employment Service, these programs include vocational rehabilitation and federally funded (through the Perkins Act) postsecondary workforce education programs at the community and technical colleges. Under state law, Washington requires five additional programs, the largest of which are state-funded community and technical college workforce programs and WorkFirst. The state encourages five additional programs to be part of the system, including apprenticeship and private career schools.<sup>1</sup>

Although WIA requires states to implement a one-stop system, it does not provide earmarked funding. As a result, WorkSource is largely funded by WIA Title I and Employment Service funds that would otherwise be available for direct service. Partner programs provide some resources proportional to their staff presence at WorkSource centers, but the vast majority of funds come from WIA Title I and Wagner-Peyser (the Employment Service operated by ESD).

In addition to securing funds, integrating services from such a large array of programs is a continuing challenge. Some other states have responded to this challenge by consolidating more programs than Washington has into a single agency. Washington has chosen instead a strategy of integrating multiple programs together through the WorkSource system.

As part of the review, the Workforce Board contracted with Social Policy Research (SPR) Associates of Oakland, California, to investigate the extent to which partner program services are integrated in WorkSource. Overall, SPR reports that, “The news from our research is good. We did not find any evidence from the detailed visits to the six

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<sup>1</sup> The additional programs required by the state to be a partner in WorkSource are the Claimant Placement program, state-funded postsecondary CTE, the Worker Retraining program, WorkFirst, and English as a Second Language. The additional programs encouraged by the state to be a partner in WorkSource are Apprenticeship programs, Literacy programs, AmeriCorps/Washington State Service Corps, Tech Prep consortia, private career schools, and other programs identified by the WorkSource regional partnerships.

comprehensive centers or the surveys of staff statewide of disconnected, duplicative workforce development services that gave rise to the one-stop movement and the enactment of the Workforce Investment Act (WIA).” SPR found a number of features that helped integration at most sites: inter-program management and staff teams, cross training, and strong personal relationships. SPR’s report does, however, suggest certain areas where integration could be improved.

SPR found that Washington’s workforce system can benefit from more visibility and participation by DVR, Adult Basic Education, Job Corps, and Senior Community Service staff. A major barrier to the presence of more staff from these and other programs is financial constraints. In order to have more staff at the WorkSource centers, partner programs would need to contribute more money for WorkSource infrastructure and operations. The partner programs, however, have commitments to existing facilities in other locations. This challenge goes back to the underlying problem that while mandating a one-stop system, WIA does not provide funding for infrastructure or operations integration.

The Workforce Board makes the following recommendations to enhance local partnerships:

#### **4.1 Develop state directives and agreements on integration.**

The Workforce Board shall coordinate the development of statewide agreements on integration among partner agencies and programs. The agreements will indicate what partner agencies and programs will do to advance the integration of workforce development services. The goal of this effort is to foster stronger relationships between local partners. The agreements may take various forms depending on the nature of the issue being agreed to. Some agreements might best be included as part of a new Executive Order from the Governor. Others might best be included in a Memorandum of Understanding among partners. Other agreements, still, might result in statutory or budgetary language. Some of the following recommendations would be appropriate to include in such agreements.

#### **4.2 Collocate WorkSource centers and establish affiliate sites on more community and technical college campuses.**

One promising practice for increased program integration is emerging at North Seattle Community College where WorkSource staff are being located on the college campus with the support of state dollars. This co-location will help integrate the services of the college and WorkSource and is also addressing the lack of federal funds for one-stop infrastructure. The state and local areas should explore funding for the co-location of WorkSource staff on additional community and technical college campuses, including

some complete centers and more affiliate sites. At the same time, community and technical colleges should explore the co-location of college staff at more WorkSource centers in order to improve WorkSource participant access to community and technical college services and information.

#### **4.3 Mandate increased use of common assessments.**

One of the reforms initiated by last year's review of WorkFirst is the use of common assessments of participant needs and abilities, so that programs do not waste staff and/or participant time and other resources by duplicating information. Other workforce development programs should expand upon WorkFirst's use of common assessments. The first step should be the common use of Comprehensive Adult Student Assessment System (CASAS) as the assessment instrument of adult basic skills. Within a year, ESD's policies for WIA should include this requirement.

#### **4.4 Enhance management information system integration.**

The management information system for WorkSource is the Skills 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. In addition, WorkFirst staff must re-enter all data in the DSHS data base. Thus, while SKIES has gone a long way toward facilitating integration, there is more that could be done. In addition, the swipe card technology that WorkSource uses to record all customers who come in the door is not compatible with SKIES and will not provide the data on self-service participants that the Department of Labor (DOL) is requesting for future reporting. ESD and the WDCs should complete an agreement on expanding SKIES usage.

#### **4.5 Seek alignment of eligibility criteria for dislocated worker programs.**

There are workforce development programs that serve very specific populations such as DVR that serves people with disabilities where the eligibility criteria for participation are understandably unique. There are other programs, however, that serve very similar populations where the differences in eligibility requirements are not so understandable. A case in point are the programs that serve dislocated workers.

There are five major workforce development programs that serve dislocated workers: the Worker Retraining Program, the Training Benefits Program, the WIA Dislocated Worker Program, the Trade Adjustment Act, and Trade Adjustment Allowance. While

the last three programs are controlled by federal eligibility requirements, the first two programs are state defined. The Workforce Board should coordinate an interagency staff group to examine the eligibility requirements of the dislocated worker programs and identify if the state can make changes to better serve dislocated workers.

#### **4.6 Pilot the co-location of Labor and Industry Vocational Rehabilitation Services at WorkSource centers.**

As defined by state statute and Executive Order, the Department of Labor and Industries (L&I) is not a part of the state workforce development system, with the exception of apprenticeship programs for the skilled trades. Workers' Compensation Vocational Rehabilitation, however, provides services to help get injured workers back into the labor force. Many of these services—assessments, counseling, job training, job search assistance—are the same types of services provided by many programs that are defined as part of the workforce development system. Recently, Pacific Mountain WorkSource and L&I announced plans to locate L&I vocational rehabilitation staff at the WorkSource center in Thurston County. This is an excellent initiative and should be expanded to at least two other sites in the state so that the concept can be pilot tested. Also, L&I and the State Apprenticeship Council should continue to encourage apprenticeship programs to have staff available at WorkSource centers throughout the state.

#### **4.7 Establish an interagency workgroup on serving people with disabilities.**

People with disabilities have been an underutilized human resource. As of 2004, 52 percent of people with disabilities were in the labor force compared to 83 percent of people without disabilities. With the aging of the baby boomer generation into retirement and the slowing growth of the labor force, Washington cannot afford to leave this valuable population underutilized.

There are two workforce programs that focus exclusively on serving people with disabilities—DVR at DSHS and the Department of Services for the Blind. In addition, the Workers Compensation program at L&I provides vocational services to injured workers and the Governor's Committee on Disability Issues and Employment at ESD advocates for increased opportunities for employment and independence for people with disabilities. All workforce development programs, however, include people with disabilities among those whom they serve. As the Workforce Board's research has consistently shown, the results of these programs tend to be lower for people with disabilities than for other program participants.

In order to improve results for people with disabilities, DVR at DSHS should be designated to form and coordinate an interagency workgroup that will develop new action steps.

#### **4.8 Improve coordination of job development and refine referrals.**

One of the premises of DOL programs is that they serve two customers: job seekers and employers. This is a change from the past when DOL programs were focused almost exclusively on job seekers. Consistent with this change, WorkSource centers have organized themselves to better serve business customers, generally adopting an account representative model with a single point of contact for each business customer. SPR reports that employers generally have high praise for these services. However, employers report no notable increase in the quality of job applicants than in the past, and the Workforce Board research shows that employer satisfaction is correlated with the extent which WorkSource screens referrals.

SPR's report explains that WorkSource job seeker staff have a natural tendency to advocate for their clients and may sometimes refer less than desirable job candidates to employers. At least one WorkSource center has addressed this situation by having the business team control all referrals, and the team provides specific training to job seekers on how to meet employer requirements. Another suggestion coming from the business community is that SKIES should record additional data of interest to employers, such as job titles and whether or not job seekers have obtained an industry certification.

When the WDCs were created by Executive Order in 1999, one of their assignments was to "provide for a coordinated and responsive system of outreach to employers." Despite this, reports from the field indicate that the situation continues of multiple government programs knocking on employer doors asking them to list job openings with them. In some communities it may make sense to have multiple programs directly seeking job listings, but these efforts must be efficiently coordinated. In light of this, the WDCs should redouble their efforts to coordinate job development with employers.

#### **4.9 Establish integration as a WorkSource certification criteria.**

Under both the House and Senate-passed bills reauthorizing WIA, the authority to set certification criteria for one-stop centers moves from the WDCs to the state Workforce Board. ESD must work with the WDCs to ensure integration becomes an operational reality. The Workforce Board and ESD should be directed to develop service integration as a major criteria for WorkSource certification. This authority will become an important new tool for the state to ensure that WorkSource integrates services from multiple programs.

#### **4.10 Require use of plan approval authority to support integration.**

The Workforce Board has some additional tools that it can apply to help make sure that integration happens. The Workforce Board has the authority to recommend approval of the strategic plans of WDCs and the state Carl Perkins plan. The Workforce Board also has the responsibility to review the operating plans of the state agencies represented on the Board. The purpose of these reviews is to ensure consistency with the comprehensive state plan *High Skills, High Wages*. The Workforce Board must take advantage of these tools to make certain that the state continues to make progress on service integration through WorkSource. At the same time, ESD has the responsibility to review the operational plans of the WDCs and must take advantage of this tool to also advance service integration.

## 5. Expanding Performance Accountability for Integrated Services

A long-standing issue in service integration has been the proliferation of performance measures for workforce development programs. Each program has its own measures, and seemingly straightforward measures such as employment rate are defined and measured differently from one program to another.

This problem was recognized when the Workforce Board was created and its authorizing statutes directed the Workforce Board to establish consistent standards for evaluating results across workforce programs. The Governor and Legislature believed that the Workforce Board could neutrally and objectively perform this function since the Board does not operate programs, the major agencies that do operate programs are equally represented on the Board, and a majority of Board members are from the private sector, not the agencies being held accountable.

The Workforce Board proceeded through a long and elaborate consensus process among workforce programs to identify five state core measures. The measures pertain to training completion, employment rate, earnings level, participant satisfaction, and the satisfaction of employers who hire program participants. The measures are designed to inform policymakers and top program officials as to how well programs are achieving these fundamental results. In addition, the Workforce Board designed a measure of the statewide skill gap—the difference between the supply of workers being trained each year and the number of job openings requiring skilled workers.

Recognizing the Workforce Board's accomplishment in performance measurement, DOL asked the Board to lead the 50 states in the design of the next generation performance measurement system. The end product is *Integrated Performance Information (IPI) for Workforce Development: A Blueprint for States*. The IPI Blueprint includes

recommended performance measures that are similar to, but somewhat different than, Washington's core measures.

In order to construct valid and reliable measures of lasting results, and in order to design measures that could be applied in the same manner across programs, it is necessary to have lagged measures whereby the results are not known for a substantial time after service is completed (about one and a half years for employment and earnings). The state core measures, therefore, do not satisfy the need for consistent real-time measures that program managers can use to make changes to improve results on a monthly or quarterly basis.

DOL recently attempted to address the lack of consistency in performance measures across programs by designing and requiring its own version of "common measures" for DOL programs. Other federal agencies such as Education and Health and Human Services, however, are not using the DOL measures. The DOL measures do not fill the need for real-time measures.

ESD has instituted performance measures as part of the Governor's GMAP initiative. ESD's GMAP measures include real-time measures of the results in filling employer job orders, plus additional lagged measures of employment and earnings.

Congress is currently considering legislation to reauthorize WIA (each house has passed a different bill), and in July, Congress passed a conference report to reauthorize Carl Perkins. Among the many changes proposed and final, are changes to the performance measure requirements. Depending on how the conference on WIA turns out, the federal legislation may enable states to put in place the IPI measures. The federal legislation, however, will still not address the need for real-time measures.

In the end, the proliferation of performance measures has caused confusion and skepticism among program staff, and they continue to desire consistent real-time measures that can be applied across workforce development programs. This need for real-time measures of participant results (i.e., measures without a long lag between the end of service and reporting the result) is not acute for education programs since they do not change based upon the latest monthly or quarterly results. It is acute, however, for the WorkSource system.

Given all these considerations, the Workforce Board makes the following recommendations:

**5.1 Following the reauthorization of WIA, the Workforce Board should join its partners in a full-scale review of the state core measures to determine if any changes are warranted.**

The Workforce Board's review should consider the federal requirements in WIA and Perkins, the IPI measures, and the goal of reducing the total number of performance measures for workforce development programs while maintaining valid, reliable, and consistent measures of lasting results.

**5.2 ESD and the Workforce Board should reexamine the relationship between the measurements that each requires from WorkSource to determine how this measurement scheme can be simplified.**

ESD has GMAP responsibility for WorkSource, including establishing real-time measures (and targets) that can be reported frequently to the Governor. The Workforce Board has the responsibility to maintain strategic measures (and targets) of the results for the entire workforce development system, including WorkSource. The nexus of these two sets of measures—strategic and real-time— must be thoroughly reexamined by the Workforce Board and ESD.

**5.3 The Workforce Board should collaborate with ESD's Labor Market and Economic Analysis unit and other partners to examine measures of skills gap for possible enhancements, such as measuring the gaps in key economic clusters.**

**5.4 The Workforce Board should regularly develop and publish a "Workforce Tracking Matrix" that shows workforce development programs' funding, services, and results.**

## **6. Expanding Services to Youth at Risk**

While the primary focus of the review is the adult workforce development system, the Governor and Workforce Board must also address what may well be the single biggest problem in our education and training system—the low rate of high school graduation. According to OSPI, only about 74 percent of ninth graders go on to graduate on time with their class. School dropouts and late completers flounder at a cost to themselves and to the workforce system and rarely develop the more advanced skills necessary for higher wages.

**6.1 Create a state-level public/private partnership that provides demonstration grants to school-community partners for development of comprehensive dropout prevention and intervention programs for middle and high school students at risk of dropping out and dropouts.**

Systemic school improvement alone will not keep all students engaged in schooling or meet the requirements of the federal No Child Left Behind Act. The latest evidence from other states shows that—without a concerted effort on the part of schools and communities to address the dropout issue—the implementation of the WASL as a graduation requirement may lower the graduation rate. Increasing academic success and increasing graduation rates need to be dual goals for the K-12 system. The data currently exists to identify, with a high degree of predictive validity, which individual students in middle school and high school are likely to drop out.

A number of promising practices exist for dropout prevention and intervention, such as tiered interventions in schools, active case management, support services that reduce barriers to learning, dropout retrieval, and alternative learning options or settings. These promising practices should be incorporated into a demonstration grant program that targets students most at risk and collects the necessary data to replicate programs that produce the best results.

**6.2 The Governor should consider applying to DOL for a waiver that would enable WDCs to use WIA local youth formula funding for Dropout Prevention and Intervention projects.**

During the past three years, the Governor has allocated funds from WIA 10 Percent Research and Demonstration funds for statewide activities to address the dropout problem through the innovative Dropout Prevention and Intervention (DPI) projects. DPI provides WIA funds to WDCs that obtain a commitment from one or more school districts to provide matching funds from Basic Education Act dollars.

Basic Education dollars are lost to a district when a student drops out and does not return to school. If a district can provide some of the Basic Education dollars for the student, matching WIA funds, and if there is a successful intervention to prevent a student from dropping out or retrieve a student who has dropped out, then the district, as well as the student, comes out ahead. DPI uses the funds to provide a variety of counseling and other support services that address the issues, causing students to leave school. The projects involve partnerships of school districts with a range of community-based organizations that serve youth.

Funding for these critical projects must be increased significantly. To accomplish this purpose, the Workforce Board recommends that the Governor should consider

applying to DOL for a waiver that would enable the WDCs to access formula dollars for youth DPI projects. DOL has granted other states' requests to use local formula dollars for WIA 10 percent activities. In addition to opening up a larger funding source for DPI, this would leverage additional Basic Education dollars to address the dropout problem.

### **6.3 Secondary and postsecondary CTE should take the next step in smoothing seams by creating articulation agreements for career pathways.**

As shown by the recent Bill and Melinda Gates Foundation Report, "A Silent Epidemic: Perspectives of High School Dropouts," the major reason why kids drop out of secondary school is they do not find it interesting. They are bored and unmotivated by school.

For many students, CTE offers the best avenue to make school interesting. By directly connecting their education to future career aspirations and by placing academic content in the context of hands-on situations, CTE often motivates students who are bored by traditional academic courses.

A major source of support for secondary and postsecondary CTE (approximately \$25 million per year) is the federal Perkins Act, administered in Washington by the Workforce Board. The Workforce Board will join SBCTC and OSPI in scrutinizing the newly reauthorized Perkins Act to identify any new ways that it can be used to address the dropout problem.

One of the important parts of Perkins is Tech Prep—programs that articulate two years of secondary CTE with two years or more of postsecondary training. Washington has made great progress in articulating secondary CTE courses with postsecondary CTE courses. The Governor must expect that more will be done to articulate career pathways. Career pathways include not only the vocational CTE course, but also the related coursework. So for example, the pathway for health care includes courses in the health field and related academic coursework, such as biology. The more the coursework for pathways is articulated with postsecondary, the more efficient student transitions between secondary and postsecondary training will be.

## **7. Increasing Postsecondary Training Access and Retention**

As stated in the introduction, in order to compete in the global economy Washington must reach out to population segments that have been previously left behind and provide them and all Washingtonians with the skills required for the family-wage jobs of the future. To achieve this and close skill gaps, we must increase access in postsecondary training and improve retention rates once students are enrolled.

National research and the research commissioned by the Workforce Board for this review clearly show certain key factors to improving student access and retention: financial aid, support services, integration of basic and occupational skills training, the availability of certificated programs; and access to good information about aid and support services. Each of these needs must be addressed.

**7.1 The Governor should consider applying to DOL for a waiver that would allow WDCs to use some of their WIA adult formula funds in order to contract for customized training for low-wage incumbent workers in selected sectors.**

DOL has granted states waivers that enable their local boards to contract for customized training for low-wage incumbent workers. This waiver creates a new tool for states to use for economic development that benefits both low-wage workers and their employers. It can be used to help attract or retain firms in-state. It can also be used to fund apprenticeship training. Requirements could be attached to the funding that would require wage increases to follow the training. The state, however, must carefully study the intended outcomes and potential unintended consequences before requesting such a waiver. Misused, a waiver could imply that flexibility alone, rather than more funding, is the answer to insufficient resources and could lead to reductions in funding for populations in need.

**7.2 The state should expand the Opportunity Grant program so that financial assistance and support services are available to more low-income workforce education students at community and technical colleges and trainees in apprenticeship programs.**

The Workforce Board conducted or contracted for five surveys for the review: surveys of the staff of community and technical colleges, the staff of WorkSource centers, students who have left a community or technical college workforce program without a credential, job seekers who register with WorkSource and lack postsecondary training, and secondary CTE students who did not go on to postsecondary education or training. All five surveys show that the number one issue for improving student access and retention is financial aid. The second most common set of issues are various forms of support services.

The 2006 Legislature created the Opportunity Grant program to provide tuition assistance and support services such as child care, transportation, counseling, and tutoring to workforce education students at community and technical colleges. This program should be expanded in order to improve access and retention for more workforce education students.

### **7.3 Cover tuition costs for the 13<sup>th</sup> year for workforce education students who earn less than the Washington median family income.**

Recent research by SBCTC shows the importance of at least one year of postsecondary training and a credential in order for students to be able to obtain a family-wage job. One-year and a credential is a tipping point to success.

By covering the cost of tuition for one year for workforce education students, the state would enable more Washingtonians to achieve this tipping point. Research also shows that the provision of financial aid has the greatest effect on enrollment for low-income individuals and first generation college students, so the proposal would provide the greatest benefit to those segments of the population who have not been part of the economic mainstream.

### **7.4 Explore a “Navigation 102” model of comprehensive guidance to pilot in community and technical colleges workforce education programs and WorkSource centers.**

Another barrier to student access and retention is easy access to good information: information about career opportunities, the education and training programs that are available to achieve those opportunities, and information about financial aid—both traditional forms of student financial assistance and financial assistance and support services available through workforce development programs.

In order to improve student information, the postsecondary system should take a lesson from secondary education—the Navigation system of guidance—and work with WDCs to explore a Navigation 102 version for postsecondary education.

In conjunction with this, the co-location of WorkSource staff on community and technical college campuses (and college staff in WorkSource centers) would provide ready access to a Navigation 102 model and make information about financial assistance and support services more accessible to low-income students.

### **7.5 Make more part-time students eligible for the State Need Grant.**

Students taking less than six credits are not eligible for the State Need Grant. Many low-income adults, however, are unable to juggle six credits of classes on top of a low-wage job and family obligations. Low-income workers should be eligible for financial aid even if they are going to school part time. Currently the state is piloting a program to provide aid to part-time students. The pilot will provide useful lessons on how to administer the expansion of aid to more part-time students.

## **7.6 Provide bridge money up front to low-income students.**

Low-income individuals often need funds up front to pay tuition and other costs related to training. They can not afford to wait to be reimbursed. Tacoma-Pierce County WDCs innovative Career Coach program is an example of what can be done. Career Coach uses WIA funds to provide up front tuition and support services for low-income workers in the health care industry and health care employers later reimburse program costs.

## **7.7 Continue to provide WIA Title I resources to help student retention.**

WIA funds are frequently used to help low-income students stay in school through the provision of support services. WDCs should continue their efforts to make sure that they are providing appropriate levels of WIA resources to assist low-income students stay in and complete postsecondary training.

## **7.8 Expand use of the Food Stamps Education and Training program.**

Another source of funds for access and retention services is the federal Food Stamps Education and Training 50/50 Program (FS E&T). FS E&T provides dollar-for-dollar matching funds for every non-federal workforce development dollar spent on any food stamp recipient who is not receiving TANF. In Washington, DSHS is the designated administrative agency for the program. The Governor should mandate that participating agencies aggressively seek and utilize this relatively new source of funding.

The first Washington pilot project was implemented in King County and began on October 1, 2005, with a partnership of South Seattle Community College, Goodwill, Port JOBS, Seattle Jobs Initiative, YWCA, ESD, and DSHS Region 4. During the first six months, the pilot served 438 participants. Twenty percent of the participants have obtained a job.

The project team and FS E&T pilot partners recommend a measured expansion of the pilot project, a two-stage process beginning October 1, 2006, and running until September 30, 2007. The state should then expand the use of FS E&T based upon the lessons learned from the pilot.

## **7.9 Expand Integrated Basic Education and Skills Training (I-BEST) programs to all community and technical colleges.**

Workforce Board and national research shows that for most adults, basic skills education by itself does not improve student earnings. If, however, adult basic skills students manage to also obtain occupational skills training, their results resemble the strong results that are typical of students in occupational skills programs. Most adult basic skills

students, however, attend for a short time only and do not go on to other forms of postsecondary training.

In order to remedy this situation, SBCTC has developed the I-BEST program. I-BEST combines basic and occupational skills training by having both types of instructors in the classroom.

#### **7.10 Increase community and technical college efforts to develop more one-year certificated workforce education programs.**

As stated above, SBCTC research shows that obtaining one year of postsecondary training and a credential is the tipping point to achieving economic independence. The national literature also shows that short-term programs are useful for access and completion for low-income workers who do not have the time for an associate degree or longer program. The surveys conducted for this review, however, reveal that a barrier to postsecondary access and completion is that there are not enough one-year certificated programs available. To remedy this situation, SBCTC should work with the colleges to develop more one-year certificated programs, and the state should recognize and support the continuing role of private career schools in providing workforce training at this level.

#### **7.11 The HECB, SBCTC, ESD, and the WDCs should work together to develop a website that provides information about traditional and non-traditional student financial assistance, including support services.**

A final step that would make information on financial assistance more available would be the creation of a one-stop website that would contain information about traditional and nontraditional student financial assistance—assistance available through workforce development programs.

## **8. Improving the Statewide Structure**

As part of the review, the Workforce Board considered what if any structural changes should be made to Washington's workforce development system. Some of the structural changes recommended by the Workforce Board have already been discussed; for example changes that will enable better linkages with economic development and changes that will improve management accountability for WorkSource.

The Workforce Board reviewed the steps taken by other states to make their workforce development systems more efficient and effective—best in class examples from six other states. Among these were examples of consolidating multiple workforce programs

under single agencies. In Washington, we have already taken steps toward program consolidation that other states have only recently begun and that are still absent in other states. For example, Washington has located all DOL Employment and Training programs in a single agency—ESD. Washington has located the programs that actually provide (not just pay for) adult occupational skills training and basic skills instruction under SBCTC.

Washington has also undertaken steps to improve the coordination and integration of programs that are administered by different agencies. WorkSource was created to integrate services from over 14 different workforce development programs. In 1997, the last time the Workforce Board was charged with leading a review of the workforce development system and asked to consider whether programs should be consolidated, it concluded that, “While consolidation might streamline administration in the long-run, the Board believes that much of the purpose of such consolidation may be served by the implementation of a one-stop career center system. The Board believes that one-stop should first be given a chance to demonstrate its ability to improve the efficiency of employment-related services now administered by different agencies before resorting to the consolidation of employment-related services into a single agency.” The Workforce Board’s independent consultant found the current extent of integration achieved by WorkSource to be good.

For this review, the Workforce Board considered additional consolidation options. For example, the Bush Administration is proposing giving states the option of consolidating the three funding streams of WIA and the federal Wagner-Peyser funds for the Employment Service. Such consolidation, however, has historically led to reduced funding, and even if funding were not reduced, consolidation inevitably leads to funds being taken from one under-funded population and given to another.

The Workforce Board understands that there are other options for the placement of DVR. Based on a more comprehensive review of other states, the Workforce Board could potentially recommend moving DVR from DSHS to another agency. Currently, 75 percent of DVR’s clients, however, have either developmental disabilities and/or mental health disabilities and benefit from DVR’s location at DSHS where those other divisions are housed. Again, however, improvements can be made and as mentioned earlier, the Workforce Board recommends that DVR lead an interagency workgroup to improve services to and outcomes for people with disabilities.

A rationale underlying state efforts at program consolidation, coordination, and integration is to unite workforce development programs around common goals. When the Workforce Board was created in 1991, it was given the statutory assignment of developing a comprehensive plan for the system, including, “goals, objectives, and priorities for the state training system.” That plan, *High Skills, High Wages: Washington’s*

*Comprehensive Plan for Workforce Development*, guides the system. The plan also identifies the goals for the system and the assignments that each agency has committed to carry out in order to achieve those goals. The 1991 enabling law also granted the Workforce Board the role of establishing standards for performance measurement and measuring the results of the workforce development system.

The Workforce Board was established as an independent entity that did not operate programs, helping it perform the role of a neutral coordinator of programs and evaluator of results. The Board was assigned to function at the strategic level, leaving the day-to-day and month-to-month administrative decisions to the operating agencies. And most importantly, the Board was designed as a tripartite partnership of business, labor, and government, with the business and labor customers of the system holding a super majority of the votes.

The Board has functioned well as a neutral convener and coordinator for broad policy direction and it serves effectively as a program evaluator. The Board has generally not acted as an operator or manager of specific programs. These essential features of the Workforce Board still make sense and provide the best assurance that the system serves its customers.

In order build on these strengths, and to broaden the coordination of workforce development programs the Workforce Board offers the following recommendation:

**8.1 The Governor should direct that the following workforce development programs (WorkFirst and the Customized Training) be included in the system performance measurement considerations of the Workforce Board and be considered in developing the *State Strategic Plan for Workforce Development*.**

The definition of which programs are part of the workforce development system is set by state statute and Executive Order. Eighteen programs currently meet this definition. There are other programs, however, that provide employment-related services. The largest of these is WorkFirst. Other workforce programs are created periodically by the Legislature without adding them to the definition of the system, even when they are very similar to programs that are defined as part of the system. A prime example of this is the newly created Customized Training program at SBCTC.

The recommendation is to add these two programs to the Workforce Board's considerations on an affiliate basis. This would enable the State Comprehensive Plan for Workforce Development to include these programs in the strategies that help coordinate the system. For example, if the plan laid out strategies pertaining to the Job Skills program and to WIA Incumbent Worker Training, both of which provide customized training for employers, it could also include the role of the Customized

Training program, which is the other program that provides similar publicly funded training.

Adding these programs on an affiliate basis would also enable the reporting of these program results in a manner that is consistent with how the Workforce Board measures the results for all other major workforce development programs. The idea, however, is not to add these programs to the Board's responsibilities for program monitoring.

## **8.2 The Governor should appoint a WDC director to fill the vacant local representative position on the Workforce Board.**

When Governor Locke reviewed the membership of the Workforce Board, he identified some desirable changes. DOL, however, maintains that any change in a workforce board's membership triggers the make-up required in WIA. In Washington, this would mean that the Board would have to expand from nine voting members, to approximately 35 members, and lose the tripartite business, labor, government partnership. As a result, Governor Locke's Executive Order added two positions as non-voting participating officials—the Secretary of DSHS and a representative of local elected officials. The local representative position is currently vacant. The Board recommends that the Governor appoint a WDC director to fill this vacant position. This appointment would improve state-local coordination and reinforce the role of WDCs as the counterpart to the state Workforce Board at the local level.

## **8.3 There must be a clear mutual understanding of the *strategic* role of the Workforce Board and the *operational* role of the agencies, and the difference between the two roles.**

The Workforce Board was created to empower the business and labor customers of the workforce development system to strategically guide the system, in partnership with the operating agencies, and evaluate the results, and to provide policy advice to the Governor and Legislature. The Board sets policy goals (the "what"), and the operating agencies determine and implement programs to achieve those outcomes (the "how"). The Board's core functions do not include direct retail service to employers, workers, students, or job seekers—that is the role of the operating agencies. The Board and its staff do not train anyone. The Workforce Board, however, does help move the system forward by incubating new ideas; for example, the Work Readiness Credential, that require coordination across partners. Once such new ideas are fertilized and off to a healthy start, then the management of the service should be transferred to one of the partners.

Another example of the division between the strategic role of the Workforce Board and the operational role of the other agencies is the approval of WDCs' plans. The Workforce Board is charged with recommending to the Governor the approval of the

WDCs' strategic plans. These plans span the multiple programs of the workforce development system and include the system-wide goals, objectives, and strategies agreed to by the business, labor, and agency representatives on the WDCs. ESD is charged with recommending to the Governor approval of the WDCs' operational plans for WIA Titles I and III. These plans are program specific and detail the direct services carried out by these programs in line with the broader strategic plans of the WDCs.

In terms of WorkSource, ESD should continue to be the state administrative agency and operational lead, working collaboratively with other agencies that deliver program services as a part of WorkSource. While the Workforce Board's role is not that of an administrative agency, its role does include reviewing WorkSource for consistency with the state's overall comprehensive plan, *High Skills, High Wages*.

**8.4 The staff of the Workforce Board and the staff of the operating agencies represented on the Board should endeavor to strengthen the ways in which they collaborate to benefit the customers of the workforce development system.**

As directed by the Board and agency directors, staff implement the strategies designed to create a high-skill, high-wage workforce that meets employers needs. Many of these strategies require collaboration across agencies. It is critical that staff endeavor ceaselessly to work cooperatively to benefit the customers of the system. There must be a norm of reaching across silos to involve all partners together, seeking the best answers to common issues. For example, the staff of the Workforce Board and ESD must continue to collaborate in reviewing the strategic and operational plans of the WDCs. In order to allow flexibility to meet local needs, the state has permitted the WDCs some discretion as to which elements they place in which plan (strategic or operational). This means that the two state agencies must work productively together during the plan review process. Workforce Board and ESD staff must work together with the WDCs to have a non-duplicative, streamlined plan development and approval process, including the negotiation of performance targets.

Finally, to also improve coordination, the Workforce Board recommends:

**8.5 The Workforce Board should enhance the use of its Interagency Committee for program coordination.**

The Workforce Board regularly convenes an Interagency Committee (IC) of program and business and labor representatives. Some of the individuals report to principles who serve on the Board. Others are representatives of workforce programs that do not have representation on the Board. The IC serves mainly as a vehicle for communicating Board agenda items to stakeholders, previewing issues that will be heard at Board meetings.

Other states make much more extensive use of similar bodies. They often serve as a place to coordinate activities of multiple programs. In line with this, the Workforce Board should create a new charter for the IC that outlines ways to elevate the level of engagement to better serve the Board and advance program coordination on an ongoing basis, in addition to the important functions of developing and previewing agenda items for Board.

## Appendix A

### Review Methods and Sources of Information

For the Review of the Workforce Development System, the Workforce Board held extensive deliberations and relied upon the following methods and sources of information:

- Public forums attended by 85 people in five locations around the state.
- The participation in a special Board meeting of 20 invited stakeholders from a cross-section of workforce development programs.
- Meetings with the Washington Workforce Association, WDCs, SBCTC, and other stakeholder organizations.
- Meetings of the Workforce Board's IC.
- Three reports from Social Policy Research Associates (Oakland, CA) on: "Strategies for Integrating the Workforce System: Best Practices in Six States," "Integration in the WorkSource System," and "Consolidating Workforce Financial Aid."
- Evaluations of workforce program results conducted by the Upjohn Institute (Kalamazoo, MI) and Workforce Board staff.
- Three surveys of workforce education students and potential students participants regarding barriers to access and completion, conducted by Washington State University's Social and Economic Sciences Research Center.
- Two surveys of WorkSource staff and community and technical college staff regarding barriers to student access and completion, conducted by Workforce Board staff.
- A study of traditional student financial aid programs for workforce education students conducted by Workforce Board staff.
- A study of the overlap among participants in workforce development programs, conducted by Workforce Board staff.
- A report on federal waiver opportunities, prepared by Workforce Board staff.

- Reports on the current Workforce Development System structure and past reviews of the system, prepared by Workforce Board staff.
- A review of recent literature on community and technical college student access and completion, prepared by Workforce Board staff.

**Appendix B  
Current Workforce Development System**

**Workforce Development System Programs**

The following chart shows the largest programs in the state workforce development system, the state administrative agency, and the number of program participants. It does not show coordinating bodies (i.e., the Workforce Board), or regional and local entities (e.g., WDCs, and Community and Technical College Boards of Trustees).

**Workforce Training and Education Programs  
2004-2005 Participation**

**State Workforce Development System Program Funding**

<b>State Operating Agency</b>	<b>Program</b>	<b>1997</b>	<b>1999</b>	<b>2001</b>	<b>2003</b>	<b>2005</b>	<b>Percent Difference</b>
State Board for Community and Technical Colleges	Postsecondary Technical Education	\$185,775,000	\$198,695,193	\$286,448,014	\$309,518,000	\$338,470,729	82%
	Adult Education and Basic Skills	\$75,109,000	\$97,971,141	\$116,146,45	\$85,951,300	\$76,253,521	2%
	Carl D. Perkins Postsecondary Technical Education	\$9,866,000	\$12,364,106	\$13,240,995	\$13,700,500	\$12,891,674	31%
	Worker Retraining Program	\$26,810,000	\$28,835,000	\$28,486,000	\$34,225,100	\$35,259,100	32%
	Volunteer Literacy Program	\$247,000	\$246,550	\$362,365	\$366,000	\$436,617	77%
	Job Skills Program	\$662,000	\$567,000	\$567,000	\$1,475,000	\$1,475,000	123%

Office of Superintendent of Public Instruction	Secondary Career and Technical Education	\$254,985,000	\$219,651,495	\$230,338,000	\$242,835,200	\$264,844,583	4%
	Carl D. Perkins Secondary Career and Technical Education	\$8,515,000	\$9,652,601	\$9,238,590	\$9,655,500	\$8,543,656	.34%
	Even Start Family Literacy Program	\$1,358,000	\$1,725,458	\$3,024,795	\$2,908,500	\$2,764,443	104%
Employment Security Department	Workforce Investment Act (WIA) Title I-B Dislocated Workers Program	\$20,532,000	\$13,905,356	\$27,119,437	\$39,395,500	\$35,787,000	74%
	WIA Title I-B Adult Training Programs	\$16,896,000	\$18,909,263	\$21,031,292	\$25,857,700	\$23,000,000	36%
	WIA Title I-B Youth Activities Program	\$18,384,000	\$19,326,832	\$23,156,595	\$27,578,700	\$25,342,000	38%
	Training Benefits Program	na	na	\$20,00,000	\$20,000,000	\$20,000,000	na
	Wagner-Peyser	na	\$15,341,326	\$16,179,605	\$15,903,400	\$15,617,015	2%
Department of Social and Health Services	Division of Vocational Rehabilitation	na	\$35,144,633	\$46,275,494	\$45,898,700	\$49,101,381	40%
Department of Services for the Blind	Vocational Rehabilitation for the Blind	\$5,903,299	\$7,010,229	\$6,855,760	\$7,672,900	\$7,980,184	35%
Opportunities Industrialization Center	Employment and Training for Migrant Seasonal Farm Workers	Na	\$1,805,106	\$1,954,611	\$2,187,800	\$2,995,532	66%
Workforce Training and Education Coordinating Board	Carl D. Perkins Technical Education	\$631,886	\$631,884	\$631,886	\$631,884	\$631,886	0%
Department of Labor and Industries	Apprenticeship	\$771,000	\$1,037,199	\$990,272	\$1,050,000	\$1,200,000	56%
Total Public Funds		\$627,021,000	\$686,488,488	\$831,413,670	\$866,209,800	\$920,312,034	47%

**Related Programs: Programs that provide employment or training services but are not part of the statutory or executive order definition of the workforce development system**

#### **Related Workforce Development Programs**

Washington's Temporary Assistance to Needy Families (TANF) Work Programs

- WorkFirst Employment Services (ESD)

- Workforce Training (SBCTC)

- Community Jobs (CTED)

Refugee Assistance Program (DSHS)

North American Free Trade Act and Trade Adjustment Assistance Program (ESD)

Washington Service Corps/AmeriCorps (ESD)

Offender Employment Services (ESD)

Job Corps (U.S. Dept. of Labor)

Offender Education Program (DOC)

Washington State Business Enterprise for the Blind (DSB)

Washington Conservation Corps (DOE, DNR, DFW, DP&R)

Displaced Homemaker Program (SBCTC)

Community Service Block Grant Program (CTED)

On-the-Job Training Program (DOT)

Claimant Placement Program (ESD)

Disabled Veterans Outreach Program (ESD)

Local Veterans Employment Representatives (ESD)

Special Employment Services for Offenders (DNR)

Workers Compensation Vocational Rehabilitation Benefits Program (DLI)

Reemployment Support Centers (CTED)

Customized Training Program (SBCTC)