

high skills, high wages

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Washington State—2004

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Our Vision

Washington's Workforce Training and Education Coordinating Board is an active and effective partnership of labor, business, and government leaders guiding the best workforce development system in the world.

Our Mission

We shape strategies to create and sustain a high-skill, high-wage economy.

To fulfill this Mission, the Board will:

- Advise the Governor, Legislature, and other policymakers on workforce development policy and innovative practice.
- Promote a seamless workforce development system that anticipates and meets the lifelong learning and employment needs of our current and future workforce.
- Advocate for the training and education needed for success in the 75-80 percent of jobs that do not require a baccalaureate degree.
- Ensure quality and accountability by evaluating results, and supporting high standards and continuous improvement.

High Skills, High Wages 2004

Washington's Strategic Plan for Workforce Development



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Workforce Training and
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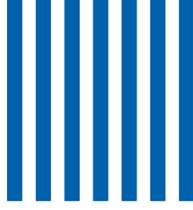
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Tomorrow's Economy

“The main engine of growth is the accumulation of human capital-of knowledge-and the main source of differences in living standards among nations is differences in human capital.”

Robert Lucas, Nobel Laureate in economics¹

High Wages for the High Skilled

Washington's changing economy is knowledge-based, and many of the fastest growing, best paying jobs are technical. The majority of family-wage jobs created in the state will require postsecondary education; they won't, however, necessarily require a four-year degree.

The growing need for well-educated workers has been fueled, in part, by profound changes in the workplace. Technological change and globalization have skewed labor demand toward the more highly skilled. Employers have invested heavily in technology, especially information technology (IT) and high-performance work practices such as teaming and continuous improvement. These changes flourish only where there are highly skilled

workers. If Washington wants its citizens to enjoy high-paying jobs, it must prepare people to use current and emerging technologies and function effectively in high-performance workplaces.

Global competition is intensifying, and the outsourcing of white-collar knowledge work overseas has raised concerns about Washington's future. Economists believe, however, the state's economy will continue to generate good jobs—the problem is too few Americans are receiving the education and training required to benefit from these opportunities.

Even during the recent economic downturn, employers reported a shortage of job applicants with the skills required for the contemporary workplace. When the labor market strengthens, these skills shortages will become even more severe. The

state's workforce training and education system faces the challenge of preparing enough workers with the kinds of skills employers are looking for.

Education and training are key ingredients to economic growth and competitiveness. The state's willingness to invest in educating and training its people will largely determine the long-term rate of growth for Washington's economy. These investments will also help to narrow the wide gaps in earnings that have arisen among workers with different skill levels.

Productivity Surges and the National Economic Recovery

The national recession of 2001 was relatively short-lived. Economic growth resumed fairly soon, but the labor market took much longer to

revive. The economy produced more goods and services without creating many new jobs; an unusually high rate of productivity growth (increases in output per worker) allowed output to increase while employment did not.

After having grown slowly for two decades, robust productivity growth returned during the latter half of the 1990s; productivity grew by an annual rate of 2.5 percent from 1996 to 2000 and 2.1 percent during 2001. This turnaround in productivity growth led some economists to argue that investments in computers, software, telecommunications, and other high-tech products had created a prosperous “New Economy” where rapid income and productivity growth could be sustained.

The rate at which productivity has been growing during this economic recovery—5 percent during 2002 and 4.4 percent in 2003—is, however, not sustainable. Productivity surged as plants laid off workers and closed inefficient operations. Increased pressures to keep costs low, stiffer global competition, soaring costs of

health care benefits, and economic and political uncertainty made businesses reluctant to hire.² It was not until the last quarter of 2003 that firms began to add to their payrolls, and the national economy saw somewhat stronger employment growth during the first half of 2004.

The Business Cycle and Washington’s Labor Market

Washington State’s economy was especially hard hit by the last recession. The “dot.com” collapse and declines in the construction sector were exceptionally severe in the state. Moreover, layoffs in aerospace have impeded recovery.³ Total nonagricultural employment declined in 2001 and 2002. Employment stabilized in 2003, but job growth did not resume until the first half of 2004.

Job losses were most severe in manufacturing, led by declines in aerospace (Figure 2). Washington has lost almost 26,000 aerospace jobs since the attacks of September 11, 2001. Manufacturing employment is expected to stabilize over the next

few years, but employment will likely remain far below pre-recession levels. Employment in trade, construction, and business services (especially temporary employment services and computer systems design) declined during the recession. These sectors, however, are expected to recover as the economy strengthens.

Even during the economic downturn, there were areas of strength. Employment in financial activities (not shown in Figure 2), education, and especially, health services increased throughout the recession and slow labor market recovery. Moreover, double-digit employment growth resumed in software publishing. Employment should continue to grow rapidly in these sectors.

Although employment growth has resumed, many of the jobs being created pay relatively low wages. The state’s economy is creating new high-wage jobs, but it’s not doing so in great enough numbers to make up for the loss of so many high-paying manufacturing jobs. According to a

FIGURE 1

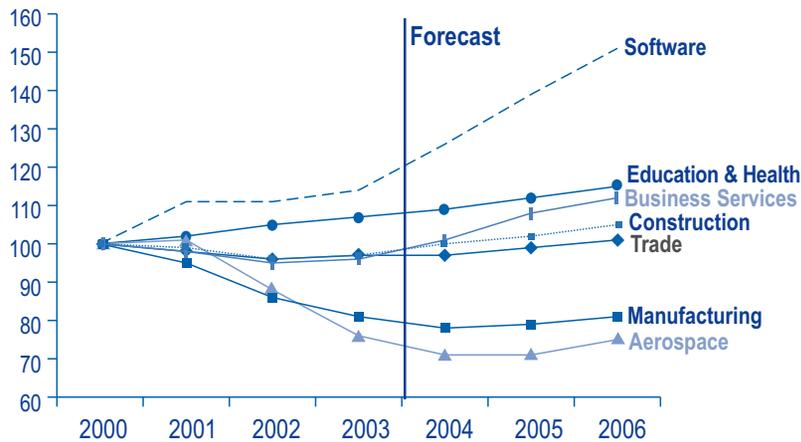
Unemployment Rate in Washington State (Seasonally Adjusted)



Source: ESD, 2004.

FIGURE 2

Employment Indices by Industry (2000 Employment=100)



Source: Constructed from data taken from Office of the Forecast Council, February 2004

recent Employment Security Department (ESD) study, the state has shifted from a “jobless” recovery to a “manufacturing-less” recovery. The study examined employment trends in high-wage, moderate-wage, and low-wage industries from June 2003 to May 2004.⁴ “Over the course of the job recovery, high-wage industries have expanded by 7,700 jobs or 1.3 percent, moderate-wage industries by 23,700 jobs or 2.2 percent, and low-wage industries by 22,400 jobs or 2.8 percent. Thus the economy has tilted somewhat towards the lower end of the pay

scales.”⁵ Many of the low-wage jobs have been in temporary agencies, retail trade, and food services.

Long-Run Trends Increase Skill Requirements

Long-term economic trends—pervasive technological change and increasing globalization—will continue to skew labor demand toward the more highly skilled. Keeping up with this demand will pose stiff challenges for both the state’s economic competitiveness and social cohesion.

Technological Change

Massive investments in new technologies have increased the demand for highly skilled workers in all sectors of the economy. In 1999, the U.S. Department of Labor (DOL) examined the extent of skill upgrading in the U.S. economy.⁶ Average skill levels were found to have increased significantly during the 1990s, and occupational upgrading within industries was the primary source of skill change. There were substantial skill shifts both among broad occupational groups (e.g., technical workers have replaced laborers) and shifts within broad occupational groups (e.g., secretaries have become administrative assistants who perform more complex word processing instead of typing).

Workers in nearly every field have had to learn new skills as they have incorporated computers into their jobs. Machine tool operators make parts using computer-controlled machines. Forklift operators in factories use computerized inventory locating devices. Cars, traffic lights, heating and cooling systems,

hospitals, machine shops—all have become computerized. About half of all nonsupervisory employees in Washington currently use computers in their jobs.⁷

Employees must not only become familiar with new, highly sophisticated machines, they must learn, and often design, whole new organizational processes associated with those machines. Many U.S. manufacturers have reduced the number of supervisors in their factories, and given workers greater responsibility for ensuring quality, redesigning manufacturing processes, and improving the products themselves. The adoption of “high-performance work organization” practices has increased skill requirements. When surveyed in 2003, 29 percent of Washington employers indicated they had a formal continuous quality improvement program in place. Higher percentages of employers are using other high-performance practices such as cross training employees to do a number of jobs (85 percent), self-managed work teams (47 percent), and benchmarking

their results against other firms (47 percent). As a result, half of employers reported the skills required to adequately perform production or support jobs has increased over the last three years.⁸

Globalization

Washington, more than any other state, relies on foreign trade, and exporters have continued to do well despite the recession. Washington businesses know the advantages offered by a global marketplace. The state sells apples to Russia, forest products to Japan, and airplanes and software to the world. But as opportunities to sell to other countries have increased, so have other countries’ opportunities to make the very things Washington sells. And it’s not simply a case of using low-wage, unskilled labor to mass produce inexpensive standard products. Foreign countries are increasingly able to offer highly skilled alternatives to using American workers.

“Relentless advances in technology have infused every aspect of manufacturing—from design and production to inventory management, delivery, and service. Today’s manufacturing jobs are technology jobs, and employees at all levels must have the wide range of skills required to respond to the demands of an increasingly complex environment.”

National Association of
Manufacturers and
Deloitte & Touche⁹

Outsourcing work overseas is not new; it's been going on in manufacturing for decades. The recent wave of outsourcing white collar knowledge work overseas, however, has raised new concerns; high-skill jobs, which were supposed to represent the future, are being lost to countries that have already taken over low-skill factory work.¹⁰

No one knows the extent to which firms currently send work offshore, and it is difficult to know how widespread it will become. The government does not track offshoring, and firms are naturally reluctant to disclose information about it. Still, the practice appears to be on the rise. The most often cited estimate, made by Forrester Research in 2002, is the U.S. will lose a total of 3.3 million service jobs to offshoring between 2000 and 2015, or about 220,000 a year. Another consulting firm, AMR Research, estimates 20 percent of manufacturers and financial services companies have outsourced some IT work overseas, and predicts the percentage will double in the next two years.

Firms outsource overseas to take advantage of substantially lower wages for engineers and IT workers. Improved communications (fiber optics and the Internet) and the spread of PCs have allowed them to do so. The cost of a programmer with three to five years of experience, for example, is \$56 per hour in the U.S. and only \$12.50 in China, including salary and benefits. Actual cost savings are less than the wage differentials, because of higher management costs. Still, the potential savings can be large. IBM, for example, expects to save \$168 million annually by moving programming jobs overseas.¹¹

Given these substantial incentives, will there still be good jobs left in the U.S.? Most economists think so. First, many jobs are not at risk of being outsourced. According to Frank Levy, an economist at the Massachusetts Institute of Technology, "If you can describe a job precisely, or write rules for doing it, it's unlikely to survive. Either we'll program a computer to do it, or we'll teach a foreigner to do it."

Jobs that require more complex skills or physical contact, on the other hand, will stay.¹²

Robert Reich, the former Secretary of Labor, believes potential quality control problems and concerns over intellectual property theft will limit outsourcing overseas. He also argues that the total number of high-tech jobs will increase rapidly. "Even as the supply of workers around the world capable of high-tech innovation increases, the demand for innovative people is increasing at an even faster pace."¹³

Finally, while some jobs in the U.S. are lost to globalization, others are created. Firms that send jobs overseas still generate employment in the U.S. Intel has added 1,000 software engineers in China and India over the last two years, but it has added even more in the U.S. IBM plans to transfer 3,000 jobs overseas, but it also intends to add 4,500 employees this year in the U.S., including programmers and software designers.¹⁴ Foreign firms have also been creating jobs for American

workers. Between 1977 and 2001, U.S. employment by foreign companies operating in the U.S. increased by 4.7 million; during this same period employment by affiliates of American companies operating overseas increased by 2.8 million.¹⁵

Foreign firms currently employ about 93,600 workers in Washington State,¹⁶ a number that increases about 10 percent a year.

Does the loss of knowledge-based jobs overseas lessen the need for education and training at home? Again, economists think not. In fact, workers will need to acquire even greater skills. Jagdish Bhagwati, a prominent economist at Columbia University, argues the “anxiety about outsourcing is not a bad thing, as long as it forces you to make the right choices. You have to move on and upgrade your skills. We have no choice.”¹⁷ Robert Reich thinks there will be plenty of good jobs in the future; but that too few Americans are being prepared for them. As a result, the wage gap among U.S. workers will widen. Still, Frank Levy

cautions that education is at best a long-term solution. Over the next five or ten years, better schools, more education, and training will not stop outsourcing, trade, and technology from widening the wage gap.¹⁸

Good Opportunities in Washington’s Traditional Industries are Shrinking

For years, Washington’s resource-based economy was able to provide high-paying jobs with benefits to workers with only a high school education. The state’s forests and factories provided a living wage to loggers and production workers. Now these traditional sources of high-wage work are either shrinking or have limited prospects for growth. Industrial restructuring, the long-term rise and fall of industries, coupled with technological changes within industries have created a serious dislocated worker problem in Washington.

Much of the job loss during the past few years has been due to the economic downturn and will be reversed. However, employment

declines in some sectors started before the last recession and will persist. An ESD study examined the extent to which employment trends are cyclical (i.e., caused by the business cycle) or structural (i.e., related to permanent changes in demand and supply, technological change, or foreign competition).¹⁹ Much of the employment decline in manufacturing is structural, and it will, unfortunately, continue. Trends vary within the sector, however, and not all manufacturing industries are in structural decline. Industries such as chemicals, fabricated metal products, and machinery are cyclical, and their employment levels should rebound with better economic conditions. Employment in electrical equipment manufacturing has been growing.

Sectors that exhibit structurally increasing employment in Washington are professional and technical services (including computer systems design), information (including software publishing), and health care. Employment in retail trade, finance, and construction is largely cyclical.

Scarcity of Skilled Workers and the Increasing Gap Between the Haves and the Have Nots

Starting in the mid-1970s, income inequality in America worsened, and studies suggest that pervasive technological change is the culprit. The demand for highly skilled workers in all sectors of the economy has increased rapidly. Supply has not kept up with demand, and the earnings gap between more educated and less educated workers has widened dramatically.

Living standards and quality of life deteriorated for many Americans during the 1980s. Washington did not escape the national trend. Statewide, real average wages declined by 8.8 percent between 1979 and 1989. The trend reversed after 1989, but it was not until 1997 that real average wages fully recovered and rose above their 1979 level.²⁰

During the period of declining average earnings, it was the less educated workers who suffered the greatest losses. From 1979 to 1989, real wages for Washington workers without a high school education fell

27 percent.²¹ The real wages of workers with a high school degree, but no postsecondary education, dropped 12 percent. Having a two- or four-year college education moderated the decline, but real wages still fell by 4 and 5 percent, respectively. In contrast, those with a professional or doctoral degree found their real wages increasing 18 percent.

Hourly wages increased in real terms in Washington from 1990 to 2002. While wages increased across the board, the increase was much greater at the upper end, and the distribution of wages has grown more unequal. In 1990, the ratio of the average wage of the top 10 percent of jobs to the bottom 10 percent of jobs was 7.6. The ratio peaked at 12.4 in 2000, before declining to 10.1 in 2002. The recent decline in this ratio was due to a fall in the value of stock options among computer services workers. The rise (and fall) of wages in computer services has contributed substantially to trends in the distribution of earnings.²²

A recent study examined wage progression among Washington workers who were employed in both 1997 and 2002. Wage gains were typically smaller for those who had low wages in 1997. “Wage progression for lower-wage workers is often very slow, and often not enough to move them into a position to be economically independent, particularly if they were in a single-income household. Most of the workers that made the most progress changed industries leaving low-wage industries, such as food services and agriculture, for higher-wage industries.”²³

Too many Washington citizens are economically disadvantaged. The 2002 Washington Population Survey suggests that over 601,000 people age 21 or older, or 14 percent of the adults in the state, have household incomes below 175 percent of the poverty line. These adults tend to be less well educated than the general population; roughly one quarter do not have a high school diploma. One in every five is Hispanic. Over half (53 percent) are working.

Where Will the Jobs Be?

The economic future is not bright for workers entering jobs requiring little or no training. There will be jobs, but not good ones. Consider occupations that require less than a high school education, a high school diploma, or up to, but less than, one month of postsecondary training. Although Washington’s economy is expected to have about 56,000 annual job openings (i.e., new jobs due to growth and openings due to replacement) in these occupations through 2012, these won’t be the kinds of jobs that helped loggers and production workers prosper.²⁴ They will be low-wage jobs serving food, cleaning offices, and unloading trucks.

Many of the new family-wage job opportunities will be in occupations that require postsecondary education but not a four-year degree. Over the next decade, there will be approximately 27,600 annual job openings for technicians, paralegals, health care workers, salespeople, and other occupations that require more than one year and up to, but less than, four years of postsecondary education. Occupations requiring

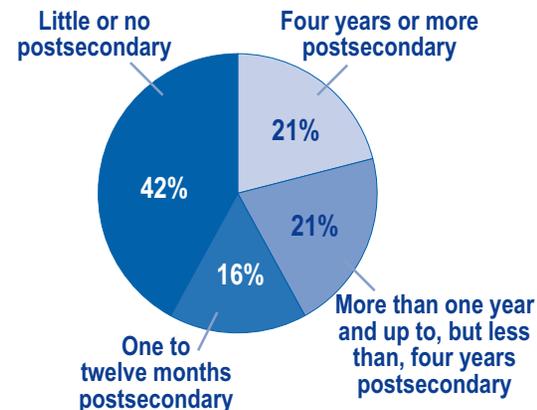
1 to 12 months of postsecondary education will have an additional 20,400 annual openings. There will be about 27,300 annual openings for teachers, engineers, lawyers, and other professionals who need a four-year degree.

Figure 4 provides examples of occupations that typically require more than one year and up to, but less than, four years of postsecondary training. The table also lists the expected number of annual openings for each of these occupations.

Employers Report a Shortage of Skilled Workers

Does Washington have enough qualified workers to fill these jobs? No. Even during the economic downturn many firms were having difficulty finding job applicants with the required postsecondary education and training. Roughly 3,000 firms responded to the Workforce Training and Education Coordinating Board’s (Workforce Board’s) *Washington State Employers’ Workforce Needs and Practices Survey*, conducted during the summer and fall of 2003.

FIGURE 3
Training Levels Required for Expected Job Openings Between 2002 and 2012 in Washington State



Source: ESD, 2004

FIGURE 4
Number of Annual Openings in Occupations Requiring More Than One Year and up to, but Less Than, Four Years of Postsecondary Education (2002-2012)

Registered Nurses	1,980
Carpenters	1,260
Cooks and Restaurant Workers	830
Maintenance and Repair Workers	800
Hairdressers, Hairstylists, and Cosmetologists	670
Automotive Technicians and Mechanics	560
Electricians	550
Computer Support Specialists	500
Licensed Practical Nurses	450
Cooks, Institutions and Cafeteria Workers	430
Plumbers and Pipe Fitters	370
Medical Secretaries	360
Police and Sheriff’s Patrol Officers	350
Bus and Truck Mechanics	290
Computer Specialists, All Other	270
Fire Fighters	270

Source: ESD, 2004

FIGURE 5
Employer Difficulty Finding Applicants by Educational Level
(Percentage and Estimated Number of Firms Having Difficulty)

Educational Level	Among Employers Attempting to Hire at That Level	Estimated Number Firms
Neither a high school diploma or GED	19%	4,200
High school diploma or GED	24%	9,300
Some college course work	35%	11,300
Vocational certificate	53%	17,000
Vocational associate degree	67%	16,600
Academic associate degree	60%	10,800
Baccalaureate degree	68%	12,700
Master's, doctoral or, professional degree	68%	7,300

Source: Workforce Board, 2004

FIGURE 6
Employer Expectations of Future Employment Needs by Educational Level
(Among all Employers the Percentage Expecting a Change in Demand)

Educational Level	Increase	Decrease
Neither a high school diploma or GED	12	18
High school diploma or GED	17	6
Some college course work	27	3
Vocational certificate	35	2
Vocational associate degree	30	2
Academic associate degree	30	2
Baccalaureate degree	34	2
Master's, doctoral or professional degree	24	8

Source: Workforce Board, 2004

Fewer firms reported hiring new employees as compared to previous surveys conducted when the labor market was much stronger. The problem of skill shortages, however, has persisted. Among firms attempting to hire, 45 percent reported difficulty finding qualified job applicants, compared with 60 percent two years ago. Extrapolating from the survey results, an estimated 55,980 Washington firms—about one in every four—had difficulty finding qualified job applicants during the past year.

Employers were looking for job-specific skills that many job seekers did not have. Among employers reporting difficulty finding qualified job applicants, 91 percent had difficulty in finding applicants with occupation-specific skills (e.g., they wanted to hire a registered nurse but had trouble finding one).

The shortage is greatest for jobs requiring postsecondary education, especially for vocational trained workers from the state's community colleges, apprenticeship programs, and private career schools. Among

employers attempting to hire workers with postsecondary vocational training, 67 percent reported difficulty finding qualified applicants. In contrast, among employers attempting to hire workers with only a high school diploma, 24 percent reported difficulty. (See Figure 5.)

The problem will likely grow worse. Skills required in the workplace continue to increase, and, as a result, about one third of all firms reported their need for workers with postsecondary training would increase over the next five years. (See Figure 6.)

Industry Clusters—Health Care, IT, and Construction

Washington increasingly competes globally, but its competitive advantage is determined locally. Harvard Business School's Michael Porter argues industry clusters are critical in determining competitiveness. Clusters are geographic concentrations of interconnected firms in related industries, specialized suppliers, and associated institutions (such as universities).²⁵ Firms locate in the

same area because of competitive advantages specific to that region, including a critical mass of industry expertise and experience. The software/IT cluster that has developed around Microsoft is an important example in Washington. Clusters are important drivers of economic growth, and Porter argues government should act to remove obstacles to their development.

One potential obstacle is a shortage of workers with the required skills. A report prepared for the State Board for Community and Technical Colleges and the Workforce Board examined the workforce needs of important clusters in various regions of Washington State.²⁶ The study uses several criteria to evaluate the importance of regional clusters—the size and projected growth of

employment in the cluster, its location coefficient (a measure of relative density of the industry compared to the nation),²⁷ and the percent of jobs in the cluster that meet a living wage standard. The importance of particular clusters varies by region (Figure 7), but three clusters highly ranked are health care, construction, and software/IT.²⁸

FIGURE 7

Important Industry Clusters by Region

Spokane	Eastern Balance ¹	Pierce	King/Snohomish	Southwest ²	Northwest ³
1. Health Care	1. Health Care	1. Health Care	1. Software	1. Construction	1. Construction
2. Construction	2. Education/Social Services	2. Construcrtion	2. Aircraft	2. Health Care	2. Health Care
3. Wholesale Trade	3. Transportation	3. Aircraft	3. Construction	3. Education/Social Services	3. Transportation
4. Metal Fabrication	4. Wholesale Trade	4. Ship/Boat Building/Repair	4. Business Services	4. Transportation	4. Education/Social Services
5. Transportation	5. Agriculture	5. Wholesale Trade	5. Health Care	5. Communications	5. Ship/Boat Building/Repair
6. Electronics/Instruments	6. Wood Products	6. Education	6. Ship/Boat Building/Repair	6. Wood Products	6. Wood Products

¹ Eastern Balance includes all counties in Eastern Washington other than Spokane.

² Southwest includes Grays Harbor, Lewis, Mason, Pacific, Thurston, Clark, Cowlitz, Skamania, and Wahkiakum counties.

³ Northwest includes Clallam, Jefferson, Kitsap, Island, San Juan, Skagit, and Whatcom counties.

Source: Sommers and Heg, 2002

FIGURE 8
Total Job Vacancies Among Occupation Groups
Requiring Mostly Postsecondary Education

Health Care Occupations	5,797
Computers and Math	3,717
Business and Financial Operations	1,791
Management	1,466
Education	1,126
Social Services	1,121

Source: ESD Job Vacancy Survey, October 2003

FIGURE 9
Projected Annual Openings in Selected
Health Care Occupations (2002-12)

Registered Nurses	2,000
Nursing Aides	850
Licensed Practical Nurses	450
Dental Assistants	450
Home Health Aides	450
Medical Assistants	350
Medical Lab Technicians	150
Medical Lab Technologists	150
Medical Records Technicians	150
Pharmacy Technicians	150

Note: Estimates are rounded to the nearest 50 openings.

Source: ESD, 2004

Health Care

Washington’s health care industry plays a significant dual role in the state’s economy. The health care system keeps its workforce healthy and productive. It is also one of the largest employers in the state. Among occupations that require mostly postsecondary education, the largest numbers of job vacancies currently reported by employers are in health care occupations. (See Figures 8 and 9.)

Health care has been one of the few areas of strength during the recession and “jobless” recovery. The demand for health care workers has exceeded supply in recent years, and wages in the sector are increasing. Consider the experience of students leaving job preparatory programs at our community and technical colleges during the 1999-00 and 2001-02 school years. The more recent cohort faced a much weaker labor market; and, overall wage rates for those leaving the colleges declined slightly across the two years. The real wages of those leaving health care programs, however, increased dramatically between 1999-00 and 2001-02. Real wages among x-ray and lab

technicians increased 16 percent; wages among those leaving registered nursing and physical therapy programs increased by 11 percent.

The study of Washington industry clusters, discussed above, concluded that the state’s community and technical colleges and other training providers have not been producing enough health care professionals to meet the current or projected demand. Hospitals are currently having difficulty filling vacancies. Between 90 and 100 percent of hospitals report it is difficult to recruit radiation therapy technologists, medical clinical lab technologists, occupation therapists, ultrasound technologists, medical technologists, pharmacists, and registered nurses.²⁹

The demand for health care professionals is expected to remain strong. Recent long-term occupational forecasts by Washington’s ESD suggest there will be about 8,400 annual job openings for health care practitioners and support occupations between 2002 and 2012.³⁰ Figure 9 lists the expected openings for those occupations in greatest demand.

The shortage of health care practitioners in Washington is compounded by demographic trends. First, hospital caregivers are aging faster than the state workforce. The average age of a hospital health care worker is 45, about five years older than the average for all workers. More than 41 percent of the state’s health services workers are over 45 years old.³¹ Second, the state population is also aging rapidly. Since the elderly typically require more health care resources, service levels cannot be maintained given current staffing levels.

IT

IT workers design, program, and maintain computers and computerized systems. They work both within the IT industry and in non-IT industries, such as hospitals, government, and financial services. Since computers are pervasive in society, so is the need for IT workers.

The IT industry was not immune to the last recession, but long-term prospects remain strong. Employment in computer systems design declined during the economic downturn, but it is expected to rebound as the economy improves. Employment in the software industry, led by Microsoft, has been more robust. After growing very rapidly throughout the 1990s and into 2001, employment leveled off during 2002. Double-digit growth resumed during the latter part of 2003.

The job market for IT workers appears to have revived. Among the occupations requiring mostly postsecondary education, computer-related occupations posted the second highest number of job vacancies in October 2003 (Figure 8). There were just over 1,000 vacancies for software system engineers, about 900 vacancies for software application engineers, and 700 for computer programmers.

ESD occupational projections suggest several of the fastest growing occupations in Washington will be computer-related. Figure 10 summarizes the projections for several of these occupations.

FIGURE 10

Employment and Projected Annual Openings in Selected IT Occupations

	2002-07	2007-12
Software Engineers, Applications	670	750
Programmers	620	720
Software Engineers, Systems Software	490	580
Computer Support Specialists	450	560
Systems Analysts	250	470
Network Administrators	230	290
Network Systems Analysts	190	230
Database Administrators	80	100

Note: Estimates are rounded to the nearest 10 openings.

Source: ESD, 2004

Construction

Construction activity rises and falls with the business cycle, and the industry was hurt by the last recession. A four-year boom in Washington's construction industry ended in 2001, and employment in the sector declined during both 2001 and 2002. Employment began to rise again in 2003, and stronger growth is expected as Washington's economy improves and nonresidential construction activity increases. Moreover, in the long term, the need to replace an aging construction workforce will add to the number of annual job openings in the sector.

Long-term occupation projections, conducted by ESD, suggest there will be about 6,400 annual job openings in Washington's construction industry over the next 10 years. Figure 11 presents the projected openings for selected construction occupations. According to the Workforce Board's recent survey, employers are having difficulty filling current openings. Among firms attempting to hire

construction workers, 65 percent reported having difficulty finding qualified job applicants—the highest reported percentage of any sector.³²

FIGURE 11
Employment and Projected Annual Openings in Selected Construction Occupations

	2002-07	2007-12
Carpenters	1,240	1,270
First-Line Supervisors	570	580
Construction Laborers	560	550
Electricians	540	560
Painters	450	460
Helpers	370	380
Plumbers	360	370
Operating Engineers	330	330
Roofers	330	320
Drywall Installers	250	250
Sheet Metal Workers	180	180

Note: Estimates are rounded to the nearest 10 openings.

Source: ESD, 2004

Summary and Implications

Washington's economy was especially hard hit by the last recession, and layoffs in aerospace have impeded recovery. As of spring 2004, there are signs the labor market is recovering, but many of the new jobs are low-wage. Even during the economic downturn, there have been areas of strength. Employment increased throughout the recession in financial activities, education, and, especially, health services. Moreover, rapid employment growth has resumed in software publishing.

Long-term economic trends—pervasive technological change and increasing globalization—will continue to skew labor demand toward the more highly skilled. Keeping up with this demand will pose stiff challenges for both social

cohesion and economic competitiveness. The jobs being created demand higher skills, and only higher-skilled jobs can pay a family-wage and offer benefits. Unless Washington equips its workforce with the skills to succeed in high-wage jobs, society will become increasingly polarized into skilled “haves” and unskilled “have nots.” A world-class workforce is vital for global competitiveness, and the bar for competitiveness is rising.

Washington's changing economy is knowledge-based, and many of the fastest growing, best paying jobs are technical. The majority of family-wage jobs created in Washington will require postsecondary education; they won't, however, necessarily require a four-year degree.

Employers, however, report a shortage of job applicants with the skills required for the contemporary workplace. The state's workforce training and education system must prepare more workers with the kinds of skills employers are looking for. The training system must also assist in the continual retraining and upgrading of incumbent workers so their skills stay current. Given the dramatic technological and structural changes buffeting the state's economy, it must do more to enable workers to make smooth employment transitions.

Washington's Changing Workforce

Challenges and Opportunities

Washington's workforce development system faces stiff challenges as the state transitions from a resource-based to a knowledge-based economy. Demographic trends will make it even more difficult to meet these challenges. Population growth has

declined, and the state's labor force growth rate will continue to slow. The population is aging, and an increasing percentage of labor market entrants will come from groups that traditionally have received less education.

These trends, however, with the right changes in policies and programs, will open up new opportunities for historically underserved groups. Washington's businesses need increasing numbers of skilled workers. People with disabilities, people of color, and women need more extensive and effective workforce education and training so they can take advantage of emerging opportunities.

Fewer young people will be entering the labor force, and the state needs to better prepare each of them. Too

many youth do not complete high school; too many of them drift between low-wage jobs before entering postsecondary workforce education programs.

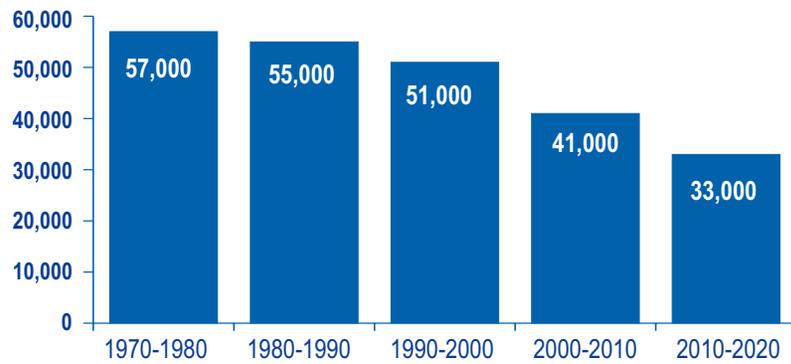
The baby boom generation will begin to retire in large numbers toward the end of this decade, and the pressures on the state's public and private pension systems will increase. Workers over age 50 will account for an increasing share of the state's workforce. The state must encourage these workers to remain in the labor force longer and to keep their skills current.

Workforce Growth Slows

Rapid labor force growth during the 1960s, 1970s, and 1980s provided employers with a ready supply of skilled workers to staff expanded operations. Washington's population

FIGURE 1

Average Annual Increases in Washington's Labor Force
(Number of additional people in the labor force)



Source: Washington State Office of Financial Management (OFM), 2002

growth is now slowing. Labor force growth declined from an average annual rate of 3 percent during the 1970s and 1980s to 1.8 percent during the 1990s. Forecasts suggest that growth during this decade will slow to 1.3 percent a year; from 2010 to 2020, the growth rate is expected to be only 0.9 percent.³³

Low birth rates and retirements among the baby boom generation will slow labor force growth. Changes in labor force participation (the proportion of the population aged 16 and older in the labor market) will not offset the impact of declining population growth. Participation rates in Washington increased between 1970 and 2000 as more women entered the labor market, and this contributed to the increase in labor supply. No further gains are expected, and as greater proportions of the state's population reach retirement ages, participation rates will decline.

Even if migration from other countries and other states moderates the decline in labor force growth, it will not reverse the trend. (The

forecasts discussed above take into account expected migration levels.) Employers, faced with severe labor shortages, have recruited skilled workers from overseas. International migration, however, is a contentious issue, and it is limited by federal policy. Although migration from other states has made a substantial contribution to labor force growth in Washington, the net migration rate has declined from its peak during 1989 and 1990.³⁴

The scarcity of skilled workers, particularly in occupations that require technical training beyond the high school level, could increasingly constrain Washington's economic growth.³⁵ It will be more difficult to increase the skill mix of the workforce when fewer new workers enter the labor market each year. With a slowdown in labor force growth and an increase in the skill levels demanded by jobs now being created, Washington's economy is going to need every available worker in the state to be adequately prepared. Part of the solution may come from preparing workers in population segments that have been

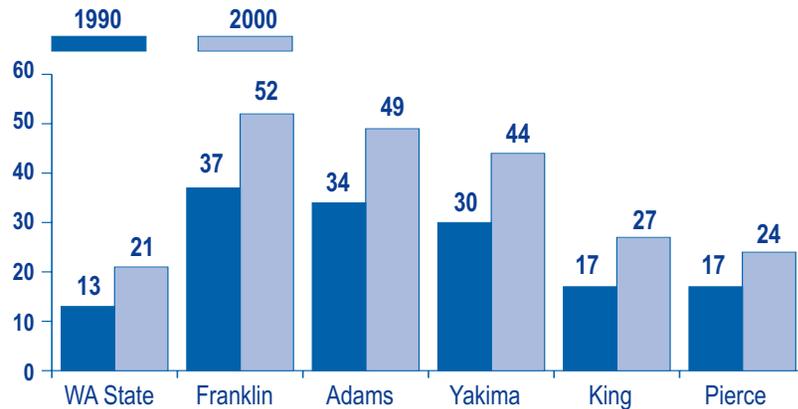
underrepresented in technical education programs and the workforce at large. These segments include people with disabilities, people of color, and women.

Racial and Ethnic Diversity is Growing

Washington State is becoming a more diverse place to live. Growth in the number of people of color exceeds that of the white population, especially among the Hispanic and Asian/Pacific Islander populations. The number of Hispanics in the state more than doubled during the last decade, reaching over 513,000 in 2002 (8.5 percent of the state population).³⁶ In 1990, people of color (non-whites and Hispanics) accounted for 13 percent of Washington's population. In 2000, they represented roughly 21 percent.³⁷

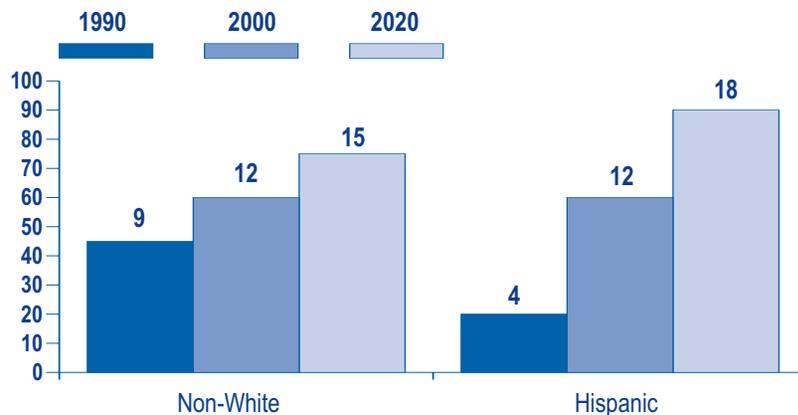
Racial and ethnic diversity varies by county. People of color account for large shares of the populations in rural counties that have substantial migrant and resident agricultural populations. Diversity has also been increasing dramatically in urban counties of Western Washington.

FIGURE 2
People of Color (Non-Whites and Hispanics) as a Share of the Population:
Washington State and Selected Counties (Percentages)



Source: OFM, 2001. Note that 1990 and 2000 Census data on race are not comparable. See endnote 37.

FIGURE 3
Racial and Ethnic Labor Force Shares in Washington
(Percentage Non-White and Hispanic)



Source: OFM and Washington State Employment Security Department, 2002

About one in every ten persons in the state is an immigrant. According to the 2000 Census, more than 614,000 Washington residents, 10.4 percent of the population, were foreign born. Among these immigrants, 39 percent came from Asia, 28 percent from Latin America, and 21 percent from Europe.

These trends are evident in Washington schools. Twenty-seven percent of the state’s K-12 students are students of color, up from twelve percent in 1980 and eighteen percent in 1990.³⁸ Cultural diversity is also growing, and the state’s transitional bilingual instruction programs are serving an increasing number of students for whom English is a second language. A total of 159 primary languages were represented in the 1999-2000 school year.³⁹

As the population changes, so does the composition of the workforce. Non-whites (African-Americans, Asians, and other racial minorities) are expected to account for a quarter of the net labor force growth in the state between 2001 and 2026. In terms of ethnicity, workers of

Hispanic origin are projected to account for over 40 percent of the growth during this period.⁴⁰

In the past, for a variety of reasons, including discrimination, people of color have obtained less education on average than whites and have experienced higher levels of unemployment and poverty. As a result, this growing population has a large, unmet need for education and training. This economic need has consequences. The median household income for African-Americans in

TABLE 1
Washington’s K-12 Students
by Race and Ethnicity

RACE/ETHNICITY	1990 (#)	2001 (#)	CHANGE (%)
Asian	47,065	75,919	61.3
African-American	35,174	54,591	55.2
Hispanic	47,354	110,474	133.3
Native American	20,742	27,647	33.3
White	689,374	741,793	7.6

Source: School Enrollment Summary, School Year 2001-2002, Office of Superintendent of Public Instruction, April 2002

Washington State is 76 percent that for non-Hispanic whites; for Native Americans and Hispanics it is 69 percent.

The economic literature on racial inequality focuses primarily on the experiences of African-Americans. The black-white wage gap has narrowed over the last half century, but blacks still are paid less than whites. Moreover, some segments of the black population have not advanced. “In cities across the country, and in rural areas of the Old South, the situation of the black underclass and, increasingly, of the black lower-working classes, is bad and getting worse.”⁴¹ Many economists believe market discrimination against blacks, though it still exists, is not as important a source of racial inequality as in the past. Much of the gap in earnings is due to differences in skills. Therefore, policies that promote skill formation among blacks, such as improving schools and neighborhoods, are critical. There is substantial evidence that abilities and motivations are formed at an early age. “Early interventions are far

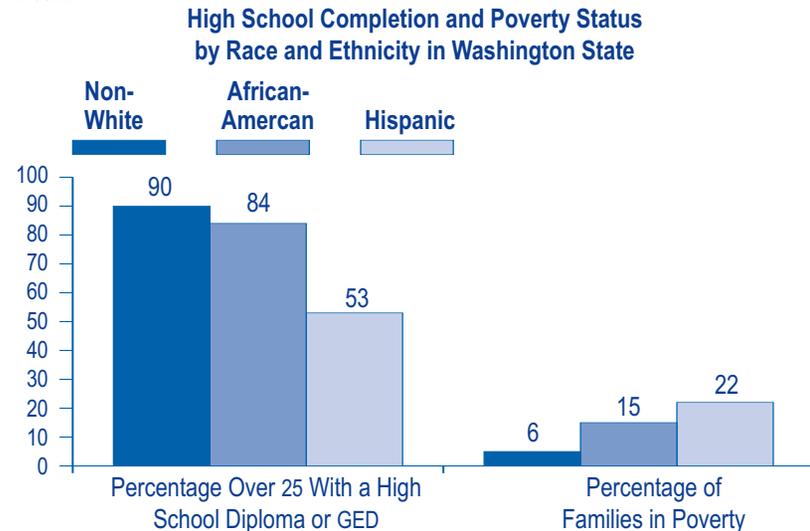
more effective than late ones, because early skills and motivation beget later skills and motivation.”⁴²

A Graying Population

The leading edge of the baby boom is in its late fifties. Before long, this largest generation in American history will swell the ranks of the retired. Already, people over age 65 constitute the fastest growing segment of the population. Following the national trend, Washington had 662,000 people aged 65 and older in 2000, accounting for roughly 11 percent of the population. Recent forecasts suggest this number will reach 1.22 million, or 16 percent of the population, by 2020.⁴³

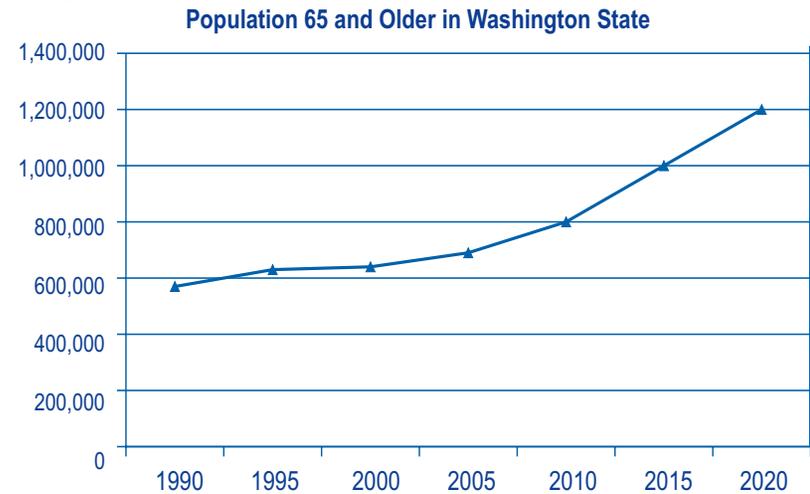
In contrast, the relatively small number of persons born during the period following the baby boom will soon enter their prime years of labor force participation. Nationally, the ratio of active to retired workers may drop from 3.4 workers for every retiree in 1998, to 2.4 workers in 2020. By 2030, the ratio could drop to two workers for every retiree.⁴⁴

FIGURE 4



Source: 2000 Census. Racial categories refer to those reporting only one race.

FIGURE 5



Source: OFM, 2002

These trends will place considerable financial pressure on the public and employer-sponsored programs that provide income support and health care to older Americans. The burden of caring for elderly parents will also increase, placing additional demands on the time and finances of the working age population.

With fewer younger workers entering the labor force, employers will increasingly turn to hiring older workers, and market forces are already pushing firms in this direction. The average age at retirement declined over the past 30 years, but evidence suggests the trend is reversing. A study by the American Association of Retired Persons found that 8 in 10 baby boomers plan to work during their “retirement years,” though not necessarily full-time.⁴⁵ Several factors will allow more workers to postpone full retirement in the future. Life expectancy has increased from age 71 to age 77 over the past 30 years. Health or physical abilities are not generally a barrier to activity

until people reach their mid-70s, and the share of workers in physically demanding jobs has declined dramatically.⁴⁶

Policy changes, such as the increase in the Social Security retirement age, should induce older workers to remain in the labor force longer. The age of eligibility for collecting full Social Security benefits will increase gradually to 67 over the next 20 years. In addition, the earnings test for those aged 65 or older has been eliminated, removing a disincentive to remain in the labor force. The test limited how much Social Security recipients could earn before having to forfeit part of the benefits.⁴⁷

Changes in pension schemes are also reducing disincentives to working at older ages. The trend is toward more defined contribution pension (e.g., 401(k)) plans instead of defined benefit plans. Defined benefit plans provide the most benefits when taken at the earliest age of eligibility.⁴⁸ They penalize workers who work beyond a certain age.

Some firms are designing new work arrangements to encourage retired workers to return to the workforce as part-time employees. Efforts have been constrained, however, by tax laws and other legal barriers. According to a survey conducted by a benefits consulting firm in 2000, 16 percent of firms offered some form of phased retirement. The most common approach was for firms to rehire retired employees on a part-time or temporary basis. One problem is this approach requires workers to first leave the firm.⁴⁹

In addition to there being more retirees, the age composition of those remaining in the workforce will shift. The number of older workers in the state will rise dramatically—1 out of every 5 workers will be 55 or older by 2025, as opposed to roughly 1 in 10 in 2000.⁵⁰

Public and private education programs will need to serve an increasing number of older workers seeking retraining.⁵¹ Firms are also changing their practices toward

developing older workers since the returns on investments in training them can be high. They often have better education levels than today's high school graduates, and are less likely to switch jobs.⁵² Massive investments in new technologies and changes in work organizations have increased the demand for highly skilled workers in all sectors of the economy. Skill requirements are increasing across industries. Older workers who regard learning as a lifelong pursuit, instead of something that ends with the completion of their formal education, will profit most.

Opportunities for Youth

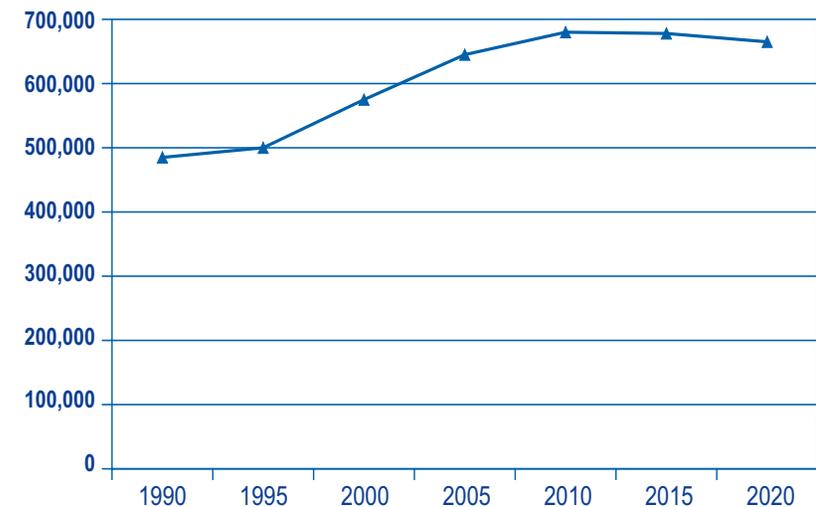
Another potential source for new workers will be the rapidly increasing population of young people that constitute the baby boom "echo." If the economy is to adjust successfully to an aging population, Washington must prepare the coming generation of young workers for full and productive participation in the world of work. Projections show that the state's population of 18 to 24 year-olds will continue to increase rapidly over the next few years and then level off after 2010.

The graying of the labor force offers unprecedented higher wage opportunities for well-prepared young people. Too many young people, however never complete high school. Data on school dropouts are incomplete, but as many as one-third of Washington ninth graders apparently do not graduate on time with their class.⁵³ Some complete school later and some obtain GEDs, but many do neither. According to data from the 2002 Washington State Population Survey, 14 percent of Washington residents aged 20 to 29 did not have a high school diploma. This estimate is consistent with data from the 2000 Census. According to the census data for Washington, 13 percent of those aged 25 to 34 had not completed high school or obtained a GED.

Too many emerge from high school ready for neither further education nor work. Even in schools that received funding to implement school-to-work activities, the majority of students generally did not participate in activities designed to link students with their post-school lives. In schools receiving

school-to-work funding, only 31 percent of students took part in both classroom and workplace activities designed to prepare them for life after high school such as Tech-Prep, internships, and co-op education. Students who did participate in intensive school-to-work activities rated their school higher in preparing them in basic academic skills, seeing the link between school and the "real world," and in setting goals for the future.⁵⁴

FIGURE 6
Number of Young Adults (Ages 18-24) in Washington State



Source: OFM, 2002

TABLE 2

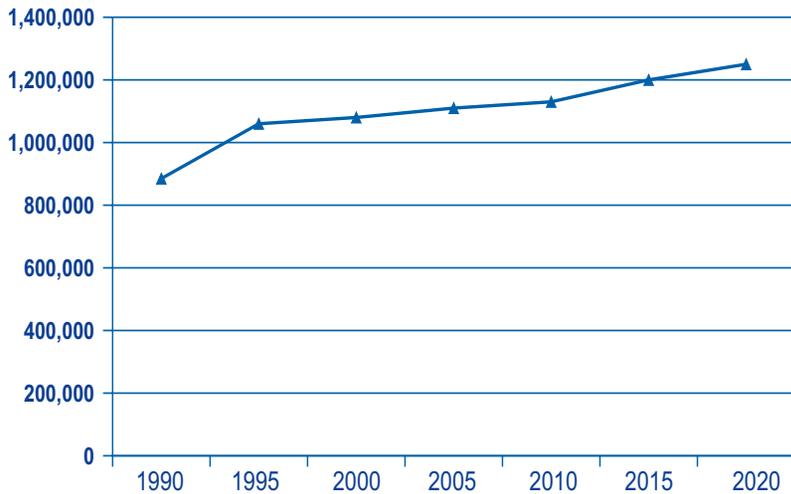
Percentage of Youth Activities 2002

STATUS	AGE 18	AGE 19	AGE 20	AGE 21	AGE 22	AGE 23
Working	45	55	63	66	59	74
Enrolled in School	77	55	53	39	43	24
Working & Enrolled	32	22	29	23	21	16
Not Working or Enrolled	10	12	13	18	19	18

Source: Estimates are based on the 2002 Washington State Population Survey.

FIGURE 7

Number of K-12 Population (Ages 5-17) in Washington State



Source: OFM, 2002

Too few young people participate in secondary career and technical education. More than one-third of high school graduates in Washington go straight to full-time employment after graduation. Fewer than one in three completed a career and technical education program.⁵⁵

A recent study conducted by the W.E. Upjohn Institute for Employment Research found secondary career and technical education in Washington State has strong positive impacts on post-high school employment and earnings. Moreover, a comparison of the program benefits and costs indicates it is a cost effective means of improving the labor market outcomes for youth.⁵⁶

Obviously, jobs that require only a high school education do not pay as well as higher skilled positions. It is generally in the economic interest of an individual to obtain as many years of education as possible. Too often, students, who do not immediately move on to postsecondary education after high school, spend years drifting from dead-end job to dead-end job

before seeking more education and training at community or technical colleges, in apprenticeships, or private career schools. The median age of job preparatory students in Washington community and technical colleges is 31.

Moreover, survey data suggest many youth are neither employed nor enrolled in higher education after high school (Table 2).⁵⁷ About one in every five Washington youth in their early twenties are neither working nor in school. The incidence is only somewhat higher for young women, perhaps due to child rearing. Among those aged 21 to 23, 20 percent of young women and 17 percent of young men are neither working nor in school.

The next ten years provide a demographic window of opportunity to deepen the state’s human capital investments in youth. During the 1990s, Washington’s K-12 population grew rapidly, increasing by 25 percent. This growth made it more difficult to increase educational expenditures per child and reduce

student-teacher ratios. Little growth in the overall number of K-12 students is expected during this decade, but the respite is short. Growth in the student population resumes after 2010 as the baby boom echo cohort reaches childbearing age.

People With Disabilities

According to the 2000 Census, 981,000 Washington residents aged five and older have a disability. These include conditions such as blindness or deafness, conditions that substantially limit physical activities, difficulty learning or remembering, difficulty getting around inside the house, difficulty going outside, and difficulty working at a job.

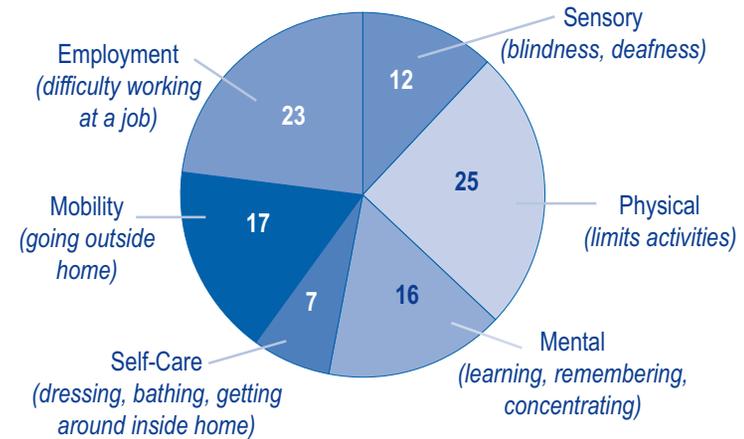
The incidence of disability increases with age, but it is high even among youth. Among youth 5 to 15 years of age, 6 percent have a disability (primarily learning disabilities). Among the working age population (ages 21-64), 17.8 percent have some disability, and 11 percent have difficulty working at a job because of a physical, mental, or emotional condition.

As the state faces the future, people with disabilities constitute an important underutilized human resource. Among working age (21 to 64) Washington residents who have a disability, only 58 percent were working in 2000, versus 78 percent of those with no disability.⁵⁸ Moreover, many who have jobs are not employed to their full potential. According to a 1996 survey of 2,500 Washington citizens with disabilities, one-third of those employed said their jobs do not use their skills well. The incidence of involuntary part-time employment is high. According to the 2002 Washington State Population Survey, 42 percent of part-time workers with disabilities reported that they wanted to work full-time.

People with disabilities tend to have lower educational attainments than the general population. Among young adults ages 18 to 34 in Washington, those with a disability are about twice as likely to have not completed high school (28 percent versus 15 percent). They also are only one-half as likely to have an

FIGURE 8

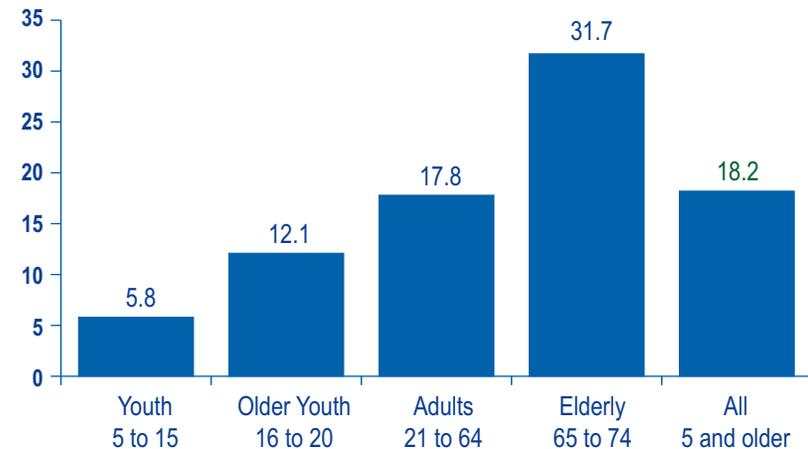
Types of Disabilities Affecting Washington Residents:
(Percentage of Reported Disabilities)



Source: 2000 Census

FIGURE 9

Percentage of Washington Residents Having a Disability by Age Group



Source: 2000 Census

associate, baccalaureate, or graduate degree (16 percent versus 32 percent).⁵⁹

Women in the Labor Market

Women have entered the labor market in increasing numbers over the last 25 years. In 1975, 47 percent of working age women in Washington were in the labor market. By 2000, 62.5 percent were working. The largest increases have already occurred, however, and the female participation rate is not expected to change much in the future. Still, women will account for nearly one-half of the net additions to the labor force over the next two decades.⁶⁰

Although more women are working, their economic progress has been uneven. The gender gap in earnings narrowed during the 1980s and 1990s, but women still earn less than men. They continue to be more heavily concentrated in jobs with limited career ladders or jobs in fields that are modestly paid. Even when women and men are in the same occupation, men tend to have higher pay.

Disparities in earnings between women and men are due to differences in education and occupation, as well as discrimination. It is extremely difficult to isolate the effects of discrimination, since it can affect women's educational and occupational choices. However, studies typically find about one-third of the earnings gap is due to gender differences in education and experience, and another third is due to differences in occupation and industry or employment. This leaves one-third of the gap unexplained, and potentially due to discrimination.⁶¹

Although the extent of occupational segregation has been declining since 1970, as women began moving into predominantly male jobs, it remains an issue.⁶² Consider the students leaving Washington's community and technical college job preparatory programs during the 1999-2000 school year. Many female students did enroll in high-wage programs; women accounted for 9 out of every 10 students in associate degree nursing, practical nursing, and dental

hygienist programs. Many more women, however, enrolled in programs that pay relatively low wages. Among the students exiting from the 12 traditionally lowest-paid programs⁶³ in the colleges, 82 percent were women.⁶⁴

Women, who are single parents, and their children often face economic hardships. According to the 2000 Census, 110,663 Washington families (or 7.3 percent) were living in poverty. About half of these (52,290) were families headed by women with no husband present. To the extent that women remain concentrated in occupations and industries that do not provide them with compensation sufficient to support them and their children or offer opportunities for advancement, these families will remain poor. Economic disadvantages will continue to constrain their children's educational achievements.

Women typically still have primary responsibility for housework and child care, and this has limited their progress in the labor market. Policies

that facilitate the integration of work and family responsibilities, such as on-site child care and flexible work schedules, have become more prevalent. “Employers are likely to continue to expand such policies as they respond to the shifting composition of the workforce and a desire to retain employees in whom they have made substantial investments.”⁶⁵

Implications

Washington is confronted with an increasing scarcity of skilled workers, and demographic trends will exacerbate the problem. Large segments of the state’s population are poor, have little or no training, and have only limited prospects for wage progression.

Poorly prepared citizens will find themselves unable to compete for jobs in the most profitable and competitive companies. Can the state

afford to have any of its workers unemployed or underemployed for lack of skills? Not if it wants to preserve the quality of life its citizens treasure. Washington cannot afford to waste a single individual.

The state must ensure that all citizens—people of color and whites, women and men, people with disabilities, and young and old—are prepared and positioned for success.

Washington's Workforce Development System Today

What is the Workforce Development System?

The workforce development system consists of programs and services that prepare people for employment. There are 18 programs as defined in state statute and by Governor Gary Locke's Executive Order 99-02. These programs focus on preparing individuals for jobs that do not require a baccalaureate degree, about 75 percent of all jobs in Washington.

The Workforce Training and Education Coordinating Board: System Planning and Evaluation

Created in 1991, the primary roles of the Workforce Training and Education Coordinating Board (Workforce Board) are to provide a systemwide approach to strategic planning and accountability and to foster partnerships among business,

labor, and education and training programs. The Workforce Board consists of nine voting members with an equal, tripartite partnership of business, labor, and government/education. The Workforce Board also serves as the state's Workforce Investment Board as required by the Workforce Investment Act (WIA) and as the State Board for Vocational Education for the Carl D. Perkins Vocational and Applied Technology Act (Carl Perkins Act). Additionally, the Workforce Board licenses and regulates private career schools in Washington.

In order to carry out its strategic planning mission, the Workforce Board, in partnership with the agencies that administer workforce development programs, creates a strategic plan, *High Skills, High*

Wages. The Workforce Board reviews the agencies' operating plans for consistency with *High Skills, High Wages*. In order to support policy development, the Workforce Board assesses the workforce development needs of employers and workers, including needs resulting from changes in the state economy and the demographics of the workforce. The Workforce Board also evaluates the results of workforce development programs and manages systemwide performance accountability.

In order to promote partnerships throughout the state, the Workforce Board assists in the creation and support of industry skill panels. There are 28 skill panels throughout the state in key economic clusters, such as health care and information technology. The skill panels consist

FIGURE 2

Related Workforce Development Programs

- Washington’s Temporary Assistance to Needy Families (TANF) Work Programs (WorkFirst)
- Community Jobs
- Juvenile Corrections Education
- Refugee Assistance Program
- Employment and Training for Migrant and Seasonal Farm Workers
- North American Free Trade Act and Trade Adjustment Assistance Program
- Washington Service Corps/AmeriCorps
- Corrections Clearinghouse Program
- Job Corps
- Offender Education Program
- Washington State Business Enterprise for the Blind
- Washington Conservation Corps
- Displaced Homemaker Program
- Community Service Block Grant Program
- On-the-Job Training Program
- Claimant Placement Program
- Disabled Veterans Outreach Program
- Local Veterans Employment Representatives
- Special Employment Services for Offenders

FIGURE 1

State Workforce Development System (RCW 28C.18, RCW 50.12, and EO 99-02)*

OPERATING AGENCY	PROGRAM	ANNUAL PUBLIC FUNDS
State Board for Community and Technical Colleges	Postsecondary Technical Education	\$309,518,000
	Adult Education and Basic Skills	85,951,300
	Carl D. Perkins Postsecondary Technical Education	13,700,500
	Worker Retraining Program	34,255,100
	Volunteer Literacy Program	366,000
	Job Skills Program	1,475,000
Office of Superintendent of Public Instruction	Secondary Career and Technical Education	\$242,835,200
	Carl D. Perkins Secondary Career and Technical Education	9,655,500
	Even Start Family Literacy Program	2,908,500
Employment Security Department	Workforce Investment Act, Title I-B Dislocated Workers Program	\$39,395,500
	Workforce Investment Act, Title I-B Adult Training Programs	25,857,700
	Workforce Investment Act, Title I-B Youth Activities Program	27,578,700
	Training Benefits Program	20,000,000
	Wagner-Peyser	15,903,400
Department of Social and Health Services	Vocational Rehabilitation for the Blind	\$7,672,900
Opportunities Industrialization Center	Employment and Training for Migrant Seasonal Farm Workers	\$2,187,800
Department of Labor and Industries	Apprenticeship	\$1,050,000
Private Career Schools	(No Public Funds)	\$0
Total Public Funds		\$866,209,800

**Other programs are not included in the state statute and executive order but are related to the workforce development system since they also prepare individuals for employment.*

of employers, labor, and education and training providers; they assess skill gaps in the clusters and develop strategies for addressing the gaps.

Local Workforce Development Councils: meeting local workforce priorities

Under Executive Order 99-02, the Governor called for the establishment of local Workforce Development Councils (WDCs) in 12 areas of the state to serve as Local Workforce Investment Boards required under the WIA. The Governor directs these local councils to:

- Develop a local unified plan for workforce development, including a strategic plan, an operating plan for WIA Title I-B, and other program operating plans consistent with the strategic plan.
- Ensure linkages of workforce development with economic development.

- Conduct oversight of the WorkSource (One-Stop) system and promote the coordination of workforce development activities at the local level.
- Establish youth councils to coordinate services to disadvantaged youth.
- Provide for a coordinated and responsive system of outreach to employers.
- Assess the planning process.
- Collaborate in the development of WorkFirst service area plans.

WDCs are comprised of a majority of business representatives and include labor, education, community, and public agency representatives. WDCs have the flexibility to set priorities for their local areas while addressing the challenges in the Governor's Executive Order. Accountability for results is a responsibility shared by the local councils and the Workforce Board.

Workforce Development for Youth

Secondary career and technical education

Career and Technical Education (CTE), also known as vocational education, enables students to explore career options, learn academic and life skills, and prepare for work and postsecondary education. Model CTE programs integrate occupational skills learning with academic content. CTE programs are offered in grades 9-12 through approximately 235 local school districts and 10 vocational skills centers.

Currently, the State Board of Education (SBE) requires that all students complete at least one CTE course to fulfill graduation requirements. Some students complete an entire CTE sequence involving several related courses. The extent of CTE offerings varies significantly with district size, location, administrative support, and philosophy, resulting in varied opportunities for the state's high school students.

The Office of Superintendent of Public Instruction (OSPI) has developed new CTE program standards which will be used to approve and evaluate all CTE programs to ensure they incorporate workplace skills and industry-based skill standards. The new program standards differentiate programs as “exploratory” or “preparatory.” Students taking exploratory programs explore a CTE program area or cluster to help them determine if they are interested in pursuing the program area/cluster leading to employment or related post-high school training. Preparatory career and technical education programs provide opportunities for students to master occupational skills based on industry-defined standards, which will prepare them for employment after graduation and/or advanced placement into a postsecondary CTE program.

In addition, OSPI provides curricular frameworks that organize all CTE programs within broad career pathways: agriculture and science;

business and marketing; health and human services; and technology and industry. These frameworks provide a crosswalk with essential academic learning requirements, the five “P’s” (see page 30), and exploratory and preparatory components.

The Carl Perkins Act, as amended in 1998, emphasizes the importance of integrating academic standards into CTE. Known as Perkins III, the Act provides additional funds for secondary and postsecondary career and technical education, and emphasizing vocational programs’ use of technology, teacher training, and distance learning. Perkins III increases state and local flexibility in providing services and activities designed to develop, implement, and improve career and technical education, including Tech-Prep education, and builds on state and local efforts to develop challenging academic standards. Nearly all community and technical colleges are applying the Tech-Prep model

The K-12 System and CTE Advisory Councils

The State Board of Education, whose members are elected by local school board members, sets policies for the K-12 school system. SBE’s executive officer is the Superintendent of Public Instruction, an elected state official who administers OSPI. The Academic Achievement and Accountability Commission oversees K-12 accountability, including setting targets for high school graduation rates.

Locally elected school boards set K-12 policies at the district level. Districts with approved high school CTE programs are required to have general advisory councils and a program advisory committee for each CTE program. Composed of representatives of business and labor, these councils and committees help schools ensure their programs meet the skill needs of local industries.

What Are Skills Centers?

Skills centers provide career and technical education for a cluster of school districts and are an integral part of the K-12 system. Students age 16 to 21 in grades 11 or 12 learn job preparation skills and can take advantage of the close relationships that skills centers forge with industries. For example, the New Market Skills Center, Tumwater, offers computer game program design taught by the Digipen Institute in conjunction with Nintendo. It is an advanced placement program that includes math, computer science, computer programming, and 3D animation. Skills centers offer education and training in a variety of occupations, including health care occupations that are currently experiencing shortages.

Students learn basic skills, workplace readiness skills, and entry-level occupational competencies. They learn about career and postsecondary opportunities, participate in internships and work-based learning, develop a personal career portfolio, and participate in a wide range of leadership activities/programs. They may also receive advanced placement or college credit through Tech-Prep programs.

An administrative council, comprised of the superintendents of the participating school districts, governs each skills center. Local districts contribute to the facility and equipment acquisition, and each district has an equal vote.

that offers students the opportunity to gain college credit when they take career and technical education courses in high school.

The K-12 foundation and transitions to life after high school

Primary and secondary school education provides a critical foundation for learning throughout a student's life. It is expected to provide the academic skills students will need as adults, citizens, and employers and employees.

Washington Performance-Based Education Act of 1992 and the Education Reform Act of 1993 set four student learning goals.⁶⁶ The fourth goal states students must, "Understand the importance of work and how performance, effort, and decisions directly affect future career and educational opportunities." For virtually all students, whatever option they choose upon leaving high school will eventually lead to the workplace. Whether they enter the state's workforce as student employees, summer workers, or full-time entry-level employees,

Washington's youth must be prepared to be successful. As an increasing number of college students work part- and even full-time, the importance of basic workplace competencies also increases for all students. And, general work readiness skills are increasingly being demanded by businesses moving to a high-performance style that demands higher teamwork and problem-solving skills from even their frontline workers.

New requirements for students graduating in 2008 and beyond call for completion of a culminating project, an individual plan for the student's high school experience, and one year beyond.⁶⁷ These strategies aim to ensure students connect what they learn in high school with future education and career options.

In order to improve transitions to life after high school, schools are partnering with community and technical colleges and baccalaureate institutions to improve the coordination of secondary and postsecondary education. Running

Start, Tech-Prep, College in the High School, Advanced Placement courses—all of these are examples of options increasingly available to students so they can prepare for their education after high school and often earn postsecondary credits at the same time. High schools are also partnering with apprenticeship programs and directly with employers to enable students to explore or prepare for specific kinds of employment at the high school level.

The Five P's

OSPI encourages high schools to organize their courses and structure to facilitate effective student transition to life beyond high school. The Five P's, Pathways, Portfolio, Project, Plan, and Parents, can form the basis of such a structure.

1. *Pathways*—Career pathways are an organized sequence of classes and activities that contribute to preparation for occupations of a similar kind (health or business, for example).

2. *Portfolio*—A portfolio is a collection of student work and achievements used by the student to document progress along the pathway.

3. *Project*—A culminating senior project completed by the student illustrates his or her pathway work, and is usually presented to a panel of community reviewers for evaluation.

4. *Plan*—A student develops an individual plan for the year after graduation, including the steps needed to accomplish the goal (e.g., completing the first classes of an articulated program; preparing to meet baccalaureate admission standards; or earning industry skills certification).

5. *Parents*—Involving parents and guardians in their child's planning and preparation for life after high school is important. Parents also need to know the options available to their children; creating a formal structure within the school schedule to encourage

parents' assistance in supporting and guiding their children in choosing courses that fulfill future study and career goals is helpful.

Some schools have reorganized their high school programs to integrate career planning and preparation into their course curricula and schedules, and include all elements of the Five P's. (See Franklin Pierce School District example on page 81.)

Preparing low-income youth for the workforce

Youth councils

Youth councils, comprising members of local WDCs and other youth representatives, review assets and gaps of youth-related services in their communities and make recommendations to WDCs on issues pertaining to at-risk or out-of school youth (WIA Title I-B eligible youth). All 12 youth councils have created service integration plans to better link youth services and service providers, including non-WIA services.

WIA Title I-B provides for programs that prepare low-income youth ages 14 to 21 for academic and employment success.⁶⁸ The program is administered by the Employment Security Department (ESD), which partners with the Workforce Board to develop a five-year operation plan. The Governor and the Department of Labor (DOL) must approve the plan. Local WDCs develop similar operations plans and receive funding based on federal and state allocation formulas.

Local providers assess youth to determine their academic skill level and support service needs. These assessments enable the customizing of services to suit the needs of individual youths. Services include counseling, tutoring, job training, mentoring, or work experience. These youth may also participate in summer employment, skills training, or instruction in obtaining a GED or equivalent. The number of youth served in 2002 was 6,368.

Workforce Development and Employment Services for Adults

Postsecondary technical education

Workforce training and education for the 21st century is one of the major goals of community and technical colleges. According to the State Board for Community and Technical Colleges (SBCTC), the mission of workforce training is to provide “workforce education, training, and retraining programs at community and technical colleges that will help students learn the full range of basic, pre-college, technical, and academic skills they need to get high-wage jobs and adapt to future career requirements in Washington’s changing economy.”

Nearly half of all state-supported students (45 percent) enrolled in community and technical colleges in 2002-2003 were upgrading, retraining, or preparing for a new job. All community and technical college programs are open to high school graduates or persons aged 18 years or older. Full-time students are

assessed at admission and placed into appropriate courses. Some programs have prerequisites or selection criteria dictated by licensing or accreditation requirements.

SBCTC’s goal statement for workforce training continues:

- Colleges will work with employers, labor groups, economic development organizations, and public sector employment specialists to ensure that workforce education and training programs are relevant to local needs and enable students to get jobs close to home.
- The colleges will work closely with employers and labor groups to make sure their workforce education and training programs lead to job opportunities for highly trained graduates in emerging, high-wage career fields.

- Workforce education and training programs will be designed to train workers in fields whose services are highly valued by society, such as health care and child care.
- Colleges and the college system will collaborate with public and private organizations to cover the cost of starting or revamping programs and to ensure that instructional equipment remains up-to-date.
- Instruction and training will be delivered in ways that meet the needs of students and employers, including short-term training at business sites.
- Upgrading of skills and retraining to improve or supplement workers' skills in order to remain competitively employed or to advance their careers.
- Supplemental instruction in the classroom for indentured apprentices. This is a required component of apprenticeship programs that complements training and experience on the job.

In addition to state funds, Perkins III provides important supplemental funding for postsecondary workforce training targeted to improving the quality and outcomes of the programs.

Developing industry-based skill standards

Community and technical colleges and skill panels engage businesses and labor to define the skills they require. These voluntary “skill standards” provide the framework for:

- Assessing training needs.

The Community and Technical College System

Most students who graduate from Washington's high schools today will enroll in some form of postsecondary education or training. The largest number of graduates will attend the state's community and technical colleges. Washington has 34 community and technical colleges covering every county in the state. Training is offered at more than 600 sites including multiple extension sites, technology centers, business centers, and state prisons. SBCTC, a nine-member board appointed by the Governor, oversees the community and technical college system.

Each college district has a board of trustees and a general advisory council and/or program advisory committees of business and labor representatives that approves, designs, and modifies workforce education and training programs, also known as occupational programs. Program advisory committees use their industry expertise to update curricula, identify new technologies to be obtained, and participate in the hiring of key instructors.

In order to fulfill the workforce training mission, Washington's community and technical colleges offer a variety of workforce training programs that include:

- Preparatory technical education that provides skills training for entry-level employment in a variety of technical occupations.

- Communicating performance expectations to employees.
- Clarifying expectations among employers, students, and educators.
- Designing curriculum that matches workplace requirements and improves the employability and productivity of students.
- Articulating with secondary programs.

Industry-defined skill standards specify what employees must know and be able to do within a particular industry and occupation, thus enabling instructors to prepare students for success. Skill standards enable vertical and horizontal articulation between programs.

For program sectors where skill standards are well developed, programs can recognize the skills of incoming participants, no matter where those skills are learned—on a job, in high school, at a two-year college, or through some other public

or private program. Instructors do not have to repeat what participants already know. When individuals are certified as meeting industry standards, employers know they have the skills to do their jobs.

Apprenticeship

Studies indicate that the integration of classroom and on-the-job training is an effective way to teach career and technical skills. An example of this type of learning has been in place for centuries—apprenticeship.

Apprenticeship programs are supervised by joint labor-management committees that approve curricula, monitor quality, screen and select applicants, and ensure that skills are portable. Industry and labor representatives constantly review programs to ensure their standards are up-to-date with changing workplace needs.

To be eligible for an apprenticeship program, individuals must be at least 16 years old and meet other minimum qualifications established

by the industry. These entrance requirements can be rigorous, and apprentices may enroll in preapprenticeship programs to prepare them for entry into apprenticeship programs.

Standards for apprenticeship agreements include a progressive increase in wages over time as new skills are mastered. Programs are designed to provide individuals with the ability to progress from entry-level to fully qualified journey-level workers. Completion standards include a minimum total hours worked and annual minimums for related and supplemental instruction.

The Washington State Apprenticeship and Training Council oversees apprenticeship training programs statewide. The Apprenticeship Section at the Department of Labor and Industries is the administrative arm of the Council. Financial contributions from employers and workers support apprenticeship programs. In 2003, there were 256 active apprenticeship programs and 12,720 active apprentices.

Private career schools

To obtain or upgrade the skills needed in the labor market, many Washington residents enroll with private sector providers of workforce training.

Private career schools are independent businesses that provide occupational training. Most of them are small. They provide training at both the sub-baccalaureate and baccalaureate levels. A total of 262 private career schools offer diploma or certificate granting programs in Washington, and they provided 1,200 different instructional programs to more than 26,000 students in 2002-2003.

No public funds are appropriated for private schools, although eligible students may obtain federal grants and loans to pay for educational expenses if the school they choose has been authorized to participate in U.S. Department of Education student aid programs. In addition, under WIA Title I-B training services,

some adults and dislocated workers are eligible for Individual Training Accounts (ITA) that will support tuition at postsecondary public and private schools that are on the Eligible Training Provider List (ETPL). School programs must pass minimum employment and wage standards for their program completers to be on the ETPL.

Approximately 119 schools (private career schools, community and technical colleges, four-year universities, and high schools) are currently approved by the Workforce Board to train eligible veterans and dependents, thus providing access to Veterans Administration educational benefits.

Private career schools are partners in the workforce training and education system, voluntarily contributing to many aspects of the system's growth and development. They gather and report annual demographic data of value to the Workforce Board's

Secondary/Postsecondary Career and Technical Education Works and are active contributors to the accountability and consumer reports system known as Job Training Results.

***Customized employee training
Employer-supported training***

Many Washington employers offer their employees some sort of formal training. According to a 2003 Workforce Board survey of Washington employers, the majority (59 percent) provided or paid for some classroom training that includes training in workplace practices, basic skills training (reading, writing, math, and English language skills), and training in job-specific skills. Among the firms that provided classroom training, 74 percent provided such training in job-specific skills, 67 percent provided it for workplace practices, and 13 percent provided it for basic skills.⁶⁹

Employers have been increasing training over the last three years due to the expanded use of computers and high-performance work organization practices. Skills required to adequately perform production or support jobs have increased. Employers project that their needs for workers with postsecondary training will increase during the next five years, and the greatest needs will be for vocational associate, master's, doctoral, or professional degrees.

Publicly supported customized training

While many businesses contract directly with the community and technical colleges to provide training, they can sometimes qualify for state assistance. The Job Skills Program (JSP), created by the Legislature in 1983, brings together employers and educational institutions to provide customized employee training. State funds are combined with employer matching funds to support: employee training for prospective employees of a new plant or when a company expands; current employee retraining

when required to prevent the dislocation of those employees; current employee upgrading to enhance productivity and provide advancement opportunities; and industry initiatives supporting the development of customized training programs for several companies within an industry.

The Department of Community, Trade and Economic Development (CTED) and local economic development agencies consider JSP a valuable tool for recruiting companies to relocate in Washington and to assist state-based companies to expand. Public secondary or postsecondary institutions, independent institutions, private careers schools, and apprenticeship trusts in partnership with businesses or groups of businesses are eligible to apply for JSP funds. The program also prioritizes areas with new and growing industries, industries with a shortage of skilled labor, economically disadvantaged areas with high unemployment rates, and areas affected by economic dislocation.

Business retention and expansion

Existing businesses create 60 to 80 percent of all new jobs. Local companies are valuable assets that communities cannot afford to ignore or lose. The jobs they generate further employment gains and create new businesses and tax revenues to boost local economies.

CTED's Business Retention and Expansion program works with manufacturing firms to support retention and expansion. CTED, in conjunction with local Economic Development Councils (EDCs), identifies threatened or expanding manufacturing companies and provides problem-solving and technical assistance to these firms. The program also focuses on early warning, coordination of services and resources, assessment of industry issues, capacity building for EDCs, and assistance to rural counties with local business visitation programs.

Aiding dislocated workers

When the federal Unemployment Insurance (UI) system was created, the most common cause of

unemployment was reduction in demand due to the business cycle. At that time, a laid-off worker had a reasonable expectation of returning to the same job or obtaining the same type of job in another firm within six months after the economy moved out of the bottom of the cycle.

While this is still true for some industries, layoffs in today's economy are increasingly due to structural changes as technology advances and global labor markets shift. Employers who have closed, moved, or eliminated the need for certain types of skills will not call laid-off employees back. Workers who have lost these jobs often find their skills are obsolete in the rapidly changing market. Before they can become reemployed, they often need retraining to upgrade their skills or acquire new ones.

WIA Title I-B provides dislocated worker services. These include rapid response services for workers and firms facing substantial layoffs,

including establishing labor-management committees and pre-feasibility studies of employee ownership. Up to 25 percent of the funds may be used to support rapid response services to employers and worker representatives after a business closure is announced. Under WIA, all dislocated workers are eligible for core services, such as job counseling and job availability information. They will also be able to access "intensive" services and training services when necessary to find suitable employment. Since 1993, the state's Worker Retraining program has served 60,874 unemployed and dislocated workers at community and technical colleges and 3,156 students at 54 private career schools. In 2001-02, over 14,000 students participated in training opportunities provided by the Worker Retraining program.

Worker Retraining program

The Worker Retraining program supports education and training opportunities for dislocated workers

and long-term unemployed workers at community and technical colleges and private career schools. The program has served over 64,000 students since 1993 and in 2002-03, served over 12,800 full-time equivalent students.⁷⁰ Recognizing the increasing need for this type of training, the Washington State Legislature provided \$34.3 million to fund Worker Retraining in 2003-04, an increase of about \$5.6 million over the previous fiscal year.

Workers who qualify for the program may receive financial assistance that can help with their tuition, as well as offset the costs of child care and transportation. After their unemployment insurance runs out, students may receive additional financial assistance to help with living expenses. Worker Retraining programs must prepare students for occupations that have demonstrated employment demand for qualified workers and lead to jobs providing a living wage appropriate to the local

labor market. For example, in 2001-02, there was a 147 percent increase in the number of Worker Retraining students entering nursing programs (registered nursing and licensed practical nursing) and 72 percent increase in those entering allied health programs.

The results of the program are strong. In the class of 2001-02, 80 percent of program participants were employed within seven to nine months of exiting the program. Moreover, workers obtained jobs that provided wages of between 86 to 114 percent of their hourly wages prior to job loss.

Training Benefits program

The 2000 Legislature enacted the Training Benefits program that offers dislocated workers additional unemployment insurance benefits for up to 74 weeks (depending on their industry) while they are in retraining. To be eligible, a claimant must show a need for

training to find suitable work, establish that the full-time training program will enhance their marketable skills and earnings, and that the training is for an occupation in high demand in their local labor market as determined by the local WDC.

WorkSource: Washington's One-Stop Career Center Service

Employment Security Department

The mission of ESD is to help people succeed throughout their working lives. ESD carries this out by supporting workers during times of unemployment, connecting job seekers with employers who have jobs to fill, and providing business and individuals with the information and tools they need to adapt to a changing economy.

ESD is the state administrative agency for WIA Title I-B, labor market information and analysis, and implementation of the

WorkSource service delivery system. ESD also administers the unemployment insurance program and employment services under the Wagner-Peyser Act.

WorkSource

ESD collaborates with other state agencies, WDCs, and service delivery entities to provide employment services to employers and job seekers through WorkSource, which is Washington's One-Stop career center system as required by WIA. This system, launched in 2000, has increased efficiency in delivery of employment services and access to training and support services and is designed to provide more accessible and user-friendly services.

WorkSource is the primary portal to Washington's workforce development system for employers and adults, including those with barriers to employment. Basic employment

services, such as labor market information, career counseling, and job search assistance, are widely available on-site at comprehensive WorkSource Centers and affiliate sites and through self-service over the Internet.

Beyond these basic services, WorkSource offers information about, and access to, a wide array of workforce development programs, including courses at community and technical colleges, private career schools, and other training providers. (See <www.jobtrainingresults.org>.)

Employers use WorkSource to:

- Post job announcements and review resumé.
- Obtain recruitment, screening, and referral of qualified applicants.
- Receive technical assistance on labor regulations, recruitment, tax credit information, and unemployment insurance.

People seeking new or better jobs use WorkSource to:

- Obtain an initial assessment of their employment needs and readiness.
- Receive job guidance.
- Obtain information on available jobs.
- Post resumé.
- View the results of training programs.

All individuals legally entitled to work in the United States and all employers are eligible for WorkSource services. Some programs are targeted to particular populations such as UI claimants, migrant seasonal farm workers, veterans, and persons with disabilities.

WDCs have oversight of the WorkSource system in their local workforce development area, and

WorkSource Centers operate in each. There are 27 WorkSource Centers and 43 affiliates spanning the 12 local workforce development areas of the state.

Workforce Preparation and Employment Services for Adults with Barriers

Assisting low-income adults

The WIA Title I-B Adults program prepares individuals 18 years and older for participation in the labor force by providing “core services,” access to job training, and other services coordinated through WorkSource. Core services, such as skills assessment, labor market information, consumer reports on training programs, and job search and placement assistance, are available for all workers including those who are not disadvantaged. Unemployed individuals who have been unable to find jobs and those who are employed, but need additional services to reach self-sufficiency,⁷¹ are able to access

“intensive services.” Priority is given to welfare and low-income clients. Intensive services include comprehensive assessments, individual counseling, employment planning, and short-term prevocational services. Third-tier “training services” are available to adults who meet intensive service eligibility but are unable to find employment through those services. These individuals are eligible for an ITA that pays for training services and is designed to provide customer choice.

WorkFirst is the state’s Welfare-to-Work program for recipients of TANF and other low-income individuals. DSHS is the lead agency for WorkFirst in partnership with ESD, SBCTC, and CTED. Participants enter into a “personal responsibility contract” that includes an assessment of skills, prior work experience, employability, and actions that will be taken to achieve the plan’s goals. WorkFirst participants may be eligible for a variety of education

FIGURE 3

WorkSource Partner Programs

WorkSource partners include local programs administered by three state agencies: The Department of Social and Health Services (DSHS), ESD, and SBCTC. The federal WIA of 1998 and state statute require specific WorkSource partners.

WorkSource Partners Required by the Federal WIA of 1998

- WIA Title I-B Youth, Adult, and Dislocated Worker Programs
- Public Exchange Services funded under the Wagner-Peyser Act Veterans Workforce Programs
- Trade Adjustment Assistance and North American Free Trade Agreement Programs
- Local Veterans Employment Representatives/Disabled Veterans Outreach Program
- State Unemployment Compensation Programs
- WIA Title II Adult Education and Literacy Programs including English-as-a Second Language (ESL) Programs
- Postsecondary Vocational Education Programs funded under the Carl D. Perkins Vocational and Applied Technology Act
- Senior Community Service Employment Program funded under Title V of the Older Americans Act
- Vocational Rehabilitation Programs authorized under parts A and B of Title I of the Rehabilitation Act

WorkSource Partners Required by the State

- Claimant Placement Program
- Postsecondary Career and Technical Education Programs
- Worker Retraining Program
- WorkFirst
- ESL Programs

Other Programs Encouraged to Be Part of the WorkSource System

- Literacy Programs
- Apprenticeship Programs
- Americorps/Washington State Service Corps
- Tech-Prep Consortia
- Private Career and Technical Schools
- Other Programs identified by the WorkSource Regional Partnerships

and training, employment, and support services. A few of these are outlined as follows:

- **Community Jobs** program provides comprehensive, paid work experience plus training opportunities for TANF recipients who are encountering barriers entering the regular job market. CTED administers the program through contracts with private nonprofit organizations. Participants work for a minimum of 20 hours per week and have access to one-on-one mentoring support to resolve barriers to work. Participants remain in the program up to six months in order to gain both substantial work experience and an opportunity to deal with life situations beyond crisis management. The ultimate goal is unsubsidized job placement. The program serves about 2,600 participants per year.
- **Customized Job Skills Training (CJST)** program prepares individuals for jobs through basic and occupational skills training

that is customized to a particular employer. The program is typically 12 weeks of intensive training for above entry-level jobs. Colleges and private institutions offering CJST work with employers to develop training program standards. In 2001-02, over 3,100 individuals participated in CJST (then known as pre-employment training).

- **Families That Work (FTW)** provides intensive training to welfare recipients and low-income parents with more significant barriers to employment. FTW focuses on basic academic skills, developing better parenting and personal management skills, and work readiness. SBCTC administers FTW. A total of 1,676 participants were served in 2001-2002.

Basic Skills

Increasing adult literacy, basic skills, and English language skills
SBCTC's Office of Adult Literacy oversees the state's adult and basic education system with advice from

the Washington Adult Education Advisory Council. The purpose of these programs and services are to:

- Assist adults to become literate and obtain the knowledge and skills necessary for employment and self-sufficiency.
- Assist adults who are parents to obtain the educational skills necessary to become full partners in the educational development of their children.
- Assist adults in the completion of a secondary school education.

Programs and services are provided by the state's community and technical colleges and community-based organizations. They include adult literacy, family learning, workplace skills enhancement, English language instruction, citizenship classes, basic skills education, high school equivalency preparation, and alternative high school diploma.

State funds from the SBCTC budget and WorkFirst funds support the Workplace Basic Skills program. The program provides customized, on-site instruction to workers in adult basic skills, such as reading, writing, and math, and employability skills, such as communication and problem-solving and ESL competencies. Training is customized to meet the needs of the employer and to create learning opportunities for the participant within the context of the workplace where services are delivered. Once participants have completed the initial training, they are often offered follow-up training to stabilize them in their new jobs.

The WorkFirst program has also developed a special program for participants who have difficulty communicating in English. The Limited English Proficiency (LEP) Pathway blends ESL instruction, job search assistance, work, or work-like activities. Those who are employed remain eligible for postemployment services. Over 60 percent of the families who need LEP services are former refugees who come to this

country with intact families. LEP provided ESL training to 2,686 Washington residents from July 2000 through June 2002.

Improving Earnings for People With Disabilities

The Division of Vocational Rehabilitation (DVR)

As discussed in “Washington’s Changing Workforce,” there is high unemployment and underemployment among individuals with disabilities. DVR offers vocational rehabilitation and training services to help individuals with disabilities become employed. The primary objective is competitive, full-time employment. Depending on the individual’s disability and functional limitations, other outcomes are sometimes more appropriate, such as part-time employment, self-employment, homemaking, sheltered employment, or supported employment. To meet these objectives, a series of customized services are offered, such as assessment, counseling, vocational and other training

services, physical and mental restoration services, and job search and placement assistance.

With the incorporation of the Rehabilitation Act into WIA, a key challenge is to develop partnerships in WorkSource sites. Coordination involves ensuring accessibility of WorkSource core services to persons with disabilities and the inclusion of vocational rehabilitation services as part of the WorkSource system.

The Department of Services for the Blind

The Department of Services for the Blind (DSB) administers vocational rehabilitation services for individuals with limited vision. DSB services include assessment and referral, vocational counseling, job referral and placement, and rehabilitation training in adaptive skills, jobs skills, and assistive technology. DSB also provides

occupational licenses, tools, equipment, technological aids, and other goods and services that can be reasonably expected to help participants achieve successful employment outcomes. DSB currently employs 12 full-time counselors with an average annual caseload close to 100 participants who require intensive vocational rehabilitation services.

Performance Accountability

In order to meet the combined challenges of the competitive economy, changing labor force, and to make the best use of increasingly scarce resources, Washington’s workforce development system must continuously improve its performance. What counts are results in meeting the needs of the state’s customers—students, job seekers, workers, and employers. The workforce development system must continuously measure results, identify areas to improve, and make the necessary improvements.

In the past, Washington State did not have an accountability system for workforce development. What it had were separate accountability activities for many of its programs.

Because these accountability activities were developed in order to meet separate program missions and requirements, they did not add up to systemwide accountability. There were no agreed upon measurable goals for the system as a whole and no standards for collecting consistent data from agency to agency. Often, data collection focused on inputs rather than results. Some programs did not evaluate what happened to their participants once they left their program, nor did they use program results to guide improvements. This has all changed.

Performance Management for Continuous Improvement

In January 1996, after a nearly two-year effort led by the Workforce Training and Education Coordinating Board (Workforce

Board) and supported through the National Governors Association, the major workforce development programs adopted the design for a new accountability system, “Performance Management for Continuous Improvement” (PMCI). Having a systemwide framework enables workforce development programs to better coordinate services to customers.

This plan takes the PMCI framework and incorporates elements required under the Workforce Investment Act (WIA) of 1998 and the Carl D. Perkins Vocational Education and Applied Technology Act (Carl Perkins Act) amendments of the same year. While the federal acts retain many accountability requirements connected to program

silos rather than the system, the state has tried to continue a system approach to accountability.

Desired Outcomes for the Workforce Development System

PMCI identifies seven desired outcomes for the workforce development system as a whole. The Workforce Board first adopted these outcomes in 1996. These outcomes focus on the difference workforce development makes in the lives of program participants, their families, and their communities. These outcomes are not static targets, but conditions that should be increasingly true for all people. Results on indicators of these outcomes should be measured for the population as a whole and separately for women, people of color, and people with disabilities.

- **Competencies:** Washington's workforce possesses the skills and abilities required in the workplace.
- **Employment:** Washington's workforce finds employment opportunities.

- **Earnings:** Washington's workforce achieves a family-wage standard of living from earned income.
- **Productivity:** Washington's workforce is productive.
- **Reduced Poverty:** Washington's workforce lives above poverty.
- **Customer Satisfaction:** Workforce development participants and their employers are satisfied with workforce development services and results.
- **Return on Investment:** Workforce development programs provide returns that exceed program costs.

Workforce Development Systemwide Indicators

In order to measure Washington's progress in achieving these outcomes, PMCI includes systemwide indicators. Most of these are measures of the state's whole workforce, not just individuals who have gone through the programs. Washington citizens want to know

how well the whole state is doing, not just the relatively small part of its population who have been program participants.

No single quantitative measure can accurately depict the desired results for any of the desired outcomes. For example, for the outcome of employment, a low unemployment rate may seem like the best measure. However, a low unemployment rate can be created by a population exodus from an area where total employment is stagnant or falling. Therefore, to measure the desired outcome of employment, the state needs to measure the unemployment rate, the number of jobs created, and other variables as well.

Each variable is an indicator of how well the state is doing. Viewed in isolation they might be misleading, but together they paint a descriptive picture. By most indicators, the state has made substantial improvement in recent years.

Systemwide Indicators and Most Recently Available Results

Competencies

- Percentage of Washington residents aged 25 and older who have earned a high school diploma or GED: 83.8 percent in 1990; 87.1 percent in 2000.
- Percentage of Washington residents aged 25 and older who have some postsecondary education: 55.9 percent in 1990; 62.1 percent in 2000.
- Percentage of Washington residents aged 25 and older who have earned an Associate of Applied Science-Transfer degree: 4.4 percent in 1990; 4.4 percent in 2000.
- The median age of job preparatory graduates from the community and technical college system: 31.1 years in 1995-96; 30.2 years in 2001-02.

- Percent of workforce training participants who report their job-specific skills improved a lot: 67 percent for 1995-96 participants; 66 percent for 2001-02.
- Percentage of employed former workforce training participants who report their training was related to the job held nine months after leaving their program: 69 percent for 1995-96 participants; 62 percent for 2001-02.

Employment

- The proportion of people unemployed or underemployed (part-time involuntary) in Washington's labor force compared to the proportion in the U.S: 1.43 to 1 in 1996; 1.33 to 1 in 2002.
- The number of new jobs created in Washington per year (does not include agricultural jobs, the count for which is unavailable): 96,400 in 1997; 2,800 in 2003.

- Percentage of workforce development program participants self-reporting employment six to nine months after leaving their program: 80 percent for 1995-96 participants; 76 percent for 2001-02.

Earnings

- Mean annual earnings of Washington workers (stated in 2003 dollars in order to control for inflation): \$32,513 in 1996; \$39,021 in 2003.
- Mean hourly wages of Washington workers (includes only employment covered by Unemployment Insurance (UI) and stated in 2003 dollars in order to control for inflation): \$15.63 in 1996; \$18.76 in 2003.
- Percentage of Washington residents under the age of 65 who are covered by employer-provided health benefits: 67.2 percent in 1997; 67.3 percent in 2001.

- Median hourly wage of workforce development program participants six to nine months after leaving their program (stated in 2003 dollars in order to control for inflation): \$8.91 for 1995-96 participants; \$11.03 for 2001-02 participants.
- Annualized quarterly earnings of workforce development program participants six to nine months after leaving their program (stated in 2003 dollars in order to control for inflation): \$14,903 for 1995-96 participants; \$17,605 for 2001-02 participants.

Productivity

- Annual gross business income per worker in Washington (stated in 2003 dollars in order to control for inflation): \$235,539 in 1998; \$254,063 in 2002.

Poverty

- The proportion of Washington residents living below the federal poverty level compared to the proportion in the United States: .91 to 1 in 1995; .91 to 1 in 2002.

Customer satisfaction

- Percentage of former workforce training participants satisfied with program services and results: 89 percent for 1995-96 participants; 88 percent for 2001-02.
- Percentage of Washington employers satisfied with the overall quality of former training participants' work: 89 percent in 2001; 91 percent in 2003.

Return on investment

- The average ratio of training participants' net benefits (during the first five years after participation) to program public costs: 4.1 to 1 for 1999-2000 participants.

Common Program Outcomes and Indicators

Individual workforce development programs, such as secondary career and technical education, WIA Title I-B, and apprenticeship, each contribute to the desired outcomes for the system. In order to measure the participant results of the programs, PMCI has identified a large

number of performance indicators that can be used to measure most workforce development programs.

The Workforce Board uses the common indicators every two years in producing the report, *Workforce Training Results*. The primary purpose of the report and the common indicators is to inform continuous improvement in state level policies. The list of common indicators is relatively long so that the information portrays a fairly complete picture of workforce development outcomes. All the indicators are “outcome” as opposed to “process” indicators, and all focus on outcomes for program participants. The focus is on what is good for the customers.

The common indicators and the methodology for measuring them are not permanent. They are continually evolving as research develops and as the data capacity of programs improves. The PMCI framework endeavors to use indicators that apply, for the most part, across workforce development programs.

While the goal is to have consistent indicators and methodology across programs, there remain some differences among programs due to differences in data capability. There are also some differences in the indicators among programs because of differences in populations served and the purposes of the programs. For instance, an indicator for programs that serve dislocated workers is earnings replacement. Such an indicator does not make sense for measuring programs that provide initial workforce preparation to youth.

The methodology for measuring results relies as much as possible on administrative records as opposed to program staff or participant self-reports. This data source is used in order to enable as much consistency and objectivity across programs as possible. To measure employment and earnings, the methodology takes advantage of the UI wage files maintained by the Employment Security Department (ESD) (and the

equivalent agency in other states). These files hold information on all employment covered by the UI system—approximately 95 percent of all employment.

Another important feature of the methodology is the use of the time period of seven to nine months after a participant has left his or her program as the key period for measuring postprogram results. The Workforce Board and its partner agencies have reviewed the actual results for each postprogram quarter for three and a half years following program exit for five of the largest workforce development programs. The Workforce Board found that the third postprogram quarter is the best possible single representation of the programs' relative and lasting results without waiting years to obtain long-term results. Longer term earnings results, however, will also be reported up to two and a half years after program exit.

The Most Common Types of Indicators

Competencies

- a. Educational credential attainment and industry certification: percentage or number of program participants leaving the program that year who were awarded the relevant educational or skill credential based on administrative records. (A participant is an individual who has demonstrated the intent to complete a sequence of program activities.)
- b. Basic skills attainment: number and rate of participants leaving the program that year attaining certain basic skills gains based upon individual assessments of skill levels.
- c. Participant perception of competencies gained: percentage of former participants who reported their skills improved as a result of the program as evidenced

by survey responses from a sample of former participants to questions regarding selected skills.

- d. Relatedness of training to employment: employment rate in the field related to occupational training as evidenced by survey responses from a sample of former participants.

Employment

- a. Employment rate of former participants: percentage of former participants and the percentage of program completers with employment covered by UI and other public administrative records during the third quarter after leaving the program combined with evidence from survey responses of former participants.
- b. Employment or further education: percentage of former participants employed, in the military, or enrolled in education or training

during the third quarter after leaving the program combined with evidence from survey responses of former participants.

Earnings and reduced poverty

- a. Median earnings of former participants: median annualized earnings and median hourly wages of former participants and program completers in covered employment during the third quarter after leaving the program based on UI wage records.
- b. Longer term median earnings of former participants: median annual earnings of former program participants and program completers in covered employment during 4 consecutive quarters after leaving the program based on UI wage records during postprogram quarters 3 through 6 and 7 through 10.
- c. Median earnings replacement for dislocated workers: median of the ratio of dislocated worker

participants' third quarter postprogram earnings to their third quarter pre-separation earnings based on UI wage records.

- d. Poverty and "family wage" standards of living: percentage of participants with earnings above the poverty level and the percentage above twice the poverty level.
1. Number of individuals that former program participants' median covered earnings can support at the poverty level based on UI wage records during the third quarter after leaving the program.
 2. Percentage of former program participants who can support a family of one, a family of two, and a family of three at the poverty level based on UI wage records for the third quarter after leaving the program.

3. Number of individuals that former participants' median covered earnings can support at twice the poverty level for a household of three during the third quarter after leaving the program.
- e. Employee benefits: percentage of former program participants who receive employer-provided health benefits, and the percentage who participate in pension plans during the third quarter after leaving the program.
- f. Percentage of former participants receiving public assistance: percentage of former participants receiving Temporary Assistance for Needy Families cash assistance during the third quarter after leaving the program based on administrative records.
- g. Distribution of earnings: distribution of former participants annualized earnings over the range of earnings of Washington workers. Measured by the percentage of former participants with annualized earnings during the third postprogram quarter in each quintile of the distribution of earnings of all Washington workers with covered wages based on UI wage records.
- Customer satisfaction***
- a. Individual satisfaction: percentage of a sample of former participants who report satisfaction in response to a survey.
- b. Employer satisfaction: percentage of employers who report satisfaction with new employees who are recent program completers in response to a survey.
- Return on investment***
- The ratio of program participants' net increase in earnings and employer provided benefits compared to the public cost of the program as measured by nonexperimental net-impact, cost-benefit evaluations.

State Core Indicators

State core indicators are a small subset of the common indicators that serve purposes in addition to informing continuous improvement in state level policies. Core indicators are important for motivating desired behavior by program administrators and staff and for unifying workforce development programs around common purposes. Like the rest of the common indicators, they are also important for providing consistent measures so, for example, “the percentage employed” means the same thing from one program to another.

The Workforce Board will use the state core indicators to measure results of statewide programs, such as secondary career and technical education in the state, the results of local workforce development councils, and the results of individual providers such as particular colleges. These are the indicators, along with federal mandatory indicators, for which the Workforce Board will set numerical performance standards for statewide and area results. The

Workforce Board will use performance against these standards to determine performance-based consequences: incentives, sanctions, or other intervention measures.

Employment or further education of former program participants

- a. Programs serving adults: percentage of former participants with employment recorded in UI and other administrative records during the third quarter after leaving the program.
- b. Programs serving youth: percentage of former participants with employment or further education as recorded in UI, student, and other administrative records during the third quarter after leaving the program combined with evidence from survey responses of former participants.

Earnings of former program participants

- a. Programs serving adults: median annualized earnings of former participants with employment

recorded in UI wage records during the third quarter after leaving the program.

- b. Programs serving youth: median annualized earnings of former participants with employment recorded in UI wage records during the third quarter after leaving the program measured only among the former participants not enrolled in further education during the quarter.

Educational attainment of program participants

Percentage or number of program participants leaving the program that year who achieved appropriate skill gains or were awarded the relevant educational or skill credential based on administrative records.

Employer satisfaction with former program participants

Percentage of employers who report satisfaction with new employees who are program completers as evidenced by survey responses.

(Note: This indicator is to be measured at the state level and is not required as an indicator for local education institutions. The Workforce Board will not survey a sufficient sample of former participants to measure satisfaction with each school or college.)

Former participant satisfaction

Percentage of former participants who report satisfaction with the program as evidenced by survey responses.

(Note: This indicator is to be measured at the state and area level and is not required as an indicator for local education institutions.)

Federal Core Indicators and State Additional Indicators

The federal Carl Perkins Act and WIA specify certain mandatory indicators of program results. Mandatory federal core indicators are different for each program. States have the discretion to identify additional state indicators. The identification of additional state

indicators enables the state to have some indicators of performance that are consistent across programs and allows states to focus on results they deem truly important and informative to policymakers and program administrators alike. The previously outlined state core indicators are additional state indicators for Washington when they do not duplicate federal indicators.

Expected Levels of Performance on Core Program Indicators

The Workforce Board has identified expected levels of performance on each of the state and federal core program indicators. The federal WIA and the Carl Perkins Act refer to these standards as adjusted levels of performance. These expected levels of performance are for secondary and postsecondary career and technical education, WIA Title I-B, and WIA Title II-Adult Education and Family Literacy. In future modifications of the strategic and operational plans, additional programs of the workforce development system will be added to this process.

The Workforce Board collected and analyzed baseline data on performance for these programs for participants who completed or otherwise left their program between July 1, 1997, and June 30, 1998, program year 1998. The Workforce Board used this baseline data in order to set expected levels of performance for the future. The expected level of performance is not the same for each program.

Programs serve different populations for different purposes. Programs that serve youth, for example, should not be expected to have the same performance as programs serving adults. Also, the expected increase is not the same for each indicator. Some areas of performance are more difficult to change than others. In some areas, programs are already performing at or near peak levels, so little if any improvement can be expected, while in other areas, substantial improvements can and should be made. The Workforce Board's performance targets for the future emphasize improving employer satisfaction, participant earnings, and educational attainment.

The expected levels of performance take into account economic conditions and the demographic characteristics of program participants. The economic recession of recent years made it more challenging to achieve desired results, particularly for participant earnings and employment rates. Some of the targets for later years of the plan have, therefore, been re-based to take into account the effects of the recession. Should the economic and demographic factors change in the future, the Workforce Board will negotiate revisions in the expected levels of performance with the U.S. Department of Education (DOE) and the U.S. Department of Labor (DOL). Figures 1 shows the federal and state indicators for career and technical education, WIA Title I-B, and WIA Title II-Adult Education and Literacy. Included in the table is the actual results for the first three years of the plan (program years 2000-01, 2001-02, and 2002-03) and the expected levels of performance for years four and five.

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

WIA Measures—Youth	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Educational Attainment (S)—Percentage of participants who obtained an appropriate credential.	46.5%	51.4%	67.6%	66.9%	69.0%
Credential Attainment (a) (F)— Among former participants, the percentage who attained a high school diploma or GED (younger youth). Measured for those not in high school at exit.	46.1%	64.9%	63.8%	52.0%	53.0%
Credential Attainment (b) (F)—Among former participants, the percentage who completed education or training and were employed during the first quarter after the program (older youth).	46.4%	44.6%	52.7%	45.8%	46.0%
Younger Youth Skills (F)—Percentage of skill goals set for youth aged 14-18 that are attained within one year.	87.5%	70.6%	82.8%	73.0%	75.0%
Employment or Further Education (a) (S)—Percentage of former participants who were employed, in the military, or enrolled in education or training during the third quarter after the program (all youth).	59.3%	79.8%	72.0%	68.2%	70.0%
Employment or Further Education (b) (F)—Percentage of former participants who were employed, in the military, or enrolled in education or training during the third quarter after the program (younger youth).	57.6%	57.8%	63.8%	58.5%	59.0%
Entered Employment (F)—Percentage of older youth not employed at program registration who were employed during the first quarter after existing the program.	67.9%	69.2%	71.5%	70.6%	70.5%
Retention in Employment (F)—Percentage of older youth who entered employment during the first quarter after exiting the program who were employed during the third postprogram quarter.	78.0%	76.6%	79.6%	78.6%	78.0%

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

WIA Measures—Youth (<i>cont.</i>)	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Annualized Earnings (S) (2003 Dollars)—Median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education were counted for this indicator.)	\$7,557	\$7,237	\$9,231	\$9,050	\$9,325
Earnings Gain (F)—Difference between earnings in the second and third quarters after exit and the second and third quarters before registration for older youth.	\$3,186	\$2,850	\$2,625	\$3,020	\$2,900
Employer Satisfaction (S)—Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses to the biennial survey conducted by the Workforce Board. (Not required below the state level. Not calculated separately for youth, adults, or dislocated workers.)	72.8%	N.A.	83.1%	N.A.	84.5%
Employer Satisfaction (F)—Employer satisfaction with services they directly received as evidenced by responses to survey questions after service completion. (Not calculated separately for youth, adults, or dislocated workers.)	67.6	68.1	67.8	68.0	69.0
Participant Satisfaction (S)—Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	94.6%	N.A.	94.1%	94.0%	94.0%
Participant Satisfaction (F)—Participant satisfaction with services as evidenced by responses to survey questions. (Not calculated separately for youth, adults, or dislocated workers.)	76.4	75.9	75.0	74.8	75.0

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

WIA Measures—Adults	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Educational Attainment (S)—Percentage of completers who obtained an appropriate credential.	39.7%	62.6%	62.4%	62.9%	65.0%
Credential Attainment (F)—Among former training participants, the percentage who became employed and completed training.	66.3%	66.0%	70.4%	68.0%	69.0%
Employment (S)—Percentage of former participants who were employed during the third quarter after leaving the program. (Only former participants not enrolled in further education were counted for this indicator.)	68.2%	66.1%	74.5%	74.0%	75.0%
Entered Employment (F)—Percentage of participants not employed at program registration who were employed during the first quarter after exiting the program.	72.1%	74.8%	80.7%	75.0%	75.5%
Retention in Employment (F)—Percentage of participants who entered employment during the first quarter after exiting the program who were employed during the third postprogram quarter.	81.7%	79.4%	83.8%	81.0%	82.0%
Annualized Earnings (S) (2003 Dollars)—Median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education were counted for this indicator.)	\$15,848	\$16,436	\$18,174	\$18,923	\$19,276
Earnings Gain (F)—Difference between earnings in the second and third quarters after exit and two quarters of preregistration earnings (based on average earnings in the four quarters before registration).	\$4,156	\$3,752	\$3,894	\$3,600	\$3,750

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

WIA Measures—Adults (cont.)	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Employer Satisfaction (S) —Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses to the biennial survey conducted by the Workforce Board. (Not required below the state level. Not calculated separately for youth, adults, or dislocated workers.)	72.8%	N.A.	83.1%	N.A.	84.5%
Employer Satisfaction (F) —Employer satisfaction with services they directly received as evidenced by responses to survey questions after service completion. (Not calculated separately for youth, adults, or dislocated workers.)	67.6	68.1	67.8	68.0	69.0
Participant Satisfaction (S) —Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	85.8%	N.A.	90.6%	90.0%	90.0%
Participant Satisfaction (F) —Participant satisfaction with services as evidenced by responses to survey questions. (Not calculated separately for youth, adults, or dislocated workers.)	76.4	75.9	75.0	74.8	75.0

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

WIA Measures—Dislocated Workers	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Educational Attainment (S)—Percentage of completers who obtained an appropriate credential.	46.3%	71.8%	64.8%	69.3%	72.0%
Credential Attainment (F)—Among former training participants, the percentage who became employed and completed training.	71.5%	71.9%	67.5%	70.0%	71.0%
Employment (S)—Percentage of former participants who were employed during the third quarter after leaving the program. (Only former participants not enrolled in further education were counted for this indicator.)	76.4%	78.3%	79.7%	79.5%	80.0%
Entered Employment (F)—Percentage of participants who were employed during the first quarter after exiting the program.	78.1%	81.8%	80.6%	78.5%	79.0%
Retention in Employment (F)—Percentage of participants who entered employment during the first quarter after exiting the program who were employed during the third postprogram quarter.	90.1%	90.6%	91.1%	90.5%	91.0%
Annualized Earnings (S) (2003 Dollars)—Median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education were counted for this indicator.)	\$24,574	\$26,180	\$26,470	\$29,076	\$29,212
Earnings Gain (F)—Ratio of earnings during the second and third quarters after exit divided by earnings in the second and third quarters before job dislocation.	91.2%	88.2%	83.2%	85.6%	86.0%
Employer Satisfaction (S)—Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses to the biennial survey conducted by the Workforce Board. (Not required below the state level. Not calculated separately for youth, adults, or dislocated workers.)	72.8%	N.A.	83.1%	N.A.	84.5%

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

WIA Measures—Dislocated Workers (<i>cont.</i>)	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Employer Satisfaction (F)—Employer satisfaction with services they directly received as evidenced by responses to survey questions after service completion. (Not calculated separately for youth, adults, or dislocated workers.)	67.6	68.1	67.8	68.0	69.0
Participant Satisfaction (S)—Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	86.9%	N.A.	89.5%	89.0%	89.0%
Participant Satisfaction (F)—Participant satisfaction with services as evidenced by responses to survey questions. (Not calculated separately for youth, adults, or dislocated workers.)	76.4	75.9	75.0	74.8	75.0

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

Secondary Vocational Education Measures	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Educational Attainment (F, S)—Percentage of completers who obtained an appropriate credential.	92.8%	94.9%	92.0%	93.2%	93.2%
Nontraditional Education/Training (a) (F)—Percentage of students who participated in vocational career education programs that lead to nontraditional employment for their gender.	38.5%	42.0%	37.7%	37.8%	37.8%
Nontraditional Education/Training (b) (F)—Percentage of students who completed vocational career education programs that lead to nontraditional employment for their gender.	38.8%	38.8%	31.5%	33.1%	33.1%
Employment or Further Education (F, S)—Percentage of completers who were employed, in the military, or enrolled in further education or training during the third quarter after leaving.	73.4%	75.8%	74.4%	71.6%	72.1%
Earnings (2003 Dollars) (S)—Median annualized earnings of completers during the third quarter after leaving the program. (Only former participants not enrolled in further education were counted for this indicator.)	\$10,613	\$10,613	\$10,424	\$10,529	\$10,634
Employer Satisfaction With Participants (S)—Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses to the biennial survey conducted by the Workforce Board. (Not required below the state level.)	81.3%	N.A.	81.6%	N.A.	80.0%
Participant Satisfaction (S)—Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program. (Not required below the state level.)	97.0%	N.A.	95.7%	N.A.	95.0%

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

Postsecondary Vocational Education Measures	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Educational Attainment (S)—Number of participants prepared for the workforce.	18,973	20,889	22,319	20,300	22,600
Educational Attainment (F)—Percentage of participants prepared for the workforce.	57.3%	56.5%	56.5%	58.3%	58.5%
Nontraditional Education/Training (a) (F)—Percentage of students who participated in vocational career education programs that lead to nontraditional employment for their gender.	19.3%	20.1%	20.4%	19.3%	19.3%
Nontraditional Education/Training (b) (F)—Percentage of students who completed vocational career education programs that lead to nontraditional employment for their gender.	18.2%	18.6%	17.6%	18.6%	18.6%
Employment or Further Education (F, S)—Percentage of former participants who were employed, in the military, or enrolled in further education or training during the third quarter after leaving.	76.9%	76.9%	75.1%	72.4%	72.9%
Employment Retention (F)—Percentage of participants who entered employment during the first quarter after exiting the program who were employed during the third postprogram quarter.	76.1%	76.1%	73.7%	71.7%	72.2%
Earnings (S) (2003 Dollars)—Median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education were counted for this indicator.)	\$22,894	\$22,466	\$21,525	\$21,740	\$21,958
Employer Satisfaction With Participants (S)—Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses to the biennial survey conducted by the Workforce Board. (Not required below the state level.)	88.1%	N.A.	91.1%	N.A.	90.0%

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

Postsecondary Vocational Education Measures <i>(cont.)</i>	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Participant Satisfaction (S)—Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program. (Not required below the state level.)	91.8%	N.A.	87.2%	N.A.	91.0%

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

Adult Basic Education Measures	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Educational Attainment (F)—Percentage of adults enrolled in basic literacy programs who completed a level of instruction.	33.0%	41.0%	48.0%	35.0%	50.0%
Literacy Gains (F)—Percentage of adults enrolled in English literacy programs who demonstrated improvements in English language skill level.	39.0%	42.0%	48.0%	34.0%	50.0%
High School Completion (F)—Percent of adult learners with a high school completion goal who earned a high school diploma or GED.	25.0%	25.0%	22.0%	42.0%	23.0%
Entered Postsecondary Education or Training (F)—Percentage of adult learners with the goal to continue their education who enter postsecondary education or training.	60.0%	31.0%	93.0%	60.0%	33.0%
Entered Employment (F)—Percentage of adult unemployed learners with an employment goal who were employed at the end of the first quarter after they exited the program.	31.0%	44.0%	19.0%	32.0%	20.0%
Retained Employment (F)—Percentage of adult learners with a job retention goal at enrollment or employed in the quarter after exit who were employed in the third quarter after leaving.	80.0%	77.0%	42.0%	63.0%	44.0%
Employment (S)—Percentage of former participants who were employed or in the military during the third quarter after leaving.	60.0%	N.A.	55.0%	56.0%	56.0%
Annualized Earnings (S) (2003 Dollars)—Median annualized earnings of former participants during the third quarter after leaving the program. (Only former participants not enrolled in further education were counted in this indicator.)	\$15,804	N.A.	\$15,104	\$15,255	\$15,406
Employer Satisfaction With Participants (S)—Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses to the biennial survey conducted by the Workforce Board. (Not required below the state level.)	77.2%	N.A.	87.5%	N.A.	89.0%

FIGURE 1

State and Federal Core Indicators

S = State Core Indicator

F = Federal Core Indicator

Adult Basic Education Measures (cont.)	Performance			Targets	
	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5
Participant Satisfaction (S)—Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program. (Not required below the state level.)	87.0%	N.A.	85.3%	N.A.	87.0%

Local Area Performance

Strategic and operational performance indicators

Local workforce development councils will use performance indicators for strategic planning for the area's workforce development system, as a whole, and operationally in their role as overseers of WorkSource and WIA Title I-B.

For strategic planning purposes, the Workforce Board provides local councils with performance of area programs on the common and core indicators discussed in this chapter. These performance results should inform councils of program strengths and opportunities for improvement. The results will also be available to participants and stakeholders in the system. Local strategic plans will contain strategies to effect these improvements.

Under WIA, local councils are directly responsible for the performance of WorkSource operators and WIA Title I-B. The most critical indicators of

performance will be the state and federal core indicators identified in this chapter.

Expected levels of performance on core program indicators

Each workforce development area has expected levels of performance on each of the state and federal core indicators for WIA Title I-B. The expected levels of performance depend in part on local economic and other conditions and the demographic characteristics of participants served. In order to adjust expected local levels of performance for such factors, the Workforce Board applies multiple regression models. The local council and Chief Local Elected Official(s) may request to negotiate performance targets with the state Workforce Board and introduce data not considered by the models.

WorkSource Performance

WorkSource participant population

Local councils also use performance information in overseeing the area WorkSource system. WorkSource participants include individuals and

employers who receive services through a WorkSource Center or an affiliate site providing services funded under WIA Title I, WIA Title III (Wagner-Peyser) or the state's WorkFirst program's employment-related services. Participants in other programs are counted for a particular service when the program dedicates resources for that service to WorkSource. Together, these populations are considered the WorkSource participant population for purposes of accountability.

WorkSource performance measures

For registered participants, the Workforce Board supplies each local council with the results on all of the state and federal core indicators listed for WIA Title I.

The Workforce Board uses additional indicators to measure performance of WorkSource in serving all participants, not just participants who register. The following are these indicators.

- Percentage of employers using WorkSource services.

- Percentage of total workers using WorkSource services.
- Customer perception of seamlessness.
- Staff perception of seamlessness.
- Number of students who are WorkSource participants.

Consumer Report System

The Workforce Board operates a consumer report system of training provider results, as well as course descriptions and other key information for potential students (<www.jobtrainingresults.org>). The consumer report system presents information on individual programs of study at individual institutions. For example, the network administrator program at college x. Information includes student characteristics, employment and earnings of former students, and where to learn more about the college and the program.

The consumer report system also includes the state Eligible Training Provider List (ETPL) available at

<www.wtb.wa.gov/etp>. This is the list of training programs that are eligible to train students funded by WIA Individual Training Accounts (ITAs) or dislocated workers receiving extended UI benefits under the state’s Training Benefits program. To be on the list, a training program must satisfy the Workforce Board’s performance criteria. Each year, the Workforce Board establishes minimum standards programs must meet for completion rates, employment rates, and earnings of former students. The ETPL identifies the training programs that meet the standards.

Performance Based Consequences

System level

WIA authorizes incentive funding for states that exceed the “adjusted levels of performance” in WIA Title I-B, Adult Education and Family Literacy, and Career and Technical Education. The amount available to a state has been in the range of \$750,000 to \$3 million. A state that achieves 100 percent on the average for all the federal core indicators for each

program is considered to have exceeded the adjusted levels of performance, so long as performance does not fall below 80 percent on any indicator.

When Washington State receives such an incentive award, the state allocates the funds to local areas that exceeded their expected level of performance in these programs, including performance on the state core indicators, as well as on the federal core indicators. The Workforce Board identifies the size of the award for each year, and ESD allocates the funds. The funds must be used for system building activities, not activities that pertain only to a particular program, i.e., WIA Title I-B, Adult Education and Family Literacy, or Career and Technical Education.

Program level

For WIA Title I-B, the state earmarks a portion of the state set aside to reward local areas that exceed 100 percent of the average of the expected levels of performance for the state and federal core indicators. ESD allocates these funds to local areas.

If the state fails to meet the adjusted levels of performance on the federal core indicators for WIA Title I-B for two consecutive years, DOL can withhold up to 5 percent of the state's WIA Title I-B funds. DOL considers states to have failed to meet the levels if performance falls below 80 percent of the target.

If a local area fails to achieve 80 percent average performance across the state and federal core indicators for WIA Title I-B, ESD will require the local council to submit either a performance improvement plan or a modified local plan to the state. If such failure continues for a second consecutive year, the Governor may require the development of a reorganization plan. If the state is sanctioned by DOL for poor performance, ESD will withhold a proportional amount of funds from local areas based on their average performance across the state and federal core indicators.

To be eligible to receive funding under WIA Title I-B, all training providers must meet the performance

standards established by the Workforce Board and local workforce development councils. If a training provider fails to meet the standards for any one year, the provider will not be an eligible provider of WIA Title I-B funded training for the year beginning the first quarter after the substandard performance is reported.

Under the Carl Perkins Act, if the state fails to meet the "adjusted levels of performance" the state eligible agency, which is the Workforce Board, must develop and implement a program improvement plan in consultation with the Office of Superintendent of Public Instruction (OSPI), the State Board for Community and Technical Colleges (SBCTC), and other partners. If the state fails to meet the levels of performance for a second consecutive year, DOE may withhold all or a portion of Carl Perkins Act funds from the state.

If the state is sanctioned by DOE for poor performance, the Workforce Board will reduce the allocation of

funds to the secondary and/or postsecondary systems proportional to the sanction and to the extent that the secondary and/or postsecondary systems contributed to the poor results.

If a college or school district is not making substantial progress in achieving the expected levels of performance, SBCTC or OSPI, on behalf of the Workforce Board, will assess what is needed to overcome the performance deficiencies, approve a local improvement plan, and conduct regular evaluations of progress.

If the Workforce Board allocation of the Carl Perkins Act funds to its secondary or postsecondary system is reduced due to federal sanctions, OSPI and SBCTC will determine the resulting impact on school districts and colleges, respectively, and allocate the funds accordingly.

SBCTC's Office of Adult Literacy has identified similar performance based interventions for Adult and Family Literacy applications.

Measuring and Reporting Results

Data collection

The Workforce Board provides information on the results of secondary and postsecondary career and technical education; WIA Title I-B; work related adult education and family literacy and other workforce development programs; and the WorkSource One-Stop system to the appropriate federal agencies, state policymakers, and local workforce development councils. To accomplish this, the Workforce Board ensures that participant data from each of these programs and from WorkSource are collected and matched with administrative records for the purpose of measuring the common and core indicators. The Workforce Board also conducts participant and employer surveys for these programs and for WorkSource and provides area level breakdowns of the results.

The specific data source(s) for participant records for each program is identified in the program's operating plan.

For WorkSource participants, the Services, Knowledge and Information Exchange System (SKIES) collects and maintains data. Figure 12 shows the data elements, at a minimum, that are to be collected and recorded for all WorkSource participants who request services other than self-service or information only services.

The Workforce Board, in partnership with SBCTC, ESD, and OSPI, have formed the Participant Outcomes Data Consortium (PODC) to oversee the matching of participant records with administrative records, including UI wage records and college and university student enrollment records. Washington uses this data matching process for measuring the performance indicators that are based on administrative record matches. Using the PODC matching system ensures common methodological protocols are used in calculating the results of workforce development programs.

For survey-based research, the Workforce Board and its partner agencies have identified a pool of

FIGURE 12

Common Data Elements Collected at Intake on Program Participants

- | | | |
|--|---|------------------------|
| 1. Date | 2. First Name | 3. Last Name |
| 4. Phone/FAX/E-Mail | 5. Address | 6. Social Security # |
| 7. Services Requested | 8. Gender M/F | 9. Limited English Y/N |
| 10. Date of Birth | | |
| 11. Disability Status—Do you have a physical or mental impairment that: | | |
| a. Limits the kind or amount of work you can do at a job? Y/N | | |
| b. Prevents you from working at a job? Y/N | | |
| 12. What is your highest grade completed? | | |
| | 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22+ | |
| 13. What is the highest level of certification or degree you have achieved? | | |
| | High school diploma | |
| | GED | |
| | Some schooling after high school but no degree or certificate | |
| | Vocational certificate/diploma | |
| | Two-year Associates Vocational Degree | |
| | Two-year Associates Academic degree | |
| | Bachelors degree | |
| | Graduate degree | |
| | Other | |
| 14. With which racial group do you most closely identify? For selection of specific choices, use current U.S. Census elements. | | |
| 15. Intake Location | | |
| 16. Currently Employed? Y/N | | |
| 17. U.S. Veteran: Y/N | | |
| 18. Displaced Homemaker: Y/N | | |
| 19. Out-of-School Youth: Y/N | | |
| 20. Family Size | | |
| 21. Receive Public Cash Assistance: Y/N | | |

common survey questions. There are two pools of questions: one for individual participants and one for employers. The questions form the content of the Workforce Board's survey research. The questions also are a pool from which other workforce development programs and agencies may draw when surveying individuals or employers about their program experience or outcomes. The use of the common questions helps to ensure consistency in survey-based research throughout the system.

Training providers that want to offer training funded through ITAs authorized under WIA Title I-B are required to submit cost and participant data to the Workforce Board. The Workforce Board uses the PODC system to match the participant records against other administrative records in order to measure provider performance. Provider performance is calculated for each field of study the provider wants to be eligible for Title I-B funding. The Workforce Board uses this data in establishing the required levels of provider performance, discussed earlier in this

chapter, for providers to be placed on the list of eligible providers for WIA Title I-B funded training.

Quarterly results

Quarterly results on the state and federal core performance indicators that are based on administrative records are available for WIA Title I-B. The Workforce Board reports these results to local councils and to DOL.

Annual results

The Workforce Board prepares the annual performance reports required under WIA Title I-B and the Carl Perkins Act to DOL and DOE, respectively. These reports contain the annual results on the state and federal core performance indicators and other measures required under the federal acts.

Biennial results

The Workforce Board publishes *Workforce Training Results* every two years. This report contains the program results on the common indicators for which data are available for all the major workforce

development programs. The Workforce Board presents this report to the Governor and Legislature. The purpose of the report is to inform improvement in state level policy.

Net-impact and cost-benefit results

The Workforce Board conducts a net-impact and cost-benefit evaluation of workforce development programs every four years. The Workforce Board reports the results to the Governor and Legislature. The purpose of the net-impact and cost-benefit report is to also inform improvement in state level policy.

Continuous Quality Improvement

In 1997, Governor Locke issued Executive Order 97-03 on Quality Improvement. This Order directs:

- Each agency shall develop and implement a program to improve the quality, efficiency, and effectiveness of the public services it provides through

quality improvement, business process redesign, employee involvement, and other quality improvement techniques.

- Each agency shall evaluate the results of its quality, service, and management improvement programs, including, but not limited to, leadership, information and analysis, strategic planning, human resource development and management, process improvement, business results, and customer focus and satisfaction.

Consistent with the Governor's Executive Order and WIA's call for continuous quality improvement, the WorkSource system has widely implemented quality principles. In order to be initially certified during 1999, the state required each WorkSource Center and affiliate site to complete a self-assessment based upon the quality categories of the Malcolm Baldrige Criteria for Performance Excellence.

The initial self-assessment can serve as a baseline from which local areas can set goals for annual improvement. In addition to the self-assessment, WorkSource operators were required to sign a statement that confirms a commitment to continuous quality improvement and focus on priority areas of need.

Such quality efforts are expected to continue in the future. Under WIA, each local area must provide in its local WIA Title I-B plan, "a description of how the local board will ensure the continuous improvement of eligible providers of services through the system (the one-stop delivery system) and ensure that such providers meet the employment needs of local employers and participants."

In order to meet this requirement, local councils are encouraged to continue to conduct annual self-assessments using a tool that uses the Malcolm Baldrige Quality Criteria. The self-assessment process

should involve all partner programs' staff involved in WorkSource Centers. Measurements of the business results should include the state and federal core indicators for WIA Title I.

A critical part of quality improvement is customer focus. WorkSource Centers and affiliates should measure customer satisfaction during the time of service and at the time of exit from service. This information should be used to improve the day-to-day operation of WorkSource.

Key Measures

The next chapter of the plan sets forth the key goals, objectives, and strategies for the workforce development system in Washington State. Also identified are the key measures of progress in implementing the plan. The Workforce Board annually tracks the measures to see the workforce system's progress and hold itself and other state agencies accountable for making this plan work.

Agenda for Action

Washington's workforce development system should offer every resident access to high-quality academic and occupational skills education throughout his or her lifetime, effective help to find work or training when unemployed, the personalized assistance to make progress in the labor market, and Washington employers access to the skilled workforce they need. By anticipating and planning for economic and demographic changes, the workforce development system enhances the prosperity of the state.

Challenges

This final chapter, “Agenda for Action,” emerges from collaboration with workforce development stakeholders across Washington and addresses four critical challenges:⁷²

1. Close the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.
2. Enable workers to make smooth transitions so they may benefit fully from the new, changing economy, and develop a coherent strategy for dislocated and incumbent worker training.
3. Assist disadvantaged youth, people with disabilities, new labor market entrants, recent

immigrants, and low-wage workers in moving up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress should be made in improving operating agencies and reducing the earnings gap facing people of color, people with disabilities, and women.

4. Integrate services provided by separately funded workforce development programs so Washington can provide the best possible service to its customers.

As the background chapters have revealed, major issues must be addressed if the state is to meet these challenges.

✔ **Washington's employers still report difficulty finding skilled workers.** Many dislocated workers cannot obtain jobs in high-demand fields because they lack the current technical skills required by business. Too often employers are forced to search in other states, or even in other countries, for technical workers they cannot find at home.

✔ **Workforce growth slows.** Skilled, high-quality workers in the construction and manufacturing trades will be retiring without enough apprentices preparing to fill their jobs. Washington's health care industry is experiencing a twofold dilemma: an acute labor shortage at the same time its population is aging, and an increasing demand for health services. The health care worker labor shortage is seriously

jeopardizing the availability and quality of health care for the people of Washington, undermining the vitality of one of the largest industries in the state.

Youth lack preparation. In high school, too many students lack motivation and support and leave school before graduating. For those who stay, it is too likely they will graduate from high school unprepared even for entry-level work and unaware not only of the education and skills required by today's employers, but also of the variety of employment opportunities. Many students who do not immediately move on to postsecondary education after high school spend years drifting in dead-end jobs before linking with training at a community or technical college or private career school. Education disparities in dropout rates and the Washington Assessment of Student Learning (WASL) scores reveal there are even greater challenges for students of color.

Education and training institutions need to expand transfer and articulation opportunities.

Often students must duplicate coursework they have already completed at an earlier stage in their careers because their credentials are not widely accepted. And, too many participants leave training programs without a meaningful credential that can convey to employers or postsecondary education what they know and are able to do.

Low-wage workers require more opportunities for wage progression.

Former public assistance recipients are moving into employment but too often into low-wage jobs that allow little flexibility for balancing work, family, and training for advancement.

Migrant and seasonal farm workers need education and training opportunities.

More migrant and seasonal farm workers need to be connected with programs that offer educational and training opportunities that will lead to more high-skilled, high-wage work within the agricultural industry or in other industries.

Mature workers need to keep their skills up to date to retain jobs.

Over the next decade, the state's labor market will include a larger proportion of mature workers who will need to keep their skills current to keep pace with technological change. At the same time, retired individuals who return to work to supplement their income will need to update their occupational skills and their job-search skills. Seniors bring immense experience to the workplace, and employers should be prepared to retain or hire this population. This is especially significant considering the decreasing rate of growth of Washington's working age population.

Veterans need assistance transitioning back into the workforce.

Over the next few years, between 7,000-10,000 army reservists and National Guard personnel will return to Washington following active duty, and a large number of armed forces personnel are likely to separate from active duty. Many of these veterans will be looking for

new employment, and a large number will require education and training in order to be successful.

Now more than ever, enhancing the skills and quality of the state's workforce is critical for ensuring a productive and secure future for all Washington residents. In an age of global competition for good jobs, the places that thrive will be the places with the best educated, most innovative, and most productive people.

Building on Success

Washington has made great strides in workforce development. Public-private partners are working together more than ever before and realizing the benefits of collaboration. Responsible organizations and agencies achieved great success in implementing *High Skills, High Wages 2002* from K-12 dropout prevention, to targeted resources for postsecondary education and training in high-demand occupations, and more seamless employment services.

Industry skill panels are spurring economic vitality in local areas.

Industry skill panels support the economy, and the Workforce Training and Education Coordinating Board (Workforce Board) is committed to expanding their numbers across the state. The panels consist of employers, labor representatives, and training providers. They assess skill needs for workers in key industries and implement strategies to close skill gaps. As of December 2003, there were 19 skill panels in construction, electronics, game software development, energy, information technology (IT), manufacturing, and health care. There are health skill panels convened by each of the 12 Workforce Development Councils (WDCs).⁷³

Washington wins the Boeing 7E7 bid. An outstanding workforce package ensures Boeing access to highly skilled workers, and Boeing workers will enjoy an Employment Resource Center with recruitment, assessment, training, and retention services. The package also includes a

component to develop a two-year Aerospace Manufacturing Degree program.

Washington receives a national award for exceeding performance targets. In 2003, Washington was one of five states to receive a \$3 million award from the U.S. Department of Labor (DOL) and the U.S. Department of Education (DOE).⁷⁴ The Workforce Board directed local areas to use the award to address the shortage of health care workers.

Washington leads states in performance measurement. DOL requested that Washington lead the states in a new design for the performance management system across the nation. The Workforce Board has convened teams of leaders from Florida, Michigan, Montana, Oregon, and Texas to carry out the project known as the Integrated Performance Information project.

Washington expands customized training to meet employer needs. For the 2003-05 biennium, the Legislature appropriated funds to expand the Job Skills Program (JSP) from \$1.14

million to \$2.95 million, and the Governor authorized the use of \$3.2 million in 2003-04 Workforce Investment Act (WIA) funds for customized training. In 2003, 827 incumbent workers received training via JSP, and another 706 will be trained in 2004.⁷⁵

Washington increases enrollments in high-demand programs. For the 2003-05 biennium, the Legislature appropriated \$20.1 million to expand enrollments in education and training programs for occupations that are in high demand by employers. The supplemental budget for 2005 provides an additional \$7.12 million to expand high-demand enrollments.

Washington deals with health care personnel shortages.

- The state Health Care Personnel Shortage Task Force, convened by the Workforce Board at the request of the Legislature, has enabled employers, labor, education, and government to tackle labor shortages in nursing and allied health occupations. The

Task Force developed a state plan for addressing the severe shortages of health care personnel and reports progress annually.

- All 12 WDCs have established Health Skill Panels to create innovative solutions.
- In 2003, the Legislature appropriated funds to expand higher education capacity of which \$11.8 million was directed to health care education and training programs. As a result, there will be about 2,000 more students enrolled in health care programs.⁷⁶

WorkSource customer service training and new information exchange boosts employment services. Physical and program accessibility of 26 WorkSource Centers were assessed by the Employment Security Department (ESD), the Division of Vocational Rehabilitation (DVR), the Department of Services for the Blind (DSB), and local staff. Teams recommended ways to remove service barriers, and multiagency

staff received customer service training. ESD conducted over 50 outreach events for people with disabilities seeking to obtain work, in addition to a series of Native American disability conferences.

ESD launched the new information system for WorkSource called Services, Knowledge, and Information Exchange Systems (SKIES).

DVR supported two conferences on Health Care for Workers with Disabilities (HWD) and the new Ticket to Work program. Over 400 agency staff and affiliates are now prepared to inform 148,000 eligible social security disability beneficiaries about services available via HWD.⁷⁷

New products deliver in-depth labor market information. Job seekers, students and their parents, career counselors, WorkSource staff, employers, and others can access information on state and local job vacancies, occupations in demand, and wage rates. A new ESD survey of employers estimates job vacancy

rates for industries and specific occupations, state and local job trends, and is conducted twice a year. Results of this survey and other information are available via the Workforce Explorer at <www.WorkforceExplorer.com>.

A new grant will improve responsiveness to employers. The Association of Washington Business' (AWB) Institute for Workforce Development and Economic Sustainability (IWDES) won a two-year Workforce Innovations Network (WINS) grant to expand business engagement with the workforce development system.⁷⁸ The WINS project will improve AWB member participation on local councils and design a project to “loan” executives to WorkSource Centers to improve services to business.

Washington leads in apprenticeship innovations. New apprenticeship programs have been created in health care occupations. Tacoma-Pierce County WDC's health skill panel (Pierce County Health Services Careers Council) and MultiCare Health System worked with the

Washington State Apprenticeship and Training Council to establish a Health Unit Coordinator Apprenticeship and two apprenticeships in the specialized imaging fields of Computed Tomography and Magnetic Resonance Imaging. These are the first of their kind in the nation. In addition, the 2004 Legislature passed House Bill 3045 providing the Duwamish Center of South Seattle Community College with additional land to expand the number of apprenticeships offered, and the Governor set aside \$1 million to create or expand apprenticeships.

Community colleges and private career schools continue to receive earmarked funds to retrain dislocated workers. In 2003, the State Board for Community and Technical Colleges (SBCTC) used the greatest portion of high-demand funds appropriated by the Legislature to fund the Worker Retraining program. Dislocated workers are able to receive additional weeks of unemployment insurance (UI) benefits while retraining. ESD's high-quality rapid response system,

guided by labor/management committees, is also a significant service for dislocated workers.

The Workforce Board provides on-line consumer reports on education and training programs. The system informs consumers and staff about programs that meet performance standards, program results for placing students into jobs, and pay rates. Find the sites at: <www.wtb.wa.gov/etp/> and <www.jobtrainingresults.org>.

These are important steps forward and show clear commitment to making the state's vision real.⁷⁹

Strategic Opportunities for the Next Two Years

This final chapter of *High Skills, High Wages* provides a comprehensive agenda of 4 goals, 13 objectives, and 38 strategies that identifies the lead entities responsible for implementation. All the goals, objectives, and strategies are important, and responsible entities are committed to implementing the strategies during the next two years and beyond. At the same time, the

Workforce Board has identified key strategic opportunities to further the agenda. The following list encompasses a number of strategies in the plan and provides a focus for partners when they consider new or expanded initiatives.

- **Increasing postsecondary education and training capacity** is key to ensuring the state closes the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need. Even during a recession, 45 percent of employers who reported hiring workers in 2003 said they had difficulty finding qualified applicants. The state must target its resources to expand capacity in programs that prepare individuals for the jobs that are in highest demand, and at the same time, ensure that all individuals, especially target populations, have access to a broad range of education, training, and retraining opportunities. These opportunities may take place at public and private schools, apprenticeship programs, or at the workplace

through customized training. The state also needs to build capacity at the secondary level, particularly in career and technical education (CTE) programs.

- **Reducing dropouts and integrating career guidance into school curricula** are necessary for ensuring the state's teenagers are prepared for success after high school. About one third of Washington students drop out of high school between years 9 and 12. The state must build on the success of community partnerships that implement effective dropout/retrieval programs and hold schools accountable for engaging and retaining students through graduation. While schools are raising their expectations of students, they need to demonstrate the relevance of education through comprehensive career guidance and exploration, including strong CTE and work-based learning.
- **Expanding and sustaining skill panels** is essential for enhancing Washington's economic vitality. Industry skill panels harness the expertise of their members (employers, educators, and labor), they identify skill gaps in key economic clusters, and they address those needs. Such partnerships foster innovation and enable industries and public partners to be proactive, addressing changing needs quickly and competently.
- **Increasing training linked to retention support for low-income individuals** is the best way to promote career advancement and wage progression. With the growth of the state's workforce slowing and the increasing diversity of its population, it is essential for Washington to develop career pathways that enable low-income workers to advance, meeting the needs of employers for skilled workers and the social goal of family self-sufficiency. Given the demands of work and family, attending school can be nearly

“Workforce investment is a top priority for the business community. The U.S. Chamber understands that even in a low-growth economy, employers continue to experience difficulty in finding workers with the right skills. As economic growth accelerates, the need for skilled workers will only increase.”

R. Bruce Josten, U.S. Chamber of Commerce⁸⁰

impossible for low-income workers. Individualized supports, such as child care, transportation, counseling, and remediation assistance, are often necessary to ensure individuals feel able to start a program and have the support to complete it. Better, and more widely available, career guidance can enable adults to develop education and training plans leading to job and wage growth.

- **Increasing basic skills and English-as-a-Second Language (ESL) instruction that is integrated with occupational skills training** is more likely to lead to wage gains for participants than programs that do not include an occupational component. Without education and training opportunities the state’s illiterate population, immigrants, low-income workers, and unemployed can be stuck in dead ends. When combined with “soft skills” training that improves skills such as cultural awareness, teamwork, and critical thinking, these programs can be even more effective.

- **Expanding customized training for incumbent workers** helps Washington businesses be more competitive in the world and its workers more competitive in the labor market. In today’s economic context, there is an increasing need to train and retrain incumbent workers to keep pace with technological advances and to take advantage of high-performance practices. Customized training can also prevent worker dislocations. Many employers already provide customized training for their employees, investing about two percent of payroll on employee training, though few support basic skills training. While state funds support some customized training, Washington lags far behind other states in publicly supported customized training.

To take advantage of these strategic opportunities, workforce development programs must function as a system, linking partners and resources, and increasing efficiency. Even though lead entities are identified in this

plan, mutual support is critical if Washington is to continue its progress.

Challenge One: Skills Gap

Goal 1: To close the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.

Key Performance Measures

1. The number of community and technical college students, private career school students, and apprentices prepared for work compared to the number of net job openings for workers at that education level: Washington is meeting 82 percent of expected demand for newly prepared workers, compared to 83 percent two years ago and 77 percent four years ago.
2. The number of industry skill panels that are established: 28 skill panels have been established, up from 17 two years ago, and none in the year 2000.

The Issue for Goal 1

Employers cannot find enough qualified applicants to fill job openings. Even during the recession, they faced shortages of skilled workers. When surveyed during the fall of 2003, 45 percent of Washington employers who had attempted to hire new employees during the previous 12 months had difficulty finding qualified applicants. This represents an estimated 55,000 employers.⁸¹

Among employers reporting difficulty, 91 percent had difficulty finding qualified job applicants with job-specific skills. For example, they wanted to hire a computer technician, a carpenter, or a diesel mechanic, but they had trouble finding such applicants. Similarly, employers had a hard time finding workers with a postsecondary career and technical credential. An estimated 16,000 firms had difficulty finding applicants with a postsecondary vocational credential, more than had difficulty finding applicants with any other type of education.

The shortage of skilled workers has hurt the state's economic vitality. Economic vitality depends on workforce development, especially in the key economic clusters where the state has a competitive advantage.⁸²

Objective 1.1

Create public-private partnerships to enable individuals to move up job and career ladders throughout their lives.

Strategy 1.1.1—Create and enhance industry skill panels, especially in high-demand economic clusters such as health care and IT. *Lead Organization: Workforce Board*

Workforce development leaders in Washington recognize that programs can only be successful if they meet industry's needs and have collaborated to create and support industry skill panels. Industry skill panels focus on existing and future workforce development needs in key industries and are comprised of business, labor, and education representatives. These panels

Key Economic Clusters: A cluster is a geographic concentration of interconnected companies, specialized suppliers, service providers, firms in related industries, and association institutions (for example, universities, standards agencies, and trade associations) in particular fields that compete but also cooperate.

Michael Porter⁸³

The Manufacturing Skill Panel

The Manufacturing Skill Panel at Shoreline Community College was formed to meet the need for more skilled workers in Kent, greater King County, and the Puget Sound region.

Manufacturing accounts for nearly all of Puget Sound's exports, which make up 87 percent of the state's total exports. Washington is ranked fifth among states in total exports to the world. According to a study conducted by the Kent Chamber of Commerce, over 20 percent of the companies in the Kent Valley identified a lack of qualified employees as one of their top three constraints to growth. The same companies projected a 21 percent expansion in employment in the next three years.

The skill panel represents over 30 manufacturing companies and is using its diverse industry knowledge and expertise to design curricula, assessments, and certifications. In 2003, SBCTC awarded a \$460,000 grant to support the Center for Manufacturing Excellence at Shoreline Community College. The skill panel is advising on design for an employer-friendly center that can serve the needs of the Puget Sound manufacturing sector, especially for customized training and flexibility of skills that small- and mid-sized manufacturers require.

provide a way of engaging employers in program planning. They make recommendations for immediate and future action to a local region, the state, or the Legislature for policy changes necessary to keep an industry's workforce competitive.

Since 2000, the Workforce Board has provided funding to establish 28 skill panels. The private sector has shown commitment to existing skill panels by providing expertise and financial support. Many panels also have been successful in leveraging federal grant funds to implement their plans. Such partnerships foster innovation and give industries and public partners the opportunity to be proactive instead of reactive, addressing changing workforce development needs quickly and competently.

Strategy 1.1.2—Provide high-quality labor market information that enables programs to respond to changes in the labor market and informs students and customers about current career opportunities, especially in high-demand clusters such as health care and IT. *Lead Organization: ESD*

ESD's Newest Labor Market Information Products

- The Washington Job Vacancy Survey is a biannual survey (spring and fall) of more than 20,000 employers in Washington. It captures actual current job openings by industry, occupation, geographical area, required education, required experience, and expected wage.
- The annual Washington Employee Benefit Survey of employers documents the availability of health, retirement, sick, vacation, and child care benefits for full- and part-time workers by industry, occupation, and geographical area.
- The Regional Data Analysis Tool provides customized reports on employment and wage trends for a single county, any combination of counties, or the entire state. The reports could include total number of firms, average industry employment, average industry wage, and employment and wage growth, among other elements.
- The Available Skilled Worker Website is a tool for business that provides the number of available skilled workers by industry, geographical area, occupation, age, sex, and education by month, previous month, and a year ago based on UI claimant data. This is useful for companies that might be considering locating or expanding in a certain area of Washington.
- Entry Points Analysis is useful for students, job seekers, counselors, teachers, or parents who wish to identify occupations in greatest demand by level of education and/or training required for the state and each of the 12 workforce development areas. Designed in collaboration with career and technical educators, it assists in updating school career guidance curricula.

These and other products can be accessed at <www.WorkforceExplorer.com>.

ESD's Labor Market and Economic Analysis (LMEA) unit is improving customer access to high-quality labor market information through the development and enhancement of <www.WorkforceExplorer.com> and customer-driven products. LMEA staff are working with the community and technical colleges, secondary CTE, and WDCs so key labor market information is incorporated into the planning, decision making, and policy making process for curriculum development and training programs. Their goal is to create information that is easy to use and links labor market information and career guidance tools. Skill panels use the LMEA data and also help to enrich it by producing more detailed information on their particular industry.

Strategy 1.1.3—Develop competency-based education and training programs and modular curricula and assessments that are linked to industry skill standards.
Lead Organizations: SBCTC and Office of Superintendent of Public Instruction (OSPI)

Apprenticeship programs have long been based on skill standards that enable workers to obtain certificates, which are recognized throughout the industry and across the nation. However, too many programs outside the apprenticeship system do not teach to widely recognized skill standards, nor do they offer a credential accepted by other programs and employers. As a result, too many participants repeat lessons they have already learned on a job, in another program, or complete one program without acquiring the skills required for entry into the next level of training or employment.

Credential portability is critical so workers can move up job ladders throughout their careers. In order to meet the needs of students, workers, and employers, curricula must increasingly be offered in short-term packages. This modular training must be available on an open-entry, open-exit basis so individuals can access training at the level they need when they need it.

The state's community and technical college system has led the nation in the development and implementation of industry-based skill standards. Skill standards have been developed in Washington for 25 industries with over 65 occupations represented. In addition, curriculum, assessment, and professional development projects based on skill standards are underway in postsecondary CTE programs and all of the 22 tech-prep consortia.⁸⁴ Skill standards integrate foundation academic and employability skills, industry-specific knowledge, and some job-specific skills.⁸⁵ Increasingly, the tools of the Career Clusters Initiative of the National Association of State Directors for CTE Consortium are being used to create curricula and articulation pathways.

At the secondary level, OSPI has established standards for exploratory and preparatory secondary CTE. These CTE program standards are aligned with similar standards used in the state's community and technical college system to assure a seamless articulation between secondary and postsecondary CTE

“The nation’s fixation on four-year college attendance intensifies. An educated citizenry and workforce is a nation’s greatest asset, and education is a key to personal and economic fulfillment. But manufacturers are not alone in pointing out that a fixation—among high school teachers and counselors, students and parents—on a four-year university education immediately following high school makes young people shun other attractive options, leaving alternative career paths starved for attention and resources.”

Phyllis Eisen, National Association of Manufacturers (NAM)⁸⁶

programs. This includes advanced placement opportunities, high-end IT certifications, and a connection to the critical employment and instructional needs in various occupational areas such as health services, construction, IT, agriculture, and manufacturing.

To receive supplemental funding for CTE under CTE standards, school districts have to provide exploratory career and technical courses that require students to demonstrate workplace skills and preparatory courses, enabling students to attain certificates of competency based on industry skill standards. DVR will lend its expertise in developing curricula accessible to the learning styles and comprehension abilities of youth with various disabilities.

Objective 1.2

Increase the number of young people who understand and act on career opportunities available through CTE and training programs, including youth from target populations.

Too often students do not immediately move on to postsecondary education after high school and spend years

drifting in dead-end jobs before linking with a CTE program. The median age for students enrolling in a community or technical college career and technical program is 27 years old, and more than one quarter of them are over 33. Only 1 percent of apprentices enter their apprenticeship directly out of high school.

More students and parents need to understand at least some postsecondary education has become a basic requirement for most family-wage jobs, and there are a variety of postsecondary options that lead to well paid and rewarding careers.

At the same time, there is a persistent lack of recognition among students and parents of the high-wage, high-demand career opportunities that do not require a four-year baccalaureate. A four-year baccalaureate degree is not the only avenue to financial success and well-being. Only 21 percent of the net job openings this decade will require a baccalaureate or graduate degree, while 37 percent of the openings will require some education or training beyond high school, but not a baccalaureate degree.

While Washington State is becoming more diverse with people of color growing more rapidly than the white population, people of color have historically obtained less education on average than whites and have also experienced higher levels of unemployment. To turn these patterns around will require sustained collective and individual effort.

Females have lower average earnings than males, even after achieving the same educational credential, a difference largely due to women’s enrollment in fields of study that prepare them for lower paying occupations than the fields generally chosen by men. Only 13 percent of the participants in state-approved apprenticeship programs are women, and many apprenticeship programs have no female participants. Considering these inequities, developing career awareness and improving preparation for further education and work are especially important for students of color, females, and students with disabilities.

The 16 Career Clusters

provide a way for schools to organize instruction and structure experiences around 16 broad categories that encompass virtually all occupations from entry through professional levels.⁸⁷

- Agriculture, Food, and Natural Resources .. ► The production, processing, marketing, distribution, financing, and development of agricultural commodities and resources, including food, fiber, wood processing, natural resources, horticulture, and other plant and animal products/resources.
- Architecture and Construction ► Careers in designing, planning, managing, building, and maintaining the built environment.
- Art, A/V Technology, and Communications . ► Designing, producing, exhibiting, performing, writing, and publishing multimedia content, including visual and performing arts and design, journalism, and entertainment services.
- Business, Management, and Administration ► Business management and administration careers encompass planning, organizing, directing, and evaluating business functions essential to efficient and productive business operations. Business management and administration career opportunities are available in every sector of the economy.
- Education and Training ► Planning, managing, providing education and training services, and related learning support services.
- Finance ► Planning, services for financial and investment planning, banking, insurance, and business financial management.
- Government and Public Administration ► Executing governmental functions to include governance, national security, foreign service, planning, revenue and taxation, regulation, and management and administration at the local, state, and federal levels.
- Health Science ► Planning, managing, and providing therapeutic services, diagnostic services, health informatics, support services, and biotechnology research and development.
- Hospitality and Tourism ► Hospitality and tourism encompasses the management, marketing and operations of restaurants and other food services, lodging, attractions, recreation events, and travel related services.
- Human Services ► Preparing individuals for employment in career pathways that relate to families and human needs.
- Information Technology ► Building linkages in IT occupations framework. For entry-level, technical, and professional careers related to the design, development, support, and management of hardware, software, multimedia, and systems integration services.
- Law, Public Safety, and Security ► Planning, managing, providing legal, public safety, protective services and homeland security, including professional and technical support services.
- Manufacturing ► Planning, managing and performing the processing of materials into intermediate or final products and related professional and technical support activities such as production planning and control, maintenance and manufacturing/process engineering.
- Marketing, Sales, and Service ► Planning, managing, and performing marketing activities to reach organizational objectives.
- Science, Technology, Engineering ► Planning, managing, and providing scientific research and professional and technical services (e.g., physical science, social science, engineering) and Mathematics including laboratory and testing services, and research and development services.
- Transportation, Distribution, and Logistics .. ► Planning, management, and movement of people, materials, and goods by road, pipeline, air, rail and water, and related professional and technical support services such as transportation infrastructure planning and management, logistics services, mobile equipment and facility maintenance.

“When students become more knowledgeable about what they need to know and be able to do to achieve their dreams, they take much fuller advantage of the opportunities high school affords. Their level of motivation rises. Their sense of purpose is clear.”

Tim Stensager, Franklin Pierce School District⁸⁸

Strategy 1.2.1—Develop individual career plans that are integrated with a range of school programs to ensure all youth are aware of the link between learning and employment and their career options, including high-wage, high-demand occupations, and nontraditional occupations. *Lead Organizations: OSPI and WDCs (Youth Councils)*

Washington State’s K-12 Learning Goal 4 states that all students should “understand the importance of work and how performance, effort, and decisions directly affect future career and educational opportunities.” Many high schools offer educational pathways for students after the Certificate of Academic Achievement, and in order to graduate, the students of 2008 will be required to complete a culminating project and an individual plan for their high school experience and one year beyond high school.⁸⁹ These strategies enable students to connect high school to their personal future education and career options. Expanding such benefits across the state is the next phase of this strategy.

Navigation 101: Franklin Pierce School District

Franklin-Pierce School District has made “guidance” a core subject for all high school students. The district has developed a student planning system that ensures each student creates a meaningful postschool plan.

Twice a month the high school schedule is restructured, as if there were a school assembly, so each high school teacher can lead a class of about 20 students in Navigation 101. Teachers use a “guidance curriculum” to teach the navigational and planning skills that students need to take advantage of learning opportunities while still in high school and to plan and prepare for their futures. Students analyze their classroom results, assess personal interests and aptitudes, learn how to set goals, plan for course selection, learn about postsecondary education, training, and employment opportunities, and build a portfolio of test results and exemplary work, among many other activities. The same teachers and students stay together in these advisory classes for the four years of a student’s high school career. At an annual Individual Student Planning Conference, each student works with his/her parents and advisor to discuss academic and career goals and select courses. Navigation 101 is enabling students and their parents to become “savvy consumers of education.”⁹⁰

The results are impressive. In the first two years of implementation, student matriculation from 9th to 10th grade has increased from 70 percent to 81 percent, a higher percentage of adults are attending conferences, a higher percentage of students are taking higher level science and math, and fewer students are receiving failing grades.

Individual career plans should link long-term planning with short-term decisions about courses or programs and enable youth to identify their interests and aspirations. Schools can employ a number of techniques to improve the effectiveness of career plans so that they are not “stand-alone” items but are intrinsic to the student’s entire high school program. They should be connected to other courses and programs, the curriculum, career guidance tools, and assessments.

Strategy 1.2.2—Expand partnerships with industries to market their career opportunities to youth and their parents. *Lead Organizations: OSPI, Workforce Board, skill panels, WDCs (Youth Councils), and AWB*

Increased interaction between K-12 and the business community can help students make informed decisions about their career and program choices. While high school students need comprehensive career exploration and preparation, middle school and younger students benefit from exposure to career exploration and work-based learning

opportunities such as job shadowing. Seeing the connections between learning and the world of work can assist students to select courses that keep their future options open.

School districts that have established partnerships with businesses in their communities know this can lead to more opportunities for work-based learning and increased community support and involvement. Skill panels, convened by WDCs or other local agencies, can provide a forum for creating partnerships between K-12 and the business community.

One of the ways to increase students’ awareness of the world of work and the skills needed to succeed is participation in leadership and entrepreneurship programs. For example, many Washington high schools participate in SkillsUSA local, state, and national competitions. Students choose from a range of 75 occupational skill areas and demonstrate occupational and leadership skills at these competitions.

Pierce County Careers Connection

Pierce County Careers Connection created an industry skill panel in IT to provide guidance and expertise to IT programs in Pierce County high schools, colleges, and universities. With membership from 10 different industries who wish to foster IT skills in young people, the panel has:

- Analyzed labor market information for the IT industry for Pierce County.
- Developed 11 articulation agreements, enabling students to transfer IT credits from high school to community colleges and four-year universities.
- Developed an IT career guide that has been distributed to 34,000 Pierce County students.
- Developed a recruitment guide to attract people of color, young women, and nontraditional youth into IT careers.
- Cross-trained over 25 teachers in high-demand IT clusters.
- Created InternMatch, a free online internship system at <www.InternMatch.org>.
- Produced a report on the feasibility of IT apprenticeship programs in Pierce County.

Developing awareness of entrepreneurial opportunities can provide students with another career avenue to consider. The Governor’s Entrepreneurship Support plan includes “ensure that K-20 schools prepare Washington residents and students to see entrepreneurial opportunities and to develop entrepreneurial businesses in the 21st century.”⁹¹ Each year a large number of Washington’s high schools participate in Washington Business Week.

Washington Business Week simulates the creation of a business from concept to product. The program is offered in two formats. Summer Business Week is offered four times each summer on three different college campuses and serves high school students and K-12 educators. In-School Business Week is held in high schools for the entire junior class, or the entire student body if requested, during their normal school day. The curriculum includes teamwork, ethics, respect, understanding financial statements, and communication skills. In 2004, 12 in-school programs will serve

about 4,600 students. More information is available at <www.wbw.org/>.

Strategy 1.2.3—Increase mentor and work-based learning opportunities for all students, and integrate these opportunities with students’ individual career plans. *Lead Organizations: OSPI and SBCTC*

All students, especially women, students of color, and students with disabilities, benefit from on-site, work-based learning opportunities that complement their career plans. Such opportunities include internships, job shadows, and traineeships among others. Work-based learning is most effective when followed up in the classroom and integrated into the curriculum so students connect the experience to the world of postsecondary education and/or employment.⁹² According to a 2001 study by the Washington Institute for Public Policy, Washington high schools are developing activities to make learning more relevant to students, but more work is needed to ensure these activities reach all students.⁹³

Mentoring is another important method of support to help students focus on their education and career development. An effective adult mentor can provide emotional support, guide learning, and assist a young person to connect secondary education with his/her future. This is particularly beneficial for “at risk” students.⁹⁴

The Center for Law and Social Policy (CLASP) suggests standards for training programs to improve employment and earnings outcomes for youth. Programs should be offered “in a work-like setting; have high expectations for attendance and effort; support participation with mentoring and counseling; use hands-on instruction; address literacy and soft skills issues; and train for occupations in demand in the local economy.”⁹⁵

Employers need support and guidance on how to supply work-based learning opportunities. OSPI’s Work-Based Learning Coordination Manual/Guidelines provides information for secondary school

staff as they work with employers to create work-based learning programs.⁹⁶

Objective 1.3

Increase the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high-quality workforce education and training programs.

Strategy 1.3.1—Develop new programs and increase student enrollments in workforce training, especially in high-demand industry clusters such as health care and IT.
Lead Organizations: SBCTC, OSPI, Washington Federation of Private Career Schools and Colleges, Legislature, and Governor

The Governor’s Competitiveness Council recommends that educational programs expand to support “statewide and regional economic development strategies and consider forecasts of labor market supply and demand.”⁹⁷ According to the Workforce Board’s 2004 *Employer Survey*, about 67 percent of employers attempting to hire workers with a postsecondary vocational

credential report difficulty finding qualified job applicants. This labor market shortage affects more firms than the shortage at any other educational level. Labor market projections show that by 2007 Washington’s economy will need about 28,600 additional technicians, paralegals, health care workers, salespeople, and other workers needing postsecondary education or training for more than one year but less than four years. The state’s two-year colleges, private career schools, and apprenticeship programs, however, prepare only about 23,600 new workers per year.⁹⁸

Recent research finds job openings outstrip supply for nearly all occupational programs offered in the community and technical college system.⁹⁹ The report notes that the supply/demand gap for the better paying jobs is particularly acute.

Over the past two biennia, the state’s community and technical colleges (and the private colleges) have increased enrollment by 7,032 students in the three mission areas of workforce education, academic

transfer education, and adult basic skills education. This has helped to increase the ratio of supply to demand remaining for vocationally trained workers from 75 percent to 78 percent with a gap of 22 percent remaining. The community and technical colleges have directed much of the increased enrollment to fields that are in high demand in the economy. For example, enrollment in licensed practical nursing and registered nursing programs at community and technical colleges grew 11 percent and 16 percent respectively between 2002 and 2003.¹⁰⁰

The colleges have a good record of directing growth to meet economic demand. If the state is to close the skills gap, it must fund more enrollment growth at community and technical colleges. It needs to develop new programs. It also needs to enhance program accessibility, for example, by greater use of infrastructure that is already in place for distance learning and creating new distance learning opportunities. In addition, there must be increased enrollment in high-demand fields in secondary CTE in order to start

young people on career pathways in high-demand fields. And while the Workforce Board's focus is on jobs that do not require a baccalaureate degree, employers also stress the importance of targeting enrollment increases to baccalaureate and graduate programs that are needed for key industries.¹⁰¹ Increased funding for enrollment at community and technical colleges and four-year institutions will require action from the Legislature and the Governor.

Strategy 1.3.2—Partner with industries to provide facilities, faculty, and equipment in high-wage, high-demand fields. *Lead Organizations: SBCTC, OSPI, and AWB*

There is a wide range of capacity issues that need to be addressed in secondary and postsecondary CTE, especially in high-demand fields such as construction and manufacturing trades, health care, IT, and communications. There is a shortage of facilities with up-to-date equipment and a lack of adequate space for some apprenticeship programs. Colleges and schools

cannot recruit and retain enough career and technical education teachers, particularly in high-demand fields. School and college salaries cannot compete with earnings in the private sector in IT, health care, construction trades, and other high-demand areas, so experienced teachers leave. The state needs to explore ways to provide sufficient compensation to attract and retain qualified faculty in high-demand fields.

Strong public-private partnerships can lead to innovative ways of increasing capacity. One place to turn to increase capacity is strong public-private partnerships. Businesses have facilities, computers, other equipment, and expert personnel to enhance the public resource base. Given the constraints on public budgets, public programs need to seek out employers who can help them increase capacity to meet labor market demand. In addition, program facilities should not lie idle when they could be put to use by other programs. Facilities could be shared between programs as appropriate.

Strategy 1.3.3—Improve efficiency of student transitions by granting credit for prior learning, developing further statewide agreements for transfer and articulation, and increasing the availability of applied degrees. *Lead Organizations: Higher Education Coordinating Board (HECB) and SBCTC*

Many incumbent workers who find they must gain more education to move up a career ladder would benefit from expanded efforts to establish competency-based curricula and assessments. These could provide a vehicle for granting credit based on prior education or skills learned on the job. In the long term, a competency-based system would facilitate transfer, though it will require a considerable shift from current practices. A first step is to facilitate transfer between two-year and four-year institutions by creating additional statewide agreements.

Although Washington has developed an articulation system for recognizing most course work, many students attending two-year colleges could benefit from additional statewide

articulation agreements.¹⁰² In Washington, only about 5 percent of students with technical degrees transfer.¹⁰³ Additional opportunities should be developed for students with technical credits and degrees to continue their education to earn baccalaureate and advanced degrees.

Many students who complete associates degrees in technical fields study in an applied context and carry applied credits from technical programs but may not be able to use these credits for transfer purposes to complete a four-year degree. By offering baccalaureate level applied degrees, four-year institutions could recognize and grant credit for courses with an applied focus, and this would allow students to obtain additional qualifications when needed. In the same way that Washington State provides clear pathways for Associate of Arts to Bachelor of Arts, and now Associate of Science to Bachelor of Science, a similar pathway could be established for Associate of Applied Science to a Bachelor of Applied Science.

Employers have stressed their need for skilled workers in technical fields, including workers who have one or two years of education or training beyond a two-year program. A study by the Northwest Policy Center asked a diverse range of employers in four communities in the state what they are looking for in entry-level IT employees and about the preparedness of entry-level applicants for IT positions. The

report concluded that employers “need IT workers with a combination of the skills that no higher education program currently offers.”¹⁰⁴ These include practical, hands-on skills; a broad range of problem solving, communication, and organizational culture skills; and opportunities for work experience to supplement their classroom education. Applied degrees would provide the range of skills that many employers are seeking.

“To remain in step with the knowledge economy’s evolving demands, while ensuring the continued relevance of their curricula, colleges and universities will also have to isolate and then measure essential competencies within specific degree majors, especially in technical fields where constant innovation drives accelerating change.”

National Alliance of
Business, Work America,
Summer 2002

Job Corps

Job Corps is a national education and job training residential program for at-risk youth, ages 16 through 24. Since 1964, Job Corps has provided disadvantaged young people with the integrated academic, vocational, and social skills training they need to gain independence and get quality, long-term jobs or further their education.¹⁰⁷

One example in northeastern Washington is Curlew Job Corps. They provide GED and high school diploma programs and vocational training in eight different trades, including preapprenticeship into the Construction Craft Laborers Union, International Masonry Institute for Bricklayers and Allied Crafts Union, International Union of Painters and Allied Trades, and the United Brotherhood of Carpenter and Joiners Union. There is also training available in welding, facilities maintenance, forestry technician, and medical office support. Graduates of the preapprenticeship programs are given preference for entry into apprenticeships. There is a range of entry-level union and non-union training available at the other Job Corps Centers located in Sedro Woolley (Cascades) near Yakima (Fort Simcoe) and Moses Lake (Columbia Basin.)

Another transfer barrier exists between private career schools and public community and technical colleges. Students attending private career schools trying to enter the public system find they may have to duplicate coursework because the receiving community or technical college only accepts credits from regionally accredited schools, and most private career schools are nationally accredited.¹⁰⁵ Private career and technical schools must be part of the discussion on articulation and transfer arrangements to ensure the state policy support all students as they continue their education.

Substitute House Bill 2384 (2004 legislation) directs HECB to work with two-year and four-year institutions to develop further statewide transfer agreements and specifies that in 2004-05 transfer agreements should be developed for nursing, engineering, and elementary education. HECB must also report back to the Legislature every two years on implementation and progress towards developing further statewide transfer agreements.

Dual enrollment programs such as Running Start and Tech-Prep enable high school students to articulate their studies with college programs. Via articulation agreements developed under the Tech-Prep program, high school students are earning college credit in CTE courses delivered at high schools by high school faculty. Efforts should be extended under this program to design a full range of sequenced courses within career clusters that address high-demand fields and provide an efficient and effective career pathway for students wishing to attain the appropriate credentials to meet their educational goals.

Strategy 1.3.4—Expand apprenticeship training in emerging fields and expand preparation programs for apprenticeship in high-demand clusters, including construction. *Lead Organization: Washington State Apprenticeship and Training Council at Department of Labor and Industries*

Apprenticeship programs are constantly updated to keep pace with workplace changes and meet the skill needs of employers. The two key components of apprenticeships are: workplace training under the supervision of a highly skilled mentor and related supplemental

The Electrical School to Apprenticeship, *Get Electrified*

The Electrical School to Apprenticeship, *Get Electrified*, offered to high school juniors in the Tacoma School District, is a preapprenticeship program that prepares students to meet the rigorous application requirements of an electronics apprenticeship. During the nine-week summer program, students attend workshops and get workplace experience at a local electrical company with pay of \$8.25/hour. During senior year, students continue taking workshops and work part-time with an increased rate of \$8.50/hour. After graduation, students have a full-time job in preapprenticeship work with an increasing pay schedule.¹⁰⁸

instruction that usually occurs either at a community college or at a training trust facility that belongs to a workers' union. Apprenticeships provide an important means for meeting the needs of employers for skilled workers in high-demand industries.

In recent years, the construction industry has had serious difficulty recruiting workers. Forty-six percent of construction firms that attempted to hire workers during the past year reported difficulty finding qualified job applicants. The average age of workers in many construction trades is about 50, and the average entering age is near 30. Workers are retiring without young apprentices being trained to replace them.

Apprenticeships are not limited to the construction trades but have been expanded to many new occupations, including health care.¹⁰⁶ Recognizing Washington's leading role in developing health care apprenticeships for Health Unit Coordinator and two radiology technology specialties, DOL selected Washington to pilot apprenticeships for specialized Certified Nurses.

It can be difficult to get into popular apprenticeship programs, and applicants usually need to spend some time preparing to meet the challenging entry requirements. Preparation programs ready individuals to enter registered apprenticeship programs or gain employment in supportive roles in industries that use apprenticeship. In Washington, such programs are small and can serve a relatively small number of people. They operate in an uncertain funding environment, and as a result, programs move in and out of operation every year. Much of the funding is categorical, targeting specific population groups, which reduces program flexibility, as well as the ability to get to a scale that can address the skills gap meaningfully. Community and technical colleges and community-based organizations could provide these types of programs and expand access to a wider population than are currently served. For example, dislocated workers, incumbent workers, and individuals lacking English language proficiency could benefit from these opportunities.

Strategy 1.3.5—Enhance “employability skills” training in workforce development programs.
Lead Organizations: OSPI, SBCTC, and WDCs

Every two years the Workforce Board conducts a survey of Washington State employers regarding workforce training needs and practices. In the fall of 2003, employers reported difficulty finding applicants with adequate “employability skills.” For example, 87 percent of employers who had difficulty finding qualified job applicants had difficulty finding applicants with adequate problem-solving or critical thinking skills. This represents 18 percent of all firms in the state (see Figure 1). After the ability to find job applicants with occupation-specific skills, the shortage of applicants with general employability skills is the most pervasive shortage reported by employers.

These findings are consistent with national research. Over a decade ago, the DOL Secretary's Commission on Achieving

FIGURE 1

Employers Report Job Applicants Lack the Following Skills	Among Firms That had Difficulty Finding Qualified Job Applicants for 2003
Occupation-specific skills	91%
Problem-solving or critical thinking skills	87%
Communication skills	83%
Positive work habits and attitudes	83%
Ability to adapt to changes in duties and responsibilities	79%
Teamwork skills	75%
Computer skills	72%
Writing skills	63%
Ability to accept supervision	69%
Math skills	62%
Reading skills	38%

Source: Workforce Board

Necessary Skills determined the skills young people need to succeed in the world of work with the fundamental purpose to encourage a high-performance economy characterized by high-skill, high-wage employment. In 2004, employers continue to report the need for improving these skills. Apart from basic literacy, computational, and thinking skills necessary to put knowledge to work, high-performance workplaces also require competencies, such as the ability to manage resources, work amicably and productively with others, acquire and use information, master complex systems, and to work with a variety of technologies.¹⁰⁹

The National Institute for Literacy solicited Washington State to be one of four state partners in a pilot project to design and validate a work readiness credential. This cross-industry, portable tool should reassure employers that current or potential employees possess basic knowledge, skills, and abilities to succeed in today’s workplace.¹¹⁰

Strategy 1.3.6—Increase the number of individuals prepared to teach students for high-wage, high-demand fields. *Lead Organizations: OSPI and SBCTC*

Education and training institutions have difficulty attracting and retaining high-quality faculty to teach in high-wage, high-demand fields because of the opportunities available outside teaching. This is also a problem when recruiting secondary and postsecondary CTE teachers; it may be hard to attract them away from industry jobs. With limited state funding for salaries, community colleges and high schools need to find ways of attracting and retaining teachers.

Recognizing that high schools compete with industry to recruit teachers in specialized fields, the 2001 Legislature adopted criteria for three alternative routes to certification designed for degreed professionals such as engineers or mathematicians interested in a career change and for current district employees who are classified

instructional staff. In 2002-03, 151 interns participated in the Alternative Routes program and became fully certified teachers in subject and/or geographic shortage areas.¹¹¹ The Professional Educator Standards Board is also developing alternative routes to teacher endorsements to help more teachers to become classified as “highly qualified teachers” as required by the No Child Left Behind Act.¹¹² Another option for overcoming this obstacle is for educational institutions to partner with employers so that employees are released to teach part-time.

The teacher shortage issue must be addressed by a variety of institutions and stakeholders that extend beyond the workforce development system. Workforce development partners, however, must do their part to solve the problem.

Strategy 1.3.7—Highlight and replicate best practices from around the state and nation in CTE. *Lead Organizations: OSPI, SBCTC, and Workforce Board*

Initiatives with proven success provide the best models for replication or adaptation. By studying the best practices that are occurring around the state, nation, and globe, workforce development program staff can efficiently reproduce some elements while adjusting others to suit local requirements and improve their outcomes.

Each year, the Governor recognizes Best Practices, Promising Practices, and Good Ideas at the annual leadership conference in order to highlight and promote creative initiatives throughout the state.

Objective 1.4

Increase education and training for older workers and retired individuals who want to return to work.

Strategy 1.4.1—Improve access to opportunities in education and specialized training for seniors and retired individuals who want to return to work. *Lead Organization: Aging and Disability Services Administration, Department of Social and Health Services (DSHS)*

Washington is second only to Florida and Texas with regard to the growth in the proportion of workers aged 45 and older. The number of older workers in the state will rise dramatically; 1 out of every 5 workers will be 55 or older by 2025, as opposed to roughly 1 in 10 in 2000.¹¹³ In addition to older workers’ delaying retirement, some retirees will either want or need to return to work. Older workers and retirees need access to education and specialized training to improve their prospects for retaining or obtaining employment, thus mitigating the shortage of skilled workers.

Governor’s Award for Best Practice in Workforce Development *Nursing Clinical Placement District #1*

A major contributing factor to the shortage of nurses is the lack of available clinical sites. Students are required to complete a certain number of clinical hours in order to complete their program and apply for a license. With the assistance of a High-Demand grant from SBCTC, Tacoma Community College collaborated with 14 other educational institutions to coordinate clinical placements at more than 350 workplaces. Partners use a web-based matrix to check availability and reserve placements. In its first year of operation, the collaboration enabled an expansion of placements of 26 percent.

The Committee on Economic Development (CED) has recommended that older workers themselves acquire and maintain skills, and that employers recognize the value of investing in training for their older workers and ensure equal access to training for them. In addition, CED recommends that higher education and other training institutions recognize the need for work-oriented learning among older Americans and expand their offerings to a largely untapped customer market.¹¹⁴ The need for training in technology, literacy, and customer service were identified as the three

most critical issues facing older workers at a 1999 conference of the National Association of Older Worker Employment Services. Other barriers include Limited English Proficiency (LEP) and isolation in rural areas.¹¹⁵

The Senior Community Service Employment program (SCSEP), funded under Title V of the federal Older Americans Act, serves persons with low incomes who are 55 years or older and who have poor employment prospects. The program aims to both provide useful community services and foster individual economic self-sufficiency by providing education, training, and placement in unsubsidized jobs. National program statistics show high participation rates among women (nearly three out of four participants), African-Americans, and Hispanics.¹¹⁶ Many WorkSource Centers and partners have established agreements with SCSEP, but these efforts need to be expanded to all areas of the state.

The Mature Workers Alliance of Puget Sound (Alliance)

The Mature Workers Alliance of Puget Sound was formed following the success of a one-day job fair in 2002. The job fair was organized and funded by DOL, Women's Bureau in collaboration with the DSHS—Administration on Aging, and more than 20 agencies in the public, private, and nonprofit sectors. The event attracted over 1,000 mature workers and featured over 40 employer and resource tables. The Alliance continues to flourish coordinating major annual Job/Resource fairs.¹¹⁷

Challenge Two: Incumbent and Dislocated Workers

Goal 2: To enable workers to make smooth transitions so that they and their employers may fully benefit from the new, changing economy by putting in place a coherent strategy for dislocated and incumbent worker training.

Key Performance Measures

1. The number of incumbent workers who receive publicly supported customized training linked to specific job needs of employers and the results of the training: 3,145 incumbent workers trained, an increase of about 2,500 from the year 2000.
2. The ratio of dislocated workers' earnings compared to their earnings prior to dislocation (with separate targets for dislocated workers from low-wage and high-wage jobs): 76 percent earnings replacement among dislocated workers that participated in a workforce development program; 107 percent earnings replacement among dislocated workers from lower wage jobs; and 64 percent

among dislocated workers from higher wage jobs (lower wage jobs are jobs with earnings below the median, and higher wage are those above the median). The earnings replacement rates have fallen over the past four years. The overall replacement rate of 76 percent was 82 percent two years ago and 94 percent four years ago.

3. The length of time between worker dislocation and reemployment in a suitable job: 27 months median length of dislocation among dislocated workers that participated in a workforce development program. The length of dislocation was 29 months 2 years ago and 27 months 4 years ago.

The Issue for Goal 2

Incumbent and dislocated worker training is part of a continuum of workforce development. By enhancing the skills of workers who are currently employed, the state can enable them and their employers to be more competitive, and thereby can sometimes prevent dislocations.

One of the most effective ways to increase the competitiveness of employers is to provide training customized to the specific needs of employers. The Governor's Competitiveness Council has endorsed more customized training, an efficient and effective method since it is designed to meet specific employer needs. Unfortunately, Washington has ranked near the bottom in per capita expenditures among the 47 states with job-linked customized training. According to a 1998 National Governors Association survey (the most recent national data), states spent over \$575 million per year on job-linked training. Washington was last among the 47 states that support this type of training, investing only \$558,000 per year in state dollars. Since that time, Washington has increased its investment in customized occupational skills training. For the 2003-05 biennium, the Legislature increased JSP from \$1.14 million to \$2.95 million, and the Governor has directed \$3.2 million in WIA funds to customized training for incumbent workers.

If Washington is successful in upgrading the skills of incumbent workers, it will have gone a long way to prevent worker dislocation. But worker dislocations will not disappear. Many workers will still lose jobs and experience difficulty in finding new employment at similar wages because they lack the latest skills desired by growing businesses. A study conducted for the Workforce Board found that Washington workers who are dislocated experience a permanent loss of 15 percent of their earnings, compared to similar workers who are not dislocated.¹¹⁹ With a significant number of jobs moving offshore due to globalization,¹²⁰ there is greater need to ensure dislocated workers receive education and training that provide solid employment opportunities.

Objective 2.1

Increase economic competitiveness and prevent dislocation by expanding customized incumbent worker training.

“No state can prosper with a poorly educated workforce, nor can it continue to prosper if its workforce fails to learn continuously . . . Every stage of life presents opportunities for learning that, if pursued, build a strong foundation for future achievements. In like manner, missed opportunities create deficits which tend to persist and accumulate over time.”

Council for Adult and Experiential Learning¹¹⁸

“The first question a company asks when they are looking to expand or locate in our area is: ‘What kind of workforce is available?’ They want to know if there are skilled people out there before they invest dollars in expansion or a new operation.”

Ryan Patrick, EDA
of Skagit County

Online Services to Create Customized Training

In 2003, SBCTC contracted with IWDES, an affiliate of AWB, to create WorkforceCollege.com., which is a “match-making” website that allows employers who need customized training better access to community and technical college resources. This online system enables businesses to make requests for specific training, provides one point of contact, and improves timeliness in providing customized training. WorkforceCollege.com was recognized as a “Best Practice” by the American Association of Community Colleges in 2004.

Strategy 2.1.1—Increase publicly supported customized incumbent worker training, and provide incentives to both employers and employees for this type of training.
Lead Organization: Workforce Board

Little of Washington’s small pot of customized training dollars is spent on upgrading the skills of incumbent workers. In comparison, other states spend an average of 52 percent of their customized training funds on incumbent workers. More resources are needed.

The only state program to defray the cost of upgrading occupational skills of current workers is JSP.¹²¹ In 2001, the Washington Competitiveness Council recommended that the capacity of JSP be increased. Other states, such as Iowa have made larger investments.

Government bonds support customized training in Iowa (\$46 million in 1997). During Washington’s 2004 Legislative session, Senate Bill 6497 proposed establishing a system of state supported customized training for incumbent workers to be funded by

the Economic Development Finance Authority’s Special Obligation Bonds. The bill did not pass.

In order to increase funding for customized occupational training, the Governor is directing that a portion of the state set-aside for WIA be spent for this purpose. Using WIA funds, ESD created the Industries of the Future Skills Training program and Targeted Industry Partnership grants to provide customized training for workers. State agencies and local WDCs are also aggressively seeking other federal grants to increase the skills of working people.

Besides JSP, there are other public funds directed to job-linked customized training. The community and technical colleges’ Customized Jobs Skills Training (CJST), under WorkFirst, also provides customized training linked to specific job openings. This program, however, does not offer any training to incumbent workers. The colleges’ Workplace Basic Skills program, also part of WorkFirst, provides customized literacy education for incumbent workers.

Nationally, most estimates are that employers invest about 2 percent of payroll on employee training. According to a survey conducted by the American Society for Training and Development, total training expenditure per employee rose from \$649 in 2000 to \$826 in 2002.¹²²

NAM's Board of Directors has called on all 14,300 member companies to invest 3 percent of payroll on training. Studies have found that investments in employee training pay off in terms of increased productivity

and profits. According to a 1995 study by the University of Pennsylvania, investing in the skills of workers has more than twice the impact on productivity as investing in equipment or facilities.

The community and technical colleges also contract with employers to provide customized training, often for incumbent workers, for a fee. According to the Workforce Board's 2004 *Employer Survey*, 11 percent of Washington businesses had an arrangement with

a community or technical college to provide classroom training to their current workers. According to the survey results, almost 95 percent of firms who used a community or technical college to train their current workers report they were satisfied with the training their employees received.

Objective 2.2

Enhance business expansion and retention strategies.

“For the United States to maintain its strong leadership position in a growing economy, industry must make greater efforts to prepare workers for the increasing challenges of the high-tech era. This may even require them to substantially increase the percentage of payroll that they currently invest in those activities.”

Jerry Jasinowski,
President, NAM

Best Practice: Skilled Training for Incumbent Workers

After the events of September 11, 2001, Congress created the Transportation Security Administration (TSA) to take over security screening at our nation's airports. As a result, nearly 1,000 security screeners at SeaTac Airport faced layoffs; 62 percent of those affected had LEP. Port Jobs, which operates the Airport Jobs Center at SeaTac Airport, launched a program to improve the skills of the screeners so they could compete for the new screener jobs. South Seattle Community College (SSCC) developed a screener-specific vocational ESL curriculum and taught classes on-site at SeaTac. On-site workshops six days a week enabled 650 participants to obtain the computer skills required to complete the TSA's online application forms and assessment process, and learn interviewing strategies.

As a result of the project, 50 percent (400) of the incumbent screeners assessed by TSA passed and retained their jobs, significant when compared to the 10 percent retention in similar urban airports nationwide.

The project also focused on serving dislocated screeners. The King County Dislocated Workers program contracted with SSCC and Port Jobs to assist in providing intensive services, including access to retraining services and employment, and the Worker Center hired dislocated screeners to conduct peer outreach and share resource information.

Strategy 2.2.1—Market expansion and retention services to at-risk businesses and their workers. *Lead Organizations: Department of Community, Trade and Economic Development (CTED) and ESD*

CTED’s Business Retention and Expansion program works to retain and expand manufacturing and

processing firms and to reduce the number of business closures, failures, and out-of-state expansions that could result in significant loss of jobs. The program identifies threatened manufacturing and processing companies and provides problem-solving and technical assistance to the firms.

Washington State’s investment in business retention and expansion services is significantly less than the majority of states. The state needs to expand services to other industries beyond manufacturing and processing. It also needs to link these services with efforts to develop and upgrade workers’ skills and rapid response services to firms announcing impending layoffs. Again, public-private partnerships, discussed under Goal 1, could facilitate the state’s business retention and expansion services and help with the linkages to workforce development.

Objective 2.3

Return unemployed workers to suitable work in as short a time as possible.

Strategy 2.3.1—Continue to develop dislocated worker services that are coherent, flexible, and accessible, and continue best practices such as rapid response labor-management committees. *Lead Organizations: ESD and WDCs*

In order to effect a coherent policy for serving dislocated workers, all state and federally funded programs that serve dislocated workers will implement consistently the general principles on page 96 across the state.

The major federal program for dislocated workers, Title III of the Job Training Partnership Act (JTPA), became part of WIA Title I-B on July 1, 2000. Washington frequently uses these federal funds in tandem with the state’s Worker Retraining program. Federally funded services include rapid response services to employers and workers, providing assistance as soon as pending layoffs are known. Best practices include feasibility studies of options other than closures and layoffs and the establishment of labor-management committees that bring together the resources and perspectives of both

Business Retention and Expansion Program Strengthening Business and Securing Jobs

A fine example of an effective partnership between economic development and workforce development is in Yakima County. The Economic Development Association/New Vision (EDA) assists manufacturing businesses via the Business Retention and Expansion program. These businesses include agriculture and food processing, viticulture, metal fabrication, wood products, plastics, printing, fabrication of food processing equipment, and telecommunication products. Strong relationships between the EDA, the Tri-County WDC, and Washington Manufacturing Services paved the way to capitalize on a \$70,000 customized training grant. Private industry provided a match of \$140,000, and, since 2002, over 200 workers from 45 manufacturing companies in the area have received customized training. EDA staff believes the success of the Business Retention program has helped their county to weather the recession much better than most areas in the state.¹²³

General Principles for Serving Dislocated Workers

1. Prevention is the best strategy. The state's first priority is to attempt to prevent worker dislocations from occurring. Examples of specific prevention strategies include incumbent worker training and business and job retention assistance.
2. When dislocation cannot be prevented, the state will mobilize resources as quickly as possible. The state's response will be coordinated, involve labor and management, and will be based upon best practices.
3. Frontline staff, including staff at WorkSource Centers, will provide knowledgeable and courteous services to dislocated workers. Frontline staff will be familiar with the full range of state and federal dislocated worker program options, and resources and will immediately link workers with sources for further information.
4. The state will offer the highest quality labor market information, consumer reports on training providers, and other career planning information.
5. The state will use comprehensive assessments to quickly identify dislocated workers who may require intensive or training services in order to be successfully reemployed in suitable employment.
6. The state will offer dislocated workers high-quality retraining in skills in high demand. The retraining will be accessible, timely, and based on industry standards.
7. Employment and education staff will collaborate in developing individual training plans.
8. The state will offer public financial assistance to help cover the living expenses of dislocated workers while they are in retraining, subject to funding and statutory restrictions.
9. Programs will be complementary, flexible, and consistent—avoiding contradictory rules, definitions, and practices.

parties to planning, oversight, and problem-solving. Peers can bring special knowledge and better rapport to dislocated worker counseling. For workers who become dislocated due to plant closings, ESD and WorkSource centers deliver on-site reemployment services.

For the purpose of enhancing the early warning system, ESD has developed a weekly early warning “red flag” report to share information with key state and local leaders on potential and actual worker dislocations.

Strategy 2.3.2—Provide retraining in high-demand fields. *Lead Organization: SBCTC*

The state has invested \$68.5 million for the 2003-05 biennium for dislocated worker training through the Worker Retraining program at community and technical colleges and private career schools. The colleges and schools provide training in basic skills and literacy, CTE, and related or supplemental instruction for apprentices. These dollars will assist more than 25,000 full-time equivalent students.¹²⁴ Students who

qualify for the program may receive financial assistance that can help with tuition, as well as offset the costs of child care and transportation.

The 2000 Legislature enacted the Training Benefits program that offers dislocated workers UI benefits for up to 52 weeks (depending on their industry) while they are in retraining. Since July 2002, \$40 million in additional benefits are available per biennium.

Workforce Board research has found that retraining can have a substantial positive impact on worker earnings, but this impact depends on the type of training.¹²⁵ Training for high-wage fields increases worker earnings by an average of \$3,200 per year, while training for low-wage fields typically has a negative impact on earnings. If training is in low-wage fields, dislocated workers are better off seeking immediate employment. Time spent in training is time spent out of the labor force where skills and experience can be gained on the job. To increase the net benefit of retraining, training should be in high-wage fields and provided in as short a

time as possible. Better career guidance prior to enrollment in training is needed so dislocated workers can make choices that will sustain their level of earnings.

Challenge Three: Wage Progression for Low-Income Workers

Goal 3: To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and other low-wage workers to move up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress will be made in improving operating agencies and reducing the earnings gap facing people of color, people with disabilities, and women.

Key Performance Measures

1. The percentage of students entering ninth grade class of common school students who graduate from high school with their class: OSPI estimates a statewide on-time graduation rate for the class of 2002 of 65.7 percent¹²⁶ (first time measured this way).
2. The percentage of participants in workforce development programs whose earnings during the second year after program participation can support their family above the poverty level. (This measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole.) Among program participants with individual earnings below the family poverty line before starting, 50 percent had individual earnings above the family poverty line during the second year after participation (47 percent for women, 43 percent for people of color, and 37 percent for people with disabilities). The results are somewhat lower than two years ago: 53 percent overall, 50 percent for women, 48 percent for people of color, and 43 percent for people with disabilities.
3. The median increase in earnings and hourly wages during the first three years after participation in workforce development programs. (This measure will be reported separately for women, people of color, and people with disabilities,

as well as for the participant population as a whole.) Among program participants with individual earnings below the family poverty line before starting, median earnings during the third year after participation were 35 percent higher than during the first year after participation, and median hourly wages were 18 percent higher. For women, earnings were 38 percent higher, and hourly wages were 18 percent higher. For people of color, earnings were 31 percent higher, and hourly wages were 15 percent higher. For people with disabilities, earnings were 52 percent higher, and hourly wages were 17 percent higher. The results are somewhat lower than two years ago. Overall the increase in earning fell from 42 percent to 35 percent, and the increase in wages fell from 20 percent to 18 percent.

The Issue for Goal 3

In designing strategies to help low-income workers and youth, the state must take into account the different populations served. Certain subpopulations are overrepresented among the economically disadvantaged:

people with disabilities, people of color, and women.¹²⁷ According to the 2002 Washington Population Survey, there were 601,000 adults (14 percent of Washington adults), aged 21 or older, with household incomes at or below 175 percent of the poverty line. Of the economically disadvantaged, 53 percent were employed but in low-paying jobs. Improving the earnings potential of this group will not only increase their standard of living, but also improve the economic prosperity of the whole state.

For adults who are unemployed, the state must apply strategies to help them get employed and stay employed since continuous employment is usually accompanied by steadily rising wages.

For low-income individuals, occupational skills training increases wage progression beyond the gains achieved by continuous employment alone. The state must, therefore, overcome financial, logistical, and access barriers that prevent disadvantaged people, including the working poor, from obtaining occupational skills training.

Objective 3.1

Reduce dropouts and increase high school graduations.

Strategy 3.1.1—Ensure all youth achieve the necessary core skills as established by industries in their chosen career pathway, including the achievement of the high school diploma or entrance into a postsecondary education or training program. *Lead Organization: OSPI*

OSPI estimates a statewide on-time graduation rate for the Class of 2002 of 65.7 percent. The on-time graduation rate is the percentage of entering ninth graders that graduate on time with their class.¹²⁹ This OSPI estimated on-time graduation rate is in line with the findings of another study of high school graduation rates for the class of 2001 conducted by the Manhattan Institute. It calculated that Washington's graduation rate is 66 percent. Washington ranks 38th nationally in on-time graduation. With the passage of No Child Left Behind, school districts are considering restructuring high school to engage and retain students, thus improving graduation rates.

“Clearly, many families remain poor despite having a significant attachment to the labor force: More than half of non-elderly individuals living in families with an income below 200 percent of the federal poverty level are in families who work.”

MDRC, National Governors Association, Center for Best Practices, 2004¹²⁸

For students who drop out of their regular high school, alternative programs provide an option for obtaining a high school diploma.¹³⁰ Under WIA, local WDCs have established Youth Councils that are applying their resources to prevent dropouts and reengage students in learning. Local WDCs can work with their local K-12 system, their WorkSource operators, and their contractors for youth services to ensure resources are maximized.

For special education students who may exit high school without a diploma, high schools need to ensure that they achieve the necessary core

skills to gain entry into employment or postsecondary education and training. As a competency-based system of assessment emerges to replace seat-time, the K-12 system will need to revisit how success is measured for all students.

Engrossed Senate Bill 6456 (2002), authorized the Academic Achievement and Accountability Commission “to set performance improvement goals for certain disaggregated groups of students and dropout goals.” Just prior to the passage of state law, the federal No Child Left Behind Act passed requiring states to adopt goals for

high school graduation rates and use the results to determine whether adequate yearly progress is being made. The Commission set a minimum graduation target rate of 73 percent for all students until the year 2014 when the goal will be 85 percent. This target does not have to be met separately for each of the subgroups of racial and ethnic minorities, economically disadvantaged, limited English proficient, and students with disabilities. The Commission also agreed to revisit the graduation rate goals in the fall of 2004 when better data are expected to be available.¹³¹

Increasing high school graduation rates requires a wide range of measures, including preventative measures to assist students as early as possible. Students of color face great challenges; there are disproportionately high dropout rates for Hispanic, Native American and African-American students.¹³² Increasing on-time graduation rates as required by No Child Left Behind is an important goal, but students who have dropped out and then reenter an educational program are often so far behind they

Statewide Tribal Education Summit in 2003

Priority Issue

A priority issue identified at the Statewide Tribal Education Summit in 2003 was the high truancy and dropout rates among Native American students. At the summit, Native American students, tribal leaders, Native American educators, and state agency representatives created an action plan to meet this and other challenges. The plan includes developing partnerships between tribes and school districts, encouraging tribal community and parental involvement in education, and communicating tribal positions on education policy to school districts and state leaders. The summit was organized by the Governor’s Office of Indian Affairs and OSPI, and sponsors included the Confederated Tribes of the Colville Reservation, Muckleshoot, Squaxin Island, Skokomish, Jamestown S’Klallam, and Makah tribes.

cannot graduate on time. These students still need assistance to obtain a high school diploma.

Finally, it must be stressed that a high school diploma alone does not generally enable an individual to obtain a family wage job. The path to self-sufficiency starts with graduating from high school.

Strategy 3.1.2—Develop local community-school partnerships that plan and implement dropout prevention and retrieval initiatives for at-risk youth, including effective after school hours and summer programs. *Lead Organizations: Workforce Board, OSPI, and WDCs (Youth Councils)*

In 2004, the Workforce Board, ESD, and OSPI launched an initiative to help students finish school. The initiative is enabling WDCs, social service partners, and targeted school districts to implement dropout prevention and intervention demonstration projects in areas with high concentrations of at-risk youth.¹³³ The program teams are using \$1.34

million of WIA youth allocations to leverage Basic Education Act funds. The goal is to return youth who have dropped out of high school to education and to prevent at-risk youth from dropping out.

Objective 3.2

Assist unemployed individuals to gain and retain employment, and assist low-income individuals to achieve wage progression.

Strategy 3.2.1—Continue to develop more effective employment services and strengthen postemployment services to help individuals obtain and retain jobs that lead to wage progression. *Lead Organizations: ESD and WDCs*

Beyond completing their basic education, an initial step for disadvantaged individuals is to increase their earnings and retain employment. WorkSource Centers are often the first point of contact for job seekers, and therefore play a vital role in linking individuals to the resources they need to be successful.

Gaining and retaining employment can be a difficult first step for individuals at the bottom of the labor market. They may have problems coping with the balance of family and work—their work is often sacrificed if a domestic crisis arises.

Wenatchee: Innovative Partnership Prevents and Retrieves Dropouts

A partnership between the Wenatchee School District and the SkillSource Learning Center extends beyond traditional methods to educate young people. The program enables students who have dropped out of high school, often more than once, to complete their high school education or equivalent, gain experience in the workplace, and understand and act on vocational education opportunities. The program registers students with the Wenatchee School District. State basic education funds support individualized classroom learning and federal workforce funds support structured work-based learning with local companies and services that moderate some of the adverse effect of dysfunctional or disadvantaged home environments.

In addition to dropout retrieval, this program prevents dropouts through Credit Catch-Up. High school students at risk of dropping out attend the Learning Center in the evenings to earn extra credit and get back on track for graduation. Close coordination between high school counselors and SkillSource instructors and trainers maximizes each student's productivity and success. Since its inception 15 years ago, the program has benefited more than 1,000 former dropouts and enabled 450 of these to earn their high school or equivalency certificate.

They may need help with transportation and child care, and they may lack basic literacy and life management skills. Sometimes they experience substance abuse, trauma, domestic abuse, or homelessness. The state's virtual site for WorkSource is <www.Go2WorkSource.com>.

Postemployment services assist individuals to retain their jobs and increase their earning potential.¹³⁴ In particular, new employees who are immigrants or without substantial employment history can benefit from a variety of postemployment support strategies. For example, postemployment services can help job seekers identify career ladders, or career maps. These provide both a structured plan and a pathway by which entry-level workers can advance within a set of related and increasingly better paid occupations. For example, an individual could start as a certified nursing assistant, advance to a position as a licensed practical nurse, and then to registered nurse. Each level involves additional responsibilities and earnings but requires learning additional skills.

The welfare-to-work programs that are most successful in increasing employment and earnings on a sustained basis provide a range of services, including job search, life skills, and education and training. The National Evaluation of Welfare-to-Work Strategies examined welfare-to-work programs across the nation and found that the Portland, Oregon JOBS program, Steps to Success, produced notably larger impacts on employment and earnings than any other programs. Portland participants experienced a 25 percent increase in earnings and a 22 percent reduction in the time spent on welfare, compared to other programs that produced, on average, increases of 8-17 percent on earnings and reductions in months on welfare of 8-14 percent. Steps to Success focused on employment in higher paying jobs with benefits and included education, training, and life skills activities. Recipients usually participated in one service activity at a time, depending on their specific needs.¹³⁵

It is probable that some industries offer low-income workers better chances for wage progression than

others. Preliminary evidence from research conducted by ESD shows that construction and the finance and insurance industry offer the best opportunities for low-wage workers followed by manufacturing, wholesale trade, health care, and the information technology industry that includes many of the high-tech jobs.¹³⁶ Also of note was that changing employers and even industries was associated with gaining higher wages. The results of this study should be available at the end of 2004 and may prove useful in assisting low-income workers and unemployed individuals in taking advantage of opportunities with the most potential for career advancement and higher wages.¹³⁷

Large companies across the nation have started to recognize the benefits of providing supportive services to low-income workers. A 1999 Family and Work Institute study of eight large employers with high proportions of low-income workers found they saved money by providing health benefits, employee assistance plans, and wage increases to their low-wage workforce. Marriott International provides a variety of innovative

programs designed to help workers resolve personal problems to be more effective at work. The company provides child care and transportation assistance, as well as financial counseling.¹³⁹

Strategy 3.2.2—Expand programs with demonstrated success in enabling low-income individuals to achieve wage progression such as customized training, apprenticeship preparation and apprenticeship programs, and other training opportunities. *Lead Organization: WorkFirst Sub-Cabinet*

The state’s WorkFirst program includes strategies to assist disadvantaged individuals to gain and retain employment. Support services are provided to facilitate employment, including child care, transportation, and other employment-related costs. The Community Jobs program arranges for temporary jobs in government and community-based organizations and assists individuals to combine training with their employment. CJST provides short-term, customized training for specific employers. The

WorkFirst Post-Employment Labor Exchange supports job retention and progression through career guidance, referrals, and other services over the telephone. The LEP Pathway blends ESL instruction with job search assistance, work or work-like activities, and includes employability skills training. In 2003, WorkFirst launched the Targeted Wage Initiative (TWI) to increase the entry-level wage of WorkFirst participants and increase employability skills. Washington has been the most successful state in the nation in increasing the number of low-income workers claiming the federal Earned Income Tax Credit, which enables many low-wage workers to have incomes above the poverty level, thus increasing their incentive to gain and retain employment.

TWI’s inclusion of occupational skills training as an option is supported by research. The Workforce Board’s 1997 and 2002 net-impact evaluations examined the relative impact of workforce development strategies and found that occupational skills training was the most effective strategy for raising wages.

Participants who received only adult basic skills instruction or job search assistance did not experience the strong earnings increase experienced by those who received occupational skills training.

Program participants who received occupational skills training at a community or technical college experienced wage and earnings gains substantially above their comparison group of similar individuals. This finding does not say that occupational skills training is the right strategy for all disadvantaged people. Not all economically disadvantaged people are in a position to take advantage of a training program due to substance abuse, limited basic skills, or other

“We know that if we support lower-income workers, they are more engaged in their jobs, are more productive, and have lower attrition rates. This saves corporations money.”

Donna Klein, VP
Marriott Internal
Diversity and Workplace
Effectiveness, and Chief
Executive Officer of
Corporate Voices for
Working Families¹³⁸

Career Ladders in Nursing

Shoreline Community College and the Service Employees International Union 1199 have launched a national labor management education program for Fast Track into Practical Nursing. The program is offered online, which allows students who already work in a health care setting to go to work and school at the same time. Clinical components of the course are offered on days students are at work at a hospital or at a long-term care site, enabling students to complete the clinical portion of their program without losing work days.

Targeted Wage Initiative

Many researchers assert that initial placements in better-paying jobs reduce the rate of return to welfare and accelerates wage progression.¹⁴⁰ In 2003, WorkFirst partners launched TWI, which intensifies job search and improves the employability skills of WorkFirst job seekers with the goal of employment in higher-wage jobs within 90 days. Participants participate in a work skills assessment that enables them to develop a success plan that leads to one of three tracks.

1. Customer stays engaged with ESD for Targeted Job Search (e.g., job search training, job development, employer engagement, and short-term employability skills training).
2. Referral to college for CJST.
3. Referral to college for High-Wage, High-Demand Training (HWHD).¹⁴¹

New training programs that complement and enhance TWI Job Search services are offered at community and technical colleges across the state. By the end of 2003, most WorkFirst offices statewide had adopted TWI services.¹⁴²

In Spokane, for example, TWI has been integrated with the WorkSource Business Outreach plan to capitalize on established partnerships with employers. Business representatives regularly participate in Job Search Workshops to enable clients to hear directly from business about the responsibilities and expectations of different jobs. In collaboration with the Community Colleges of Spokane, students may participate in CJST in health care, call center, hospitality, Microsoft Suite, and materials handling. A WorkKeys assessment enables WorkFirst clients to define where they reach, exceed, or fall short of employer requirements in key competencies required by employers.

extreme barriers. This finding points out the importance of enabling those individuals who can succeed in occupational skills training to have access to it.

Supporting low-income individuals to join apprenticeship programs is another avenue for increasing occupational skills training for low-income individuals. Apprenticeship programs combine earning and learning and have built in wage progression as an individual demonstrates achievement of a formal set of skill standards.

Strategy 3.2.3—Expand access to support services, such as child care, especially for target populations.
Lead Organizations: DSHS (Economic Services and DVR) and WDCs

Gaining and retaining employment can be a difficult first step for entry-level workers or those with minimal skills or work experience. Individualized services can assist people to overcome the challenges of child care, transportation, basic literacy, limited English language

proficiency, or a lack of life management skills. Those with disabilities or those who experience substance abuse, domestic abuse, or homelessness have compounded problems.

Strategy 3.2.4—Provide training programs at times and locations that are accessible to working people, and provide support services to assist in overcoming barriers to training.
Lead Organization: SBCTC

The state faces a daunting challenge in providing real access to occupational skills training for the working poor. They often have a difficult enough time working and taking care of a family without also going to school.

The state must make more training programs available at convenient hours and locations for working people. It must provide child care and other support services at times and places where parents are going to school. It must offer training using modular curricula that is open-entry and open-exit so workers can receive training in doable doses.

Strategy 3.2.5—Increase basic skills and ESL instruction that is integrated with occupational skills training.
Lead Organization: SBCTC’s Office of Adult Literacy

More should be done to integrate occupational skills training with Adult Basic Skills instruction.¹⁴³ Both the Workforce Board and national research show that basic skills training provides more likelihood of wage progression for participants when combined with occupational skills training. A recent CLASP report that examined programs in other states found linking basic education, including ESL with occupational skill upgrading can have a dramatically positive effect on earnings. The report also asserts basic skills and occupational skills instruction could be even more effective when combined with soft skills training to help immigrants understand and advance in U.S. workplace culture.¹⁴⁴

The CLASP report also recommends developing ESL workplace certificates, which establish English language competencies needed in

- *While U.S. immigrants accounted for 40 percent of the population growth and 50 percent of the labor force growth during the decade of the 1990s, a majority of immigrants perform at the lowest literacy level.*
- *U.S. immigrants have lower literacy, on average, than immigrants in other high-income countries, even when level of education is considered.*
- *U.S. immigrants with higher literacy proficiency have better labor market outcomes and wages and are less likely to be poor and require government support.*
- *U.S. immigrants with higher literacy proficiency are also more likely to be enrolled in education and training programs, participate in community and civic affairs, and keep abreast of public issues.*

Irwin Kirsch, “A Human Capital Concern: The Literacy Proficiency of U.S. Immigrants”
Center for Global Assessment, Educational Testing Service, March 2004

Bridging Cultural Gaps in the Workplace

Clover Park Technical College received a grant from SBCTC’s Office of Adult Literacy to develop a curriculum designed to help immigrants achieve greater success in the U.S. workplace. The curriculum develops cross-cultural competence and knowledge of cultural expectations in the U.S. work environment.

The curriculum assesses the cross-cultural training needs of the learners and includes units on communicating across cultural boundaries and employer and employee expectations on the job. A secondary benefit is the enhancement of English language skills through role plays, conversation, and the use of new words. At the end of each chapter, students practice new skills through real world activities and conduct self-assessments. Program outcomes include increased job retention and opportunities for advancement on the job.

The curriculum creators stress, “. . . the goal of the curriculum is not to change the learners, but rather to help them adapt to the differences they will encounter. This will enable them to participate more effectively and comfortably in the workplace in the U.S.”¹⁴⁵

particular jobs. Washington is one of five pilot states participating in a project to develop a workplace readiness credential that could be an important tool for residents with limited English proficiency. The credential training and assessment could be provided for students in adult education and CTE programs and to customers of WorkSource Centers.

Strategy 3.2.6—Create and offer financial incentives to employers and low-income workers to increase training. *Lead Organization: WorkFirst Sub-Cabinet*

The state must provide financial incentives to both employers and employees for career and technical skills training so that both can afford it. Washington could consider incentives that are offered in other states such as tax credits, income support for time spent in training, and financial aid for part-time students. In Ohio, welfare recipients who obtain entry-level hospitality jobs are eligible to participate in the Hospitality On-Site Training program. Each week participants receive 10 hours training, work for

20 hours, and the program pays them for 30 hours work, enabling them to meet the work requirements of the state's welfare reform law.¹⁴⁶ North Carolina's New and Expanding Training program includes a worker training tax credit to the company for new employees during training or existing employees training on new equipment. To be eligible, the company must pay above the average wage standard for the county of location, and extra credit is available in regions where jobs are most needed. The Focused Training program assists companies in training workers to use new technologies in targeted industries: manufacturing, information, and telecommunications.¹⁴⁷

Strategy 3.2.7—Provide financial assistance that enables working adults and ESL Adult Basic Skills students to take advantage of education and training opportunities. *Lead Organizations: HECB and SBCTC*

According to *Measuring Up 2003—The State-By State Report Card for Higher Education*, Washington State

lags behind other states for college participation of working age adults aged 24-50. Community and technical college students enroll in workforce programs to upgrade or retrain. The majority of these are low-income working adults who attend part-time, often enrolling in fewer than six credits per quarter. The average annual income for the typical adult enrolled in workforce education programs on a part-time basis is \$19,285 (2001-02). This compares to the state average annual income from wage earnings of \$37,849.¹⁴⁸

Participants in Adult Basic Skills and ESL programs face more severe financial barriers. According to the 2000 Census, there were over 494,000 adults in Washington aged 25 or older with less than a high school credential and 255,000 adults 18 or older with LEP. Since the state needs to ensure that its residents have opportunities to achieve basic literacy as a first step to wage progression, it makes sense to remove barriers, including financial barriers, that could inhibit the path to obtaining work and achieving wage

progression. Previously free, colleges may now impose a \$25 fee or waive charges for students who cannot pay.

Objective 3.3

Remove barriers for populations with unique obstacles to employment, and increase the number of employers who hire individuals with disabilities, women, and people of color in high-wage, high-demand occupations.

The contracting labor force is offering a once in a lifetime opportunity to make good paying jobs available to a wider spectrum of people than in the past. The challenge is that many of the populations that have been underutilized in the past continue to face barriers in the labor market.

Several programs currently address the needs of these special populations. DVR and DSB provide a full range of vocational services for the people with the most severe barriers, including assessing vocational interests and abilities, referrals for job training, physical and mental restoration services, and

conducting follow up services to people with significant disabilities. As described earlier, WorkFirst’s services to Temporary Assistance for Needy Families (TANF) recipients include LEP Pathway that blends ESL instruction, job search, job retention assistance, and access to training for wage progression.

Farm workers have particular needs that must be addressed. Among the approximately 170,000 migrant and seasonal farm workers, the median annual income is \$5,000, and the median level of educational attainment is the eighth grade. In the first two years of operation, DOL’s National Farm Worker Jobs program assisted 800 migrant and seasonal farm workers in Washington to obtain job training, employability development assistance (including literacy development), and related assistance.¹⁵⁰ The state must continue to create training programs that respond to the unique characteristics of the farm worker population, including the seasonal nature of their work.

“Adult students (25 years of age and older) are becoming the new majority on campuses across the nation, and many of these students, particularly those who are low-income, face multiple challenges and barriers to academic success.”

Lumina Foundation/American Council on Education, 2004.¹⁴⁹

Ticket to Work—Phase 2

Washington began implementing Health Care for Workers With Disabilities (HWD) in January 2002. The first phase of the Ticket to Work and Work Incentives Improvement Act of 1999 enabled states to eliminate barriers to employment for people with disabilities by improving access to health care coverage available under Medicare and Medicaid. HWD allows people with disabilities to work and to earn up to 450 percent of the federal poverty level and still continue their Medicaid coverage, eliminating one of the most significant barriers to employment.

The next phase of Ticket to Work began in Washington in June 2003. The Social Security Administration sent a ticket to every working-age Social Security Insurance or Social Security Disability Insurance beneficiary (180,000 individuals) in Washington to take to any approved service provider from the employment network and exchange for services leading to or supporting employment. If the services are successful in enabling the ticket holder to work and earn to the point that they are no longer drawing a monetary benefit from Social Security, then the ticket taker is paid up to 40 percent of what that monetary benefit would have been for up to five years.

Strategy 3.3.1—Implement the Ticket to Work program. *Lead Organizations: DVR, DSB, and WDCs*

Because Ticket to Work assists many people with disabilities to take advantage of employment opportunities, it is important that workforce partners and service deliverers have a strong understanding of this program and inform customers of the options that are available.

Strategy 3.3.2—Educate employers, especially employers from high-wage, high-demand industries about the benefits of hiring individuals from target populations. *Lead Organizations: ESD and IWDES (an AWB affiliate)*

People with disabilities constitute Washington’s largest underutilized human resource. Several studies reveal that employers are at least as satisfied with employees with disabilities as with others. A study by the DuPont Corporation reported at least 90 percent of 3,000 employees with disabilities were rated average or above average in job performance.¹⁵⁰

Employers may be largely unaware of the benefits of hiring people with disabilities, including the 9 different tax incentives designed to encourage employment of people with disabilities and over 100 different programs that assist with recruiting and other issues related to employing people who have disabilities. Disabilities program administrators must work together to ensure the wide array of programs appear seamless from the employers’ perspective and meet employers’ needs.

DVR and the Governor’s Committee on Disability Issues and Employment are working together to develop a Disability Employment Clearinghouse. The Clearinghouse will serve as a single point of contact for many groups. For the employer community, it will serve as a resource for recruitment, training, and providing information and resources on reasonable accommodation to assist with successfully employing people who have disabilities. The Clearinghouse will also provide templates for marketing materials and will be used as a resource for technical assistance to improve the

effectiveness of efforts by generic business outreach programs to market workers who have disabilities.

Strategy 3.3.3—Continue developing accountability and program improvement mechanisms for increasing employment and earnings for target populations. *Lead Organization: Workforce Board*

Program improvement begins with sound information regarding program performance. In 2003, the Workforce Board published six “Workforce Focus” papers presenting the results of workforce development programs for target populations such as women, people with disabilities, Hispanics, Asians and Pacific Islanders, African-Americans, and Native Americans. Results are included for community and technical college job preparatory training, worker retraining, the three funding streams of the JTPA (now WIA Title I), Adult Basic Skills Education, vocational rehabilitation, private career schools, and secondary CTE.¹⁵²

The *Workforce Focus* papers identify the share of program participants from target populations, completion rates, postprogram employment rates, hourly wage rate and earnings levels, participant satisfaction with their program, and how the results for target populations compare to the results for other program participants. Workforce development programs can now use this information to improve the diversity of their programs, as well as the results for target populations. The Workforce Board will update the information every two years.

Comprehensive data helps to formulate workforce development policy but this must be complemented by accountability and improvement mechanisms. Agencies should:

- Continue to develop mechanisms for the collection and analysis of data on the usage and outcomes of workforce system services by target populations and for target population membership on local WDCs.

- Conduct coordinated research examining the variation in wage progression among target populations and identify variables that account for success or failure.
- Identify, highlight, and replicate programs and best practices that have demonstrated successful outcomes for target populations.
- Develop and maintain performance measures that encourage access to services and beneficial outcomes for target populations.

Challenge Four: Facilitate the Integration of Workforce Development Programs

Goal 4: Integrate workforce development programs to improve customer service.

Key Performance Measures

1. The percentage of total employers using WorkSource: 7 percent of Washington employers used WorkSource, not counting electronic services (first time measure).

2. The percentage of total workers using WorkSource (this measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole): 10 percent of Washington workers used WorkSource during the first year, not counting electronic services.
3. WorkSource customer perception of seamlessness as evidenced by survey responses. This measure will be reported separately for women, people of color, and people with disabilities, as well as for the participant population as a whole.

The Issue for Goal 4

Through state and federal statutes and executive orders, there are 18 different programs managed by 7 agencies in the workforce development system. Congress and the Legislature created each program to fulfill specific purposes, and it can be a challenge for service delivery administrators and staff to make connections between programs so customers receive the highest quality

WorkSource Performance Indicators¹⁵³

79.1 percent of job seekers using WorkSource services said WorkSource is doing either an excellent or good job in making services easier to use.

service. As discussed in chapter three, WorkSource is Washington's One-Stop portal where job seekers and business customers alike can access a full range of services.

While there are 27 full-service centers and 43 affiliates, there is a need to knock down categorical thinking. Workforce development programs must be considered a system and act as a system. Workforce partners must face up to hard decisions regarding shared resources and shared accountability for results. One of the most crucial challenges facing the system is to successfully mobilize the resources needed to provide reasonable accommodations for customers with disabilities and grant this population the same opportunities to take advantage of services as other populations. If Washington is to meet the challenges presented by the skills gap, transitions for incumbent and dislocated workers, and wage progression for low-income individuals, workforce partners must move beyond programmatic approaches. Washington must provide the best possible service to

employers and job seekers through any funding stream that works, freeing customers from concern about administrative requirements.

Objective 4.1

Improve WorkSource services to business customers.

Strategy 4.1.1—Respond to the needs of business customers and implement coordinated strategies among WorkSource partners. *Lead Organizations: ESD, WDCs, and IWDES*

A coordinated approach for WorkSource services will enable employers to get assistance from the public sector, not only to find workers, but for a variety of other services. The WorkSource system can provide labor market information, prevailing wage rates for specific occupations and geographic regions, computer job matching, assistance with recruitment such as screening services and job training, among many other services.

Coordination to Serve Employers in Skagit County

In Skagit County, manufacturing businesses identified a need for assistance with recruitment of skilled workers and training current employees in manufacturing to upgrade their skills in line with current practices. Through the Business Retention and Expansion program, the Economic Development Area (EDA) of Skagit County acts as a facilitator connecting businesses with workforce development partners and resources. The EDA works effectively with the Northwest WDC, the WorkSource Center, Skagit Valley Community College, and other training programs. In 2003, the Northwest WDC received a Targeted Industry Partnership grant from ESD as part of the Governor's WIA 10 percent allocation. This grant has enabled over 30 workers from Northern Marine, a luxury yacht building company in Anacortes, to receive customized technical training and another 150 to receive safety training.¹⁵⁴

CTED, in partnership with ESD, launched the Smart Move initiative that will test new ideas and support innovations in business outreach. Smart Move provides \$40,000, divided into small grants of \$5,000-\$7,000, for WorkSource Centers to strengthen connections between the business community and low-income (WorkFirst) job seekers. Funds may be used to customize marketing materials or resources around a key industry, provide specific customer training, create easier access to information about tax credit opportunities, or to assist current projects that need further financial support to explore innovations. Along similar lines but with a slightly different focus, DOL awarded the Workforce Board, in partnership with ESD, a \$30,000 Technical Assistance and Training grant to enhance the work of skill panels. Skill panels applied for up to \$5,000 to develop in-depth working relationships with WorkSource Centers in their area. The funds can support industry-specific activities such as presentations by panels of employers, workplace tours, job shadowing experiences for

WorkSource staff, and participation at industry-specific conferences. The goal is to deepen WorkSource staff knowledge of the skill needs of key industries.

The WINs project will pilot a Loaned Professional program to enable business executives to work in local WorkSource centers to learn about business services and improve them. Recognizing the need to develop workforce leaders among the business community, Workforce Washington! will pre-screen and orient more than 400 business candidates willing to serve on WDCs, the Workforce Board, community and technical college boards, and advisory committees.

Objective 4.2

Make workforce development services from multiple providers a straightforward and effective experience for job seekers and youth.

Strategy 4.2.1—Improve customer service by collecting and using customer feedback, providing

electronic services, and sharing information on customer service best practices. *Lead Organization: ESD*

WorkSource Centers and affiliates around the state devised a variety of methods for assessing customer satisfaction that range from customer satisfaction cards to focus groups. Since 2003, ESD’s mystery shopping program has evaluated customer service for job seekers and business

“WorkSource Centers need to strategically decide on which employers to focus their attention. One breakthrough point observed by some of the centers with strong employer services teams was a realization that they needed a carefully thought through strategy about employers on which to concentrate. No One-Stop Center can serve everyone well, just because of resource limitations. What some have realized is focusing on economic development targeted industries or on other strategically selected firms may result in greater impact.”

Larry Good, President, Corporation for a Skilled Workforce, Benchmarking One-Stop Centers: Understanding Keys to Success

customers and includes mystery shoppers with LEP and people with disabilities. Mystery shopping data and analysis are shared with ESD leadership and the 12 WDCs who are responsible for oversight of WorkSource Centers. Staff learn about best practices and examples of positive and negative interactions via Morning News articles, ESD's intranet site, and at local office staff meetings. WorkSource Centers and affiliates recognize staff for exemplary customer service and use mystery shopper results to improve service. One best practice example that local offices have adopted is the "Telephone Etiquette Desk Aid" that changed the UI Telecenter telephone script to better meet the needs of customers.

In response to feedback from job seeker and employer customers, as well as WorkSource and affiliate staff, a new, enhanced version of Go2WorkSource.com will be released in early 2005. It will improve usability, efficiency, and accountability. Specifically, the site will respond to customer requests, expand recruitment features, provide

multiple language translation for all content, navigation, resumes, and jobs, and increase integration with other state and national websites: Workforce Explorer, America's Job Bank, and Career One-Stop.

Identifying additional sites for customer core services access via the Internet is another way to improve customer service. For individuals who do not have access to the Internet at home, WorkSource partners will identify additional public spaces that can offer Internet access. Possible venues include libraries, community and technical colleges, and community centers.

The annual Workforce Strategies leadership conference is an opportunity to recognize best practices. Since 2001, the Workforce Board has hosted an annual conference bringing public, private, state, and local workforce development leaders together to share information, develop relationships, and examine innovative local and national policies. In 2003, the Workforce Board and ESD hosted a Youth

Council Institute. Members and staff from Youth Councils of all 12 WDCs learned about the innovations of their counterparts and national best practices to assist youth achieve success in education and the workforce.

Strategy 4.2.2—Include all WorkSource partners in customer service training, including training in serving target populations. *Lead Organization: ESD*

By June 2004, 100 percent of ESD staff had been trained in "Creating Magical Moments for Our Customers," understanding customer needs, communication that makes a difference, dealing with customer service challenges, and problem solving. Other training includes development of an assessment tool for workforce staff that helps them identify competencies and training needs and enhancing staff's ability to provide fair, respectful, consistent, and conscientious service to internal and external customers.

Customers and training providers from target populations are well represented among those developing the training models and delivering the training. The training capitalizes on available capacity and expertise. By taking these steps, WorkSource Centers help ensure that workforce development services are provided in a welcoming and accessible manner to the full range of customers.

Strategy 4.2.3—Enhance the statewide information system (SKIES) for case management that is shared by WorkSource partners.
Lead Organization: ESD

In the past, WorkSource partners have kept separate management information systems, even though they provide related services to the same customers. SKIES is a shared system that allows WorkSource partners to access the same management and customer information to provide more efficient, coordinated services, while respecting customer confidentiality. With the implementation of SKIES, any WorkSource partner agency can access the same customer file with

fully updated information, thus removing the burden and costs of redundant forms from the customer and enhancing the state’s capacity to meet customer needs. During 2004, ESD is making further improvements to SKIES to better support business needs and streamline the information system.

Strategy 4.2.4—Maintain and continue to develop systems to track and report core WorkSource services. *Lead Organizations: ESD, WDCs, and Workforce Board*

While SKIES tracks WorkSource participants who register for program services, many services do not require registration. Job seekers and employers who visit resource rooms, browse the website, <www.Go2WorkSource.com>, or use other services that do not involve significant staff assistance, do not have to register. In order to meet customer needs and to adjust services to meet changing needs, service providers must know how many people are using these services. WorkSource Centers, with guidance from WDCs, have

developed the WorkSource Membership System, a mechanism to track participants who only use such services. This data will be important for analyzing the services sought by target populations; they will also assist the WorkSource system to report on its full contribution to meeting employers, students, and job seekers needs.

Strategy 4.2.5 —Improve communication and collaboration among workforce development youth partners. *Lead Organizations: OSPI and WDCs (Youth Councils)*

Improving communication and collaboration among workforce development youth partners will lead to better service, and youth customers will be able to navigate the system more easily. Service integration helps bridge common problems of engaging, co-enrolling, and providing services that address the unique needs of all youth ages 14-21. Service integration may include, but is not limited to:

1. Sharing of youth-specific data and customer information.

2. Developing common tools, including individual career planning, the provision of support services, and eligibility documentation and assessments.
3. Developing cross-training opportunities among service integration plan partners.
4. Developing methods to leverage resources to serve both target populations and universal youth services.
5. Developing methods to leverage resources, including the Basic Education Act, to increase students' success in school, thus increasing the graduation rate.

All 12 Youth Councils have developed service integration plans and are working to ensure all partners maintain a coordinated approach.

Strategy 4.2.6—Find financial resources to sustain the WorkSource delivery system infrastructure. *Lead Organizations: ESD, Workforce Board, and WDCs*

In the mid 1990s, DOL provided start-up funding for the development of WorkSource, Washington's One-Stop system. Additional development funding has been provided through the Governor's state set-aside funding through WIA. No funding mechanism, however, has been identified to sustain WorkSource infrastructure, such as equipment and facilities. WorkSource partners will work together to identify appropriate resources to sustain the necessary infrastructure and will advocate for federal commitment to this streamlining initiative.

In 2003, WIA was due for reauthorization. One of the positions of state and local stakeholders in Washington is that there should be line-item funding for the One-Stop career development system that does not diminish resources for partner program services. The House and Senate reauthorization proposals establish a new funding mechanism for infrastructure that is state-determined, and the Governor, in consultation with stakeholders, determines the amounts that each

One-Stop partner program must contribute. The Senate version offers an alternative that allows local areas to develop a funding mechanism. Both bills authorize One-Stop partners to contribute additional monies to support infrastructure.

Objective 4.3

Provide services that meet the unique needs of individuals from target populations, and reach out to these populations to increase their use of WorkSource services.

Strategy 4.3.1—Provide individuals with disabilities with equal opportunities to benefit from WorkSource services. *Lead Organizations: ESD and WDCs*

The Engrossed Senate Joint Memorial 8014, adopted in the 2002 Legislature, directs certain state agencies to report to the Legislature and the Governor annually on the outcomes of efforts undertaken to improve the delivery of employment and training services to people with disabilities, including examples of specific programs and services.¹⁵⁵ The first report indicated that ESD,

DVR, DSB, WorkSource Partner programs, WDCs, and the Workforce Board have made significant progress in developing the capacity of WorkSource Centers and affiliates to provide people with disabilities with an equal opportunity to participate in programs and services and achieve equal results.

Progress included the development of accessibility assessment tools, recruiting and training assessment teams, and developing a comprehensive, customizable staff training curriculum. DVR led comprehensive facility accessibility reviews of every WorkSource Center and many affiliates. DSB expanded the scope of these reviews to include assessment of the accessibility of the information and electronic technology hardware and software, and facility staff created local plans to address access issues. In addition, the Workforce Board developed mathematical models that adjust performance targets for programs that serve hard-to-serve populations, such as some people with disabilities,

and published results of workforce development programs in serving people with a disability.

A remaining barrier to equal access for people with disabilities is the lack of accessibility standards for procurement of IT used in WorkSource centers. When accessibility is not planned for during development and procurement of information systems, the result is either increased costs for individualized accommodations or an inability to deliver the most effective and accessible services, or both. The federal government has adopted electronic and IT access standards. Adopting a similar set of standards would allow WorkSource to communicate its access needs to vendors, assess the relative accessibility of alternate products, and improve the ability of people with disabilities to participate equally in programs and services impacted by these products.

In May 2002, DOL awarded \$1 million to the Washington Workforce Association (WWA) to assist WorkSource sites to enhance their ability to provide integrated core, intensive, and training services to individuals with disabilities and improve their quality. WWA partnered with state agencies on the WorkSource Disabilities Network to create the project called the Washington Employment Leadership Coalition on Meeting Expectations (WELCOME).¹⁵⁶ Six pilot programs focused on practices that can be

Principles for Providing People With Disabilities Equal Opportunities at WorkSource

1. Provide individuals with disabilities equal access to IT and data.
2. Provide oral and written communication systems that are effective in meeting the unique needs of individuals with disabilities.
3. Provide and maintain a barrier free physical environment for individuals with disabilities.
4. Consider and provide reasonable accommodations responsive to the unique needs of individuals with disabilities.

replicated, such as designing materials, training, creating processes for linking partners, developing employers services and outreach strategies, and creating evaluation and assessments focused on increasing employment outcomes for individuals with disabilities.¹⁵⁷

Strategy 4.3.2—Continue outreach and capacity building activities with partners, including tribes and community-based organizations, to ensure involvement of targeted populations within the WorkSource system. *Lead Organizations: ESD and WDCs*

When WorkSource, the integrated One-Stop system for employment services, was first launched in 2000, there were concerns that racial and ethnic minorities and people with disabilities might be unwilling to use WorkSource services if members of their community had not established a habit of using these services. The first step to ensure that members of these communities use services was to create a welcoming and fully accessible WorkSource environment.

Community-based organizations, locally-based state agencies, and tribes are often in a position to bring persons with unique barriers and needs into their WorkSource Centers. Joint planning, staff training, and outreach efforts by WorkSource partners have proven effective. These efforts ensure program administrators and frontline staff have the tools and capacity to ensure that individuals with various needs are aware of, participate in, and benefit from workforce development services.

Strategy 4.3.3—Encourage diversity among the membership of local WDCs and WorkSource staff to reflect the diversity of Washington’s communities. *Lead Organizations: ESD, Workforce Board, WDCs, and Local Elected Officials*

Local Elected Officials are responsible for appointing members of local WDCs. Current council members and their staff may assist in the recruitment of new members. For many positions, the appointments must be made from among nominations provided by local organizations such as business,

labor, and education organizations. Diversity among WDCs and WorkSource staff provide both insight for other staff on serving target populations and a frontline example for diverse hiring and appointment practices. Associations, community organizations, and state and local government agencies that represent target populations are a valuable resources for recruiting people from target populations into leadership and staff positions.

Objective 4.4

Maintain a performance accountability system for workforce development that is integrated across programs.

Strategy 4.4.1—Lead the national Integrated Performance Information project. *Lead Organization: Workforce Board*

Chapter four of *High Skills, High Wages* describes Washington’s performance accountability system for workforce development, Performance Management for Continuous Improvement (PMCI). PMCI consists of a system of goals,

measures and indicators, performance targets, evaluations, consequences for results, and continuous quality improvement efforts. As Congress changes the accountability requirements for the WIA and the Carl Perkins Act as part of the reauthorization process, the Workforce Board will convene stakeholders to incorporate appropriate changes into the PMCI accountability system.

In 2003, recognizing that Washington has one of the most comprehensive state systems of accountability for workforce development, DOL asked the Workforce Board to lead the states in developing the next generation performance measurement system. DOL asked the Workforce Board to attempt to reach a consensus among the states on system design and to produce a blueprint that would

guide states on how to create the type of system that Washington has. The project is called Integrated Performance Information (IPI).

The focus of the IPI project is on performance information consistent across workforce development programs and across the national, state, and local levels, and on shared information systems for reporting performance.

In order to build a consensus among states, the Workforce Board, with the assistance of the National Governors Association (NGA), has convened policy and technical teams from six leading edge states (Oregon, Montana, Texas, Florida, Pennsylvania, and Michigan). Each state team includes representatives of a cross-section of workforce

development programs. During the summer of 2004, Workforce Board staff, in consultation with NGA and the state teams, will draft the blueprint. During the fall of 2004, staff from Washington and the other states will hold technical institutes to assist other states, further build the consensus, and perfect the blueprint. Dissemination activities will begin late in 2004 and continue into 2005.

In addition to assisting the states to make progress, the IPI project may influence national policy makers as they struggle to improve accountability for workforce development, including during the reauthorization process. The project will also help Washington as it learns from other states and develops ways it can improve its own accountability system.

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Washington's Strategic Plan At-a-Glance

GOAL 1

To close the gap between the need of employers for skilled workers and the supply of Washington residents prepared to meet that need.

Objective

Create public-private partnerships to enable individuals to move up job and career ladders throughout their lives.

Strategies

- Create and enhance industry skill panels, especially in high-demand economic clusters such as health care and information technology.
- Provide high-quality labor market information that enables programs to respond to changes in the labor market and informs students and customers about current career opportunities, especially in high-demand clusters such as health care and information technology.
- Develop competency-based education and training programs, and modular curricula and assessments linked to industry skill standards.

Objective

Increase the number of young people who understand and act on career opportunities available through career and technical education and training programs, including youth from target populations.

Strategies

- Develop individual career plans that are integrated with a range of school programs to ensure all youth are aware of the link between learning and employment and their career options, including high-wage, high-demand occupations and nontraditional occupations.

- Expand partnerships with industries to market their career opportunities to youth and their parents.
- Increase mentor and work-based learning opportunities for all students, and integrate these opportunities with students' individual career plans.

Objective

Increase the capacity of high schools, community and technical colleges, and apprenticeship programs to provide high-quality workforce education and training programs.

Strategies

- Develop new programs and increase student enrollments in workforce training, especially in high-demand industry clusters such as health care and information technology.
- Partner with industries to provide facilities, faculty, and equipment in high-wage, high-demand fields.
- Improve efficiency of student transitions by granting credit for prior learning, developing further statewide agreements for transfer and articulation, and increasing the availability of applied degrees.
- Expand apprenticeship training in emerging fields, and expand preparation programs for apprenticeship in high-demand clusters, including construction.
- Enhance "employability skills" training in workforce development programs.

- Increase the number of individuals prepared to teach students for high-wage, high-demand fields.
- Highlight and replicate best practices from around the state and nation in career and technical education.

Objective

Increase education and training for older workers and retired individuals who want to return to work.

Strategy

- Improve access to opportunities in education and specialized training for seniors and retired individuals who want to return to work.

GOAL 2

To enable workers to make smooth transitions so they, and their employers, may fully benefit from the new, changing economy by putting in place a coherent strategy for dislocated and incumbent worker training.

Objective

Increase economic competitiveness, and prevent dislocation by expanding customized incumbent worker training.

Strategy

- Increase publicly supported, customized incumbent worker training, and provide incentives to both employers and employees for this type of training.

Objective

Enhance business expansion and retention strategies.

Strategy

- Market expansion and retention services to at-risk businesses and their workers.

Objective:

Return unemployed workers to suitable work in as short a time as possible.

Strategy

- Continue to develop dislocated worker services that are coherent, flexible, and accessible, and continue best practices such as rapid response labor-management committees.
- Provide retraining in high-demand fields.

GOAL 3

To assist disadvantaged youth, persons with disabilities, new labor market entrants, recent immigrants, and other low-wage workers to move up the job ladder during their lifetimes by developing a wage progression strategy for low-income workers. Specific progress will be made in improving operating agencies and reducing the earnings gap facing people of color, people with disabilities, and women.

Objective

Reduce dropouts and increase high school graduation.

Strategies

- Ensure all youth achieve the necessary core skills as established by industries in their chosen career pathway, including the achievement of the high school diploma or entrance into a postsecondary education or training program.
- Develop local community-school partnerships that plan and implement dropout prevention and retrieval initiatives for at-risk youth, including effective after school hours and summer programs.

Objective

Assist unemployed individuals to gain and retain employment, and assist low-income individuals to achieve wage progression.

Strategies

- Continue to develop more effective employment services and strengthen postemployment services to help individuals obtain and retain jobs that lead to wage progression.
- Expand programs with demonstrated success in enabling low-income individuals to achieve wage progression, such as customized training, apprenticeship preparation and apprenticeship programs, and other training opportunities.

- Expand access to support services, such as child care, especially for target populations.
- Provide training programs at times and locations accessible to working people, and provide support services to assist in overcoming barriers to training.
- Increase basic skills and ESL instruction that is integrated with occupational skills training.
- Create and offer financial incentives to employers and low-income workers to increase training.
- Provide financial assistance that enables working adults and ESL, Adult Basic Skills students to take advantage of education and training opportunities.

Objective

Remove barriers for populations with unique obstacles to employment, and increase the number of employers who hire individuals with disabilities, women, and people of color in high-wage, high-demand occupations.

Strategies

- Implement the Ticket to Work Program.
- Educate employers, especially employers from high-wage, high-demand industries, about the benefits of hiring individuals from target populations.
- Continue developing accountability and program improvement mechanisms for increasing employment and earnings for target populations.

GOAL 4

To integrate workforce development programs to improve customer service.

Objective

Improve WorkSource services to business customers.

Strategy

- Respond to the needs of business customers and implement coordinated strategies among WorkSource partners.

Objective

Make workforce development services from multiple providers a straightforward and effective experience for job seekers and youth.

Strategies

- Improve customer service by collecting and using customer feedback, providing electronic services, and sharing information on customer service best practices.
- Include all WorkSource partners in customer service training, including training in serving target populations.
- Enhance the statewide information system (SKIIES) for case management that is shared by WorkSource partners.
- Maintain and continue to develop systems to track and report core WorkSource services.
- Improve communication and collaboration among workforce development youth partners.
- Find financial resources to sustain the WorkSource delivery system infrastructure.

Objective

Provide services that meet the unique needs of individuals from target populations, and reach out to these populations to increase their use of WorkSource services.

Strategies

- Provide individuals with disabilities with equal opportunities to benefit from WorkSource services.
- Continue outreach and capacity building activities with partners, including tribes and community-based organizations to ensure involvement of targeted populations within the WorkSource system.
- Encourage diversity among the membership of local WDCs and WorkSource staff to reflect the diversity of our communities.

Objective

Maintain a performance accountability system for workforce development that is integrated across programs.

Strategy

- Lead the national Integrated Performance Information Project.

Endnotes

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- ²²Scott Bailey, *Washington Wage Report: 1990-2002*, Washington State ESD, February 2004.
- ²³*Ibid.*, 22.
- ²⁴Washington State ESD, 2004.
- ²⁵Michael Porter, *The Competitive Advantage of Nations*, Free Press, New York, 1990.
- ²⁶Paul Sommers and Deena Heg, “Occupational Demand and Supply by Industry Cluster and Region,” a report prepared for the Washington State SBCTC and the Workforce Board, October 2002.
- ²⁷A coefficient greater than one indicates that employment in a region is more heavily concentrated in a cluster than is the case nationally.
- ²⁸Paul Sommers and Deena Heg (2002) rated clusters by averaging their rankings across four criteria—employment size, employment growth, the location coefficient, and the percentage of workers receiving a living wage. These rankings were modified when constructing Figure 7. Clusters were excluded from the highly ranked group if their location coefficient was low (less than 0.9) or if the percentage receiving a living wage was low (below 33 percent).
- ²⁹*Washington State Hospitals: Results of 2002 Workforce Survey*, a report by the Center for Health Workforce Studies, University of Washington and Washington State Hospital Association.
- ³⁰Washington State ESD, 2004.
- ³¹Washington State Workforce Board calculation based on Washington State Population Survey, 2000, Washington State Office of Financial Management.
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- ³³*2002 Long-Term Economic and Labor Force Forecast for Washington*, Washington State OFM and ESD, April 2002.
- ³⁴Washington State OFM takes into account expected levels of net migration in their population and labor force forecasts. Net migration is forecast based on an econometric model relating Washington’s net migration to traded sector employment changes. Historical migration rates are also used to develop long-range migration forecasts. Net migration between 2001 and 2026 is forecast to average about 44,400 per year, slightly below the 49,600 annual averages over the past 30 years.
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- ³⁶Provisional Estimates of the State Population, Washington State OFM, June 2002.

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⁵⁴Ronald J. D'Amico and Andrew Wiegand, "Impact Findings for an Outcomes Evaluation of School-to-Work Transition Initiative in Washington State," *Social Policy Research Associates*, report prepared for the Washington State Workforce Board, June 2001.

⁵⁵Among high school graduates, however, only about 18 percent complete a program in career and technical education. Half of these vocational completers go on to postsecondary education or training during the year after graduation; leaving only 9 percent that go immediately to work. See *Demand, Supply and Results for Secondary Career and Technical Education*, Washington State Workforce Board, January 2003.

⁵⁶*Workforce Training Results 2002*, Washington State Workforce Board, March 2003.

⁵⁷Just over 2 percent of youth ages 18 to 24 reported having a disability that prevents them from working. These youth are excluded in the statistics presented in Table 2.

⁵⁸U.S. Census 2000.

⁵⁹*Ibid.*

⁶⁰*2002 Long-Term Economic and Labor Force Forecast for Washington*, Washington State OFM and ESD, April 2002.

⁶¹Francine Blau and Lawrence Kahn, "Gender Differences in Pay," *Journal of Economic Perspectives*, Fall 2000, 14(4), 75-99. Many economists are reluctant to attribute the unexplained portion of the earnings gap to discrimination. This portion could be due to differences in unobserved characteristics that affect productivity and earnings.

⁶²*Ibid.*

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⁶⁴*Workforce Training Results 2002*, Washington State Workforce Board, 2003.

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⁶⁶See RCW 28A.150.210 for the four student learning goals: Goal 1—Read with comprehension, write with skill, and communicate effectively and responsibly in a variety of ways and settings; Goal 2—Know and apply core concepts and principles of mathematics, social, physical, and life sciences, civics and history, geography, arts, and health and fitness; Goal 3—Think analytically, logically, creatively, and integrate experience and knowledge to form reasoned judgment and solve problems; Goal 4—Understand the importance of work and how performance, effort, and decision directly affect future career and educational opportunities.

⁶⁷See RCW 28A.230.090 and WAC 180-51-061.

⁶⁸Youth who are eligible to participate in WIA youth programs form one definition of at-risk youth. According to Section 101. Definitions, WIA Act, 1998: an “eligible youth” is an individual who (a) is not less than age 14 and not more than age 21; (b) is a low-income individual; and (c) is an individual who is one or more of the following: (i) Deficient in basic literacy skills; (ii) a school dropout; (iii) homeless, a runaway, or a foster child; (iv) pregnant or a parent; (v) an offender; (vi) an individual who requires additional assistance to complete an educational program, or to secure and hold employment.

⁶⁹*Washington State Employers’ Needs and Practices*, Washington State Workforce Board, 2004, available at <www.wtb.wa.gov/empsurv04.pdf>.

⁷⁰*Worker Retraining: Seventh Accountability Report for the Worker Retraining Program*, Washington State SBCTC, May 2003, available at <www.sbctc.ctc.edu/data/rsrchrpts/WFEdAccountReportYr7.pdf>.

⁷¹“Self-sufficiency” is defined by local WDCs in accordance with the living-wage levels appropriate to the economies of their workforce development geographic area.

⁷²RCW 28C.18.060 requires the Workforce Board to update the state strategic plan for workforce development every two years. Representatives from business, labor, education, related public agencies, and private organizations provided advice on this update.

⁷³For a full description of skill panels see the report *Competitiveness and Opportunity, Public and Private Industry Partnerships that Work*, available at <www.wtb.wa.gov/SKILLS.pdf>.

⁷⁴Workforce development performance targets were exceeded for WIA Title I, Carl D. Perkins Vocational and Technical Education, and Adult Education and Family Literacy.

⁷⁵Provide data on state appropriated funds for incumbent worker training in other states compared to Washington State.

⁷⁶See the plan in “Crisis or Opportunity?” and a report on progress in fulfilling the plan in *Progress 2003* at <www.wtb.wa.gov/HEALTHCARETASKFORCE.HTM>.

⁷⁷HWD allows people with disabilities to work and earn up to 450 percent of the federal poverty level and still continue their Medicaid coverage, eliminating one of the most significant barriers to employment. See Section 203 of the Ticket to Work and Work Incentives Improvement Act of 1999 Health Care Financing Administration. The Act enables states to eliminate barriers to employment for people with disabilities by improving access to health care coverage available under Medicare and Medicaid. Information at <www.hcfa.gov/medicaid/twwiia/twwiiahp.htm>.

⁷⁸Launched nationally in 1997 with support from the U.S. DOL, Workforce Innovation Networks is a collaboration of Jobs for the Future, the Center for Workforce Preparation of the U.S. Chamber of Commerce, and the Center for Workforce Success of NAM.

⁷⁹For more detailed information on progress that agencies and other partners have been making to fulfill goals, objectives, and strategies in the state strategic plan, refer to *Progress of Agencies in Implementing High Skills, High Wages, 2002*. The report for 2003 is located at <www.wtb.wa.gov/annualrept02.pdf>.

⁸⁰R. Bruce Josten, Executive Vice President, Government Affairs, U.S. Chamber of Commerce, letter to the U.S. House of Representatives in Support of H.R. 1261, the Workforce Reinvestment and Adult Education Act of 2003, May 6, 2003.

⁸¹*Employer Survey*, Washington State Workforce Board, 2004.

⁸²For a discussion on comparative advantage and industry clusters, and a table of the key clusters in different regions of the state, please see “Tomorrow’s Economy.”

⁸³Michael E. Porter and Debra van Opstal, “U.S. Competitiveness 2001: Strengths, Vulnerabilities and Long-term Policies,” Council on Competitiveness, 2001.

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⁸⁵For more information on Washington skill standards, see the Center for Learning Connections at Highline Community College at <www.wa-skills.com/html/wireless_tele.htm>.

⁸⁶Phyllis Eisen, “Skills’ for a 21st Century Workforce: Can We Meet the Challenge?” Manufacturing Institute, paper presented at the Washington State Workforce Board 2002 workforce development conference.

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⁸⁸Tim Stensager, *The Franklin Pierce Model for Student Education and Career Planning, Technical and Career Education*, Franklin Pierce School District, January 2004.

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⁹⁷Washington Competitiveness Council, Phase II: Draft Final Report, January 2004.

⁹⁸*Postsecondary Career and Technical Education Works*, Washington State Workforce Board, 2004.

⁹⁹Paul Sommers and Deena Heg, *Matching Community and Technical College Professional/Technical Education Capacity to Employer Demand*, Northwest Policy Center, Institute for Public Policy and Management, Daniel J. Evans School of Public Affairs, University of Washington, January 2000, i.

¹⁰⁰*Health Care Enrollment and Completions*, Washington State SBCTC, October 2003.

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¹⁰⁸For further information, contact Linda Nguyen, Tacoma-Pierce County WDC, (253) 591-5810.

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¹²⁶On-time graduation rate is the percentage of entering ninth graders that graduate on time with their class. This Washington State OSPI estimated on-time graduation rate is in line with the findings of another study of high school graduation rates, for the class of 2001, conducted by the Manhattan Institute. It calculated that Washington’s graduation rate is 66 percent.

¹²⁷For a discussion on outcomes for target populations see Washington’s Changing Workforce.

¹²⁸*Building Bridges to Self-Sufficiency: Improving Services for Low-Income Working Families*, MDRC and the NGA’s Center for Best Practices, March 2004, 6.

¹²⁹*Graduation and Dropout Statistics for Washington’s Counties, Districts, and Schools, School Year 2001-02*, Washington State OSPI, June 2003.

¹³⁰Alternative programs include: alternative learning experiences’ where students complete individual plans based on achieving competencies; alternative high schools that employ alternative learning strategies; alternative programs within high schools that provide alternative learning strategies; and high school academic and vocational programs at community and technical colleges. Youth in these programs are considered in-school youth; see also Dynarski, Mark et al., *Impacts of Dropout Prevention Programs*, Mathematica Policy Research, Inc., 8014, June 1998. This study found that intensive alternative courses at the middle school level reduced the dropout rate.

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¹³²*Ibid.*, 129. Available at <www.k12.wa.us/dataadmin/pubdocs./graddropout/dg2001-02.pdf>.

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¹⁴¹HWHD is a full-time training option that might be the best route to self-sufficiency for a small group of WorkFirst participants. The program allows WorkFirst clients to receive welfare benefits and support services while pursuing either a one-year certification from a community or technical college in the IT or health care fields, or a one-year option to complete a two- or four-year degree in a high-wage, high-demand field as determined by Washington State ESD. Information obtained from the WorkFirst Handbook updated December 2003, <www1.dshs.wa.gov/ESA/wfhand/e_and_t_standalone.htm>.

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¹⁵⁶The WorkSource Disability Network comprises Washington State ESD, DVR, Governor’s Committee on Disability Issues and Employment, Developmental Disabilities, Council, DSB, Workforce Board, SBCTC, OSPI, and WWA.

¹⁵⁷Personal communication with Maureen Witter, WWA, May 27, 2004.



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