Washington’s Workforce Economic Recovery Plan-DRAFT

WASHINGTON Workforce Training & Education Coordinating Board

Washington's Workforce Economic Recovery Plan -- DRAFT

INTRODUCTION

The Workforce Board was tasked by Gov. Inslee to develop the workforce development component of Washington's post-pandemic economic recovery plan. It is early, the pandemic is still in full swing, and will continue to be active until an effective vaccine is in wide use or significant levels of herd immunity have taken effect across the state and country. Yet, we cannot wait to plan for a return to economic vitality. The stakes are far too high, and the challenges are enormous.

Our economy and ways of life will likely look different than before the coronavirus struck. While we can't know how this will all turn out, we can learn from the first few months of the pandemic, from individuals and families who had to change their habits, daily routines, and their interactions with the world outside their homes, from those essential businesses and workers that continued their operations throughout the "Stay Home, Stay Healthy" phase, and from those that re-opened, partially or fully, during the phases of "Safe Start." We can also learn from history.

Learning from history, preparing for a more equitable future

Washington and the nation have suffered numerous economic downturns and recessions and have largely emerged better as a result--at least when aggregate data drives the story line. However, the benefits of post-recession economic recovery have helped some Washington residents more than others. This seemingly inevitable—if inequitable--economic rebound where some populations soar while others continue to suffer is likely to happen again without real change. Economic disparities, even when acknowledged by policymakers and others, have continued to flourish. The nature and causes of each recession can change the dynamics of who, which communities, and which industry sectors are disproportionately affected. However, regardless of the time, place, or circumstances, there has been a significant and consistent racial divide in our economy. There are certainly other population groups and geographic regions that fall below economic medians, but even within those subgroups (disabilities, immigrants and refugees, court-involved, rural, etc.), people of color continue to fare worse than their counterparts. Our country's long history of generational racial poverty, has resulted in a society where people of color, especially African Americans, have few assets or a financial cushion to leverage economic opportunity, let alone to weather economic hard times.

The pandemic has proven that the structural, cultural, and societal impediments to economic equity run far and deep. Disproportionate numbers of racial minorities were unable to socially distance themselves from others. They were less likely to be able to work from home. Individuals with college degrees and those with modern computer equipment (video-capable) and high-speed internet were more likely to be able to work remotely and practice social distancing. Their school-age children could also continue to learn while schools were physically closed, while children from disadvantaged families lost educational ground in many cases.

The inequities of K-12 education delivery highlighted for the world how few families were able to benefit from remote learning. We discovered having broadband available in one's community does not assure access to the internet. Broadband is expensive, and the equipment needed to interact virtually is also expensive. While we've known that virtualization, digitization, and other technology-induced changes to work and workplaces was coming, often referred to as the "future of work," the future has been dropped in our laps thanks to the COVID-19 pandemic. We must address the role that technology plays in the economic health of communities, families, and businesses. This is not just a call to make public investments in technology or broadband, but to think seriously about how technology might be used to rethink public systems and service distribution. Technology policy development should also consider how businesses make decisions about using technology to change workplace practices, jobs and workforce numbers.

Principles Drive Recommendations to Reach Inclusive Economic Recovery

To focus planning across a large and wide-ranging topic area, the Board convened stakeholder discussions to develop a set of "guiding principles" and overarching issues to address. These principles served as touch stones for the Board's larger recommendations, outlined in the following pages of this report. Each larger recommendation is tied to the following principles and priorities:

- Target and support those least likely to return to work soon.
- Support worker health and safety.
- Find shortest routes to livable-wage employment (minimal skill development or experience required, low barrier access), but with a navigable path towards better jobs and better pay.
- Map current knowledge, skills and abilities (individual assets) of each worker to potential new career pathways, confer credentials where possible.
- Create new credentialing pathways with low-barrier starting point, and visible, navigable steps to higher order credentials, jobs, and wages.

- Engage employers, industry sectors, unions, etc. to co-create and co-invest in new pathways, which leverage resources of existing systems.
- Include "earn and learn" opportunities wherever possible with Registered Apprenticeship being the gold standard.
- Invest in technology, professional development, and research that helps transform public systems to support Washingtonians in the new economy.
- Define measurable "inclusivity" to create north star of inclusive economic recovery.

Seven Recommendations: What's Needed Now to Help Workers and Businesses Succeed
But beyond rallying around a set of priorities and principles, the Board also needed to focus attention on a set of recommendations that could be readily advanced in the months ahead. Because of the fast-moving nature of the coronavirus pandemic, and the need to take quick action, establishing these recommendations was done on a tight time frame. Strategy areas are not fully detailed, but provide rationale, desired results, and key parameters to consider. Numerous stakeholders, many of them delivering ground-level services, are ready to work with policymakers to create a detailed action plan on any, or all, of the recommended strategies. Each recommendation is aimed at helping Washington's workforce and businesses succeed during *and* after this unprecedented pandemic.

The Board's following SEVEN recommendations are key to restarting Washington's workforce, businesses, and economy:

1) Re-charter and Refocus the Board's Subcommittee on Removing Employment Barriers
2) Prevent the Growth of Long-Term Unemployed
3) Leverage and Expand Capacity and Expertise of Postsecondary Systems
4) Create Navigable Pathways to In-Demand Careers
5) Ensure Worker and Student Health and Safety
6) Boost Washington's Health Workforce Pipeline
7) Enhance Customized Business Services and Entrepreneurship

These seven recommendations are fleshed out more fully in Chapter 4 of this report. (See page 38, subject to change).

But beyond these particular recommendations, it's worth pausing for a moment to reflect upon where we are, where we've come from, and where we want to go. This moment, amidst economic and societal upheaval, provides Washington with an opportunity to begin to close racial and other economic disparity gaps. There is no simple solution, and especially in light of huge shortfalls to state revenues, policymakers will have difficult decisions to make. But it's clear this effort should be built around helping everyone succeed, including the most disadvantaged populations, leaving no one behind. We call this common theme inclusive economic recovery.

Inclusive Economic Recovery: Creating Successful Pathways for All

But for inclusive economic recovery to be the north star for Washington, policymakers, system and program administrators, business and labor partners, and community advocates, we must all be intentional in our actions and be able to hold each other accountable to this collective end goal. It will be the true test of the motto, "we're all in this together."

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It will mean prioritizing funding in new ways, using new criteria, with a new set of success indicators to track progress transparently. For example, population-based distributions may suggest equality, but rarely support equity. Larger urban areas typically can pull in more public investments, grants, and other resources, while smaller, struggling communities are often overlooked when competing for the same funds. To achieve equity will likely require over-investment in smaller numbers of people or those who live less populous regions who have a metaphorical and sometimes literal greater distance to travel to find economic security.

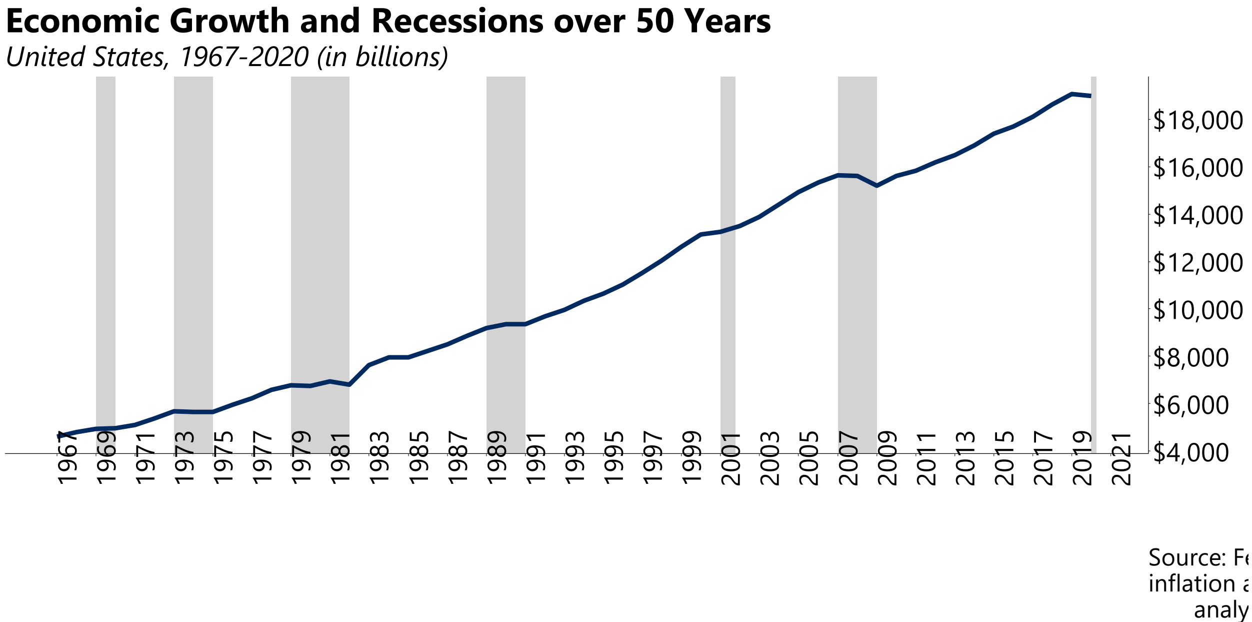
To better understand and get under the hood of these issues, it helps to have a solid understanding of the state's economy and demographics of displaced workers since the COVID-19 pandemic began. In Chapter 1, you'll find details on the industry sectors and demographic details of Washington's 1.5 million unemployed workers through extensive research into Unemployment Insurance claims filed over the first few months of the pandemic. Workers dislocated from the restaurant, hotel and hospitality, and retail industries, among others, represent some of our state's lowest wage earners, and are often among those most in need of skills upgrades.

Another common thread is a lack of digital literacy: Large numbers of impacted workers have not had the opportunities to learn or use digital literacy skills, and yet the jobs most likely to return and grow post-pandemic will require these skills. The "digitally illiterate" live across Washington, in every community. We must address this skill deficiency at scale if we are ever going to achieve inclusive economic recovery.

Chapter 1: Economic Snapshot

I. Pre-COVID Economic Outlook

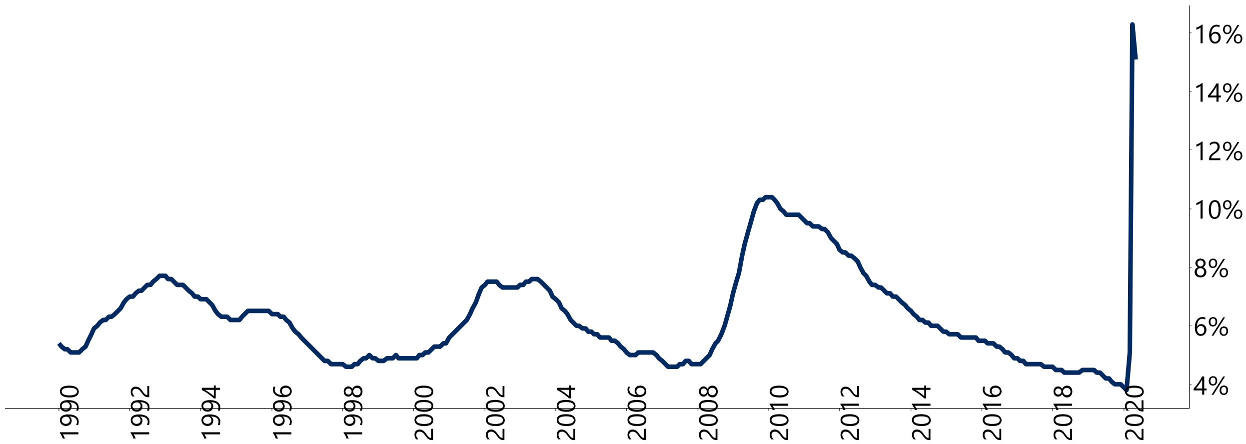
Overall Economy



The U.S. economy, when measured by the total dollar value of all goods and services, has been on a steady upward climb for more than 50 years. Gross domestic product or GDP has grown since 1967, falling slightly or plateauing during recessions, as can be seen in the chart above. For example, the GDP notably dropped during the Great Recession (December 2007 to June 2009). When measuring the impact of the COVID-19 pandemic, these statistics are hard to reconcile with real-world fallout of an economy that was essentially shut down to preserve public health and wellness. First quarter 2020 data, the latest that's available, shows only a relatively mild drop of $247 billion or 1.3%. Until the full effects of the pandemic are evaluated in the second quarter, it makes sense to look at other data.

Unemployment in Washington

1990-2020



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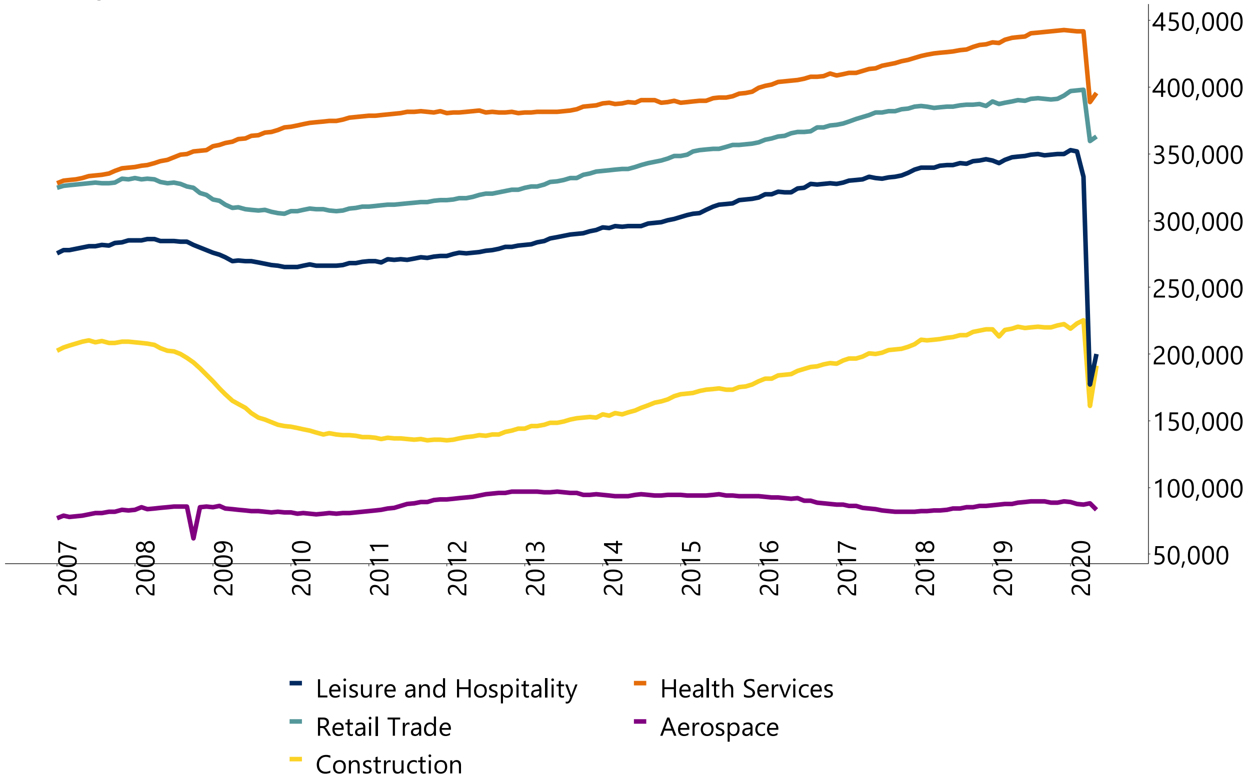
Like the wider economy, the number of working Washingtonians has grown steadily since 1990, with only minor dips over the past 30 years. Much of this is due to population growth, including people born and raised here, but also more people moving to the Evergreen state than those who leave it. The Great Recession that began at the end of 2007, knocked the wind out of Washington's economy as it did the rest of the country, with unemployment numbers rising higher than the number of those with jobs. Following the Great Recession, Washington's economy recovered—and then some. Employment rates continued a steady upward climb and unemployment hit record lows, or just 3.8 percent (seasonally adjusted) as recently as February of this year. With COVID-19, and ordered shutdowns of businesses and schools, Washington's economy headed off the cliff, with the jobless rate in April, 2020 skyrocketing to 16.3 percent unemployed. The low of 3.8 and high of 16.3 are respectively the lowest and highest unemployment rates recorded since this data series effectively launched in 1976.

Unemployment in Critical Industries

Washington, 2007-2020



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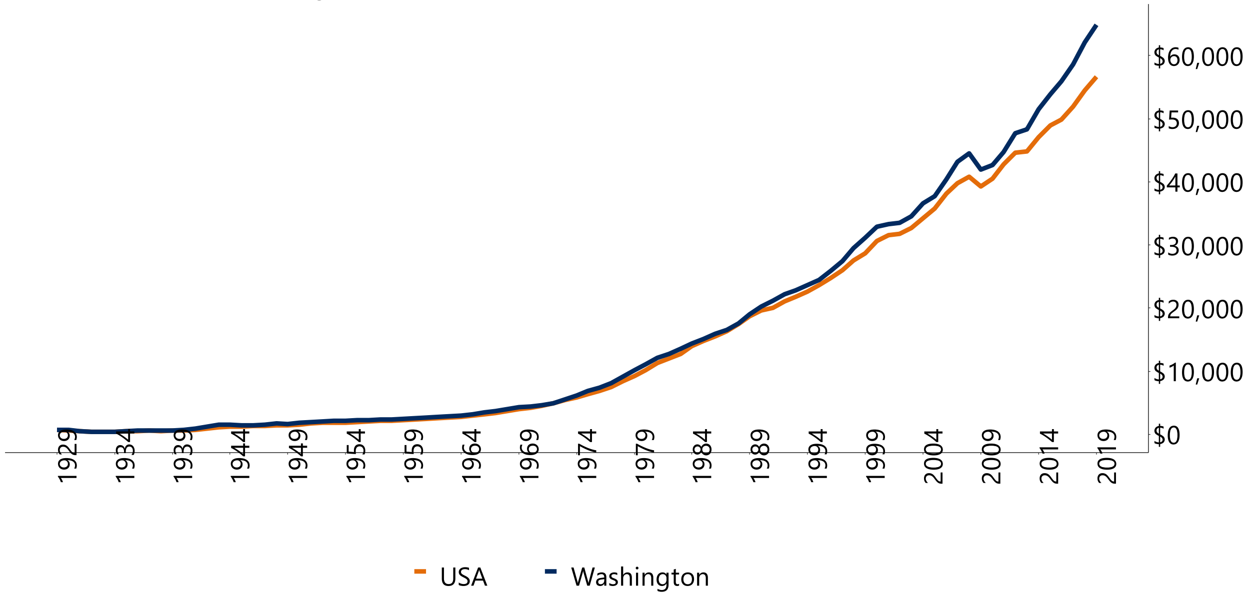
The Leisure & Hospitality, Retail Trade, and especially construction sectors were hit hard by the Great Recession (2007-2009), which occurred when the housing bubble burst, causing millions to lose their lifesavings, jobs, and homes. These sectors rebounded in strong fashion afterward (see above chart showing employment trends for critical sectors). Aerospace held to an independent pattern and healthcare was largely recession-proof – at least until the pandemic forced the temporary closure of some healthcare facilities and put on hold elective, non-emergency procedures.

Just as in the Great Recession, all of these sectors were hit hard by the pandemic after forced closures took effect by April. But none suffered more from the COVID-19 crisis than Leisure & Hospitality. This sector shed 40 percent of its jobs between March and May of 2020 (employment in all industries fell by 12 percent in the same period). The construction industry notched the second highest job losses (15 percent from March to May), despite adding 30,000 jobs between April and May.

Per Capita Personal Income Growth

United States and Washington State, 1929-2019



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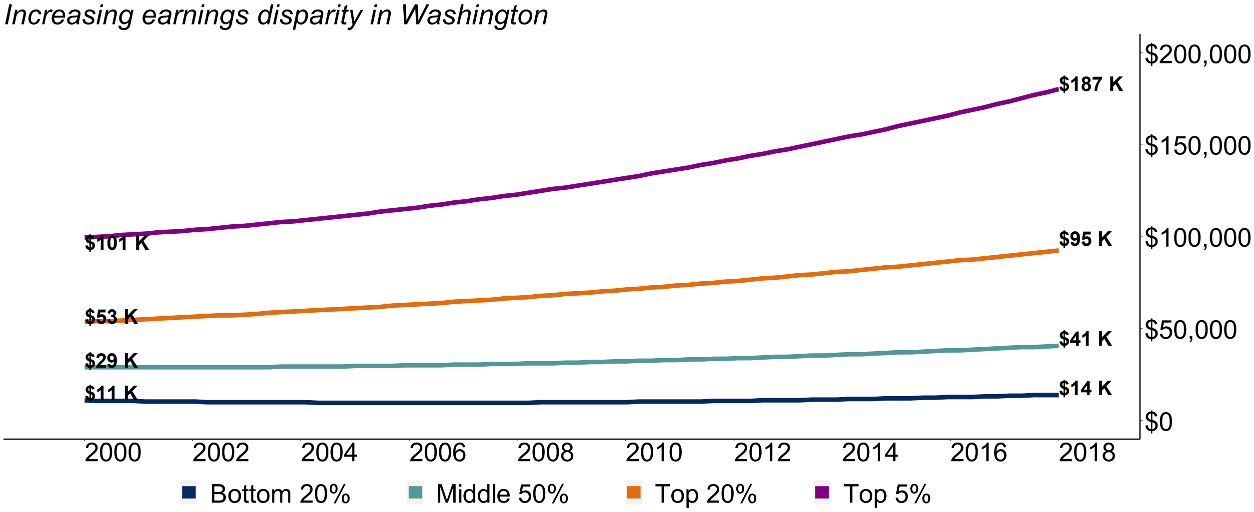
Historically, per capita income in Washington state has closely tracked with the nation. In the late 1980s Washington's income began to rise more quickly and in 2019 was the eighth highest of any state.

Earnings Trends: Top Earners versus Lowest Earners

Increasing earnings disparity in Washington



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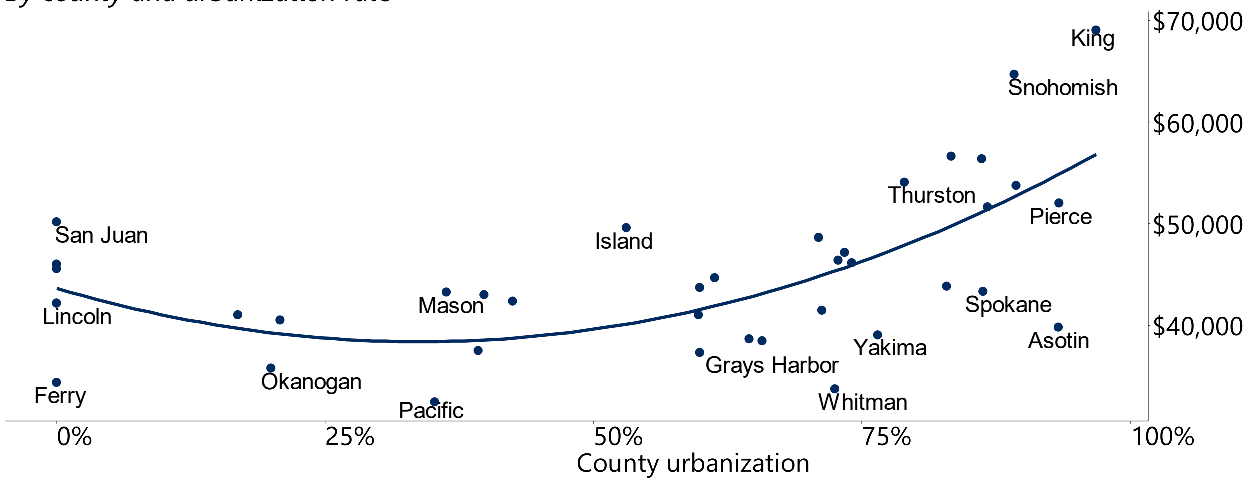
While our per capita income compares well with the rest of the country, it was not equally shared among all Washington residents. As the previous chart shows, the top 5 percent of earners have seen the most growth since 2000. The top 20 percent have also fared well. However, the median and low-income earning groups saw relatively little wage growth.

Washington Annual Median Family Earnings minus Housing Costs

By county and urbanization rate



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Much of the income growth has been concentrated in the Central Puget Sound, and Seattle in particular. There is a strong correlation between low income and low levels of urbanization. A you can see in the previous chart, King County has both the highest earnings and highest level of urbanization. Ferry County is at the other end of the spectrum with the lowest level of urbanization and one of the lowest median family earnings. Of course, it should be noted that in many rural areas the cost of living is significantly lower, and smaller paychecks are able to spread farther.

Labor Force Status by Race, Gender, Disability, Education & Age

Washington
2018

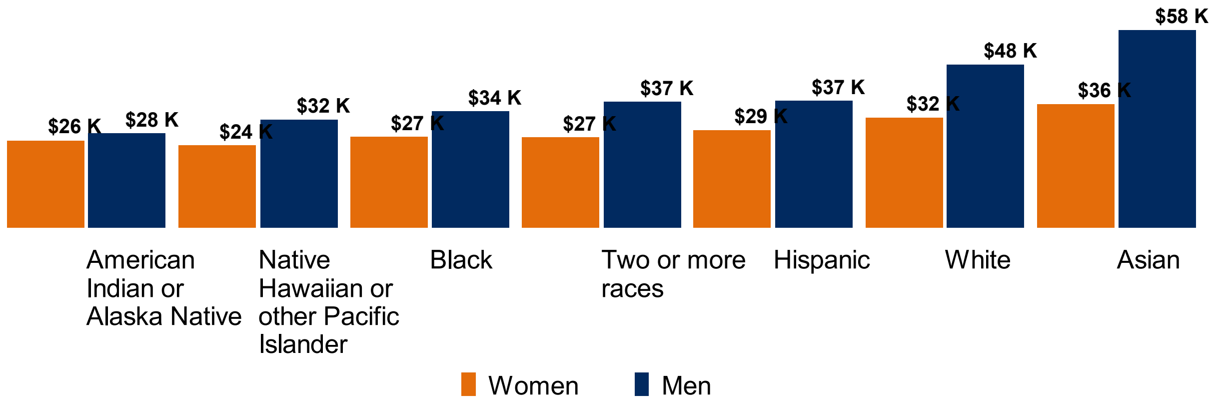
Category	Group	Labor Force Participation Rate	Employment to Population Ratio	Unemployment rate
Race/ Ethnicity*	White	63.2	59.9	4.0
	Black	69.4	62.7	7.4
	Native American	59.0	53.0	9.9
	Asian	67.2	64.4	3.3
	Pacific Islander	72.9	66.5	6.7
	Other	74.3	69.3	5.4
	Two or more races	70.9	65.1	6.6
	Hispanic	72.4	67.3	5.4
Gender**	Male	84.1	79.1	3.9
	Female	73.3	70.2	3.8
Disability**	Disabled	46.1	41.1	10.1
Educational Attainment***	Less than HS Diploma	67.1	62.5	6.8
	HS Diploma	73.2	69.7	4.3
	Some College or Associate Degree	77.3	73.4	3.5
	Bachelor's degree or higher	85.6	82.9	2.2
Age	15-19	39.4	32.1	17.3
	20-24	79.7	69.8	8.2

	25-29	84.0	78.2	4.3
	30-34	83.0	79.0	3.5
	35-44	83.3	79.7	3.4
	45-55	81.6	78.9	3.1
	55-59	72.7	70.8	2.6
	60-64	57.2	55.4	3.1
	65-74	24.6	24.0	2.5
	75+	5.5	5.3	4.0

Source: American Community Survey/U.S. Census, 1-year estimate
*Population 16 and older
**Population 20-53
***Population 25-64

Whites in Washington were less likely to be in the “active workforce,” that is, working or actively looking for work (perhaps due to skewing older) than most other racial groups. But whites that were in the workforce were very likely to have found a job. The white unemployment rate of 4 percent in 2018, was lower than unemployment rates for all other racial groups, except Asians (3.3 percent). Native Americans had the highest unemployment rate at nearly 10 percent, followed by Blacks at 7.4 percent. Men were more likely to be working or actively seeking work than women, perhaps because women more often than men stay home and raise children. However, unemployment rates for men and women were about the same. Those with a disability (10 percent) and 16-19 year-olds (17.3 percent) had the highest unemployment rates of any groups in Washington state.

Annual Earnings by Gender, Race & Ethnicity
Real median earnings in Washington



Earnings disparities continue at high levels both by race/ethnicity and gender. As shown in the previous chart, Blacks in Washington state earned just 71 percent that of whites, while Native Americans earned just 58 percent of whites. Women consistently earned less than men across all races and ethnicities.

Business Issues: Washington Was Booming Before COVID-19

Before the COVID-19 pandemic, Washington's economy was booming. In fact, the state's economy was among the top performing state economies, nabbing the top spot in 2017.

Washington state his home to a diverse mix of industry sectors and boasts high concentrations in high value industries that export, along with an above average concentration of scientists and engineers and bachelor's degree holders. The state's relatively mild climate and proximity to Asian trade has created a set of favorable circumstances for economic conditions across the state. Washington is equidistant between key Asian and European markets. It is also a couple days closer to Asian ports via Pacific shipping routes than other west coast ports.

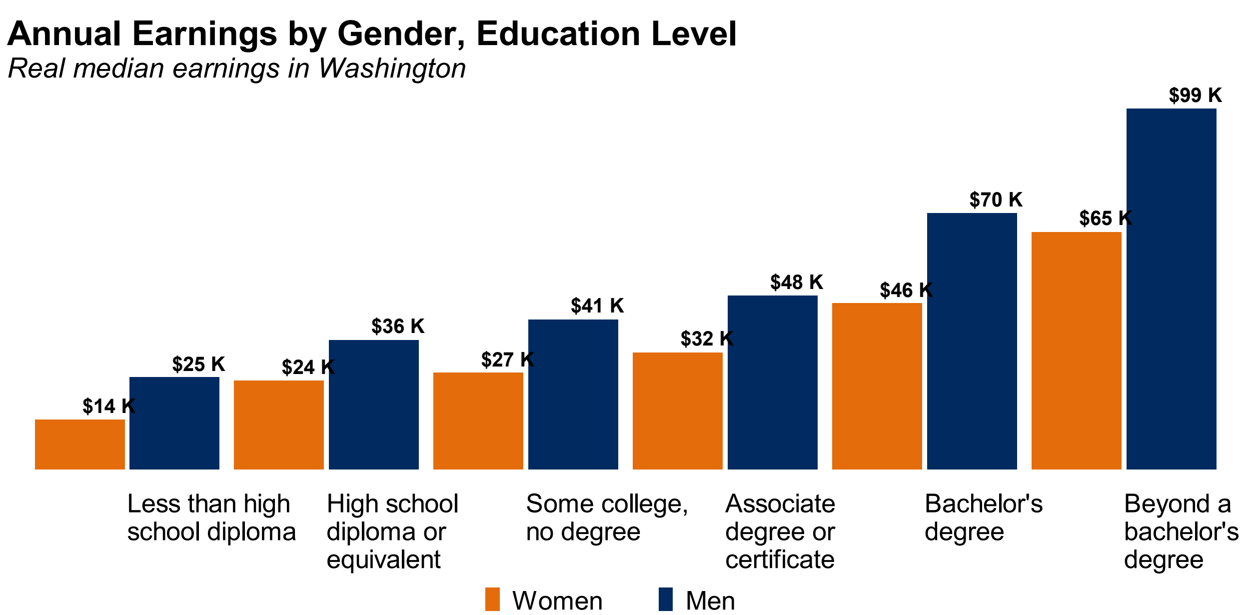
While the state is known around the globe for its aircraft, timber, apples, wine and software, Washington's exporters also ship everything from alloys and hay to composites and robotics to 215 countries, according to the state's Department of Commerce. One in three jobs in Washington is related to export, and Washington was rated the number 3 state in the U.S. for overall exports, according to the state's Department of Commerce.

While aerospace, high-tech and trade sectors concentrated in the Puget Sound region dominate the state's economic output, other areas of the state have also shown substantial economic muscle in recent years, including Bellingham, Chelan and Grant counties, the Spokane region, Tri-Cities and Vancouver/Clark County.

Before the COVID outbreak, Washington's workers benefited from a booming economy, even those workers who were hardest to employ. In the months just before the COVID outbreak, even those with the greatest barriers to getting a job were finding work in health care, hospitality, janitorial and restaurants. Programs for those transitioning from the justice system into jobs were growing and efforts to provide real work experience for youth, who suffer from chronically high unemployment rates, were forming through Career Connect Washington.

Small businesses in Washington were particularly challenged in finding and hiring qualified workers, according to the Workforce Board's 2019 Employer Survey. In many cases, the survey showed, these businesses lacked the marketing resources and ability to offer higher wages and benefits that larger businesses use to fill openings. Small businesses in rural areas faced even greater challenges in finding and hiring qualified applicants.

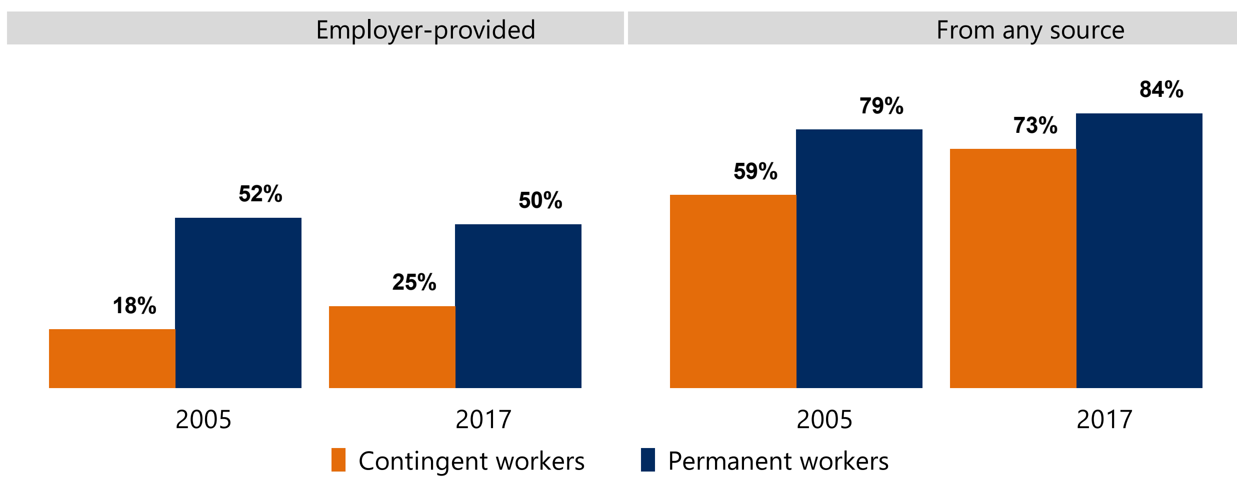
Education Issues



As many know, higher education levels correlate with higher pay. In fact, post-high school education and training has become almost a necessity to succeed in the job market. Economic returns from higher education are clearly seen in the above table. For both genders, the earnings for those with education beyond a BA are about four times that of those with less than a high school diploma. However, this table also makes clear the well-documented disparity between what women and men earn, regardless of education level. This wage discrepancy is particularly high at the bachelor's degree level and for those holding higher degrees but is consistent in all education categories. This substantial gender imbalance in earnings needs to be addressed as Washington works toward inclusive economic recovery.

Weakened Labor Market Connections

Health Insurance Coverage for Contingent versus Permanent Workers



For many Washingtonians, their ties to employment are weaker than was once the norm. Many, especially younger workers, are employed on a part-time or non–permanent basis. This has implications beyond lower earnings and less stable employment. As seen in the above table, contingent workers are less likely to access employer-provided healthcare and may also not have sick and vacation days and retirement plans.

Growth Industries Prior to COVID-19

Industry	Average Employment (QCEW 2019 Q3)	Share of Total Average Employment	Average Annual Earnings	Projected Pre-COVID-19 Annual Growth (2017-2022)	Projected Pre-COVID-19 Annual Growth (2022-2027)
Food services and drinking places	257,064	7.6%	$24,944	2.2%	1.3%
Ambulatory health care services	161,245	4.7%	$65,204	2.7%	2.4%
Administrative and support services	161,243	4.7%	$49,480	1.9%	1.6%
Specialty trade contractors	136,121	4.0%	$64,120	2.7%	0.5%
Social assistance	118,446	3.5%	$27,096	2.2%	1.7%
Hospitals	92,904	2.7%	$78,140	2.3%	2.2%
Crop production	84,147	2.5%	$30,620	1.4%	0.7%
Publishing industries, except Internet	76,788	2.3%	$332,004	2.1%	1.2%
Merchant wholesalers, durable goods	70,003	2.1%	$84,312	1.5%	0.4%
Nursing and residential care facilities	62,652	1.8%	$37,116	0.9%	1.3%
Construction of buildings	54,284	1.6%	$68,200	3.4%	1.1%
Real estate	45,761	1.3%	$55,908	2.0%	0.5%
Management of companies and enterprises	45,216	1.3%	$102,292	1.5%	1.6%
Educational services	43,240	1.3%	$41,824	1.6%	1.5%
Amusements, gambling, and recreation	41,931	1.2%	$23,060	2.1%	1.5%
Personal and laundry services	35,107	1.0%	$31,316	2.4%	2.3%
Agriculture and forestry support activities	34,067	1.0%	$33,448	3.7%	1.6%
Building material and garden supply stores	31,572	0.9%	$40,832	2.2%	1.3%
Other information services	27,002	0.8%	$224,472	12.6%	7.9%
Miscellaneous store retailers	26,281	0.8%	$29,496	2.5%	2.4%
Support activities for transportation	21,540	0.6%	$73,372	1.6%	1.7%
Warehousing and storage	16,674	0.5%	$50,008	9.8%	0.9%
Air transportation	16,049	0.5%	$91,320	6.1%	4.5%
Couriers and messengers	14,663	0.4%	$48,728	2.3%	1.6%
ISPs, search portals, and data processing	14,111	0.4%	$176,660	5.4%	4.5%
Securities, commodity contracts, investments	13,189	0.4%	$141,980	2.3%	1.2%
Performing arts and spectator sports	12,332	0.4%	$64,604	1.9%	1.7%
Beverage and tobacco product manufacturing	10,988	0.3%	$42,032	3.9%	1.2%
Museums, historical sites, zoos, and parks	3,635	0.1%	$39,516	3.2%	2.2%

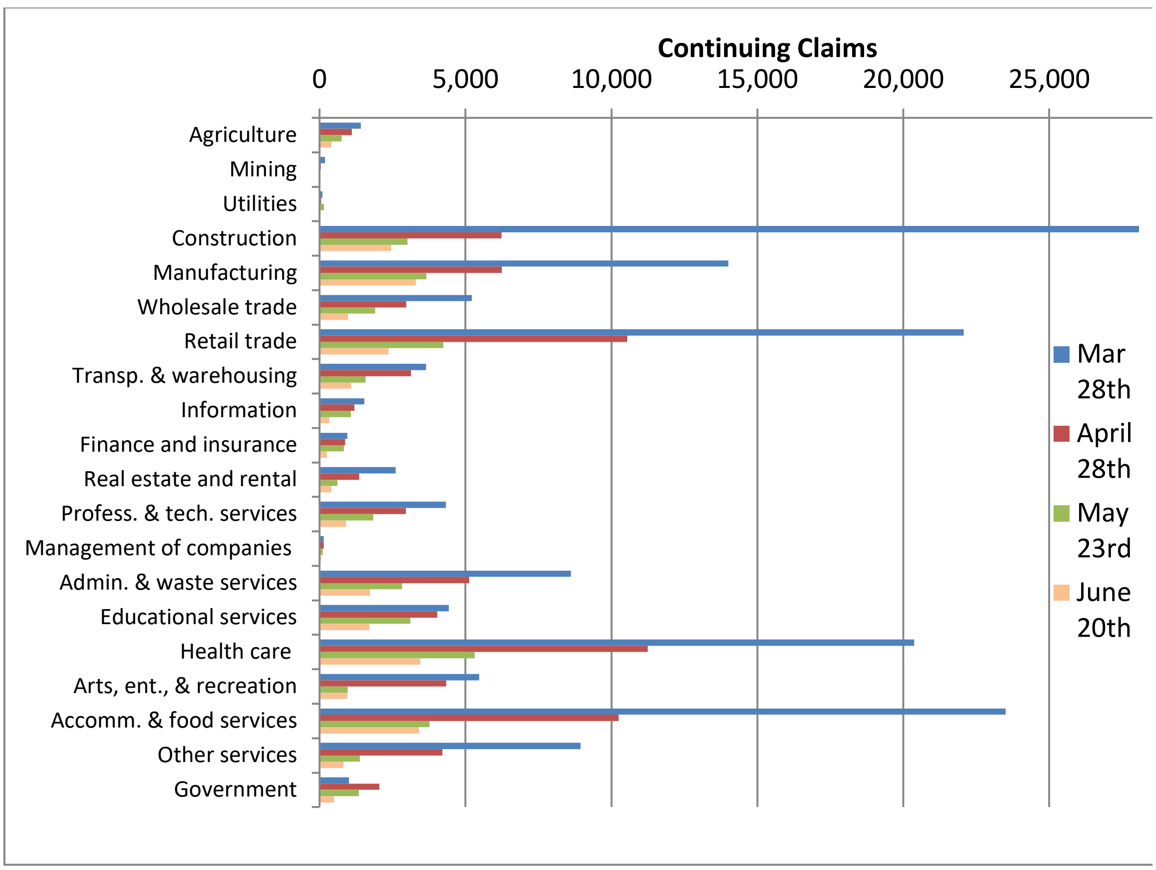
The above list is sorted according to the 3-digit code that is part of the North American Industry Classification System (NAICS) and highlights industries projected to have the most growth – prior to Covid-19. This list was done for all 3-digit industries and in the following pages will analyze how they fared in the early months of the pandemic and beyond. Growth was based on forecasts created last year by the state's Employment Security Department. NAICS is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy.

II. COVID-19 Impact

Industry Impact

In February, Washington state reported its first COVID-19 cases. On March 1 and 12, respectively, the Governor banned large social gatherings and closed schools in the Central Puget Sound counties. Starting June 1, counties were able to apply for phased reopening.

A good real-time gauge of the impact of COVID-19 has been the state's Employment Security Department's Unemployment Insurance claim data. It is updated weekly. In late March, initial claims (first time filers) peaked at nearly 182,000. In recent weeks (mid-June) the level has dropped to just below 30,000.



Source: Washington State Employment Security Department, 2020

The above chart shows continuing claims (persons that continued to file after the initial week of filing) for selected weeks by industry (2-digit NAICS) the person had worked in. Note that as of late March most claims were coming from construction, accommodation/food service, and retail trade. By June 20, the picture was a very different one. Healthcare, accommodation/food services, and manufacturing tallied the most claimants, but at much lower levels.

Impact on Businesses

Not unlike the shock of the 9/11 attacks had on the American economy and psyche, the COVID-19 pandemic is likely to have similar effects. After 9/11, physical security became a higher priority for business, government and individuals. The coronavirus is expected to similarly change behaviors around health safety for an extended period of time, or even permanently.

The pandemic's economic blow to businesses and workers has lessened at least a little as Washington begins a phased in approach to economic recovery. Note, at the time of this writing, COVID cases are on the rise in many Washington counties, so it's unclear if forward progress in re-opening the state's economy will proceed without setbacks. Even so, the sudden shutdowns of businesses and schools during March and April 2020 resulted in record unemployment, a dramatic drop in Q1 Gross Domestic Product (GDP) and the closing, in some cases permanently, of a wide range of businesses.

Some sectors, especially those deemed "essential" and allowed to remain open, saw dramatic surges in business. Grocery stores and home improvement retailers, for example, hired more workers during March and April. Economic reopening and recovery began in May, as construction resumed, and some recreational activities were restarted.

In June, many Washington counties entered what Governor Inslee has termed "Phase 3," which allows for small gatherings, congregating in public places such as bars and restaurants, and, generally, puts fewer restrictions on a range of activities. As a result, some laid off workers are returning to work. However, substantial revenue shortfalls from a flatlined economy has led the state to require its workforce to take unpaid furlough days to help balance the budget.

An abundance of workers seeking jobs--either their old one, or a new one--is helping some businesses more quickly fill open positions. Still, other employers say they are having a difficult time finding workers. For some unemployed workers, who currently receive an extra $600 per week from a federal unemployment enhancement, it makes seeking work, in some cases, less attractive than staying put. Add to that anxiety about catching the coronavirus in the workplace, and it's clear that hiring workers can still be a challenge. Some counties with particularly high numbers of COVID cases, such as Yakima, face particularly difficult obstacles in bringing people back to work and re-opening businesses safely.

Economic recovery is sure to be uneven as different industries are impacted in different ways by the COVID-19 pandemic. As of July 2020, the state is experiencing spikes in viral outbreaks in certain areas. Yakima County, with its large agricultural workforce and food processing plants, recorded exceptionally large number of new COVID-19 cases in June. This could negatively affect the agriculture industry and by extension the selection of Washington-grown fruits and vegetables that are sold in local grocery stores.

Deft policymaking will be required to address different problems and pain points across different industries and sectors. What makes sense for health care probably won't apply in the same way to construction or manufacturing.

Firm Counts by Financial Stress Level

Washington State, May 2020

3-digit NAICS Industry	Firm Counts by Financial Stress Level		
	Low	Medium	High
Telecommunications	844	1,633	28
Couriers and Messengers	94	165	10
Transit and Ground Passenger Transportation	415	644	39
Furniture and Home Furnishings Stores	1,153	1,372	48
Broadcasting (except Internet)	208	244	8
Electronics and Appliance Stores	745	847	28
Support Activities for Transportation	2,195	2,430	104
Textile Mills	71	79	0
Miscellaneous Store Retailers	3,279	3,560	82
Clothing and Clothing Accessories Stores	1,840	1,923	83

Health and Personal Care Stores	1,133	1,140	21
Food Services and Drinking Places	9,153	8,683	281
Specialty Trade Contractors	9,759	8,561	481
Sporting Goods, Hobby, Musical Instrument, and Book Stores	1,536	1,385	29
Hospitals	402	347	23
General Merchandise Stores	420	379	7
Apparel Manufacturing	124	112	1
Motor Vehicle and Parts Dealers	2,210	1,946	66
Construction of Buildings	8,036	6,948	344
Non-store Retailers	763	670	19
Chemical Manufacturing	398	343	14
Building Mat. and Garden Equipment and Supplies Dealers	1,401	1,195	36
Food Manufacturing	747	592	25
Beverage and Tobacco Product Manufacturing	455	370	4
Printing and Related Support Activities	551	426	21

Source: Dun & Bradstreet

The fear is that in this environment, many businesses may not survive. Dun & Bradstreet tracks financial stress by industry. This data was pulled for all 3-digit NAICS industries, but only those with the highest percent of medium- and high-risk businesses are shown in the table. Of note are the transportation related, construction, and a variety of rail industries.

Weekly Initial Unemployment Claimants

For the period from March 1 through June 13, 2020

Percent of claims by population group and their percentage share of labor force (LF)

Group		% Claims	% LF
Gender	Female	48%	49%
	Male	52%	51%
Race/Ethnicity	African American	5%	5%
	American Indian	1%	2%
	Asian	8%	10%
	Pacific Islander	1%	1%
	Caucasian	64%	79%
	Two or More Races	3%	4%
	Latino/Hispanic of any race	10%	12%
Age	18-24	13%	10%
	25-34	24%	23%
	35-44	21%	23%
	45-54	20%	20%
	55-64	16%	17%
	65+	5%	6%
Educational Attainment	Did not finish high school	6%	11%
	High School Diploma, including GED	28%	22%

	Some College	24%	28%
	Associate Degree	11%	*
	Bachelor's Degree	19%	28%
	Master's Degree	4%	*
	Post-Baccalaureate Degree	2%	*
	PhD	1%	*

Source: Washington State Employment Security Department, 2020

Unemployment claims data is also broken out by demographic characteristics. This enables researchers and economists to compare the relative impact of the pandemic on particular racial or ethnic groups, by looking at the rates of unemployment claims and comparing them to overall population numbers. So far, there are no big differences with gender, and fairly minimal ones when looking at race/ethnicity. However, age and education level are definite factors. Those younger than 34 are far more likely to be unemployed because of COVID-caused shutdowns, and those with just a high school diploma or less, are among the hardest hit

What we are finding is that in the COVID-19 environment, those that were most vulnerable to economic uncertainty and unemployment prior to the pandemic are even more vulnerable now. This includes younger workers, minority populations, low wage earners, small businesses, rural workers and businesses, working parents, and workers lacking in-demand skills.

III. Outlook Going Forward

A table of growth industries determined prior to COVID-19 was included in the first part of this chapter. Workforce Board research staff took that pre-COVID growth data, added and adjusted for how sensitive the industry was to the coronavirus shutdowns (as shown by UI claims), and then adjusted again for longer-term outlook.

Industry	Pre-Covid-19 outlook	Sensitivity to Covid-19	Long Term Outlook
Food services and drinking places	strong	high	stable
Ambulatory health care services	strong	high	strong
Administrative and support services	strong	high	strong
Specialty trade contractors	strong	high	strong
Social assistance	strong	low	strong
Hospitals	strong	low	strong
Crop production	strong	low	strong
Publishing industries, except Internet	strong	low	strong
Merchant wholesalers, durable goods	strong	high	strong
Nursing and residential care facilities	strong	low	strong
Construction of buildings	strong	high	strong
Real estate	strong	low	strong
Management of companies and enterprises	strong	low	strong
Educational services	strong	high	stable
Amusements, gambling, and recreation	strong	high	stable
Personal and laundry services	strong	high	stable
Agriculture and forestry support activities	strong	low	strong
Building material and garden supply stores	strong	low	strong
Other information services	strong	low	strong
Miscellaneous store retailers	strong	high	weak
Support activities for transportation	strong	high	stable
Warehousing and storage	strong	low	strong
Air transportation	strong	high	stable
Couriers and messengers	strong	low	strong
ISPs, search portals, and data processing	strong	low	strong
Securities, commodity contracts, investments	strong	low	strong
Performing arts and spectator sports	strong	high	stable
Beverage and tobacco product manufacturing	strong	high	strong
Museums, historical sites, zoos, and parks	strong	high	stable

Chapter 2: Lessons from History

Though the current economic crisis dwarfs the 2008 “Great Recession” in both scope and scale, the most recent recessionary event created challenges for Washington’s workforce system almost certain to manifest again during pandemic recovery. The Great Recession, beginning in the fourth quarter of 2007 and continuing through mid-2009, refers to the economic downturn that resulted after the subprime mortgage lending crisis, housing “bubble burst,” and global financial crisis.

The Great Recession’s Impact on Washington

According to the U.S. Bureau of Labor Statistics (BLS), between 2007 and 2009, nearly seven million workers who had worked for the same employer for at least three years lost their jobs, almost twice as many workers who were displaced between 2005 and 2007. Not only had the number of displaced workers grown significantly during this period, these workers also experienced greater difficulty returning to work. By January 2010, only half the workers who had been displaced in the three previous years had become reemployed.

In 2011, roughly 18 months after the “end” of the Great Recession, the Washington Department of Social and Health Services (DSHS) Economic Services Administration completed a study of how the Great Recession affected Washingtonians compared with citizens in eight other similarly sized states (Arizona, Colorado, Delaware, Minnesota, Nevada, Oregon, Pennsylvania, and South Dakota), focusing on the effects of the recession on poverty rates, housing access, and labor market participation.1 Across the nine states studied, rates of child poverty and hunger rose most sharply during the recession, with a peak of 37 percent of the state’s children at or below 200% the federal poverty line in 2009, and increased by 3.3 percentage points between 2008 and 2009 alone. Additionally, Washington (tied with Oregon) experienced the biggest increase in residents experiencing very low food security: reduced food intake, hunger, and disrupted eating patterns (up to 14 percent of Washingtonians experienced very low food security in 2009, up 2.3 percentage points from 2007).

Moreover, the squeeze the Great Recession placed on citizens was further exacerbated by rising housing and rental costs in Washington, even during the depths of the Great Recession. According to the DSHS study, Washington was one of only four states studied where the fair market rental costs for 2-bedroom apartment units rose more than 5 percent between 2009-2010. Only two states (Delaware and Nevada) edged out the median fair-market rate for a 2-

[1] https://www.digitalarchives.wa.gov/do/D1384F49E245B81331A5EBAF5F65E1D0.pdf

bedroom apartment in Washington, valued at $919 a month in 2010. For perspective, in 2010 a TANF cash grant to a family of 3 with no income in 2010 ($562 a month) would have covered only about 60% of the median monthly fair-market rate for a 2-bedroom apartment in Washington.

Compared to many peer states, Washington's strong private sector job growth heading into the Great Recession blunted some of its impact. Among the nine states examined in the DSHS study referenced above, Washington's private sector job growth rate started the highest and remained the highest through the Great Recession. But in spite of this strong pre-recessionary job growth, the Great Recession in Washington had a particularly marked effect on underemployment and long-term unemployment figures here in comparison to peer states. In 2009, 62.6 percent of working-age Washingtonians remained employed, though the employment rate has fallen by almost 3 percent from the year before.

The same year, Washington's long-term unemployment rate (defined as the proportion of unemployed persons who were out of work for 52 weeks or longer) doubled, from 6.5 to 11.7 percent, the third highest increase among the nine peer states. In eight of the nine peer states, long-term unemployment rates rose, but Washington's rate doubled during the Great Recession and settled at the third-highest rate: increasing from 6.5 to 11.7 percent of the labor force between 2008 and 2009.

By 2010, Washington was also experiencing the third highest rate of underemployment among peer states (the percentage of those employed who were working part-time but desired full-time work), at 7.6 percent of the labor force. Finally, the average duration of unemployment increased in Washington from 13.6 weeks in 2008 to 21.2 weeks in 2009. The 2011 DSHS study noted that these high underemployment and long-term unemployment rates, in comparison with peer states, suggested a potential "structural mismatch" between some groups of workers displaced in the Great Recession and the available jobs in the "new economy."

Just as in the waning years of the Great Recession, Washington faces the challenge of responding to a massively displacing and disruptive economic event while simultaneously positioning its residents to compete and thrive in an increasingly fast and innovative marketplace. But the speed of business and innovation has only increased in the intervening decade, and now policymakers and the workforce system must make increasingly difficult resource decisions about how to best align training pathways with future opportunity in a funding environment where resources will inevitably become scarcer.

Washington currently faces a projected $8.8 billion state budget shortfall though 2023, more than half of which hits the current operating budget of $53.3 billion. Policymakers will be faced with difficult choices in the coming months as government services are trimmed and efficiencies are created to meet shortfall demands. But given all we know about the capacity strains placed on our workforce system during a recession, the prime need to create stable pathways to work that mitigate long-term unemployment and underemployment during such a crisis, and the potential to create impactful public-private partnerships that stabilize employment opportunities and help communities find their footing, policymakers must keep the conversation on building and investing workforce system capacity.

System Capacity During the Great Recession

At the onset of the COVID-19 pandemic, workforce system leaders recalled one of the prime challenges to effective service during the Great Recession: as unprecedented numbers of workers were dislocated, our education and training providers were faced with a tidal wave of enrollees. For our system training providers, including postsecondary partners, this resulted in capacity demands on facilities, faculty, and staff that were simply overwhelming. While more than 40,000 dislocated workers received support for education and training to prepare for a next job, many could not gain access to their desired career fields or had to extend their time in training because courses were not readily available. WA's community and technical colleges did create a number of new programs and expanded others.

Research from the State Board for Community and Technical Colleges in the wake of the Great Recession found that, in general, dislocated workers returned to stable jobs after a period of worker retraining, but not often at the same pay rate or in the same field. In many instances, students left the program before completing a credential to take available jobs. In particular:

- Around 8,500 dislocated workers left community and technical colleges in 2010-11 after training. Some 73 percent returned to work in 2011-12, up 6 percent from the previous year, reflecting the recovery. The majority of workers who re-entered the workforce returned to stable jobs; 86 percent of the workers who re-entered the workforce in 2011-12 after training were still employed nearly two years later. Most returned to work in the regions where they were employed prior to dislocation.

- On a net basis, more Worker Retraining students who returned to work in 2011-12 following training shifted out of construction, public administration, and finance/insurance as these fields had declined in the recession. Students moved into higher wage health care, administrative, and transportation/warehousing industries.

- Workers who earned higher wages prior to losing their jobs recovered 88 percent of their wages after training, earning median wages of $20.57 prior to dislocation and $18.09 after training. Lower-wage earners earned median wages of $11.03 prior to dislocation and $12.88 after training, achieving a 117 percent wage recovery.

- Worker retraining students tended to be male and older than other workforce students, and less likely to be students of color.

Another Work Retraining report from SBCTC, covering students enrolled between 2011 and 2015, provides more insights about program completion as an economic impact factor.

- About 70 percent of worker retraining students in a professional-technical program complete their program. However, as demonstrated in the figures below, some populations have higher completion rates than others, which has implications for how much they ultimately earn. Historically underserved students are less likely to complete, and to complete an associate degree.

- Job placement rates are comparable to non-historically underserved groups (66% and 64%). The primary gap in employment outcomes occurs when reviewing wages.

- Historically underserved students earned wages 8 to 10 percent below their peers ($16.90 compared to $18.36); they were less likely to earn an associate degree.

Similar to the 2013 report, students who earn low wages prior to training have a higher wage recovery percentage (131%) than students with higher wages before entering training. (73%)

Measure	**Target**	**2013 report**	**2018 report**
Job placement rate	75%	73%	66%
Higher wage recovery rate	85%	88%	73%
Lower wage recovery rate	100%	117%	131%
Most common programs of study		Healthcare (primarily nursing), business management (accounting), information technology, manufacturing	Business management (accounting), manufacturing (welding), health services (medical/clinical assistant), information technology (computer system network), nursing

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I. Crisis as Opportunity: Recommitting to Closing Equity Gaps

Even as our state and nation have been tested these past months with the most serious public health crisis in living memory, we have embarked together as a country on an overdue examination of the effect of generations of systemic racism in policymaking and policing on communities of color. It is imperative that any strategies developed in this important moment to support Washington's workforce be equitable and inclusive. The ongoing pandemic has focused workforce system partners' minds on the particular impact of social distancing and this resulting economic downturn on communities of color, as discussed below. But our partners also agree that this moment of potential reform and innovation must also be seized as an opportunity to examine with clear eyes whatever existing remnants of discrimination and racism exist as a legacy within our systems. From there, we can forge a new legacy of equal access and opportunity for all.

COVID-19 Impacts on Communities of Color

Employment data gathered during the few months since the onset of the COVID-19 pandemic already demonstrate shockingly disparate health and economic impacts on communities of color. The April 2020 employment rate for Black Americans (16.7%) and Latinx Americans (18.9%) hit record highs, while white Americans experienced below the national average rate of unemployment at 14.2%.2 A Pew Research Center survey from May 2020 found that 61% of Latinx households and 44% of Black households reported a job or wage loss due to COVID-19 through April, whereas 38% of White households responded same. These shares were marked increases from the March survey, when 49% of Latinx 36% of Black, and 29% of While households had reported job or wage losses as a result of COVID-19.3 The Labor Department reported in April 2020 that more than half of Black adults are now unemployed, for the first time in forty years (51.2%).4 The Pew Research Center survey also found that 73% of Black and 70% of Latinx adults do not have the emergency savings to cover three months of expenses, while 47% of White adult counterparts reported the same; additionally Black (48%) and Latinx adults (44%) were more likely than White adults (29%) to say they "cannot pay some bills or can make only partial payments on some of them this month."

According to a May 2020 study by University of California, Santa Cruz economist Robert Fairlie, 40% of Black-owned small businesses and 30% of Latinx-owned small businesses were forced to shut down entirely in April 2020 as a result of social distancing, as compared to 18% of White-

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[2] https://www.nytimes.com/2020/06/01/business/economy/black-workers-inequality-economic-risks.html
[3] https://www.pewresearch.org/fact-tank/2020/05/05/financial-and-health-impacts-of-covid-19-vary-widely-by-race-and-ethnicity/
[4] https://www.washingtonpost.com/business/2020/06/04/economic-divide-black-households/

owned businesses.5 According to an analysis of the Census Bureau's Household Pulse Survey from June 2020 undertaken by the Urban Institute, 28% of Black homeowners were not able to pay or deferred their mortgage payments during the COVID-19 pandemic, compared with just 9% of White homeowners.6

Black and Latinx workers face a higher exposure risk to COVID-19 than their white peers according to a Center for Economic Policy and Research study from April 2020 simply due to the fact that Black and Latinx workers both disproportionately work "frontline jobs" that necessitate a degree of social contact (grocery store clerks, nurses, cleaners, warehouse workers, and bus drivers, etc.).7 And data collected by the American Public Media Research Lab show that Black Americans have experienced a COVID-19 mortality rate more than double the rate experienced by all other racial groups, including Latinx Americans.8 In the April Pew Research Center survey, 27% of Black respondents reported personally knowing someone who had been hospitalized or died as a result of COVID-19, roughly twice the number of Latinx and White adults who said the same (13% each).

Not All "Recoveries" are Created Equal

Though wealth inequalities have been clearly exacerbated by the COVID-19 pandemic, it must be acknowledged that their historical roots run far deeper. Even after the long, slow recovery following the Great Recession had run its course and the economy had reached never-before-seen lows in unemployment, data clearly showed a massive gulf in the quality and character of economic security enjoyed by White citizens and Black and Latinx citizens. In terms of basic net worth, in 2016, the Federal Reserve's Survey of Consumer Finances established that the median net worth of a Black household was $17,150—one-tenth the median net worth of a white family at the same time, $171,000.9 A half century ago in 1968, the median Black household held just 9.4% the wealth of the median White household, again according to Federal Reserve data. In the intervening fifty years, that wealth ratio has fallen to 8.7%. Stated another way, the wealth divide between the median Black household and the median White household actually widened in the past fifty years since Civil Rights era reforms.10

The Great Recession had a disruptive impact across all racial groups, but the effects were more pronounced and longer lasting among communities of color. Between 2007 and 2013, the

[5] https://siepr.stanford.edu/sites/default/files/publications/20-022.pdf
[6] https://www.urban.org/urban-wire/new-data-suggest-covid-19-widening-housing-disparities-race-and-income
[7] https://cepr.net/a-basic-demographic-profile-of-workers-in-frontline-industries/
[8] https://inequality.org/facts/racial-inequality/
[9] https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/
[10] https://www.washingtonpost.com/business/2020/06/04/economic-divide-black-households/

median net worth of Black families fell 44.3%; While families experienced a drop of 26%. And in spite of the meteoric stock market growth experienced in the waning years of the pervious cycle, most communities of color missed out on opportunities to build wealth at the same rate as White counterparts: for instance on 36% of Black respondents and 37% of Latinx respondents to a 2017 Gallop poll indicated they owned stock, while 60% of While respondents indicated same.11 Retirement security is particularly more fraught among households of color, as well (or perhaps, in part as a result): Boston College's Center for Retirement Research found in 2016 that the median Black household had just 46% the retirement savings of the median White household, and the gap would be much larger if not for the value of Social Security benefits households respectively earned.12 The typical Latinx household had just 49 percent the retirement savings of the typical White household in the same study.

Historical Access to Wealth Accumulation

In particular, policies designed to inhibit people of color from becoming homeowners cast a deep shadow on their long-term ability to acquire and build wealth and pass it on within their families. A recent Brookings Institute study on the Black-White Wealth Gap presents a succinct examination of these discriminatory initiatives:

> Efforts by Black Americans to build wealth can be traced back throughout American history. But these efforts have been impeded in a host of ways, beginning with 246 years of chattel slavery and followed by Congressional mismanagement of the Freedman's Savings Bank (which left 61,144 depositors with losses of nearly $3 million in 1874), the violent massacre decimating Tulsa's Greenwood District in 1921 (a population of 10,000 that thrived as the epicenter of African American business and culture, commonly referred to as "Black Wall Street"), and discriminatory policies throughout the 20thcentury including the Jim Crow Era's "Black Codes" strictly limiting opportunity in many southern states, the GI bill, the New Deal's Fair Labor Standards Act's exemption of domestic agricultural and service occupations, and redlining. Wealth was taken from these communities before it had the opportunity to grow.13

The effect of housing discrimination is accentuated by its legacy impact on future generations: wealth transfers through monetary inheritances make up roughly 4 percent of the annual household income of the entire nation, mostly untaxed by the government. In 2020 alone, the Brookings Institute's report noted Americans were projected to inherit $765 billion in gifts and

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[11] https://news.gallup.com/poll/211052/stock-ownership-down-among-older-higher-income.aspx
[12] https://crr.bc.edu/working-papers/measuring-racial-ethnic-retirement-wealth-inequality/
[13] https://www.brookings.edu/blog/up-front/2020/02/27/examining-the-black-white-wealth-gap/

bequests, the largest class of which was real property. A 2019 study by the Federal Reserve Bank of Cleveland on the persistence of the racial wealth gap since the 1960s concluded the "current racial wealth gap is the consequence of many decades of racial inequality that imposed barriers to wealth accumulation either through explicit prohibition during slavery or unequal treatment after emancipation. Examples of post-emancipation barriers include legally mandated segregation in schools and housing, discrimination in the labor market, and redlining, which reduced access to capital in black neighborhoods."14

Additionally, access to higher education has additionally been long embraced as the express ticket to the American Dream. But Federal Reserve data from 2016 show that while earning a bachelor's degree or advanced degree did produce substantial boosts on median household wealth for Black families, they were still a fraction the wealth gains that translated for white households. Among Black Bachelor's degree holders, their median wealth was measured at less than a third the median wealth of a white Bachelor's degree-holder's family. The gap between median wealth of Black advanced degree holders' families and median wealth of white advanced degree holders' families is twice as large as the gap between bachelor's degree holders.15

II. Recent Hopeful Developments and Effective Policy Practices

The Workforce Economic Recovery Plan that follows contains discrete recommendations and policy priorities to be explored in individual detail. In this section, we will discuss two recent lines of research that have recently highlighted hopeful developments or policy changes already adopted outside our system which might inform future policymaking activity.

Redefining Corporations to Promote "An Economy that Serves All"

In late August 2019, the Business Roundtable, a consortium of 181 of the most influential Chief Executive Officers in American business, issued a revised Statement on the Purpose of a Corporation that radically departed from the norm updated only sporadically since the late 1970s: a statement of corporate purpose that endorsed "shareholder primacy," or the primary responsibility of a corporation to operate and make business decisions strongly in light of their ultimate effect solely on their shareholders.

[14] https://www.clevelandfed.org/newsroom-and-events/publications/economic-commentary/2019-economic-commentaries/ec-201903-what-is-behind-the-persistence-of-the-racial-wealth-gap.aspx

[15] https://www.washingtonpost.com/business/2020/06/04/economic-divide-black-households/

The new statement takes a massively more expansive and communitarian view, a huge leadership step taken before the COVID-19 pandemic but doubly important due to the all-hands-on-deck effort required to right the American economy and return people to work quickly and safely. The new Principles of Corporate Governance no longer endorse shareholder primacy, but now also commit to responsibilities to their customers, employees, suppliers, and communities:

> Americans deserve an economy that allows each person to succeed through hard work and creativity and to lead a life of meaning and dignity. We believe the free-market system is the best means of generating good jobs, a strong and sustainable economy, innovation, a healthy environment and economic opportunity for all.
>
> Businesses play a vital role in the economy by creating jobs, fostering innovation and providing essential goods and services. Businesses make and sell consumer products; manufacture equipment and vehicles; support the national defense; grow and produce food; provide health care; generate and deliver energy; and offer financial, communications and other services that underpin economic growth.
>
> While each of our individual companies serves its own corporate purpose, we share a fundamental commitment to all of our stakeholders. We commit to:
>
> - Delivering value to our customers. We will further the tradition of American companies leading the way in meeting or exceeding customer expectations.
> - Investing in our employees. This starts with compensating them fairly and providing important benefits. It also includes supporting them through training and education that help develop new skills for a rapidly changing world. We foster diversity and inclusion, dignity and respect.
> - Dealing fairly and ethically with our suppliers. We are dedicated to serving as good partners to the other companies, large and small, that help us meet our missions.
> - Supporting the communities in which we work. We respect the people in our communities and protect the environment by embracing sustainable practices across our businesses.
> - Generating long-term value for shareholders, who provide the capital that allows companies to invest, grow and innovate. We are committed to transparency and effective engagement with shareholders.

> Each of our stakeholders is essential. We commit to deliver value to all of them, for the future success of our companies, our communities and our country.16

Employee Co-Ownership as a Model for Weathering Recessions?

Employee ownership strategies, such as cooperatives and employee stock ownership plans (ESOPs) can also be an attractive solution for owners wanting to sell their companies, or even as a capital-building strategy to modernize or grow operations. The recent Legislative Task Force on the Future of Work staffed by the Workforce Board highlighted employee-owned companies in their final report as a business model empirically shown to mitigate layoffs of workers during recessions, even during the deepest "Great" recession on record.

Employee-owned companies also have a proven track record of providing higher wages and retirement savings, longer job tenure, and greater access to benefits such as medical insurance, maternity/paternity leave, childcare, and tuition reimbursement. The differential between employee-owned and other corporate models, which holds true in both rural and urban areas, and across all demographic groups, has drawn bipartisan support on the national level. A 2018 survey designed by the Rutgers Institute for the Study of Employee Ownership and Profit Sharing found that Republicans (72 percent), Democrats (74 percent) and independents (67 percent) all indicated they would prefer to work for an employee-owned company.

Most recently, the "Main Street Employee Ownership Act of 2018" was passed with broad bipartisan support by Congress and signed into law by President Trump in 2018. The legislation directs the Small Business Administration (SBA) to make some of the agency's loans more accessible to cooperatives and to work with lenders, the cooperative business community, and other relevant federal agencies to develop practical reforms to make their lending programs more accessible to all eligible cooperatives.

The most common form of employee ownership in the U.S. is through the creation of an ESOP, which is a qualified defined contribution plan that provides a company's workers with retirement savings through their investments in their employer's stock, at no cost to the worker. While the upfront conversion and ongoing maintenance costs may be significant, they are generally more than offset by tax breaks at the federal level.

On average, ESOP companies have a strong track record of distributing profits more equitably among its entire workforce, as opposed to concentrating value on non-worker shareholders in traditional publicly traded companies. Employee-owners in the 28-34 age range, when

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[16] https://www.businessroundtable.org/business-roundtable-redefines-the-purpose-of-a-corporation-to-promote-an-economy-that-serves-all-americans

compared to their non-owner counterparts, were found to have 92 percent higher median household income, according to a Rutgers University study. These positive outcomes extend beyond income and job tenure, with ESOP employees less likely to be laid off, and on average accumulate greater retirement savings, regardless of education (including high school or equivalent and no high school), gender, and ethnicity.

Another form of employee ownership is cooperative ownership, intended to achieve greater gains for worker owners than other forms of business organization, but requires specialized knowledge to organize and manage. The cooperative, or co-op, is based on equal investment and gainsharing for all employee-owners. Co-ops are organized to allow employee-owners to have a say in major organizational decisions (negotiated during the formation of the business and codified in by-laws); each owner has one vote in the decision-making process. While co-ops often have a hierarchy of managers and workers, and pay differences similar to other businesses in their industry, for the decisions that are made by the collective, there is no power or status difference among employee-owners— "one voice, one vote."

Most cooperative businesses are built on a set of principles first codified in 1844 by the Rochdale Society of Equitable Pioneers in Rochdale, England, a group of individuals involved in the textile trades. These principles put worker-owners and community benefit at the core of the cooperative model by building local wealth, promoting worker training, creating pathways for continuity in local ownership, among other principles. In 2019, there were approximately 240 co-ops operating across the state in industries including childcare, utilities (rural electrics), financial (credit unions), agriculture, housing, food, and arts and crafts. Internationally, the Mondragon Corporation, a federation of worker cooperatives based in the Basque region of Spain, has been held up as a prime example of a successful cooperative business model. Established in 1956, the worker-owned company has grown to employ nearly 82,000 workers across 98 cooperatives, 143 subsidiaries, and 10 umbrella organizations that cumulatively generated €12.22 billion in revenue and €420 million in investments in 2018.

Chapter 3: Changing the Infrastructure Toward Desired Outcomes

Winston Churchill famously said, "Never let a good crisis go to waste." There is no question that we are in the throes of a crisis. With hundreds of thousands of Washingtonians expected to need new skills in order to re-enter the economy, and businesses in various stages of "shut-down" and in transition to virtualization, we can't afford a "business as usual" response. Washington's comprehensive workforce development system—including education, training, support services and job matching, among other things—is having to re-imagine service delivery almost entirely, for today and for the long-term. Public and private system partners are working together to make certain that this crisis doesn't go to waste.

"Talent and Prosperity for All" or TAP is the state strategic plan for workforce development. The Workforce Board convenes stakeholders to develop a state strategic plan, with common goals and objectives, for the broad workforce development system every 2 to 4 years. The plan was previously called "High Skills, High Wages."

TAP, and the previous state workforce plan, established goals to reach more individuals and businesses, with increasingly better outcomes and customer satisfaction levels. Underlying objectives consistently aimed at reducing duplication of effort and streamlining the customer experience for both businesses and workers/jobseekers. The core strategies of coordinated service planning and integrated service delivery across funding silos have held constant for many years, although have been difficult to achieve or to sustain systemwide.

So too, has the notion of sharing service data across programs. Individuals and businesses that utilize the state's public workforce development services often require support from at least two, and often more service providers to achieve their goals. A business may need help with outreach and recruitment of potential new workers and may also need training support for both their incumbent workers and their new hires. An individual may need help with career exploration and planning, education and training, and support services, such as housing, food assistance, transportation and child care, all in order to secure a meaningful job.

Data-sharing can prevent "intake fatigue" among both jobseekers and businesses, who currently must describe their situation, goals, and barriers at each referral point. Sharing data about available services, eligibility determination, and services used by the customer, helps inform better, more comprehensive service plans, and enables customers to feel ownership of their service plan and the personal responsibility to achieve stated goals. Both the customer service plan and progress towards goals would be buoyed by common language and understanding, and reliable data across all program partners that work with the customer. Additionally, we've heard too often about "intake fatigue" among jobseekers and business customers that currently must describe their situation, goals, and barriers at each referral point. The system loses these workforce customers too often at the front door due to this repetition.

System partners have made tremendous headway towards multi-program alignment and coordination. Less progress has been made in integrating services, and especially braiding of financial and other resources. Structural barriers, often legislated at the state and federal levels, have seemed insurmountable. Yet, the pandemic may provide the opportunity for removal of policy barriers and long-term systemic reform. At both the federal and state levels emergency policy reform has occurred across health care delivery and payment structures, as well as health care occupational education and scope of practice. Unemployment policy has shifted to accommodate small business owners, independent contractors, and gig and part-time workers. The education sector, too, has requested and received policy changes to be able to continue student learning in a virtual environment. Many changes were initially viewed as temporary or short-term. But there is no end in sight for the pandemic, and performance data is amassing on these changes. Policy dialogue is now shifting to make some emergency changes permanent and to consider new reforms for long-term impact.

Optimally, all Washingtonians in need of support, including those who require additional education and training to enter or re-enter the job market, should be able to access the right mix of services at the right time. Business owners, entrepreneurs, independent contractors, and gig workers must also be able to find support at each stage of their business or earning life. To expand or create new services, and achieve an adequate and equitable level of scale, all program and funding partners will have to see the appropriate conditions at the policy level to substantially change their practice within program boundaries, but more importantly across program silo walls. Walls must become permeable, and all partners must share in the responsibility—and credit—for each participant's success. Participant data must become sharable across silos, and performance accountability should reflect collective responsibility across the system, rather than a program-by-program report card. Community-level and individual-level economic health, with a focus on diversity, equity and inclusion, should be the new drivers of a transformed workforce development ecosystem that delivers an inclusive economic recovery.

In addition to permeability, new paradigms must support economic momentum for all individuals and the businesses that employ them. It should not be considered "good enough" if an individual gets a job, or a business hires a new worker. The "any job is a good job" policy dictum of the past must be replaced to reflect current and projected future realities. Individuals will likely have many jobs or have to weather technology-induced changes to their occupations. Businesses and whole business sectors may experience significant technology-induced shifts to their bottom lines.

Connections to businesses and workers should no longer be viewed as "one and done." The state's workforce development system can and should be a point of engagement for businesses, workers, students and jobseekers throughout their lifespan. But this too will require changes to the infrastructure--and technology should be better utilized to fuel these lifelong relationships.

Currently, credentials are the coin of the realm at the intersection between workers and employers. Degrees have historically been viewed as proxy for the skills and competencies required on the job or for career advancement. Yet, we know that "credential as proxy" is also a structural barrier for many who could not afford or were deterred in other ways from considering college. Our state's credentialing systems—education, training, occupational and professional licenses, must be modernized, and made transparent, portable and permeable. Credentials can provide real economic momentum for traditionally marginalized populations when those credentials are deconstructed by skills, competencies, and experiences; when they can validate mastery; and when they recognize and value all learning equally—in the classroom, on the job, on one's own.

Washington's postsecondary providers have made great progress in designing new pathway models to improve access and completion rates for students. However, there is more room for improvement, especially in serving adult workers and marginalized populations. Working across silos, and with cultural understanding, systems can expand access for a wider range of student groups, accelerate economically meaningful credential acquisition, and improve lifetime workforce and economic outcomes.

Credentialing learning that occurs on the job or through life experience can be an educational lifeline for many people who have not chosen or been unable to take advantage of traditional postsecondary pathways. High School 21 Plus is a program of the Basic Education for Adults division of the community and technical college system, which recognizes and grants credit for prior learning. HS21 Plus has substantially boosted high school diploma attainment for adults, many of whom have moved into college programs. The model should be expanded across postsecondary systems. For those who complete a registered apprenticeship program, military training, and other programs where skill and competency attainment are well documented, crosswalks to transferable college credit should be automatic and systematized.

Competency-based education also needs to be expanded in our public postsecondary education system. Sitting in a classroom from 8 a.m. – 2 p.m. on weekdays for 11-15 weeks at a time does not fit all adult workers' lives – or businesses' schedules – and inhibits access and credentialing for many. The increase in distance learning across instructional programs that has been caused by COVID has forced most colleges to adapt to online instruction. With added support for faculty, staff, and students, this can become normalized and with it, enable students to take coursework asynchronously at their own pace, moving as quickly as they can to demonstrate mastery of subject matter, and to completion/credential.

Technology can help create a new competency-based credentialing system that supports workers and businesses. Digitization of credentials, or interoperable digital credential "wallets" are proving to support economic mobility and momentum for workers and employers. Use of a common language and linked open credential data is also allowing for education mobility. New Hampshire's higher education system, for example, has seen high levels of course-taking across institutions, but low levels of degree attainment, as too few credits transfer from one institution to another. That state has created and is piloting an artificial intelligence (AI)-based, data system that is interoperable and therefore able to be shared among different systems across all campuses. This enables individuals to pool their credits and coursework towards degrees and other credentials.

Washington has numerous explorations, demonstrations, and fully built programs tied to new credential pathway development, a new credential taxonomy, and digitized interoperability that allows data to be shared across different systems. Now is the time to advance this learning, build on success, and establish a durable infrastructure that supports lifelong learning, economic mobility, and true credential transparency.

CHAPTER 4: Recommended Goals and Strategies

Goal Area 1: Re-charter and Refocus the Board's Subcommittee on Removing Employment Barriers

As part of Washington's economic recovery plan, the Workforce Board and its partners commit to defining measurable "inclusivity" to serve as the workforce system's north star of **inclusive economic recovery**.

Integral to this effort is a commitment from all partners to recharge and rededicate the Workforce Board's subcommittee on Barrier and Access Solutions. Created in 2015 during the planning process for the first edition of Washington's current strategic workforce development plan *Talent and Prosperity for All*, the Barrier and Access Solutions Committee (BASC) was chartered as the first and currently only existing standing subcommittee of the state Workforce Board. The subcommittee was created to work collaboratively with similar, locally focused committees established by regional workforce councils to diagnose barriers to employment and challenges in accessing workforce services across all vulnerable populations, including race, people with disabilities, veteran status, and income status. The Workforce Board's direct support of the state BASC was intended to drive attention and resources toward removing or reducing barriers to employment and increase access to workforce services, whenever possible. In its first year, the BASC produced a grant-funded project that estimated population baselines for all 14 vulnerable "focus" populations[17] as detailed in the federal Workforce Innovation and Opportunity Act, in collaboration with the WIOA Implementation Committee on Data Sharing and Performance. This provided a needed first step in dash-boarding where these populations are found in Washington and how our system's services move the needle on employment outcomes for each of them.

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[17] Under WIOA, the term ''individual with a barrier to employment'' means a member of one or more of the following populations:

(A) Displaced homemakers. (B) Low-income individuals. (C) Indians, Alaska Natives, and Native Hawaiians, as such terms are defined in section 166. (D) Individuals with disabilities, including youth who are individuals with disabilities. (E) Older individuals. (F) Ex-offenders. (G) Homeless individuals (as defined in section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. 14043e–2(6))), or homeless children and youths (as description of defined in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a (2))). (H) Youth who are in or have aged out of the foster care system. (I) Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers. (J) Eligible migrant and seasonal farmworkers, as defined in section 167(i). (K) Individuals within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.). (L) Single parents (including single pregnant women). (M) Long-term unemployed individuals. (N) Such other groups as the Governor involved determines.

Since 2019, the BASC has been in hibernation as workforce system partners have engaged with one another on an update to *Talent and Prosperity for All*. As detailed in a recommendation to follow in this Workforce Economic Recovery Plan, the Workforce Board has an opportunity to refocus the efforts of the BASC on inclusivity for all, and to charge it with an additional portfolio of responsibility on defining and measuring inclusivity dynamically.

Accordingly, the recommendation of this plan is for the Board to work with staff to convene a re-imagined and rechartered BASC to:

1) Focus the Board and workforce system on truly addressing economic disparities.
2) Measure systemic success at closing economic disparity gaps via data dash-boarding.
3) Bring underrepresented voices to the table with industry and decision-makers to discuss job quality, access, equity, and anti-racism.

Goal Area 2: Prevent the Growth of Long-Term Unemployed

As examined in Chapter 2, the Great Recession offers some object lessons for our system to consider when responding to the current economic downturn. This includes the lived experience of identifying and working with a large pool of long-term unemployed Washington residents coping not just with a market downturn, but with changes in the very nature of work itself. As also examined in Chapter 2, we know that many of those most likely to be disproportionately affected by long-term unemployment include youth, people of color, and people with lower levels of education and training.

These past experiences, coupled with current Unemployment Insurance filing trends, indicate the current crisis has had the greatest impact on occupations within retail and manufacturing.

Workforce training yields the strongest outcomes, including persistent job placements, when the skills provided in training are closely matched to the actual needs of employers in the community, and that match is examined and adjusted over time to reflect the changes of industry practice or standards. Washington's workforce system is well positioned today to leverage ground-level labor market data. The state recently acquired business climate data from Dun and Bradstreet's Econovue to more quickly identify businesses and industries facing financial and other challenges. Beyond Econovue, a good next step for the workforce system is co-investing in a data dashboard that helps track which education and training pathways are needed among high-demand industry sectors. By mapping these pathways into in-demand jobs and making them navigable to jobseekers, more Washingtonians will be able to chart a course back to work, instead of becoming long-term unemployed.

Beyond data dash-boarding, the state should look at leveraging other policy strategies to combat long-term unemployment, including:

- "Public service employment" or "public works" jobs, not unlike those created in the Great Depression, or at a smaller scale by the American Recovery and Reinvestment Act of 2009.
- Creating incentives for employers to hire long-term unemployed, and/or for the long-term unemployed to accept jobs potentially at lower wages than they had previously earned. This might be accomplished through a payroll tax credit to employers that hire individuals who are out of work for six months or more.
- Work with partners in Vocational Rehabilitation to ensure people with disabilities also have access to employment opportunities, including short-term. People with disabilities, including those claiming work-limiting disabilities under Social Security Disability insurance, are at particularly high-risk of becoming long-term unemployed.
- Broaden supports for Return to Work initiatives including the state RETAIN program to encourage some unemployed or work-limited disabled individuals to return to employment.[18]

To keep the pool of long-term unemployed from growing, partners must leverage their data to identify and target job search assistance and training to help the most at-risk among the newly unemployed.

Goal Area 3: Leverage, Expand Capacity & Expertise of Postsecondary Systems

Washington is fortunate to have a broad spectrum of high-quality postsecondary education and training options, from public and private two- and four-year colleges and universities, to a robust catalog of registered apprenticeship programs, and over 300 occupation-specific licensed schools. But higher education, like every other sector of our society and economy has been hit hard by the pandemic and the resulting health and safety measures.

Postsecondary capacity is always a concern when there is an economic downturn. Historically, economies experience a surge of workers seeking upskilling or reskilling opportunities. Usually, federal workforce development funds are increased to help support the tuition and other expenses of dislocated workers. Washington's postsecondary community has always stepped up to make room for these dislocated workers

In addition, states often experience a decline in revenue during economic downturns, and publicly funded postsecondary education, a discretionary part of Washington's budget, is often the source to offset budget reductions along with all other aspects of the public infrastructure.

[18] Urban Institute, a nonprofit research organization, https://www.urban.org/

To meet both of these historical trends, federal funding, along with cutbacks in discretionary activities has helped postsecondary education weather these economic storms and even expand and adapt to meet changes in demand. This time, the economic impact is very different.

All Washington's higher education sectors have been working with the Governor's office to implement the best options to continue the education and training of currently enrolled students, and to encourage and prepare for new enrollments. All institutions converted most or all of their instruction to a remote learning format in March, and have gradually re-engineered programs, spaces, and learning modalities to support lab-based or hands-on learning, while adhering to social distancing and other CDC guidelines. Under "Safe Start," institutions and direct provider organizations are currently developing school re-opening plans, which will consist largely of continuing remote learning with options for hybrid and in-person courses adhering to the rigorous health and safety protocols for classes, libraries, student and academic services and programs, on-campus housing,, food services, and other gathering spaces.

These changes are costly. Across higher education conversion to remote learning, the transition of in-person curriculum and teaching to a remote learning modality, has required significant investments in technology and access for faculty and students, including new simulation or augmented virtual reality software and peripherals. Institutions are increasing cleaning and sanitation of all spaces, after every class, and providing personal protective equipment for all staff and students In-person and hybrid classes may be reduced to accommodate social distancing, which requires additional instructional staff hours, and in some cases retrofitting spaces not normally used for instruction, such as ballrooms and conference centers. Certain spaces must be re-engineered and retrofitted with plexiglass and other contact barriers. Finally, institutions continue to experience lost revenue through auxiliary services as a result of the pandemic such as on-campus housing and leased spaces, the completion of capital projects, or the debt load incurred from previous build projects.

These costs, for the most part, cannot and should not be transferred to students. Institutions and programs, prior to the pandemic, were just beginning to experience some financial recovery to FY 08 appropriation levels while educating more students between 2008-09 and 2018-19.

Institutions are struggling to find adequate resources to meet the health and safety requirements and educational missions. They are considering a range of challenging decisions including suspending courses and programs that are too costly to operate in this environment. A good example of this is college-run dental clinics that support the dental health of community residents and provide hands-on training and practice opportunities for dental and dental hygiene students. The minimum estimate to retrofit these clinics is $100,000, over and above the other added costs described above.

Even though programs and institutions undertook or are undertaking major transformations to meet changes in education delivery; with rigorous attention to the health and safety of students, quality and engagement; faculty and staff, students and their families remain concerned. After the initial "Stay Home, Stay Safe" proclamation, some students chose not to return for spring term, In addition, some international and non-resident students were unable to return, and a decline in fall enrollment projections is anticipated.

Postsecondary capacity is always a concern when an economic downturn hits. There is always a surge of workers seeking upskilling or reskilling opportunities. Usually, federal workforce development funds are increased to help support the tuition and other expenses of dislocated workers. Washington's postsecondary community has always stepped up to make room for these dislocated workers—especially the community and technical college (CTC) system. During the Great Recession, Washington's CTCs expanded their offerings to enroll over 30,000 dislocated workers across the state.

The other truth about economic recessions is that tax revenues decrease, and the publicly funded postsecondary community is likely to absorb budget cuts, along with the rest of the publicly funded infrastructure. The addition of federal emergency or stimulus funding, along with cutbacks in discretionary activities has helped this sector weather these economic storms and even expand to serve dislocated workers. This time, this recession is very different.

The postsecondary community is already experiencing significant budget and revenue shortfalls. In some cases, a school or campus infrastructure maybe compromised as a result if revenues can't support leased space, the completion of capital projects, or the debt load incurred from previous build projects.

Finally, faculty and staff are experiencing the same pandemic-induced impacts as the general population. They or their close family members may have compromising health conditions, they may have pre-school or school-age children at home, or they may just be concerned about the potential of contracting or transmitting the virus. Some may also feel uncomfortable teaching in a remote learning environment. Where work-based or on-the-job learning is a core component of programs, and industry employees share instructional responsibilities, such as with registered apprenticeships, career launch, and many health occupation programs, instructional capacity is affected by the partial or full closures of workplaces. There are also a growing number of anecdotal reports of retirement-age faculty and administrators choosing to take retirement, rather than facing these mounting challenges to their ability to educate effectively.

Beginning in April, the Workforce Board convened a Postsecondary Capacity Work Group to develop strategies to specifically address the education and training needs of tens of thousands, maybe even hundreds of thousands, of dislocated workers likely to need upskilling or reskilling to re-enter the economy at livable wages. To date, Washington has received $24 million of federal funding through grant applications for federal emergency and stimulus funds to support this need. Despite this investment, concerns remain high as the pandemic continues, and educational needs persist. To meet our state's needs new strategies must be enacted that support both current or traditional student populations and the throngs of dislocated workers.

The Postsecondary Capacity Work Group, which represents all sectors of postsecondary education and training, and the local Workforce Development Councils, developed an initial set of recommendations to meet the state's needs and leverage and expand postsecondary capacity in Washington. The Work Group prioritized dislocated workers and students who need the most support to succeed in the pandemic-impacted economy, especially under-represented populations, those who have not completed high school, and those with low income levels. The Work Group also chose to focus on strategies that represent across the full spectrum of postsecondary education and training and highlight best or promising practices in one or more area of the postsecondary education community. The areas prioritized by the Work Group are:

- Support for faculty to perform well in a remote learning environment.
- Pathways to quality jobs in high demand industries and occupations.
- Comprehensive tuition support and wrap-around services at all stages from initial enrollment through to credential completion.
- IT equity and digital literacy.

The group's recommendations for education and training pathways to high- demand jobs, and for IT equity and digital literacy are included in later sections of this plan. Following are their recommendations for improving remote learning delivery and wrap-around student services.

Professional Development & Communities of Practice Subcommittee

1) Goals/Purpose:
    a) Ensure that faculty and staff have the necessary resources to shift from classroom to online training.
    b) Establish a community of practice across all aspects of secondary and postsecondary education to support dislocated workers.
    c) Create occupational pathways for providers of education.
2) Recommendations
    a) In order to provide Faculty/Staff resources for transitioning to online teaching, the work group has the following recommendations.
        - Ensure online teaching utilizes components of universal design & accessibility (Section 508 https://www.section508.gov/create/universal-design)

- Develop a catalog of courses that teachers can take online to learn and raise awareness of available resources - "Excellence in teaching online" courses
- Identify quality open access courses that would be available to under-resourced educational institutions to ensure all institutions are able to access necessary training
- Ensure access to broadband and digital devices for accessing these trainings and for the faculty/staff that are developing and delivering the trainings online

b) In order to create a Community of Practice for Secondary/Post-Secondary Education, the work group recommends the following:

- Encourage educational institutions to develop statewide forums for educators that share findings, challenges, questions, and access resources (i.e. online faculty lounge)
    - Based on department, discipline
    - Can be internal or external/ informal or formal
- Fiscal support for adjunct faculty development & participation
- Ensure instructors have access to "stable, consistent, accessible" broadband (may take funding)
- Identify and provide smaller grants to support an action item of CoP

c) In order to create effective occupational pathways for providers, the work group recommends the following:

- Establish alternative licensure programs (eg: Alternative Pathway to Teaching Credentials or CTE (Career & Technical Education) credentials)
- Consider extending reciprocity agreements across state lines for credentialing various licensures
- Consider streamlining temporary alternative pathways for dislocated workers to obtain CTE instructor certification
- Programs similar to New Mexico
- Identify and create a list of free non-credit certificate programs that lead to jobs
- Consider alternative funding for non-credit upskill and back-fill certificate programs
- Consider alternative educational programs for jobs in demand
- Allow educational institutions to utilize current workforce expertise to instruct in high-demand CTE jobs without strict credentialing requirements
    - Health Tech
    - Trades
    - Info-Tech

Wrap-Around Student Services Subcommittee

Goal: Ensure every student has the necessary resources to access, benefit from, and complete to an economically meaningful credential, their chosen program of study

I. Map all financial and other supports available in each region of the state and for every institution or program. Include all readily and consistently available public and private supports.
II. Articulate all eligibility requirements or other criteria for use of available supports, and identify service gaps
III. Create templates, guides, and other resources to help frontline staff develop support packages that align with every stage of a student's progress towards career success
IV. Renew and make permanent the increased funding ($4 million proviso in 2020 state budget to address Job Skills program backlog) to support the upskilling and reskilling of incumbent workers, including returning furloughed workers.
V. Re-energize the Lifelong Learning accounts program to encourage co-investment of employers and workers in the long-term economic success of workers

Goal Area 4: Creating Navigable Pathways to In-Demand Careers

Dislocated workers and other economically vulnerable individuals must find accessible and navigable routes to economically stable careers with livable wages. Many will need to start earning wages quickly after Unemployment insurance and other benefits run out or are lessened. Federal workforce and financial aid funds, coupled with the newly enacted Washington College Grant program can help cover the cost of education, training, and other support needs while an individual prepares for entry or re-entry to the labor market. But for many, it is the need to cover standard living expenses that propels an individual to take an available job, often foregoing the opportunity to attain a marketable credential or prepare for a job with higher wages.

Advancing economically vulnerable populations to economic stability is a priority of this inclusive economic recovery plan. The recommendations in this section are designed to address the persistent and pervasive structural barriers to entry in to high quality, well-paying jobs, with better prospects for long-term economic stability. Our aim is to see individuals prepared for long-term economic success through the creation of durable, navigable pathway programs into high-demand careers.

While we can't know all the possible jobs that will be in demand during the Safe Start re-opening phases and beyond, there are a few certainties. IT, health care and child care jobs are already in demand and will continue to grow. Manufacturing and construction experienced economic constriction, but are moving forward again, and quality jobs are being posted. This section recommends a sector-based approach to building bridges to prosperity and closing economic disparity gaps.

Effective Career Pathway Models

There has been a tremendous amount of research undertaken over many years to identify career pathway best practices, including those that have the greatest impact on marginalized, and economically vulnerable populations. The U.S. Departments of Labor and Education have each commissioned a number of projects to synthesize this research and compile the core elements of the most successful models. Our model combines the proven success elements of both. Unless otherwise described, each of the following pathway recommendations assume adherence to these core elements:

1) Build Cross-Agency Partnerships and Clarify Roles
2) Engage Business and Labor Partners from High Growth Industry Sectors
3) Identify Persistent and Pervasive Structural and Other Barriers to the Career Success of People of Color and Other Marginalized Populations
4) Co-Design Education and Training Programs with Industry and Other Partners that Remove Barriers to Participant Success
5) Incorporate Work-Based Learning Opportunities
6) Enable Participants to Earn Livable Wages at Program Onset or Soon after
7) Create Resource Map, Identify Funding Gaps and Potential Sources
8) Align Policies and Programs, Elevate Needed Statutory Reforms to Workforce Board and Other Appropriate Change Advocates
9) Collectively, Continuously, and Transparently Measure Process and Outcome Performance and System Change
10) Provide Tools, Professional Development, and Other Resources to Support Staff and Faculty to Succeed

In Support of Registered Apprenticeships

Since 1998, for as long as the Workforce Board has been evaluating the net impact of public investments in workforce development, the registered apprenticeship sector when taken as a whole has proven to show the greatest returns to tax payers and participants, compared to all other education and training options (Workforce Training Results). There are some differences by particular disciplines, for example baccalaureate computer science and engineering programs have better employment and earning outcomes than registered apprenticeships. But overall employment and earnings resulting from apprenticeship participation out pace traditional education pathways after program exit and even a few years past exit.

Another consistent positive finding is that employment and earning rates are better for non-completers of registered apprenticeship programs than non-completers of traditional education and training. This coincides with the high satisfaction rates reported by employers who hire both non-completer apprentices and journey-level professionals from registered programs (Workforce Board’s periodic customer satisfaction surveys and Workforce Training Results).

Registered apprenticeship programs require that a job be available throughout training because the majority of learning occurs on the job. Apprentices are paid wages while training on the job, and progressive wage gains align with a schedule of learning gains and increases in job responsibilities. Apprentices are rigorously taught and supervised by journey-level professionals, with almost full-time supervision in the first stages of apprenticeship, and increasing levels of apprentice autonomy at the later stages. Apprentices are also taught to become supervisors at the journey level, which maintains a virtuous cycle of work-based learning, with faculty always up to date with industry standards.

This plan recommends that career pathway programs be developed using the core tenets of the registered apprenticeship model, and business, labor and legislative policy makers should consider new registered apprenticeships whenever possible. Registered Apprenticeship can be an equalizer for economically vulnerable populations, with access and participation supports at each stage of participation. Currently, registered apprenticeship program participation rates for racial minorities and women vary greatly but system averages in some industries fall below overall population density. However, because of Registered Apprenticeship requirements to achieve diversity and inclusion, numbers have been steadily improving over the past 15 years.

The Washington State Apprenticeship and Training Council (WSATC) has a legal obligation to focus on equitable access and benefit across our diverse population. The WSATC sees this as a priority and continues to work with Apprenticeship Sponsors and the Apprenticeship Division of Labor and industries to modify program development and oversight protocols accordingly. The WSATC also recognizes a growing number of preparatory programs with articulated pathways to Registered Apprenticeship, further promoting models proven to increase diversity, equity and inclusion.

Washington state policy makers have also shown that Apprentice Utilization requirements on public and private work can increase the number of work hours available to apprentices and the number of businesses participating in registered apprenticeship programs. Apprentice labor hour requirements currently exist across most state public works projects and a host of local municipality projects. State policy makers should look to contracting and procurement practices in order to drive registered apprenticeship development to new industry sectors.

Pathways to IT-Based Careers

Information technology as a sector has continued to flourish throughout the pandemic, and IT-based jobs across all sectors are likely to grow. The range of types and levels of IT-related jobs crosses a broad spectrum. Programs designed to prepare individuals for career entry should be able to identify for the prospective students which jobs are likely to be attainable upon completion. Programs should also be able to prepare graduates to adapt to the highly probable changes that will come once they are in the field.

The ability to use IT is also a growing necessity of most jobs in the labor market today—and the proportion of IT to non-IT functions is expected to continue growing. For the economically vulnerable, IT knowledge, skills and abilities are often lacking, whether because of the inequities associated with broadband distribution and cost, the expense of owning up-to-date hardware, the lack of IT-related educational, work or life experiences, or all of the above, digital illiteracy is derailing the train to good jobs and economic prosperity for too many Washingtonians.

Make Technology Accessible to All

The culture of the digital age, with rapid-fire technological advancements, has come to see technology as consumable and disposable. Too many computers, laptops, tablets, various computer peripherals, and all the associated packaging are going to landfills or to private, for-profit recyclers and being shipped off shore. IT hardware doesn't have to be considered disposable. By investing in recycling programs that train individuals to build, maintain, fix, refurbish and upgrade the hardware, we can make modern IT equipment available to under-resourced individuals and families, while re-shaping our culture to be more cognizant of the environmental and societal impacts of IT-disposal. We may even create a new marketplace and new jobs for individuals who can service computer and computer-related equipment.

Establish the IT Service Corps and State IT Academy

The need for IT access, service, hardware, and education has grown throughout the pandemic. Crisis hotlines are overwhelmed by stories of isolation and alienation as people without virtual capabilities lose all contact with their family and friends, even their health care providers. Homebound elders and others with compromised immune systems are particularly impacted. Families with students needing to learn online have been stilted by their lack of technology or their inability to use or upgrade the technology they have on hand. Many community-based organizations without substantial IT support have had to reduce or end services, and have not been able to move to virtual fund-raising strategies. The needs are dramatic and overwhelming. In late 2019, well before the pandemic hit Washington, the WorkSource system surveyed users to learn what their primary purposes were for coming to WorkSource. Over 30% reported that it was their only access to computers and the internet. They used the Centers to get help preparing a resume and with online job applications. As WorkSource Centers, libraries and other community access points have closed their buildings, the need for digital support across the state has increased dramatically.

A statewide IT Academy, with an industry-developed curriculum and standardized credential pathway will ensure that all Washingtonians are digitally literate and able to engage in the digital economy. Community centers, schools and colleges, or libraries and WorkSource Centers can all be outlets to deliver the IT Academy curriculum. Once the first level assessments are completed successfully, an Academy student can continue coursework online asynchronously. Assessments would be completed online, and credentials will be made available in a digital "wallet." Credentials will also have direct transferability to the state's colleges, universities, and relevant registered apprenticeship programs.

The IT Service Corps enables Academy students to gain real-world work experience to apply their learning in support of individuals and families in our communities without digital resources. We envision IT corps members working with community health providers, senior services, schools and community-based organizations to help refurbish donated computers and set them up for use by those who need them. They can also help individuals upgrade older technology, and teach people how to use technology.

The IT service Corps will be operated by the Washington Service Corps, in coordination with the Washington Technology Industry Association, the Workforce Board, the 12 local workforce development councils, and other partners. Like the IT Academy, libraries, colleges and universities, high schools, and community-based organizations can all operate IT Service Corps cohorts. Each funded cohort will require instructional and program management staff, as well as a group of volunteer mentors who are employed in the IT field, and can make time to accompany the Corps members to their first 3 site visits.

Ultimately, IT Academy and an IT Service Corps certification will be recognized by Washington's employers, and valued for hiring priority because employers are engaged and involved at every stage of these programs, from development to implementation, and on-going evaluation. Like the IT academy, the Service Corps certificate will also have direct transferability to and be made a component of the state's colleges, universities, and relevant registered apprenticeship programs.

Pathways to Careers in Manufacturing and Building Trades

Washington's manufacturers and building contractors were experiencing critical workforce shortages prior to the pandemic. Construction was hit hard by the "Stay Home, Stay Healthy" closures, but is currently rebounding slowly within phased re-opening guidelines. In fact, business and labor representatives of the construction industry worked together to develop a rigorous set of re-opening health and safety guidelines that has become the basis for most other industry re-opening guidelines. Currently, transportation-related construction and other essential projects are currently operational, and the number of workers returning to work is increasing daily. There are job listings for a variety of positions, and many related apprenticeship programs are again operational.

The construction industry as a whole is expected to rebound fully once the pandemic abates. However, it's important to proceed cautiously and in direct alignment with industry partners. Although there are considerable construction projects in the pipeline due to pent up demand, uncertainty over the size and speed of an economic recovery leaves significant questions as to future demand. The American Institute of Architects Monthly Billings Index (MBI), offers a useful barometric reading of new business generation. The MBI, which leads nonresidential construction activity by approximately 9-12 months, experienced its largest ever drop in billings between February and March, with a continued decline in April (American Institute of Architects, 2020). Until this drop of over 20 points, the largest decline occurred during the great Recession, when demand fell by about 9 percent.

A much larger proportion of Washington's manufacturers stayed open throughout the early phase of the pandemic as they were considered essential businesses. Nonetheless, manufacturing also experienced economic chaos as supply chains choked or disappeared entirley. Manufacturers that supply goods and parts to the aerospace, hotel, and restaurant industries saw markets dry up quickly. But manufacturing in Washington has become quite resilient over the past decade or so, with nimble blending of digitization, automation, and highly skilled workers. Many manufacturers rapidly retooled to make various types of personal protective equipment, sanitizing agents, and other items in demand in the pandemic economy. The number of manufacturing job listings are growing, but like construction, the health of manufacturing will be dependent on the length and trajectory of the pandemic, as well as on the permanency of the changes in consumer spending habits.

Both sectors have well-established career pathways, with multiple entry points: secondary and postsecondary career and technical education (CTE), registered apprenticeships, Career Connect Washington, and on-the job training. Each of these pathway models has made headway on improving access and completions for marginalized and economically vulnerable populations, but there is far to go. There continues to be a significant under-representation of racial minorities and women, for example, at all but the most entry-level positions in these industry sectors.

Pathways to Child Care Careers and Livable Wages

Availability of affordable, high-quality child care was insufficient to meet the needs of Washington's children and families prior to the COVID-19 pandemic, and post-COVID, that need is expected to rise considerably, with a number of new and pressing structure challenges.

In 2019, Center for American Progress estimated that 63 percent of Washingtonians lived in a "child care desert," where supply fails to meet demand; Washington ranked 6th worst among all states. Currently, Washington has just fewer than 200,000 licensed child care spaces statewide, which left a pre-COVID deficit of approximately 420,000 for children aged 0 through 12.[19] Since mid-March, child care capacity in Washington is down over 40%, and statewide school closures mean school-based child care, youth, and expanded learning programs are unable to operate while school buildings are closed.

Amidst the COVID-19 pandemic, the demand for child care is constantly changing and uncertain – with many industries temporarily closed, workers furloughed or laid off, and businesses opening in phases – and further unbalanced by the likely resurgence of the virus, causing future closures. The solution for this predicament may seem obvious: hire more child care workers. As the state's economy begins to reopen and the workforce returns to the (modified) workplace, there are hundreds of thousands of dislocated workers considering new career options, many of whom would be attractive candidates for child care careers. Despite the persistent need for workers within the child care field, the industry's low wages and lack of career ladder opportunities dissuade most job-seekers from pursuing employment in this field.

The state has already taken initial steps to address the needs of the child care industry, including the formation of the Child Care Collaborative Task Force (Collaborative), administered by the Department of Commerce. In its most recent report, published in 2019, the Collaborative reported that persistent low wages and lack of opportunity for wage growth were among the major contributors to high levels of child care staff turnover. To counter such wage stagnation, the report included a wage proposal and income matrix, including guidance on the need for sustained fiscal investment in the income of early childhood care workers.

In the longer-term, such financial support for the Collaborative's proposed wage structure will be an effective investment in the early childhood education realm, but the budgetary shortfall facing the state is a substantial barrier to such investment. As an interim step, this plan proposes the creation of structured, navigable pathways to better wages for care workers, within the child care and related fields. Specific structural guidance of these pathways will require a more in-depth stakeholder engagement process than is permitted by this plan's initial timeline, but we recommend the following parameters for such a pathway.

Create an Easily Accessible, Navigable Pathway to Livable Wages:

Consider a Community-Based Training Model:

As with other social service career pathways, many prospective child care workers are already living in the communities in which they could potentially work. Community-based employment

[19] Approximately 120,000 spaces for children aged 0 through 5, and 300,000 spaces for school-aged children, or those aged 5 through 12, according to findings from the Child Care Collaborative Task Force.

strategies seek to tap into existing resources (in this case, community members) to remedy deficits (i.e. lack of available high-quality child care). Particularly given the ongoing pandemic, a "close-to-home" approach to career pathway development could prove to be effective in recruiting new child care workers. Existing efforts are underway to explore the concept of a community-based training model for early childhood educators and care workers.

One such effort is HB 2556, which requires the Department of Children, Youth, and Families (DCYF) to implement a community-based training pathway for licensed child care providers to meet the professional educational requirements mandated by child care licensure. The program aims to increase accessibility of child care pathways for low-income and ESL workers, with program costs capped at $250 per person, offered in multiple languages, and accessible in both urban and rural settings. While the program is not credit-bearing, the bill requires DCYF and the State Board for Community and Technical Colleges (SBCTC) to collaborate with community and technical colleges in development of a plan to permit community-based training completed by licensed child care providers to qualify for college credit; the plan is due to the Governor and the Legislature in December 2021.

College credit alone will be inadequate for recruitment or retention of child care workers. The child care license and college credit are a starting place. It is important that program participants are provided a map to potential "net" jobs with higher wages. The pathways available should be clearly depicted, and include cost and timing of additional education or time on the job to attain more marketable credentials and higher pay. The Guided Pathways program of the Community and Technical College system should be brought to bear to develop visible, easily navigable pathways for child care workers.

Another community-based model for possible emulation, identified in initial stakeholder conversations, is the Building Bridges Program. Administered by the Office of the Superintendent of Public Instruction, the program seeks to create a locally-based partnership comprising families, schools, and communities to promote school dropout prevention and intervention strategies. While not specifically oriented towards workforce development, the Building Bridges model could provide guidance on triangulating local needs and resources (as identified by the community), effective performance measurements for partner organizations/agencies, and best practices for further recruitment and retention strategies within the community.

Consider Work-Based Learning:

Work-based learning models have proved both cost-effective and retention-oriented in many professional fields, yet child care remains a less-explored pathway in this regard. As with other fields, the child care work-based learning conversation could include Registered

Apprenticeships, such as the instructional assistant and education paraprofessional (para-educator) apprenticeships offered in Washington. Both programs are offered at three schools: Clark College, Green River College, and Lower Columbia College. Such apprenticeships serve as touchpoints in an education-based career pathway: the instructional assistant is a precursor to the educator paraprofessional program, which in turn is marketed as a stepping stone to becoming a teacher. Bear in mind that there is a registered apprenticeship program for child care workers tht has been in existence in Washington for many years. However, if a program gets started, it whithers because ther is little ability to provide predictable, periodic wage increases tied to learning objectives or increased job responsibilities.

In considering alternative pathways within child care, there is potential to market child care provider roles as similar to para-educators, as an entry point into the education sectors. At present, child care lacks the navigable career progression found in the more "traditional" education professions – little opportunity exists between provider and business owner – but consideration of work-based learning models could help to bridge that gap.

Propose Incentives for Remaining in Direct Care:

As mentioned previously, lack of income growth not only prevents child care workers from earning a livable wage, it's also a major contributor to the substantial rates of turnover within the field. Simply put, workers have little financial incentive to continue in a direct service role when they cannot discern any chance of wage increase without opening their own business (the barriers to which are ample in their own right). This impacts children, employers, and workers: with this turnover comes disruption in continuity of care; challenges to maintain state-mandated staffing levels (early childhood staff/child ratios vary from 1:4 to 1:10, depending on child age); and further interruption of a potential career pathway.

The current pathway (or lack thereof) communicates to early childhood workers that long-term economic security is derived from leaving direct service and transitioning into an administrative role, or leaving the field altogether. This reinforces the notion that the core competencies of care provision are under-valued, and is detrimental not only to the development of a child care workforce, but an experienced, high-quality one. Additionally, incentives or financial bonuses for remaining in direct service positions could be a smaller-scale step to the eventual goal of a discernable child care wage ladder, as they would likely require a less significant financial investment amidst the current budgetary crisis. If a cash bonus structure can't materialize in this current environment, consider scholarships for further education, that perhaps can be transferrable to the children of the child care workers. A discussion or focus group with child care workers might provide insights into other types of incentives worth considering.

Establish a state-wide Substitute Child Care Worker Pool:

An often-cited challenge of child care workers is the inability to take time off when needed, especially if there is little time to notify parents. Having a pool of licensed child care providers available to "spell" any provider might be a reasonably low-cost incentive to retain qualified providers in service. Substitutes can also be trained as technical assistants or mentors for new providers, and if wage levels are above that of child care worker, the role can become a next step on a child care career pathway. If the role can be credentialed differently, the competencies demonstrated may also be attractive in other industry sectors with better wage opportunities.

Pathways to Health Careers

Health care is experiencing tumult and transformation as transmission of the novel coronavirus continues at pandemic proportions, elective procedures lapsed and backlogged, and physical and behavioral health is increasingly being delivered in a virtualized ecosystem. But overall, health care and allied health jobs are in great demand in all parts of the state. For the most part, health care provides opportunities for quality jobs at livable wages, but also presents tremendous barriers to successful participation by historically under-resourced populations. While many available positions have low barriers to access—limited or no formal education requirements, locally available, health and other employee benefits, moving beyond the entry level requires investments of time and money unaffordable or unworkable for many people. Because the reward of a better job is often 2 or more years into the future, and programs are generally full-time, individuals' risk: reward calculations deter them from traditional college pathway programs. However, across the country and around the world, new, more accessible and affordable health career pathway models are being implemented. Apprenticeship and other earn and learn models, better transferability and more permeability of postsecondary credentials, and expanded and systematized credit for prior learning protocols are all showing greater uptake and success among under-represented populations.

The issues affecting the health care sector, its workers and workforce pipeline are many, inter-related, and complex, affecting the state's ability to address public health and safety needs as well as inclusive economic recovery. For this reason, we have dedicated a separate, more comprehensive section on Washington's health care workforce.

Pathways to Entrepreneurship and Business Ownership

Economic downturns are times in which many new businesses are formed and emerge. Disruptive periods like these produce businesses and companies that will become household names in five to 10 years.

Starting a business today is relatively simple and easy. Creating a successful, sustainable business requires hard work, persistence and a great deal of capital over an extended period of time.

Today there are more programs and resources than ever to help budding entrepreneurs turn their idea into a business. Business owners now have access to accelerators, incubators, startup coaches, free computing resources, "pitch" clinics, mentoring clubs and more.

These resources come from both private and public sectors. While entrepreneurship is often a lonely journey that can be an emotional roller coaster, entrepreneurs do not have to "go it alone" today and have more help than ever to avoid missteps and pitfalls that occur with every new business.

From a public policy standpoint, how should policymakers view and act toward entrepreneurs and new business owners? The first thing to remember is the "do no harm" principle. Laws, regulations and public policy should be as welcoming as possible to those starting new businesses, no matter the type of business, ownership structure or location.

This does not mean that public policy should "guarantee" anything for entrepreneurs or small business owners, other than consistent application of laws and rules as stated in the earlier section. One area of tax policy that could be considered is exemption from B&O taxation until a business has at least 10 employees or over $100,000 in gross revenue. The early stage of a business is the riskiest. This is an area where looser tax policy would have positive outcomes. The more capital a business can preserve at early stages, the higher the chance of success. The state "loses" little by increasing the exemption but stands to gain substantially once businesses reach the $100,000 revenue threshold.

Capital is the most important ingredient for any business to be sustainable. It always requires more than the entrepreneur believes is necessary. This is also the most difficult resource to obtain for a new business owner. There are numerous sources of capital in the marketplace but accessing those sources can be difficult for any entrepreneur or small business that has yet not generated revenue.

The state is limited in its ability to provide capital directly due to the state constitution's prohibition on the "lending of the state's credit" to benefit private entities. There have been past efforts to require the Washington State Investment Board to engage in "economically targeted investing" that would go specifically toward Washington state startups. These efforts have been resisted by the WSIB and its fund managers.

In terms of investors and venture capitalists in Washington, they are concentrated in the Seattle-Bellevue MSA and concentrate their investing toward technology related companies. There are pockets of startup activity in Spokane, Tacoma and Tri-Cities with some levels of entrepreneurial support in those areas but little investment capital.

Outside of urban areas, there is little help or guidance for entrepreneurs and potential business owners. There are programs that operate in the less urbanized counties to help those who desire to start their own business. This is an area where policymakers may want to delve deeper.

Increasing business ownership and the skills required to successfully run businesses is important due to the other "silver tsunami" of retiring business owners coming the next five to ten years. For many business owners, selling their business is not their primary skill, nor goal. But with many business owners aging, they are at that point where selling is the best and sometimes only option.

For businesses in rural areas, buyers could be hard to find. Second generations are often resistant to taking over the family business for a number of reasons. Often business owners let things slip over time, reducing the value to a potential buyer. Knowing when to sell and to whom requires its own skillset.

Employees and workers are potential business owners. Public policy should ease the transition for businesses and business owners who want to sell or offer ownership in their company to workers. Employee stock ownership plans (ESOPs) and Cooperatives are the two most common forms of employee/worker ownership models in practice today. They have enjoyed success in Washington. Familiar ESOP companies and cooperatives are Schweitzer Engineering Labs (ESOP) and Mud Bay, PCC Markets and REI (cooperatives).

Efforts to understand the scope of potential ESOP or cooperative companies is being done by the Whatcom Community Foundation in conjunction with Project Equity. The initiative is starting in the Bellingham area.

The Center for American Progress has offered its recommendations for promoting employee ownership and worker cooperatives.

One of the recommendations, reopening a state office of employee ownership, was also a recommendation of the Washington state Future of Work Task Force (see last bullet point in list). Colorado did so a couple of years ago.

There is a case for state policy to support entrepreneurs and new business owners without "propping them up" if they are not viable. Stage agencies are in no position to determine at what point a business should close its doors (unless required by law or for unpaid taxes) nor should the state be on the hook for funding businesses that are or will not be viable.

What state policy should do for entrepreneurs and new business owners is understand the stage of business life cycle they are in and help them find the right resources and mentorship to guide them through the next stage of the business journey.

Other resources:

Enterprise for Equity: https://www.enterpriseforequity.org/business-programs/

Startup Spokane: https://startupspokane.com/get-started/

Fledge.co, "conscious company" accelerator: http://fledge.co/

Techstars Seattle: https://www.techstars.com/accelerators/seattle

New Tech Northwest (resources for girls and women):
https://www.newtechnorthwest.com/resource-guide/women-in-tech-resources/

Goal Area 5: Ensure Worker and Student Health and Safety

Ensuring the health and safety of workers and students is a critical component of the recovery process. While the responsibility for regulating and supporting the health and safety of the workplace and classrooms is shared among a number of partner agencies, the workforce development system can help facilitate a culture where everyone has ownership in the well-being of their colleagues in their place of work or learning.

A four-pronged approach is recommended to build a culture of health and safety in the pandemic and post-pandemic environment:

1) Establish clear and easily discernable expectations and protocols.
2) Develop user-centered information on health and safety protocols for each industry sector or occupational area.
3) Provide guidance and technical assistance on how to implement necessary protocols, including referral for financial and other supports wherever available.
4) Empower workers and students to take responsibility for workplace or school health and safety.

Each workforce development entity that supports the hiring and/or worker training needs of employers can set clear expectations for the conditions that must be in place when hiring or rehiring workers. They should also be able to supply information about workplace safety requirements and guidance on how a business might implement those protocols. Early focus on compiling materials and information should be on those high demand industries and occupations that are likely to emerge from the pandemic.

Every jobseeker that utilizes the services of the public workforce development system and each student should receive clear information about what they should be able to expect in terms of workplace/school health and safety, and how to proactively address situations where health and safety protocols are questionable. They should also be informed about where they might ask questions or express concerns outside of the school or workplace

New information on how to protect oneself and others is released on almost a daily basis and the volume of safety resources can be overwhelming to keep up with. Efforts should be undertaken to synthesize, prioritize, and periodically update important information for our business and worker customers, as well as students enrolled in workforce education and training programs.

Personal protective equipment (PPE)

While access to personal protective equipment (PPE) has improved since the beginning of the pandemic we know that we're still not at an adequate level of scale. Affordability of proper PPE is going to continue to be a massive challenge especially for our public institutions and programs. With increasingly scarce resources we know that balancing the increased cost associated with PPE will require cuts in other areas that may impact the quality or scope of services. Coordinated and consolidated PPE purchasing can help keep costs down, but there are few entities willing or able to take on this role in a sustainable way, making access haphazard and unpredictable. This joint purchasing function should be systematized to ensure coverage across all aspects of the workforce development system and in all regions of the state.

Goal Area 6: Boost Healthcare Workforce Pipeline

Outline: Healthcare Workforce

Economic Recovery Plan Chapter

Overview & Process

Chapter Goals

1. **Access to a safe learning and working environment for licensed clinicians, education providers, and healthcare students.**

2. **Provide safe provision of care and education for new workers, and retention of the current workforce.**

3. **Support stronger career pathway opportunities, including navigation and support services for dislocated workers seeking new careers in healthcare.**

Basic Goal: Planning for what we will need, specific to economic recovery, in the health workforce for the next 18-24 months.

Need to factor in a 2nd/3rd wave potentially and resulting medical surge.

Process:

Initial development of outline by WTB health workforce team (Nova, Carolina, Julia)

- Board presentation of concept June 22nd
- Health workforce "kitchen cabinet" meetings weekly
- Outline presented July 8th to the Board
- Recognition of limitations of this process (time, resources, etc.)
- Final to Governor July 15th

Chapter Strategies/Recommendations

- Equitable access to PPE
- Prioritized for sites providing both healthcare treatment and training for the healthcare pipeline.
- Clarity on expectations, requirements, and occupationally-appropriate and relevant safety supplies/standards
- Ensure sufficient capacity for rapid response COVID-19 testing for healthcare workers, healthcare faculty, students in training, and the patients they are serving.
- Provide support to expand opportunities to build career pathways, navigation, and resource support for dislocated workers seeking health careers.

Why specific callout to health workforce?

- COVID-19 has increased the need for healthcare workers at all levels to care for those affected by the virus.
    - Still anticipating that there may be increased demand on the health workforce with a second or third wave. This may come at the same time as the fall/winter flu season.

- Behavioral health needs of the population will only increase as the pandemic continues (see DOH report[20] from May 15, 2020).
    - Availability and quality of healthcare is a factor in closing racial and other economic disparity gaps[21]; people of color disproportionately affected by novel coronavirus.
- Already challenges in recruitment and retention in many health occupations in both physical and behavioral health in all communities across Washington (and nationwide).
    - Safety and uncertainty of income with layoffs/furloughs that varies across professions.
- Tens of thousands of dislocated workers who may need to consider a new career track entirely if their jobs have been eliminated – opportunity to enter a career that can offer a family wage, benefits, and career expansion opportunities.
- Many healthcare occupational tracks have a defined career pathway, and multiple training opportunities to begin in entry-level roles (often low-barrier access).
    - Recognition that there is still work to be done to develop career pathways (more info on this later in the chapter).
    - Federal funding is available to support a range of healthcare jobs training.
- Healthcare is an industry sector that's in demand in every county in the state and in the nation.

Landscape Analysis: Pre-COVID-19, and Planning for the Future

PRE-COVID

- Overview of high-need areas (use Sentinel Network data and previous Health Workforce Council report data); recognition that many aspects of the health workforce have struggled to recruit and retain workers for a long time.
    - Specifically, long-term care, behavioral health, but certainly not the only sectors impacted.
- Education system capacity challenges to meet the demand for many occupations in the health workforce (e.g. nursing).
    - Is there equitable access to entering programs – tuition and supplies; how much debt do students take on for undergrad, plus graduate programs; can't work and earn at the same time.

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[20] https://stateofreform.com/wp-content/uploads/2020/06/DOH-BH.pdf?utm_source=State+of+Reform+5+Things&utm_campaign=b1d9ce955e-5+Things+WA+July+2_COPY_01&utm_medium=email&utm_term=0_37897a186e-b1d9ce955e-251938157

[21] Citation needed.

  - How do we encourage/support students of color to go into these programs? What specific issues are preventing entry?
  - How do we encourage practicing professionals, especially those of color, to teach in health occupation programs? Can medical school faculty model (practicing and teaching) be used in high-need occupational areas?
- Issues with transferring credit and prior learning at certain levels, including high school CTE to postsecondary education, and between some occupations (e.g. CNA to RN pathway, physical and occupational therapy assistant to therapist, pharmacy tech to pharmacist).
- Link to behavioral health report and recommendations process (Workforce Board-led – likely would be a small call-out box), and a recognition that this report will have COVID-19 recommendations as well, now.

COVID-19 Reality – Present Time

- Massive disruption to education and training pipeline because of safety concerns.
  - Student training was very limited at the beginning of the pandemic due to limited access to PPE and staff bandwidth.
  - Stay Home Stay Safe closed all schools to in-person education for many weeks.
  - Educators were asked to transfer all programs to virtual in a very limited timeframe; content and quality of education varied.
  - Most practicum placements were suspended or even canceled, impacting timely program completions and licensing.
- Surge on the health system and resulting challenges for the health workforce for COVID specifically, but also on the need to meet the demands for services for those who delayed elective or non-emergency treatment.
- Health workforce behavioral health challenges – fear, burnout, compassion-fatigue, social isolation (fear of bringing home disease to family/friends).
- Rapid transition to telehealth services and sometimes limited staff training, limitations to hardware and internet bandwidth, and digital literacy of technology platforms for those services.
- Many organizations/agencies are working on plans and strategies, not all aligned. Makes it challenging to plan for the future with a lot of different planning efforts going simultaneously.
- Major social movement in process – Black Lives Matter

- Highlight longstanding disparities [22][23]in health outcomes… The COVID pandemic has forced this to the forefront of the healthcare system.

Future Planning – The "New Normal" for Health Workforce

- Occupation-specific challenges
    - Long-term care (LTC)
        - Hardest hit in COVID-19 – so resulting fear of infection for staff entering the profession (and retention concerns).
        - Low-wage LTC frontline workers, either infected or with infected family members, have difficult decisions to make.
            - Enhanced UI (PUA) payments and/or PFML allow them to care for themselves and family without taking a big economic hit.
            - But they know that their already-overburdened colleagues have to pick up the slack, and they worry that their patients will not get the care they need.
            - They maybe asymptomatic, and may not have adequate PPE available to them. Also, may not have been trained to use PPE appropriately.
        - Limited, easily navigable career pathways for entry-level roles, and a need to show progression opportunities.
        - Importance of income and other supports for training beyond entry-level.
    - Behavioral health
        - Many behavioral health facilities have had to do temporary layoffs of staff or unable to hire new workers because of limitations in service as individuals delayed treatment due to safety concerns.
            - Issues with a lack of continuity of care – harder to reach clients, no-shows, technology gaps and digital literacy.
            - School and court referrals have frequently been a source of first contact for individuals with the BH system… with schools and courts closed, youth aren't in contact with these critical links and support.

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[22] https://www.americanprogress.org/issues/economy/reports/2019/12/05/478150/african-americans-face-systematic-obstacles-getting-good-jobs/
https://cepr.net/a-basic-demographic-profile-of-workers-in-frontline-industries/

[23] See notes. DOH may also follow-up here.

        - We've had challenges meeting the behavioral health needs of the population already, and the longer the pandemic goes on, the more stressed our system will be in caring for the population. *A*s the initial shock fades, and the long-term reality of a "new normal" becomes more apparent, those in need of service will likely surge.
            - Recognition of the need and resources required in supporting [24][25]our health workforce with any behavioral needs they have due to the pandemic.
- Several telehealth regulatory flexibilities were allowed during the initial phase of COVID including audio only, payment parity, removing in person restrictions, and others.
    - It was the combination of all regulatory flexibilities that made the rapid expansion of telehealth possible. Continuation of these flexibilities is not the only answer to the behavioral health surge expected in the coming months, but it is a necessary part of a more comprehensive answer.
- Workplace safety is a paramount issue for addressing health workforce challenges in a COVID future. (*This is not in-depth in this section – we'll be going into more detail next.)*
- The health workforce is not just the commonly recognized nurses, physicians, medical assistants, lab techs, and other licensed or certified professionals. The health workforce infrastructure also includes orderlies, maintenance, dietary and food service workers, and spiritual practitioners. All of these staff are essential, especially when family members can't support critical or dying patients. They all need to be better protected in the pandemic-era health care ecosystem.
- CARES Act funding and potential opportunities, as well as future funds from the federal government. Potential opportunities for this to address some of the challenges above.

Recommendations

Main point (reminder) – The key to maintaining the health WF is plenty of PPE and rapid turnaround testing. So the existing workers can stay safe, and we can have the clinical training to keep pathways open. To complement the two items above: Need for an overall safe working environment (screening, temperature checks, mask requirements, contact tracing, etc.). Adding to this is the need for an increased focus on career pathway development, and supporting the new wave of dislocated workers who may be suited for health careers.

Recommendation Area 1: Equitable access to PPE

[24] Is there a citation for recent spike in suicides among health workers?
[25] Reference to a list of self-care activities for the HWF.

Goals:

- Access for educators, students, and healthcare providers (with very explicit recognition that training sites need this as well to keep the health workforce pipeline functioning).
- Clarity on expectations, requirements, and occupationally-appropriate and relevant safety supplies/standards.

Specific Strategies:

1. Provide opportunities/incentives for manufacturers[26] in Washington to create the needed PPE supply.
   - Not just masks – gowns were highlighted as a major issue in maintaining continuity service.
2. Designate and support a central hub for PPE in the state.
   - Context: This is a very different time… and there is no "expert" or institutional knowledge on access the necessary PPE for educators and facilities. There is a need for an organization to review companies, safety standards, and legitimacy to prevent disparities in access.
     - Currently this is up to the institutions or facilities to chase leads, know who has access… potential for very inequitable access/service.
   - A "Good Housekeeping Seal of Approval" for what businesses are providing safe products.
   - Potential opportunity for procurement/bundling of PPE purchases.
   - Specificity on who is served – intended to be open access – not just for state-funded facilities.
3. Skills training in proper doffing and donning of PPE[27], and clarity of expectations on cleaning, sanitizing, PPE.
   - Could be done through free on-line support, as well as distribution of easily readable posters and brochures in commonly spoken languages.
4. Look at leveraging purchasing at the ACH, county, etc. level.
5. Behavioral health, home care – all need to be recognized as healthcare providers and considered in the distribution of PPE.
6. If needed for limited resources, consider priority for PPE for disproportionally underserved communities or populations.

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[26] Lauri St. Ours sent us the contact for Zak! Designs in Eastern Washington (Julia will follow-up). Will include a call-out box highlighting this company as a model practice for other companies in the state.

[27] https://www.lni.wa.gov/forms-publications/F414-168-000.pdf (LNI guidance on all occupations, and what level of face coverings are required.)

Recommendation Area 2: Rapid-turnaround testing – educators, students, staff, patients

Goal: Ensure sufficient capacity for rapid response COVID-19 testing for healthcare workers, healthcare faculty, students in training, and the patients they are serving.

Specific Strategies:

1. Review opportunities to expand the capacity of Washington labs[28] to do the necessary testing.
2. Review and potentially expand on Seattle's "drive-thru" testing model.[29]
3. Testing alone isn't enough; need to ensure adequate contact tracing, and strong self-quarantine measures/process.
    - Note - The more testing we do, the more likely we are to find asymptomatic cases in the workforce. They have to be quarantined, which means more worker shortages to fill[30].

Recommendation Area 3: Career Pathways, Navigation, and Support

Goal: Washington has seen staggering numbers of unemployed workers, at the same time as the state has a critical need for healthcare workers. There is an opportunity here to better map out the steps and skills needed between entry points in various health occupations and career advancement opportunities, and a need to provide support to the workers seeking these roles through navigation and support services.

Specific Strategies:

1. LTC career pathways – recognizing the dramatic needs of this sector, and challenges in recruitment and retention, bring together stakeholders to develop career pathways for entry-level long-term care workers in the following areas:
    - Nursing career pathway (see DOH one-pager in process)
    - Social service pathway – entry-level to care coordinator role
    - BH career pathway

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[28] By July, support the stated desire of labs in the state to move from a current capacity of 22,000 tests per day to 44,000 tests per day. https://www.doh.wa.gov/Portals/1/Documents/1600/coronavirus/COVID-19-TestingExecutiveSummary.pdf
Testing Site Online Resources by Health Jurisdiction (PDF):
https://www.doh.wa.gov/Portals/1/Documents/1600/coronavirus/TestingSiteOnlineResources-LHJ.pdf

[29] Will be looking at other counties and cities to see what other testing options are in place. Just an example. Note that there are varying criteria for who might use them, type of testing, and how long before results are available.

[30] See Health Workforce Portal, on Page ____.

- How to deal with exits from settings with more significant layoffs? Can those folks transition to other professions with targeted training giving "credit" for competency and foundational courses from prior licensed professional education?[31]

2. Resource support [32]for dislocated workers who are unable to return to their former occupation and could work in healthcare. Recognizing that many of these workers are those with limited resources or lower levels of education.
    - Education/training access/funding
    - Support services
    - Digital literacy
    - ESL
3. Portal [33]for health jobs.
    - Evaluate existing career/job portals closely before pursuing new ones; Consider creation of an informational dashboard.
    - Provide visitors with a "holistic" view of the current marketplace, including employment projections for the health care sector.
    - Have the ability to match candidate credentials and job specifications with open positions.
    - Streamline the approval process for moving from one facility to another.
    - Ability to evaluate and research what training would be required to upskill to a desired position, as well as how to obtain the training.
    - A dashboard to enter their current employees and evaluate what training is needed to upskill their workforce, and also where the training can be obtained.

Health Workforce Council Recommendations

(Sharing these in the document to highlight the work already done, and other potential ideas to address health workforce pipeline issues. These are the exact language of the HWC final recommendations from their June meeting. Will be a short overview of the Council here as well.)

1. Implement a pilot program to support region-specific healthcare industry engagement.
    - Funding would allow the hiring of an industry engagement coordinator (coordinator) at each selected Workforce Development Council (WDC), in partnership with the local Accountable Community of Health, with the charge of

[31] Reference the Portal, here.
[32] Note: This is the focus of much of the plan as a whole. Refer back to the Career Pathway and IT Literacy sections.
[33] More details in Caroline's notes from a 4/29 brainstorming meeting with Eleni.

focused industry engagement to better align the local education pipeline with specific healthcare industry needs at all education and training levels. The coordinator would provide updates to the Health Workforce Council. The WDCs selected for the pilot should ensure a mix of geographic, socioeconomic, and racial diversity.

2. The Council recommended selecting up to three apprenticeship programs in different regions of the state, with the intention of providing dual instruction for the program in the second-most predominant language in the area, other than English. Funds would also support the translation of the related supplemental instruction (RSI), and hiring an instructor fluent in the language selected. Providing English language proficiency would also be a key component of this program.
    - Note: This could be expanded to providing access to a range of health workforce training programs for non-native English speakers, including apprenticeship programs. Could use the state's I-BEST team teaching education model as an example of a best practice for this type of dual instruction.
3. Create a Health Careers COVID-19 Response Grant for educational institutions (both secondary and postsecondary). Grant funds would support implementing the necessary modifications to health-related classroom and lab space to ensure student and staff safety (equipment purchases and staff time for installation), developing content for online or hybrid education opportunities, and staff training.

More Ideas to Consider

Will add context here that these are additional concepts to consider, but unable to thoroughly do the necessary stakeholder work to solidify them as official recommendations in the timeframe provided. If there's interest from the chapter reader in this, contact the report authors to provide more information and potentially convene a group to form a more solid recommendation.

1. Provide BH and crisis training for all healthcare workers.
2. Telehealth regulatory review – review the changes made to address the challenges to serving patients as the pandemic started. What's working, what should continue? Need for multi-agency collaboration.
    - Challenges in providing telehealth for patients with limited digital literacy or access to technology (e.g. retirement facilities, memory care, etc.).

3. Provide specific information on the safe provision of healthcare training. (All the information published so far is general[34] for all occupations.)
4. Include transition planning recommendations for providers and facilities moving between the Governor's reopening phases.[35]
5. Framing tele/virtual healthcare provision as a way to include a different/new populations in the workforce.
    - Attract people who weren't previously suited/interested in the healthcare industry since they can practice in different ways, and in their own communities (rather than a commute and an office job).
    - Ongoing examination of how we can entice and make practical change in education *by and for* communities being served.
    - Potential for larger impact in rural communities.
    - May also bring in potential providers in other states
    - What might that mean to licensing requirements/reciprocity? (This will be a likely mention in the postsecondary section of the main report as a way to address growing faculty shortages.)
6. Pipeline issue: Capacity and access to certification testing for certain occupations (in-person, availability of online testing, etc.) to finalize the license/credential process.
7. Reviewing simulation requirements (follow-up to the HWC guiding principle supporting DOH in reviewing changes made since March to rules and guidelines impacting the health workforce).
8. Work with organizations such as Area Health Education Centers and others to increase outreach to underrepresented communities for the purpose of promoting health workforce careers, and increasing access to training resources for these communities.
9. In response to disproportionate impact of COVID on Black and Latinx communities, prioritize direction of PPE/rapid-turnaround testing resources to providers and students who are serving these communities.
10. Clarity on documentation for Wellness/Exposure/Temp Attestations – can we have a rubric that contact tracers would find useful – standardize it statewide?

Closing

- Reminder of recommendations

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[34] Need to verify this statement. I know there is specific info on massage therapy, for example. DOH: Is this something you can find?

[35] Need to review what's already available (DOH or LNI), and see if there's a gap!

- Upcoming deadlines for other reports of interest
- Health Workforce Council report
- Behavioral Health Workforce Assessment
- Long Term Care Legislative Work Group

Goal Area 7: Enhance Customized Business Services and Entrepreneurship

Helping Businesses Survive and Move Forward post-COVID

The post-COVID "recovery" is sure to be applied unevenly across industry sectors, demographics, and geography. State policymaking must take into account the infrastructure and services needed across the state for any type or size of business while providing more specific services to startup and early-stage businesses, minority- and women-owned businesses and businesses in remote and rural areas where some infrastructure, including broadband, is not widely available.

Policymaking must also take into account the unique issues small businesses face compared to larger businesses, particularly in the area of compliance with laws and regulations affecting the workplace.

Particular industries were hit especially hard by COVID related business closures and shut downs. Many of these industries were "worker intensive" industries that employed a great number of people whose jobs are not going to return, were often in lower wage positions and without health benefits. These jobs often do not require education or training beyond high school. A large percentage of these jobs are likely gone for good.

Businesses of all kinds, especially those that are consumer and public facing, are in the process of reopening with higher standards for cleanliness, keeping people six feet apart, required wearing of masks (statewide mandate beginning July 7), and other measures to prevent the spread of the coronavirus but also to reduce liability for potential harm to customers, employees and vendors.

Reopening businesses will look to rehire former employees and possibly hire new employees. Some businesses will have no trouble rehiring former employees and some will have difficulty, particularly while the $600 federal unemployment bump is still offered. Many businesses will use the shutdowns and furloughs to shed low performers and promote high performers.

In the period just before the COVID outbreak, workers had a slight advantage as employers needed workers in all types of roles. Anecdotal stories that those recently incarcerated were finding work in restaurants and hospitality at decent wages were reported.

Federal CARES Act programs, such as EIDL and PPP, helped businesses keep their doors open and workers employed. Following the PPP conditions, though, made it difficult for some businesses to keep the funds in "grant" status versus "loan" status if they didn't keep a high percentage of workers employed.

There are a number of ways the state of Washington can help businesses survive and move forward during an uncertain recovery period.

Clear and Consistent Regulations across State Agencies

Most interactions between businesses and the state are transactional in nature and relate to annual business and tax filings, quarterly reports to the state's Employment Security Department and Department of Labor and Industries and sometimes business licensing at the local level.

One thing that state policymakers can ensure is that state agencies are not issuing conflicting guidelines regarding health and safety regarding COVID-19. The Departments of Health and Labor and Industries, for example, should issue rules for businesses that have been reviewed and made consistent by the agencies themselves before requiring compliance from business.

The guiding principle should be "do no harm." What businesses value from state agencies is consistent and transparent application of regulations, notwithstanding the industry, size of company or any other attributes.

Ensuring Equity and Inclusion

If we are to avoid continuing economic and social disparity, state policymakers must be intentional about levels of service to businesses and workers, what can be realistically expected, what can be achieved and at what cost.

The link between educational attainment, skills and credentials attainment and salary and wage levels is abundantly clear. Those with bachelor's degrees or beyond earn higher average salaries, have below average unemployment and are less likely to be unemployed for extended periods.

One the other hand, it is abundantly clear that those with high school diplomas or less earn significantly less than the average, experience higher unemployment rates and are more likely to be out of work for longer periods.

We also know from previous downturns that businesses turn to automation and technology to perform tasks previously done by people. New jobs always emerge in these scenarios but almost always require a new set of skills or education that is not possessed by the previous job holder and is usually more technological in nature.

The question becomes what state policies help businesses grow and hire; what state policies incentivize family wage levels, health and other benefits, i.e. "good jobs"; what state policies help workers increase their skills and value to an employer; what policies encourage workers and employees to become owners, and what policies can help entrepreneurs and new business owners increase their chances of success.

Within each of these policy areas, intentional effort must be made to factor in equity and inclusion thinking and policy execution.

Education and Skills Valued in Workplace

State policy is most useful when people and society both benefit. State policy can rarely help an individual business, nor should it. State policy has been used to help particular industries or sectors, such as aerospace or agriculture. Often these have been tax related policies ostensibly to create a competitive advantage or mitigate a disadvantage of a quirk in Washington's tax laws.

However, even the beneficiaries of these policies will say that an ongoing supply of skilled workers is their top priority.

Washington's higher paying and export driven industries employ highly educated and skilled workers. Most of those employed in the technology sector, professional services and management of companies have bachelor's degree or higher. Those in the aerospace and advanced manufacturing sectors are highly skilled and trained, often with associate's degrees or stacked certifications. Many of those in technology jobs outside of the tech industry also possess associate's degrees and/or industry specific certifications.

The health care industry is a sector that is in demand, has many high paying positions and where a career path can be built. Jobs are available for those at almost every educational and skill level in virtually every part of the state.

A number of the skilled trades are facing a "silver tsunami" of older workers who are retiring. These are electricians, plumbers, water operators and more. While new technology is disrupting some of these jobs (think drones for fire spotting), many of these positions will come open with no qualified replacement.

Tens of thousands small and medium sized businesses also face a silver tsunami of retiring business owners who want to sell their companies. In some cases, particularly rural based businesses, the employees and workers could be the most viable, or only option, for a business owner to sell to.

Prioritizing Services

If we are going to be serious about helping those who need it most, it will require resources, consistency, and persistence. This is because we cannot rely on simply conferring skills to people that the marketplace supposedly values. What we are discovering about the dislocated worker population is the serious dearth of basic workplace skills, particularly around information technology and basic math, but also “soft” skills of good communication, good customer service, and punctuality.

Before the pandemic hit, employers were reporting these issues regularly. Numerous interviews with trade association leaders conducted by Workforce Board staff uncovered these variations among industries, sectors, business size and type and geography. Smaller businesses have greater challenges for hiring and report the lack of soft skills as all too common. Many businesses that do not require high technical skills train for the specific position and often move workers to different roles regularly. These employers report adaptability and situational awareness as key skills lacking, particularly among the 18-28 year-old population.

What is emerging is a picture of several cohorts that need greater attention if we seek a more equitable economy going forward.

Assessing dislocated workers for their education and skill levels, including soft skills, is important. If workers are to be recognized (credentialed) for their work experience, a thorough assessment is needed along with an ongoing feedback and mentoring loop for workers to gauge their progress and be held accountable.

Older dislocated workers are the most likely to lack basic computer, IT, and internet skills. These workers often have a good work ethic but lack the “savvy” of how to navigate the employment system. Without computer and IT skills, these folks have few options available. These workers are often minorities or immigrants or women.

Difficult Policy Choices

State policymakers face a number of difficult choices regarding workforce development, particularly among dislocated workers due to COVID-19. Those who need the most help will also be the most "expensive" from a retraining and support services standpoint.

Removing barriers for the hardest to serve promotes equity and can help businesses fill entry-level positions. Helping those with barriers become self-sustaining citizens helps everyone. The key for self-sustenance is grit and resilience. These qualities, along with good communication skills and basic computer skills will enable those with barriers to move ahead.

How do those with barriers access services, training, and mentoring? The ability to visit a Worksource office, a library, a community college is curtailed under current health protocols. Those with barriers often lack home internet and device access in both urban or rural areas.

Ongoing Employer Dialogue Critical

State policymakers must be in ongoing communication with the statewide business community, across industry and geography to understand current and emerging workforce needs, bring together local economic and workforce development organizations, the local education establishment and reliable data so that the public sector responds as quickly and appropriately as possible to what businesses are hiring for and helping them develop the workers needed for jobs now and in the future.

Summary and Recommendations

Prioritize state-funded adult education toward the least educated and skilled that includes basic IT/computer/internet training along with soft skill training and ongoing mentorship.

Provide free/reduced cost internet and computing devices for dislocated/unemployed workers for 6 months for those without access to broadband and/or computing devices.

State agencies must coordinate with each other before promulgating health and safety regulations that impact business, particularly small business with fewer than 50 employees.

Designate a state agency to be the "clearinghouse" for federal programs geared toward business. The agency should be the "go to" agency that has expertise in helping business navigate federal grant and loan programs.