

## SPECIAL BOARD MEETING AGENDA

**July 16, 2021 | 9:00 a.m. – 1:00 p.m. | Meeting No. 250**

Click Link to Join Zoom Meeting

<https://zoom.us/j/99892451717?pwd=NEJwQlIXTIRWSUNySXI2TIBLc3AwQT09>

Meeting ID: 998 9245 1717 | Password: 780404

9:00 a.m.	<b>Call to Order</b>	
	<ul style="list-style-type: none"> <li>Welcome and Introductions</li> </ul>	
9:05 a.m.	<b>Consent Agenda (Action)</b>	<b>1</b>
	<ul style="list-style-type: none"> <li>Approval of June 2021 Meeting Minutes</li> <li>WIOA Policy Updates</li> <li>Addition of WIOA Focus Populations</li> </ul>	
9:10 a.m.	<b>Legislative Agenda Process Overview</b>	<b>2</b>
	<ul style="list-style-type: none"> <li>Nova Gattman, Workforce Board</li> </ul>	
9:15 a.m.	<b>Career Bridge Modernization</b>	<b>3</b>
	<ul style="list-style-type: none"> <li>Marina Parr, Workforce Board</li> </ul>	
9:35 a.m.	<b>IT Pathways and Digital Equity</b>	<b>4</b>
	<ul style="list-style-type: none"> <li>Eleni Papadakis, Workforce Board</li> </ul>	
10:00 a.m.	<b>Next Generation Workforce Development System</b>	<b>5</b>
	<ul style="list-style-type: none"> <li>Eric Wolf, Workforce Board</li> </ul>	
10:30 a.m.	<b>Break</b>	
10:45 a.m.	<b>Future of Work</b>	<b>6</b>
	<ul style="list-style-type: none"> <li>Joe Wilcox, Workforce Board</li> </ul>	
11:00 a.m.	<b>Long-Term Care Workforce</b>	<b>7</b>
	<ul style="list-style-type: none"> <li>Julia O'Connor, Workforce Board</li> </ul>	
11:30 a.m.	<b>Addressing the Public Benefits Cliff</b>	<b>8</b>
	<ul style="list-style-type: none"> <li>Ross Hunter, DCYF</li> <li>Michael MacKillop, DSB</li> <li>Lori Pfingst, DSHS</li> <li>Terry Redmon, DVR</li> </ul>	
12:30 p.m.	<b>General Board Discussion &amp; Next Steps</b>	
1:00 p.m.	<b>Adjourn</b>	

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Tab 1



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**MINUTES OF MEETING NO. 248**  
**June 2, 2021**

**Board Members Present:**

Perry England, Chair  
Gary Chandler, Representing Business  
Larry Brown, Representing Labor  
Lee Anne Caylor, Representing Business  
Jane Hopkins, Representing Labor  
Creigh H. Agnew, Representing Business  
Mark Martinez, Representing Labor  
Cami Feek, Employment Security Department (ESD)  
Rebecca Wallace for Chris Reykdal, Office of Superintendent of Public Instruction  
Marie Bruin for Jan Yoshiwara, State Board for Community and Technical Colleges (SBCTC)  
Mark Mattke, Representing Local Government  
David Stillman for Cheryl Strange, Department of Social and Health Services (DSHS)

**Call to Order**

Mr. Perry England called the meeting to order at 10 a.m. on a virtual meeting using Zoom.

**Consent Agenda**

Mr. Larry Brown moved to approve the March 10, 2021 meeting minutes. Ms. Creigh Agnew seconded the motion which passed unanimously.

*Extending COVID-19 Policy Flexibility to January 2022*

Mr. Mark Mattke pointed out language in the WIN renewal that the era of COVID necessitates this greater flexibility reliance upon established programs and existing judgment and demonstrated competency of local boards. He noted the WINs increased flexibility, the ability of local areas to respond to their customer needs with technology and with other solutions seems to be something that should become a part of the workforce system rather than a special case that occurs as a result of this global crisis. One of the elements of this indicated that the WIN should sunset due to one stop re-openings. Separating the one stop reopening from service delivery by virtual means that we need to do more of that to reach more of our customers and improve access.

### *Draft Policy 5415 - Performance Sanctions*

Mr. Mattke stated that we're setting this sanction policy in response to the DOL review done earlier this year. The board should recognize that we still can't get accurate performance information out of our state MIS.

Ms. Cami Feek appreciates the special changes we've made. Not just rolling everything back and looking at what works is important. As we work through these things we'll have to figure out where there can be permanent allowances or if there's things that we need to advocate with DOL or other places to get changed to be able to do that. Great point about let's not just roll back if there's things that has been effective and allows us to serve people better.

Mr. England called to vote on the approval of the consent agenda as presented. Approved unanimously.

### **Executive Director's Report**

Ms. Eleni Papadakis presented the Executive Director's report and asked for questions.

Mr. Mattke inquired about the NGA grant and the roll out process. He was curious to see whether and how local areas would be engaged in the grant effort moving forward. Ms. Papadakis stated that state level is still being figured out. We may consider a pilot of areas of services on the ground. Mr. Eric Wolf added that we would love to bring a presentation to the WWA in the coming weeks and have further conversations going forward.

### **Look, Listen & Learn Session with the Governor's Office of Equity**

This conversation was led by Dr. Karen Johnson; the new Executive Director of the Office of Equity – established by the legislature and signed into law by the Governor Inslee in April 2020. Through this conversation we were able to co-create with our economic recovery plan and the overall states five-year equity strategic plan. This plan is to bridge opportunity gaps and reduce disparities so that everyone in Washington flourishes, achieve their full potential and experience equity and justice for all.

### **Parameters for the Board's 2022 Legislative Agenda**

Workforce Board staff members, Ms. Nova Gattman, Mr. Joe Wilcox, and Mr. Lew McMurren began the conversation with the Board about potential parameters for the workforce system's 2022 legislative agenda. Board members had the opportunity to debrief about the equity conversation earlier in the agenda and hear a briefing about the Future of Work in the context of potential future direction for a system legislative agenda. Staff provided key questions for the Board to consider setting parameters for action and facilitated breakout sessions to provide more focused discussion.

The meeting adjourned at 4:14 p.m.



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## MINUTES OF MEETING NO. 249 June 9, 2021

### **Board Members Present:**

Perry England, Chair  
Gary Chandler, Representing Business  
Kairie Pierce for Larry Brown, Representing Labor  
Creigh H. Agnew, Representing Business  
Mark Martinez, Representing Labor  
Jairus Rice for Cami Feek, Employment Security Department (ESD)  
Rebecca Wallace for Chris Reykdal, Office of Superintendent of Public Instruction  
Rick Anderson for Lisa Brown, Department of Commerce  
Jan Yoshiwara, State Board for Community and Technical Colleges (SBCTC)  
Cheryl Fambles for Mark Mattke, Representing Local Government  
David Stillman for Cheryl Strange, Department of Social and Health Services (DSHS)

### **Call to Order**

Mr. Perry England called the meeting to order at 9 a.m. on a virtual meeting using Zoom.

### **Topics of Interest**

Staff gave presentations on three topics based upon the discussion at the June 2 meeting. Following the three sessions and Q/A with the Board, participants went into their choice of a breakout room to continue working on the following concepts:

#### **Topic 1: Next Generation Workforce System**

Workforce Board staff, Mr. Eric Wolf highlighted three previous Board legislative requests centered around integrated service delivery and business services.

#### **Topic 2: Career Bridge: Improving Jobseeker and Student Decision-Making**

Workforce Board staff, Ms. Marina Parr shared details about a proposal that would modernize Career Bridge (the Board's flagship website) and add additional transparency to improve decision-making for site visitors—jobseekers and students.

### **Topic 3: IT Pathways and Digital Equity**

Workforce Board Executive Director Ms. Eleni Papadakis presented Digital Equity, which has been an important conversation in the Board over the last year (and before), and staff shared three potential ideas in this work that have been in development over the last year.

### **Discussion: Continuing the Board Focus on the Future of Work**

The Board heard a presentation in the June 2 meeting about the Board's Future of Work Task Force, which ended in 2020. Board members expressed an interest in continuing this work; staff facilitated a short discussion about potential next steps for developing a proposal to continue this work.

### **Preview: Addressing the Public Benefits Cliff**

The Board members expressed interest in digging into this topic. David Stillman from the Department of Social and Health Services provided a brief introduction to this topic and will provide a more detailed presentation on this issue at the July meeting.

Staff were directed by the Board to continue refining potential legislative proposals for discussion at the July Board meeting and finalization at the August meeting.

The meeting adjourned at 11:24 a.m.

## WIOA Policy Updates – Tab 1

PRESENTERS: Eric Wolf and Dave Wallace

BOARD MEETING DATE: 7/16/21

DISCUSSION TIME NEEDED: Consent Agenda Item – Discussion as Necessary

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed</p>	<p>DOL Monitoring in early 2021 required the state to develop new policies for performance sanctions and outlining the state funding mechanism in the event local areas do not reach agreement on infrastructure funding agreements.</p> <p>Draft Policy 5415 establishes and implements a state performance sanctions policy for all entities that receives Workforce Innovation and Opportunity Act (WIOA) Title I-B funding. Draft Policy 1024 outlines expectation for local workforce boards to periodically execute infrastructure funding agreements among partners and the state's procedure for supporting local areas to complete them, including when local areas should communicate the possibility of no agreement so that state support can be leveraged to assist negotiations. On June 2, the Board released these two draft policies, developed in consultation with the LWDAs and ESD in a policy workgroup, for 30 days of public comment.</p> <p>After receiving minimal public comments on both policies, the Board is asked to grant final approval on both policies at the July 16 meeting.</p>
<p><b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this recommendation?</p>	<p><b><u>Draft Policy 5415: Performance Sanctions</u></b></p> <p>The purpose of the performance sanctions policy is to ensure accountability of entities that receive WIOA Title I-B funds from state administrative agencies in meeting the needs of the local workforce development system and ensure compliance with applicable federal and state laws, regulations, policies, guidance, and terms and conditions of applicable awards and contracts.</p> <p>To accomplish these responsibilities, as well as to satisfy its oversight role, the Workforce Training and Education Coordinating Board (WTB), as the State Workforce Development Board (SWIB) will impose penalties or conditions in the form of sanctions for any issues of noncompliance that have not been promptly resolved based on state-imposed corrective actions identified in monitoring or other oversight reports.</p> <p>Section 116(b)(3)(A)(iv) of the Workforce Innovation and Opportunity Act (WIOA) requires the state workforce development board to negotiate performance targets for each WIOA metric at the local level. States may leverage sanctions on local grant recipients sanctioned for performance failure or for failure to report (section 116(f) of WIOA).</p> <p>The draft performance sanctions policy sets up a corrective action plan strategy to address performance issues. LWDAs that do not perform (as defined in the policy) to negotiated levels will be placed on a corrective action plan. If performance is not</p>



	<p>corrected after two years of corrective action, a third year of non-performance may generate a recommendation to the state workforce development board that the Governor not recertify the LWDA in future years.</p> <p><i>Changes Proposed to 5415 During Public Comment</i></p> <p>ESD partners offered an amendment to the appeal process that was specifically requested by DOL. The appeal process amendment was integrated into the draft policy for the Board’s final approval.</p> <p><b><u>Draft Policy 1024: State Funding Mechanism Process</u></b></p> <p>The purpose of Draft Policy 1024 is to communicate requirements of infrastructure funding agreement (IFA) negotiations locally and on Local Workforce Development Boards (LWDBs), the Governor and the WTB when LWDBs are unable to achieve consensus among local one-stop delivery system partners regarding local IFAs.</p> <p>IFAs, which are part of local one-stop Memoranda of Understanding (MOU), are expected to be negotiated by LWDBs through local processes that achieve consensus amongst required and optional partners in local one-stop delivery systems and quantified through Local Funding Mechanisms (LFMs). Draft Policy 1024 requires IFAs for the next program year to be completed before March 31 annually. Draft Policy 1024 sets forth an annual timeline for local boards to provide the state board with executed IFAs, or advance notice that their negotiations are stalled so that state partners can offer TA and support the negotiations.</p> <p>The draft process places the following calendar dates and expectations around annually communicating IFA status to the WTB:</p> <ul style="list-style-type: none"><li>• By March 1 of each year, LWDBs must provide to WTB an assessment of the status of their IFA negotiations for the subsequent program year to begin July 1. If LWDBs execute an IFA prior to March 1, they must send a letter signed and dated by partners to the WTB.</li><li>• If an LWDB reports by March 1 that they anticipate they will not achieve agreement around an IFA, the LWDB has to indicate whether they feel consensus will be achieved by April 1, or whether specific technical assistance from state partners is needed.</li><li>• If no IFA is agreed to by April 1, a the LWDB must send the Governor (via the WTB, the Governor’s representative) a notification of impasse. Upon receipt of notification, the Governor (or designee) will charge Board staff to support re-negotiation of IFAs with specific technical assistance for up to one month, as specified in Step 2 of the draft policy.</li><li>• If by May 1 no agreement is reached, the WTB will begin determining a draft infrastructure budget using the procedures specified in Steps 3-8 of the draft policy.</li></ul>
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	<ul style="list-style-type: none"> <li>• This infrastructure funding budget will only trigger if the LWDB does not reach a negotiated agreement prior to the beginning of the program year on July 1.</li> </ul> <p>If local partners cannot reach agreement on an IFA, a State Funding Mechanism (SFM) is triggered in that local area. To that end, the Governor must issue guidance, and the SWDB must assist with the issuance of that guidance and with developing the formula used by the Governor under the SFM to determine one-stop center budgets in the event local consensus cannot be reached.</p> <p>For the purpose of this policy, the Washington Technical and Educational Coordinating Board (WTB) has been designated as the Governor’s representative in the SFM process. TEG 17-16, Infrastructure Funding of the One-Stop Mechanism, provides additional guidance on this subject.</p> <p>No changes were made to the draft policy during public comment.</p>
<p><b>RECOMMENDATION AND NEXT STEPS:</b>  What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?</p>	<p>These policies have been released for the required public comment period and modified as discussed above pursuant to those comments. Staff recommends the Board approve these policies for final publication.</p>



## **Workforce Innovation and Opportunity Act Title I Policy Employment System Administration and Policy**

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Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, Employment System Administration and Policy sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information memoranda, and technical assistance.

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**Policy Number:** 5415

**To:** Washington WorkSource System

**Effective Date:** July 16, 2021

**Subject:** WIOA Title I-B Performance Sanctions

### **1. Purpose:**

To establish and implement a state performance sanctions policy for all entities that receive Workforce Innovation and Opportunity Act (WIOA) Title I-B funding.

The purpose of the performance sanctions policy is to ensure accountability of entities that receive WIOA Title I-B funds from state administrative agencies in meeting the needs of the local workforce development system and ensure compliance with applicable federal and state laws, regulations, policies, guidance, and terms and conditions of applicable awards and contracts.

To accomplish these responsibilities, as well as to satisfy its oversight role, the Workforce Training and Education Coordinating Board (WTECB), as the State Workforce Development Board (SWDB) will impose penalties or conditions in the form of sanctions for any issues of noncompliance that have not been promptly resolved based on state-imposed corrective actions identified in monitoring or other oversight reports.

### **2. Background:**

Section 116(b)(3)(A)(iv) of the Workforce Innovation and Opportunity Act (WIOA) requires the state workforce development board (SWDB) to negotiate performance targets for each WIOA metric at the local level. States may leverage sanctions on local grant recipients sanctioned for performance failure or for failure to report (section 116(f) of WIOA).

### 3. Policy:

There are currently five metrics (employment 2 quarters after exit, employment 4 quarters after exit, median earnings, credential attainment rate, and measurable skill gain rate) for the three Title I programs (Adult, Dislocated Workers, Youth).

Targets for these are negotiated between the state and the WDC. Local areas are then held accountable to possible sanctions after adjusting targets (using the state-developed regression model) to account for most recent local conditions.

The state performance sanctions policy mirrors the federal sanctions policy (TEGL 11-19) to the extent possible. "Failure" to perform on any WIOA metric would be defined as any of the following:

- Failure to meet 50% of targets for any metric, or
- Failure to average 90% of targets for all measures across programs (i.e. Adult) (via regression modelling), or
- Failure to average 90% of targets for all programs across a given measure (i.e. earnings).

Failure in the first year would trigger technical assistance state partners coordinated by the WTECB, and a corrective action plan to achieve negotiated performance levels. If an area does not improve performance in their corrective action period for two consecutive program years, they may be subject to sanctions.

Sanctions assessed after two years of performance failure under correction action may include a recommendation to the state workforce board that a non-performing local workforce development area not be recertified by the Governor in future program years.

### **Appeals Process**

Upon an area being notified of the possibility of being sanctioned, local boards have the right to appeal the decision to the Department of Labor. They must do this within 30 days of intent to sanction for performance failure. The appeal would be to the Region 6 DOL representative.

### 4. Definitions:

**Sanction** is a penalty imposed/assessed or a remedial action required for noncompliance with applicable federal, state and local laws, regulations, contract provisions/grant agreements or conditions, or policies.

**Targets** are the negotiated level of performance agreed upon for any of the five metrics across the Title I programs

**Technical Assistance** is the efforts by either the Department of Labor or the state to identify and correct causes of performance failure.

### 5. References:

- WIOA Section 116(g) – Performance Accountability

- WIOA Final Rule, 20 CFR 677.220 – Under what circumstances may a corrective action or sanction be applied to local areas for poor performance?
- WIOA Final Rule, 20 CFR 677.225 – Under what circumstances may local areas appeal a reorganization plan?
- Training and Employment Guidance Letter (TEGL) 11-19 – Negotiations and Sanctions Guidelines for the WIOA Core Programs

**6. Supersedes:**

None.

**7. Website:**

<https://wpc.wa.gov/policy/state/WIOA>

**8. Action:**

Local Workforce Development Boards and their contractors must distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

**9. Attachments:**

None.

**Direct Inquiries To:**

*Workforce Training and Education Coordinating Board*  
*P.O. Box 43105*  
*Olympia, WA 98504-3105*  
*(360) 709-4600*  
[workforce@wtb.wa.gov](mailto:workforce@wtb.wa.gov)

**Direct Other Inquiries To:**

*Employment System Administration and Policy*  
*Employment System Policy and Integrity Division*  
*Employment Security Department*  
*P.O. Box 9046*  
*Olympia, WA 98507-9046*  
[SystemPolicy@esd.wa.gov](mailto:SystemPolicy@esd.wa.gov)



## **WorkSource System Policy**

### **Employment System Administration and Policy**

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Washington envisions a nationally recognized fully integrated One-Stop system with enhanced customer access to program services, improved long-term employment outcomes for job seekers and consistent, high quality services to business customers. In order to achieve this vision, Employment System Administration and Policy sets a common direction and standards for Washington's WorkSource system through the development of WorkSource system policies, information memoranda, and technical assistance.

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**Policy Number:** 1024

**To:** Washington WorkSource System

**Effective Date:** July XX, 2021

**Subject:** Infrastructure Funding Agreements and State Funding Mechanism

#### **1. Purpose:**

This policy communicates the requirements of and guidance to Local Workforce Development Boards (LWDBs) and Partners regarding the requirement to enter into an Infrastructure Funding Agreement (IFA) for the operating costs of the one-stop prior to the start of each program year. Additionally, this policy communicates requirements on LWDBs, the Governor and the State Workforce Development Board (SWDB) when LWDBs are unable to achieve consensus among local one-stop delivery system partners regarding local IFAs, thus, triggering the State Funding Mechanism (SFM).

#### **2. Background:**

Developed jointly by the U.S. Departments of Labor (DOL), Education (ED), and Health and Human Services (HHS), the Joint WIOA Final Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions, the Joint WIOA Final Rule communicates the expectations of the sharing and allocation of infrastructure costs among one-stop partner programs as governed by WIOA sec. 121(h), its implementing regulations, and the Federal Cost Principles contained in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 CFR part 200 (Uniform Guidance).

IFAs, which are part of local one-stop Memoranda of Understanding (MOU), are expected to be negotiated by LWDBs through local processes that achieve consensus amongst required and optional partners in local one-stop delivery systems and quantified through Local Funding Mechanisms (LFMs) through IFAs. TEGL 17-16, Section 10, Infrastructure Funding of the One-Stop Mechanism, provides additional guidance on this subject. See Attachment I to this policy for list of required partners in the one-stop system.

All required one-stop partner programs must contribute to the infrastructure costs and certain additional costs of the one-stop delivery system based on their proportionate use and relative benefit. A partner's contribution must be an allowable, reasonable, necessary, and allocable cost to the program, consistent with the Federal Cost Principles set forth in the Uniform Guidance. Locally, additional partners may be invited by the LWDB to participate in the one-stop system and be party to the MOU. While these additional partners are encouraged to contribute to the infrastructure costs of the one-stop system, their failure to sign the IFA will not trigger the SFM.

WIOA, Sec. 121(h) mandates that the State, through the designated authority of the Governor (as delegated to the SWDB), provide guidance to assist LWDB's, Chief Elected Officials (CEO's) and one-stop partners to determine equitable and stable methods to fund one-stop center infrastructure costs. WIOA regulations also require the State's guidance include a timeline for LWDB's to notify if local IFA negotiations reach an impasse.

Advantages of LWDB's negotiating their own IFA's include:

- Local autonomy -decisions stay at the local level and can be tailored to local needs and priorities
- Stronger partnerships maintained with each partner program having direct say in local negotiations
- No caps on local contributions, but if SFM is triggered, specific caps are set on the amount/percent of each partner programs' funds that may be contributed (\*see TEGL 17-16 pgs. 24-25)
- Flexibility on funds used-local Title I partners can use program funds to pay their proportionate share of infrastructure costs, but if SFM is triggered, some Title I programs may be required to pay their proportionate share out of administrative funds only.

If local partners cannot reach agreement on an IFA, a State Funding Mechanism (SFM) is triggered in that local area. To that end, the Governor must issue guidance, and the SWDB must assist with the issuance of that guidance and with developing the formula used by the Governor under the SFM to determine one-stop center budgets in the event local consensus cannot be reached.

The SWDB, which is the Workforce Training and Education Coordinating Board (WTECB) in Washington, has been designated as the Governor's representative in the SFM process. TEGL 17-16, Infrastructure Funding of the One-Stop Mechanism provides additional guidance on this subject.

### **3. Policy:**

#### **a. Memorandum of Understanding regarding Infrastructure costs and Additional Costs**

Per WIOA Sec. 121 (c)(1) and WA Policy 1013, Rev.2 One-Stop partners must enter into MOU, which must contain provisions describing how the costs of services will be provided by the one-stop system and how operating costs will be funded (including infrastructure costs and additional costs). See Attachment I of this policy for full list of required partner programs. The one-stop operating budget under the MOU may be considered the master budget and must be periodically reconciled against actual costs and adjusted accordingly.

## **b. Infrastructure Funding Agreement Negotiation and Consensus**

One-stop partners are to act in good faith and negotiate an Infrastructure Funding Agreement (IFA), which must be agreed to by all partners no later than **March 31** of each year for the subsequent program year, outlining how each will contribute to infrastructure costs of the one-stop system described in the Local Funding Mechanism (LFM).

IFA's must include:

- Time period IFA is effective
- Identification of infrastructure cost budget (component of one-stop operating budget)
- Identification of all one-stop partners, LWDB and CEO participating in the IFA
- The Cost-Allocation Methodology used to determine and allocate costs among the one-stop partners sufficient to fund the costs of infrastructure of one-stop(s) for the program year
- Description of periodic review and modification process ensuring equitable benefit of one-stop partner programs
- Information on the steps used to reach consensus and how local partners followed the local funding methodology process
- Full description of the local process used among partners to resolve issues related to IFA during the MOU duration when consensus cannot be reached, which can be the local dispute resolution policy if applicable
- Signatures of all authorized representatives of the LWDB, CEO's and all workforce partner programs who signed the MOU\*

**NOTE: Cost Allocation Methodology-** The specific methodologies used to allocate costs among the one-stop partners are not prescribed in WIOA. Because of the need to provide maximum flexibility to accommodate various organization structures, costs, and budgets in local areas, there is no single method prescribed for allocating costs, but in general should include allocation bases, inputs and outputs.

\*NOTE: While WIOA is silent on the use of electronic signatures specific to MOU, per [5 CFR 850.106](#), [31 CFR 370.38](#), [15 USC 96 Sec. 7001](#) and [RCW 1.80.060](#), the use and validity of electronic signatures is allowed with mutual agreement of all parties. However, parties cannot be made to use an electronic form of signature if they prefer instead to use physical signatures (see [RCW 1.80.040](#)).

## **c. IFA Process Steps**

1. Identify one-stop operating costs, including infrastructure costs and additional costs.
2. Develop the one-stop operating budget that includes an infrastructure costs budget and additional costs budget.
3. Develop the cost allocation methodology, including the identification of cost pools and allocation bases.
4. Determine estimated partner program contributions.
5. Prepare, agree to, and sign the IFA(s).
6. Allocate actual costs by each partner program's proportionate use and relative benefit received.



7. Conduct a periodic reconciliation (Not less than biannually).
8. Modify infrastructure costs budget and/or cost allocation methodology, as appropriate.
9. Evaluate the existing process and prepare for the following program year.

Should difficulties arise during the negotiation process, parties involved will seek resolution through their local dispute resolution process. If, however, local agreement cannot be reached, a State Funding Mechanism (SFM) is triggered. To that end, the Governor must issue guidance, and the SWDB (as the designated Governor's representative) must assist with the issuance of that guidance and with developing the formula used by the Governor under the SFM to determine one-stop center budgets in the event local consensus cannot be reached. In this situation, section 4, the State Funding Mechanism will be implemented. Refer to Attachment IV for expectations timeline.

#### **4. State Funding Mechanism**

##### **a. State Funding Mechanism Requirement**

If LWDBs fail to reach consensus with all of the required partners on the amount that each partner will contribute to the one-stop delivery system's infrastructure costs, the SFM process in Section 4.b of this policy is triggered as a "fail-safe" mechanism, though the application of capped levels of funding under the SFM may restrict the amount available for infrastructure funding in a given local area. The local area shall be subject to the SFM for the program year for which consensus was not met and for any subsequent program year that all partners do not reach such agreement. Due to the complex calculations and the timeframes required to complete the SFM process, LWDBs must provide the SWDB an assessment of their status of negotiations by **March 1** of each year.

##### **b. State Funding Mechanism Process**

If it is apparent to a LWDB by **March 1** of each year that it will not achieve an IFA agreement, that LWDB must evaluate its progress toward consensus and notify the SWDB of its status using the following decision points:

- i. Whether partners feel consensus can be achieved by **April 1**;
- ii. An assessment of the barriers that are causing the impasse locally; and
- iii. Whether agreement can or cannot be achieved with technical assistance from appropriate entities or through additional negotiation.

##### **Step 1: Notice to Governor of Failure to Reach Consensus**

If a local IFA has not been successfully negotiated by **April 1** prior to the beginning of each program year for which it is negotiated, notification of impasse, in writing, must be sent to the WTECB. Notification of failure to negotiate the IFA may be communicated by LWDBs, Chief Elected Officials or required partners, and all parties involved must receive copies of signed and dated notifications (electronic copies are acceptable).

## **Step 2: Provision of Local Negotiation Materials**

Upon receipt of notification(s), the SWDB - as the Governor's designated representative - will identify staff to support renegotiation by assisting with mediation or technical assistance for up to one month.

Documents accompanying the notification to the Governor must include, at a minimum:

- i. the local WIOA plan;
- ii. the cost allocation methodology or methodologies proposed by the partners to be used in determining the proportionate share;
- iii. the proposed amounts or budget to fund infrastructure costs and the amount of partner funds included;
- iv. the amount of and the type of funds (cash, non-cash, and third-party in-kind contributions available);
- v. any proposed or agreed-upon one-stop center or system budget;
- vi. any partially agreed-upon, proposed, or draft IFAs;
- vii. summary of meetings in which the IFA and negotiations were discussed;
- viii. identification of partners that are causing the impasse; and
- ix. a summary of technical assistance requested and received from the state to date.

The SWDB may request additional information and documentation from the parties. LWDBs may give the SWDB additional materials it finds to be appropriate

## **Step 3: Determination of One-Stop Center Infrastructure Budgets**

If, by **May 1** of each year, the local IFA has not been completed and signed by all parties, the SWDB will initiate determination of the infrastructure budget(s).

Depending on the local delivery system structure, there may be more than one infrastructure budget, each of which is contained in a one-stop operating budget. While the SWDB should take into account the one-stop center's operating budget, it only has the power to determine the infrastructure budget under the SFM.

The SWDB must determine the infrastructure budget in one of two ways. If, as a result of an agreed-upon infrastructure budget, only the individual programmatic contributions to infrastructure funding based upon proportionate use of the one-stop centers and relative benefit received are at issue, the SWDB may accept the infrastructure budget, from which each partner's contribution, consistent with the cost allocation methodologies contained in the federal Uniform Guidance, must be calculated. The U.S. Department of Labor and State recommend this approach.

If, however, an infrastructure budget or budgets were not agreed-upon in the local negotiations, or the SWDB determines that the agreed-upon budget does not adequately meet the needs of the local area or does not reasonably work within the confines of the resources available to that local area (in accordance with the Governor's guidance on one-stop

infrastructure funding), then the SWDB must use a formula that it developed on behalf of the Governor (see Steps 4-8 below).

#### **Step 4: Establishment of cost allocation methodology**

After an infrastructure budget has been determined, the SWDB must establish a cost allocation methodology that determines the distribution of infrastructure funding costs among the local one-stop partners in accordance with the principles of proportionate use of the one-stop center and relative benefit received. This allocation methodology must be consistent with the Federal Cost Principles of the Uniform Guidance in 2 CFR part 200, all relevant Federal regulations and statutes, further regulatory guidance, and the partner programs' authorizing laws and regulations.

Beyond these requirements, the determining factor may be a wide range of variables, such as number of customers served, square footage used, or a different basis that is agreed-upon by all partners for determining each partner's contribution level for infrastructure costs.

#### **Step 5: Determination of Partners' proportionate shares**

Once a methodology is established, the SWDB must use this methodology to determine each required one-stop partner's proportionate share of infrastructure funding costs. The SWDB must consider a number of factors in reaching a proportionate share determination, including:

- i. the costs of administration of the one-stop delivery system for purposes not specifically related to a one-stop center for each partner (such as costs associated with maintaining the LWDB or information technology systems);
- ii. statutory requirements for each partner program;
- iii. each one-stop partner's ability to fulfill such requirements; and
- iv. all other applicable legal requirements.

The Governor may draw upon any proportionate share determinations made during the local negotiations, including any agreements reached at the local level by one or more partners, as well as any other materials or documents from the negotiating process.

**Note:** For other required partner programs in which grant awards are made to entities that are independent of the authority of the Governor, such as Job Corps contractors or grant recipients of DOL-administered national programs, the determination of the amount each of the applicable partners must contribute to assist in paying the infrastructure costs of one-stop centers continues to be made by the Governor, through the authority granted to the Governor by WIOA and its implementing regulations.

#### **Step 6: Calculation of Statewide Caps**

The SWDB must use the established cost allocation methodology to calculate the statewide caps to determine the maximum amounts that required partner programs could be *required* to

contribute toward infrastructure funding in that local area. There are no statewide caps for additional partners because the SFM does not apply to them.

The statewide caps are a statutory requirement for purposes of the SFM, even when only one local area is unable to reach consensus on an IFA through the LFM. However, the caps only restrict those infrastructure cost contributions required by one-stop partners within the local area(s) that has (or have) not reached consensus. The caps used in the application of the SFM are referred to as the applicable program caps, which must be calculated by the SWDB using sub-steps, percentages, and formulas detailed on pages 24-25 of TEGL 17-16.

In the event that more than one local area does not reach consensus, then the aggregate of the infrastructure funding costs that must be contributed by each required one-stop partner, in all of the local areas, that did not reach consensus is restricted by the applicable program cap.

For example, if three of seven local areas do not reach consensus, the required infrastructure funding contributions of each required one-stop partner under a particular program in these three areas would be added together, the sum of which could not exceed the calculated applicable program cap.

#### **Step 7: Assessment of the Aggregate Total of Infrastructure Contributions as it relates to the Statewide Cap**

Once the SWDB has determined the applicable program cap for each program as well as the proportionate share of the infrastructure costs (as determined under Step 5) that are required of each local required one-stop partner in a non-consensus area without regard to the cap, the SWDB must ensure that the funds required to be contributed by each partner program in the non-consensus local area(s), in aggregate, do not exceed the applicable program cap.

If the aggregate total contributions are below the applicable program cap, then the SWDB must direct the one-stop partners to contribute what was determined to be their proportionate shares. If the aggregate total contributions exceed the cap, the SWDB may either:

- i. Inquire as to whether those local partner programs that have pushed the aggregate total contributions above the applicable program cap (i.e., those whose contributions would have otherwise exceeded the statewide cap on contributions) are willing to contribute beyond the applicable program cap in accordance with their proportionate share; or
- ii. Allow the LWDB, one-stop partners, and CEO(s) to:
  1. Re-enter negotiations to reassess each one-stop partner's proportionate share and make adjustments and identify alternate sources of funding to make up the difference between the capped amount and the proportionate share of infrastructure funding of the one-stop partner; and

2. Reduce infrastructure costs to reflect the amount of funds available without exceeding the applicable program cap level.

**Note:** For additional guidance and examples, refer to TEGl 17-16

### **Step 8: Proportionate Share Adjustment**

If LWDBs, CEOs, and the required one-stop partners have failed to reach agreement on how to address a situation in which the proportionate share exceeds the cap (using the approaches described in Step 7), the SWDB must make adjustments to specific local partners' proportionate share in accordance with the amounts available under the applicable program cap for the associated program. The aggregate total contribution of a program's local one-stop partners under the SFM may not exceed the applicable program cap.

The specific allocations derived through the state funding mechanism will be provided to the impacted LWDB, the CEO, and the required partners for the impacted LWDB prior to July 1 of each year.

### **c. Appeals Process**

LWDB chairs, CEOs, or required partners may appeal for cause, in writing, within 21 calendar days of receipt of the specific terms of the state funding mechanism determination.

The appeal must be clearly labeled as such and must be addressed to the Governor. It must identify the appellant and the basis for the appeal. The petitioner must demonstrate that the State's funding determination is inconsistent with:

- (1) the proportionate cost-share requirements, or
- (2) the cost-contributions limitations, or
- (3) the cost-contribution caps.

The appeal letter may originate with LWDB Chair, Chief Elected Official(s), or required partner(s), and must be signed (electronic signature is acceptable) and dated. All parties involved must receive copies of the notification.

The Governor will acknowledge the appeal and return a determination under the authority of the Governor as quickly as feasible.

Until the appeal process is completed, the appellant remains responsible for its contribution as originally determined in the state funding mechanism. If a partner's appeal to the state is successful and there is a change to the partner's infrastructure cost contributions, then the MOU must be updated to reflect those changes.

## **5. Definitions:**

**Infrastructure Costs** – Non-personnel costs that are necessary for the general operation of the one-stop center, including, but not limited to:

- Rental of the facilities;
- Utilities and maintenance;
- Equipment (including assessment-related and assistive technology for individuals with disabilities); and
- Technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities. This may include costs associated with the development and use of the common identifier (i.e., AJC signage) and supplies.

**Non-Personnel Costs** - Are all costs that are not compensation for personal services

**Personnel Costs** - Include salaries, wages, and fringe benefits of the employees of partner programs or their subrecipients as described in 2 CFR 200.431.

**Additional Costs** - One-stop partner programs must share in additional costs, which must include applicable career service, and may include shared operating costs and shared services that are necessary for the general operation of the one-stop center(s). Refer to TEGl 16-16 for more detail.

**Infrastructure Cost Funding** – May be in the form of (1) cash, non-cash, and third-party in-kind contributions; (2) funding from philanthropic organizations or other private entities; or (3) other alternative financing options, as described in WIOA Sec. 121(c)(2)(A)(ii). Cash funds may be provided to the local board or its designee by one-stop partners, either directly or by an interagency transfer, or by a third party. Non-cash funds are expenditures incurred by one-stop partner programs on behalf of the one-stop center; and non-cash contributions or goods or services contributed by a partner program and used by the one-stop center. Third-party in-kind contributions may consist of space, equipment, technology, non-personnel services, or other like items to support the infrastructure costs associated with one-stop operations, by a non-one-stop partner to: support the one-stop center in general; or support the proportionate share of one-stop infrastructure costs of a specific partner. Non-cash and third-party in-kind contributions must be valued consistent with 2 CFR 200.306 to ensure they are fairly evaluated and meet the partners' proportionate share and relative benefit. Partners must fairly value contributions on a periodic and annual basis.

**Proportionate Use** - For the purpose of this joint policy guidance, "proportionate use" refers to a partner program contributing its fair share of the costs proportionate to: (1) the use of the one-stop center by customers that may include reportable individuals and participants in its program at that one-stop center; (2) the amount of square footage occupied by the partner program in the one-stop center; or (3) another allocation base consistent with the Uniform Guidance.

**Relative Benefit** - In determining the proportionate share, the "relative benefit" received from participating in the one-stop delivery system is another step in the cost allocation process and does not require partners to conduct an exact or absolute measurement of benefit, but instead to measure a partner's benefit using reasonable methods.

**State Funding Mechanism** - Although the local one-stop operating budget contains different cost components, failure by only one of the required partner programs to reach consensus in a local area with respect to the infrastructure costs in the IFA will trigger implementation of the SFM. A failure by required partners to reach consensus on additional costs does not trigger the SFM. If the Local WDB and required one-stop partners fail to reach consensus on funding infrastructure costs under the LFM, as outlined above, this will trigger the SFM. Even if all required partners *except one* agree on the terms of the IFA, consensus is not reached, and the SFM is triggered.

## 6. **References:**

- [Workforce Innovation and Opportunity Act of 2014](#), Section 121(a)(1); 121(c)(2)(A); 121(h)
- [WIOA Joint Rule-Federal Register](#) WIOA Joint Rule on Unified and Combined State Plans, Performance Accountability and One-Stop System Joint Provisions, 20 CFR 678.500(b), 34 CFR 361.500(b) and 34 CFR 463.500(b); 20 CFR 678.700 and 678.760, 34 CFR 361.700 and 361.760, and 34 CFR 463.700 and 463.760.
- [2 CFR 200.306](#) and DOL CFR Ch II, Pt. 2900
- [20 CFR 678.725-750 and 678.730](#)
- [TEGL 16-16 WIOA-General Guidance for One-Stop Operations](#)
- [TEGL 17-16, Infrastructure Funding of the One-Stop Delivery System](#)
- Resource Sharing for Workforce Investment Act One-Stop Centers: Methodologies for Paying or Funding Each Partner Program's Fair Share of Allocable One-Stop Costs; Notice. Published at 66 FR 29638 (May 31, 2001)
- WorkSource System Policy 1013, Rev. 2

## 7. **Supersedes:**

None.

## 8. **Website:**

<https://wpc.wa.gov/adm/policy/state>

## 9. **Action:**

Local Workforce Development Boards and their contractors must distribute this policy broadly across the one-stop system to ensure that WorkSource System staff are familiar with its content and requirements.

## 10. **Attachments:**

Attachment I: Examples of Cost Pools and Possible Allocation Bases, TEGL 17-16, Att. I

Attachment II: [Paying for the One-stop Delivery System](#), TEGL 17-16, Att. II

Attachment III: Required Partners in One-Stop System and Infrastructure Costs: Funding Sources

Attachment IV: Timeline Expectations Regarding IFA and SFM Trigger

**Direct Inquiries To:**

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**WorkSource System Policy**  
**Employment System Administration and Policy**

**WIOA Policy 1024, Attachment I**  
**Examples of Cost Pools and Possible Allocation Bases**

Cost Pool	Possible Allocation Bases
<b>Facilities:</b> Building rent, maintenance costs, utilities, tenant improvements, or any other similar costs related to the physical structure housing the one-stop center.	Square footage occupied by each partner agency as compared to the total space. Workstation usage by partners as compared to total workstations.
<b>Telecommunications:</b> Monthly telephone costs, telephone system equipment, data lines, T-1 lines, and other similar costs.	Dedicated telephone units as compared to all units.
<b>Information Technology:</b> Shared equipment, software, IT maintenance costs, Internet access, and other similar costs.	Number of dedicated computers (including all necessary equipment) as compared to total.
<b>Resource Center:</b> Costs of shared equipment, displays, computer learning, specialized software for computer learning, furniture, copier, fax machine; may also include related staff costs.	Number of program participants or reportable individuals utilizing the resource center.
<b>Common Intake System:</b> Costs of developing common intake data formats, preparation and interview of customers, and similar costs.	Use of common data formats and data elements required for each program. Use of number of customer or participant records maintained by each partner program.
<b>One-Stop Center Management Staff:</b> Costs of the center director.	Number of partner program staff FTEs. Square footage of partner program benefit or number of program participants and reportable individuals served.
<b>One-Stop Center General Operations Staff:</b> Costs of the receptionist, staff of the resource center.	Number of partner program participants.
<b>Shared Equipment and Supplies:</b> Staff copier, fax, associated supplies, and furniture.	Usage by staff of each partner program. Occupancy (square footage) basis; numbers of staff workstations.
<b>Career Services:</b> Staff and benefit costs, development of common forms for case management, and similar costs.	Time distribution system (time sheets, work sampling, time and motion studies); numbers of clients eligible for specific program; weighted participation numbers.

Source: [USDOL TEGL 17-16, Attachment I](#)



**WorkSource System Policy**  
**Employment System Administration and Policy**

**WIOA Policy 1024, Attachment II**  
**Paying for the One-Stop Delivery System**

<b>GOVERNOR GUIDANCE</b>		<i>WIOA sec. 121(h)(1)(B); 20 CFR 678.705, 34 CFR 361.705, 34 CFR 463.705</i>
Governors must issue guidance regarding the infrastructure funding of a one-stop delivery system after consultation with chief elected officials (CEO), the State workforce development board (WDB), and Local WDBs. The guidance must be consistent with guidance and policies provided by the State WDB.		
<b>LOCAL DELIVERY SYSTEM</b>		<i>WIOA sec. 121; 20 CFR 678.300, 34 CFR 361.300, 34 CFR 463.300</i>
<ul style="list-style-type: none"> <li>▪ The Local WDB and CEO(s) finalize the list of one-stop delivery system partners in a local area</li> <li>▪ The Local WDB, CEO(s), and partners: <ul style="list-style-type: none"> <li>• Identify one-stop delivery system locations and determine types of locations (comprehensive, affiliate, specialized one-stop centers, etc.),</li> <li>• Determine services to be provided through the one-stop delivery system, and</li> <li>• Develop and agree on a one-stop delivery system operating budget(s).</li> </ul> </li> </ul>		
<b>MEMORANDUM OF UNDERSTANDING (MOU)</b>		<i>WIOA sec. 121(c); 20 CFR 678.500, 34 CFR 361.500, 34 CFR 463.500</i>
<ul style="list-style-type: none"> <li>▪ The Local WDB, with the agreement of the CEO(s), develops and enters into a signed umbrella memorandum of understanding (MOU) or individual MOUs with the one-stop partners.</li> <li>▪ MOUs must, at a minimum, describe the services to be provided, contain the one-stop operating budget, outline how infrastructure and additional costs will be funded, and contain several other elements outlined in WIOA sec. 121(c) and 20 CFR 678.500, 34 CFR 361.500, and 34 CFR 463.500.</li> <li>▪ An <b>Infrastructure Funding Agreement (IFA)</b> is established that describes a reasonable cost allocation methodology, where infrastructure costs are charged to each partner based on partners' proportionate use of the one-stop center, relative to the benefits received from the use of the one-stop center consistent with Federal Cost Principles in the Uniform Guidance at 2 CFR part 200 and the Department of Labor exceptions at 2 CFR part 2900.</li> <li>▪ The IFA must be consistent with the partner programs' authorizing laws and regulations, and other applicable legal requirements.</li> <li>▪ Changes in the one-stop partners or an appeal by a one-stop partner's infrastructure cost contributions will require an update of the MOU.</li> <li>▪ The IFA is a part of the MOU; it is not a separate document.</li> </ul>		
<b>WAS CONSENSUS ON THE IFA OBTAINED?</b>		
<b>Consensus Obtained Local Funding Mechanism</b>		<b>No Consensus Obtained State Funding Mechanism</b>
<i>WIOA sec. 121(h); 20 CFR 678.715 – 678.745, 34 CFR 361.715 – 361.745, and 34 CFR 463.715 – 463.745</i>		
<ul style="list-style-type: none"> <li>▪ Continue one-stop operations and service delivery.</li> <li>▪ Periodically reconcile IFA with actual costs.</li> <li>▪ Modify other costs, such as additional costs budget, and partner contributions, as appropriate.</li> <li>▪ Modify allocation methods, if necessary.</li> </ul>	<ul style="list-style-type: none"> <li>▪ When local negotiations for PY 2017 (and subsequent PYs) are unable to reach consensus, notify Governor by deadline established in Governor's guidance to trigger state funding mechanism 1.</li> <li>▪ Once partner contributions are determined, periodically reconcile IFA with actual costs.</li> <li>▪ Modify other costs, such as additional costs budget, and partner contributions, as appropriate.</li> <li>▪ Modify allocation methods, if necessary.</li> </ul>	

## Types of One-Stop Delivery System Costs

<b>INFRASTRUCTURE COSTS</b>		<i>WIOA sec. 121(h)(4); 20 CFR 678.700(a)-(b), 34 CFR 361.700(a)-(b), 34 CFR 463.700(a)-(b)</i>
<ul style="list-style-type: none"> <li>▪ Non-personnel costs</li> <li>▪ Costs necessary for the general operation of the one-stop center, including but not limited to:</li> <li>▪ Applicable facility costs (such as rent) including costs of utilities and maintenance</li> <li>▪ Equipment (including assessment-related products and assistive technology for individuals with disabilities)</li> <li>▪ Technology to facilitate access to the one-stop center, including technology used for the center's planning and outreach activities</li> <li>▪ May consider common identifier costs as costs of one-stop infrastructure</li> <li>▪ May consider supplies as defined in the Uniform Guidance at 2 CFR 200.94, to support the general operation of the one-stop center.</li> </ul>		
<b>ADDITIONAL COSTS</b> <i>(Applicable career services, shared operating costs, and shared services)</i>		<i>WIOA sec. 121(i)(1); 20 CFR 678.760(a)-(b), 34 CFR 361.760(a)-(b), 34 CFR 463.760(a)-(b)</i>
<ul style="list-style-type: none"> <li>▪ Must include the costs of the provision of career services in WIOA sec. 134(c)(2) applicable to each program consistent with partner program's authorizing Federal statutes and regulations, and allocable based on Federal cost principles in the Uniform Guidance at 2 CFR part 200.</li> <li>▪ May include shared operating costs and shared services that are authorized for, and may be commonly provided through, the one-stop partner programs, including initial intake, assessment of needs, appraisal of basic skills, identification of appropriate services, referrals to other one-stop partners, and business services.</li> </ul>		
<b>INFRASTRUCTURE FUNDING TYPES</b>		<i>20 CFR 678.720 and 678.760, 34 CFR 361.720 and 361.760, 34 CFR 463.720 and 463.760</i>
<b>Cash</b>	<b>Non-Cash</b>	<b>Third-Party In-Kind</b>
<ul style="list-style-type: none"> <li>▪ Cash funds provided to the local board or its designee by one-stop partners, either directly or by an interagency transfer, or by a third party.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Expenditures incurred by one-stop partners on behalf of the one-stop center; and</li> <li>▪ Non-cash contributions or goods or services contributed by a partner program and used by the one-stop center.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contributions of space, equipment, technology, non-personnel services, or other like items to support the infrastructure costs associated with one-stop operations, by a non-one-stop partner to:</li> <li>▪ Support the one-stop center in general; or</li> <li>▪ Support the proportionate share of one-stop infrastructure costs of a specific partner.</li> </ul>
	<p style="text-align: center;">Must be valued consistent with 2 CFR 200.306 to ensure they are fairly evaluated and meet the partners' proportionate share. Partners must fairly value contributions on a periodic and annual basis.</p>	

<sup>1</sup> For PY 2016, continue one-stop operations and service delivery as long as possible, using processes established under WIA.

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**Employment System Administration and Policy**  
**WIOA Policy 1024, Attachment III**

**I. Required Partners in the One-Stop System per Joint WIOA Final Rule noted in TEGL17-16:**

***Department of Labor (DOL)***

- WIOA title I programs:
  - Adult, Dislocated Worker, and Youth formula programs;
  - Job Corps; YouthBuild; Native American Programs\*; National Farmworker Jobs Program (NFJP);
- Wagner-Peyser Act Employment Service (ES) program, authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.), as amended by WIOA title III;
- Senior Community Service Employment Program (SCSEP), authorized under title V of the Older Americans Act of 1965;
- Trade Adjustment Assistance (TAA) activities, authorized under chapter 2 of title II of the Trade Act of 1974;
- Unemployment Compensation (UC) programs including RESEA;
- Jobs for Veterans State Grants (JVSG) programs, authorized under chapter 41 of title 38, U.S.C.; and
- Reentry Employment Opportunities (REO) programs (formerly known as Reintegration of Ex-Offenders Program (RExO)), authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169;

***Department of Education (DOE)***

- Adult Education and Family Literacy Act (AEFLA) program, authorized under WIOA title II
- Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (Perkins IV); and
- The State Vocational Rehabilitation (VR) Services program, authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), as amended by WIOA title IV

***Department of Housing and Urban Development (HUD)***

- Employment and training programs;

***Department of Health and Human Services (HHS)***

- Employment and training activities carried out under the Community Services Block Grant (CSBG) programs (42 U.S.C. 9901 et seq.); and
- Temporary Assistance for Needy Families (TANF) program, authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless exempted by the Governor under 20 CFR 678.405(b), 34 CFR 361.405(b), and 34 CFR 463.405(b).

\*Note: Governor of WA did not exempt TANF as a partner program and, in fact, mandated them as a required One-Stop Partner.

\*Native American Programs are a required one-stop partner and are strongly encouraged, but not required to contribute to infrastructure costs under WIOA. Any agreement regarding the contribution or non-contribution to infrastructure costs by Native American programs must be documented in the MOU per WIOA sec.121(h)(2)(D)(iv).

## II. Determining Source Funds to Pay Infrastructure Costs

When determining which funds can be used to pay infrastructure costs, Required One-Stop Center Partners must remain in compliance with their authorizing federal statute as well as 20 CFR § 678.720, which provides stipulations on the types of funds certain partners are allowed to use towards their proportionate share under the local funding mechanism. These limitations include the following:

- **WIOA Title I** – Infrastructure costs can be paid as program and/or administrative costs.
- **WIOA Title II** – Infrastructure costs can only be paid from funds available for local administrative expenses or from non-federal resources that are cash, in-kind, or third-party contributions.
- **WIOA Title III** – As the regulations did not specify a funding source for Title III, any available funds may be utilized for infrastructure costs.
- **WIOA Title IV** – Infrastructure costs are paid from administrative costs.
- **Career and Technical Education** – Infrastructure costs must be paid from funds available for local administrative of postsecondary level programs and activities to eligible recipients, or a consortia of eligible recipients, and may be paid from funds made available by the state or non-federal resources that are cash, in-kind, or third-party contributions.
- **TANF/JOBS** – Infrastructure costs are paid only from those funds used for the provision or administration of employment and training programs for the benefit of TANF participants.
- **SNAP Employment & Training** - Infrastructure costs are paid from administrative costs

## III. Infrastructure Costs: Funding Sources

Dept.	Partner Program	Required/ Additional Partner	Admin. Funds to Pay for Infrastructure Costs <sup>1</sup>	Program Funds to Pay for Infrastructure Costs	State Funding Mechanism Applicable <sup>2</sup>
DOL	WIOA Title I programs: • Adult, Dislocated Worker, & Youth	Required	Yes	Yes	Yes
DOL	• Job Corps	Required	No	Yes	Yes
DOL	• YouthBuild	Required	Yes	Yes	Yes
DOL	• NFJP	Required	Yes	Yes	Yes
DOL	• Native American programs <sup>3</sup>	Required	Yes	Yes	No

DOL	Wagner-Peyser Act ES	Required	N/A <sup>4</sup>	Yes	Yes
DOL	SCSEP	Required	Yes	Yes	Yes
DOL	TAA program	Required	Yes	Yes	Yes
DOL	UC programs	Required	N/A <sup>4</sup>	Yes	Yes
DOL	JVSG programs	Required	N/A <sup>4</sup>	Yes	Yes
DOL	REO programs authorized under sec. 212 of the Second Chance Act of 2007 (42 U.S.C. 17532) and WIOA sec. 169	Required	Yes	Yes	Yes
ED	AEFLA program, authorized under WIOA title II	Required	Yes	No	Yes
ED	The State VR program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), as amended by WIOA title IV	Required	N/A <sup>4</sup>	Yes	Yes
ED	Career and technical education programs at the postsecondary level, authorized under the Carl D. Perkins Career and Technical Education Act of 2006	Required	Yes	No	Yes
HUD	Employment and training activities carried out by HUD	Required	Consult partners' authorizing documents.	Consult partners' authorizing documents.	Yes
HHS	Employment and training activities carried out under the CSBG programs	Required	Consult partners' authorizing documents.	Consult partners' authorizing documents.	Yes
HHS	TANF	Required <sup>5</sup>	Yes	No	Yes <sup>6</sup>
Other	Partners as outlined by WIOA sec. 121(b)(2)(B) and 20 CFR 678.410 <sup>7</sup>	Additional	Consult partners' authorizing documents.	Consult partners' authorizing documents.	No

#### **LIMITATIONS:**

<sup>1</sup> Partners' funding contributions for infrastructure costs are subject to the partner programs' administrative cost limitations and restrictions. The definition of administrative costs may also differ from one partner program to the next.

<sup>2</sup> Statutory caps for infrastructure funds is applicable only if the State Funding Mechanism is being implemented.

<sup>3</sup> Native American programs, as required One-stop partners, are strongly encouraged to contribute to infrastructure costs, but they are not required to make such contributions under WIOA.

<sup>4</sup> These programs do not distinguish between program or administrative funds since there is only one allotment from which all expenditures – administrative costs and program costs – must be paid. Although the VR program imposes no limits on the amount of funds that may be spent on administrative costs, VR agencies must report funds spent for infrastructure costs as administrative costs.

<sup>5</sup> At the discretion of the Governor, in accordance with WIOA sec. 121(b)(1)(C) and 20 CFR 678.405.

<sup>6</sup> The Governor of WA determined that TANF will be a required partner subject to IFA/SFM.

<sup>7</sup> Additional partners are required to share in infrastructure costs when participating in the one-stop service delivery system; however, the State funding mechanism is not applicable to additional partners.



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**WIOA Policy 1024, Attachment IV**  
**IFA Timeline and SFM Trigger**

**March 1** - LWDBs must provide to WTECB an assessment of the status of their IFA negotiations for the subsequent program year to begin July 1. (Section 4.a.)

- If an LWDB reports that they have **not** achieved agreement around an IFA, the LWDB must indicate whether they feel consensus will be achieved by **April 1**, or whether specific technical assistance from state partners is needed. (Section 4.b.)

**March 31** - If LWDBs agree upon an IFA, they must send a letter to WTECB signed and dated by partners indicating agreement and that all items in Section 3.b. are included in local IFA.

**April 1** - If no IFA is agreed to, the LWDB must send the Governor's designee, WTECB, a notification of impasse. Upon receipt of notification, the Governor (or designee) will charge Board staff to support re-negotiation of IFAs with specific technical assistance for up to one month, as specified in Section 4, Step 2 of the draft policy.

**May 1** - If no agreement is reached, the WTB will begin determining a draft infrastructure budget\* using the procedures specified in Steps 3-8 of the draft policy.

\*This infrastructure funding budget will only trigger if the LWDB does not reach a negotiated agreement prior to the beginning of the program year on July 1.

## Designating Additional WIOA Focus Populations – Tab 1

PRESENTERS: Eric Wolf and Cheryl Fambles/WWA

BOARD MEETING DATE: 7/16/21

DISCUSSION TIME NEEDED: Consent Agenda Item – Discussion as Necessary

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed</p>	<p>The Washington Workforce Association (WWA) has petitioned Governor Inslee to designate additional WIOA focus populations, specifically, Black communities and communities of color. Governors have sole authority to designate additional WIOA focus populations under the law, but Governor Inslee has advanced WWA’s request to the Board for advisement.</p>
<p><b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this recommendation?</p>	<p>WIOA designated 13 populations that face “barriers to employment” (WIOA focus population) and Governors authority to designate additional populations in their state. States and local areas must address in their plans explicitly how they intend to address system access for these populations and improve outcomes among jobseekers from those communities. Additionally, WIOA directs local areas to prioritize their workforce investments to improve economic outcomes in these historically disadvantaged groups.</p> <p>The current WIOA focus populations include:</p> <ul style="list-style-type: none"> <li>(A) Displaced homemakers.</li> <li>(B) Low-income individuals.</li> <li>(C) Indians, Alaska Natives, and Native Hawaiians, as such terms are defined in section 166.</li> <li>(D) Individuals with disabilities, including youth who are individuals with disabilities.</li> <li>(E) Older individuals.</li> <li>(F) Ex-offenders.</li> <li>(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))).</li> <li>(H) Youth who are in or have aged out of the foster care system.</li> <li>(I) Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers.</li> <li>(J) Eligible migrant and seasonal farmworkers, as defined in section 167(i).</li> <li>(K) Individuals within two years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).</li> <li>(L) Single parents (including single pregnant women).</li> <li>(M) Long-term unemployed individuals.</li> <li>(N) Such other groups as the Governor involved determines.</li> </ul> <p>The WWA request is to add Black and communities of color (Latinx and Asian/Pacific Islander) communities to the focus population list. Indigenous communities in Washington are already encompassed as a focus population under the current statutory language of WIOA. Veterans are often considered a focus population because they receive priority of service under other provision within WIOA, but are not technically designated a focus population.</p> <p>Designating additional focus populations has two important effects on local implementation of WIOA: first, local areas have additional directive in the law to prioritize investments and programs to achieve equitable outcomes among those communities; and second, local boards will be required in future local planning to address intentionally how they will improve services for these communities. At the state level, our partners will begin reporting the necessary data to local partners to support benchmarking of services over time.</p>



<p><b>RECOMMENDATION AND NEXT STEPS:</b></p> <p>What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?</p>	<p>Staff at the Board have worked with stakeholders at WWA and ESD to begin assessing how to implement additional focus populations in policy, particularly in policies related to service delivery and strategic planning.</p> <p>Staff recommends the Board endorse the WWA’s request to add Black and communities of color as additional WIOA focus populations and continue to assess implementation at upcoming meetings. The upcoming WIOA plan update in spring 2022 and subsequent local plan updates represent prime opportunities for the system to negotiate and commit to strategies that address disparities in these communities and ensure systemic effort towards equitable economic recovery. Moreover, the WWA request aligns with Governor Inslee’s efforts to increase equitable outcomes for all Washingtonians and the Workforce Board’s commitment to incenting an equitable economic recovery and supporting those left behind in past recovery cycles.</p>
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## **A Request of the Governor**

Date: May 26, 2021

To: Dr. Karen Johnson, WA Chief Equity Officer  
Eleni Papadakis, Executive Director State Workforce Board  
John Aultman, Senior Policy Advisor, Higher Education & Workforce Development

Re: **Proposed Language for Governor's Inclusion of Black, Asian, Latinx, and other Communities of Color as WIOA Priority Populations**

Washington Workforce Association members are proud to work in a state where the Governor has the courage to speak truth about the challenging societal realities faced by Black, Indigenous, Asian, Latinx, and other Communities of Color. In December, our Governor's stated commitment to equity was evidenced in his Legislative policy package and his direction to state agencies to center equity in the development of any legislation and budget proposals. We have an additional suggestion about an action Governor Inslee can take immediately to assist Black, Asian, Latinx, and other Communities of Color.

The Workforce Innovation Opportunity Act (WIOA) governs local workforce services and policies. It ties us to our local communities and economies. As such, our local boards have long recognized and worked to change the systemic and structural ways Black, Asian, Latinx, and other Communities of Color are limited in access and opportunity. We are dedicated to finding solutions and working with our partners to make necessary improvements. This is why we are pleased that state agencies are increasing their efforts to address the racial inequities and structures that perpetuate the counter productivity of racism. We look forward to hearing more about the Governor's work and seeing positive outcomes from state agencies.

Local Workforce Board Leadership knows there would be significant impact if the Governor were to recognize and prioritize Black, Asian, Latinx, and other Communities of Color in the delivery and design of our employment services, education, and training programs. In the federal legislation, *Workforce Innovation and Opportunity Act section 3(24)*, WIOA defines the term "individual with a barrier to employment" as members of one or more of the following populations:

- 1) Displaced homemakers
- 2) Low-income individuals
- 3) Indians, Alaska Natives, and Native Hawaiians, as such terms are defined
- 4) Individuals with disabilities, including youth who are individuals with disabilities

- 5) Older individuals
- 6) Ex-offenders
- 7) 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 defined in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. § 11434a(2)
- 8) Youth who are in or have aged out of the foster care system
- 9) Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers
- 10) Eligible migrant and seasonal farmworkers, as defined in section 167(i)
- 11) 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.)
- 12) Single parents (including single pregnant women)
- 13) Long-term unemployed individuals
- 14) Such other groups as the Governor involved determines to have barriers to employment

Black, Asian, Latinx, and other Communities of Color should be specifically mentioned as facing challenges. As the Governor is aware, under existing Federal Law, American Indian, Alaska Natives, and Native Hawaiians are already clearly identified in WIOA section 3(24)(2) above. Taking this action can propel the workforce system's efforts in equity, diversity, and inclusion; accelerate our equi-recovery efforts; build momentum in our local workforce areas; and inspire a deepened commitment in state and local workforce development planning. It allows all agencies to more fully champion the issues surrounding equitable access, eliminating racist structural barriers, and prioritizing the needs of all Communities of Color across our state.

We would be honored to assist the Office of Governor Inslee in the creation of appropriate language or in following established protocol for such actions. Please call upon us to let us know how we may help.

Highest regards,



Kevin Perkey, WWA Chair  
Workforce Southwest, CEO

Cc: Perry England, Chair State Workforce Board  
Caitlyn Jekel, Senior Policy Advisor, Labor



## 2021 Board of Directors

A handwritten signature in black ink, appearing to read 'Elizabeth Court'.

Elizabeth Court, Director  
Olympic Workforce Development Council

A handwritten signature in black ink, appearing to read 'Cheryl Fambles'.

Cheryl Fambles, Chief Executive Officer  
Pacific Mountain Workforce Development Council

A handwritten signature in black ink, appearing to read 'Joy Emory'.

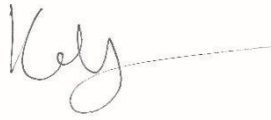
Joy Emory, President & CEO  
Workforce Snohomish

A handwritten signature in black ink, appearing to read 'Marie Kurose'.

Marie Kurose, Chief Executive Officer  
Seattle-King County Workforce Development Council

A handwritten signature in blue ink, appearing to read 'Katie Condit'.

Katie Condit, Chief Executive Officer  
Workforce Central



Kevin Perkey, Chief Executive Officer  
Workforce Southwest Washington



Dave Petersen, Director  
SkillSource



Amy Martinez, Chief Executive Officer  
South Central Workforce Development Council



Rod Van Alyne, Director  
Eastern Washington Partnership Workforce Dev. Council



Tiffany Scott, Chief Executive Officer  
Benton-Franklin Workforce Development Council



Mark Mattke, Chief Executive Officer  
Spokane Workforce Council

# Tab 2

# Workforce System Legislative Agenda Planning

**PRESENTER NAME:** Nova Gattman

**BOARD MEETING DATE:** 7/16/21

**DISCUSSION TIME ALLOTTED:** 4 hours

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed.</p>	<p><b>THE ISSUE/OPPORTUNITY IS:</b></p> <p>The Board will continue the conversation on potential items for the workforce system's 2022 Legislative Agenda. Based on the June 2021 Board meetings, six topics of interest will be covered in the July 16 Board meeting (more details on each item below).</p> <p>The concepts on the agenda are in various forms of completion: Some are nearly complete in terms of readiness for action from the Board; others are meant to be the first step in a series of conversations, and may require some work from Board members and stakeholders in between the July and August meetings. Each of the following tabs provides details on each of the items that will be discussed in this meeting; this document is meant to be an overview of the meeting as a whole.</p>
<p><b>TAP STRATEGIC PRIORITY:</b> Which TAP strategic priority or priorities does this recommendation support? Can you tie to specific goals and objectives in TAP? Briefly describe these connections. If the connection is unclear, describe why this is of consequence to the Workforce Board and/or workforce system.</p>	<p><b>THIS IS IMPORTANT TO THE WORKFORCE SYSTEM BECAUSE:</b></p> <p>The opportunity is for the Workforce Board to coalesce around key levers to advocate for strategies and tactics to improve economic outcomes for Washington's workers and businesses. Given the challenges facing our business and workers in the last year, now is a prime opportunity to move towards action and direction for our system's role in the 2022 Legislative Session and beyond—including in the federal policy arena.</p>
<p><b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this recommendation?</p>	<p>A Workforce Board legislative advocacy agenda will allow business, labor, and government to be united in pursuing support from the Legislature and Congress to move key issues forward that will best position the workforce system to play a key role in the state's economic recovery. A system agenda provides a sharper and stronger focus on a small set of issues critical to the workforce system, while not prohibiting advocacy for items that are not listed.</p> <p>Developing a small, targeted list of legislative priorities allows Board members and stakeholders to have a much deeper knowledge of key items on the list, allowing for increased participation and advocacy for the workforce system goals before policymakers.</p> <p>This meeting's discussion will cover the following topics:</p> <ul style="list-style-type: none"> <li>• Career Bridge Modernization: Staff will present a funding proposal for the Board's consideration to add a digital portfolio option to Career Bridge, add features to allow integration with a secondary student's High School and Beyond Plan, modernize the site (include for mobile use), and add staff FTE to support the work.</li> <li>• IT Pathways / Digital Equity: The Board will be provided a list of potential options to address equity and access challenges in the IT sector, with time for discussion to hone the next steps to prepare for the August meeting.</li> <li>• Next Generation Workforce System: Following feedback in the June meetings, Board staff will provide an overview of several concepts meant to move the system forward in terms of integrated service delivery, enhanced investment in incumbent worker training, and increased business engagement at all levels of the workforce system.</li> </ul>

	<ul style="list-style-type: none"> <li>• <b>Future of Work:</b> After discussions in the June Board meetings, staff have further refined a concept paper that would continue the Board's focus on the Future of Work as a critical topic in the system. The proposal would continue the work, but as a specifically funded role of the Board (with funding available for staff, research and analysis), as well as a potential expansion of the Health Workforce Sentinel Network concept to other industries in the state to help better inform the Board and policymakers about potential changes in the workplace and worker roles.</li> <li>• <b>Long-Term Care Workforce:</b> The Board will be provided with a presentation on the current and projected landscape for the long-term care workforce, with time for discussion and direction on potential next steps for a proposal for consideration in the August Board meeting.</li> <li>• <b>Addressing the Public System Benefits Cliff:</b> Continuing the Board's interest in engaging in this topic, Board system partners will be providing a broad overview of the public system benefits cliff, as well a focus in two areas with these "cliffs" – services for individuals with disabilities, and child care access. The Board will have the opportunity to provide additional direction on further opportunities for engagement to help guide the next steps between the July and August meetings.</li> </ul> <p>Board members will have discussion time built into each of the above items, as well as time for a general discussion near the end of the meeting.</p>
<p><b>RECOMMENDATION AND NEXT STEPS:</b> What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?</p>	<p><b>THE RECOMMENDATION AND/OR REQUESTED ACTION IS:</b></p> <p>Information and discussion only. Staff will provide key questions at each level of the discussion for the Board to consider to help refine policy ideas, and narrow areas of focus, where needed.</p> <p>Board members and staff are encouraged to actively participate in honing the topics and next steps, and where appropriate, participate in the development of concepts and proposals for the August Board meeting.</p>



# Tab 3

# Career Bridge Modernization

**PRESENTER NAME:** Marina Parr

**BOARD MEETING DATE:** 7/16/21

**DISCUSSION TIME ALLOTTED:** 15 mins

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed.</p>	<p><b>THE ISSUE/OPPORTUNITY IS:</b></p> <p>One proposal for the 2022 legislative session are resources to upgrade the Workforce Board's website Career Bridge. Career Bridge is a vital connection for the public to the workforce system, and this proposal will strengthen this connection.</p>
<p><b>TAP STRATEGIC PRIORITY:</b> Which TAP strategic priority or priorities does this recommendation support? Can you tie to specific goals and objectives in TAP? Briefly describe these connections. If the connection is unclear, describe why this is of consequence to the Workforce Board and/or workforce system.</p>	<p><b>THIS IS IMPORTANT TO THE WORKFORCE SYSTEM BECAUSE:</b></p> <p>Career Bridge is mentioned by name in the TAP plan as both a method of consumer engagement and disseminating program performance information. This upgrade proposal is aimed at improving system accessibility and equity for jobseekers and students by improving functionality and adding key features. Resources for ongoing updates are also included in the proposal.</p>
<p><b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this recommendation?</p>	<p>The Workforce Board has developed a set of possible items for the legislative advocacy agenda over the last several months. Career Bridge modernization has been discussed as one possible item, and was developed into this proposal for further discussion.</p> <p>The proposal is for a one-time project to modernize Career Bridge for approximately one million dollars and two full time employees going forward to support Career Bridge and related systems. This will accomplish:</p> <ul style="list-style-type: none"> <li>• Enhancing mobile device accessibility. This is critical for equitable access to career and education information due to increasing dependence on mobile devices by low income households.</li> <li>• Adding a High School and Beyond Plan (HSBP) tool. Many schools use the free career and training exploration tools currently on Career Bridge, but career planning requirements have expanded to include a HSBP. Adding a HSBP component will provide school districts with another option to meet this requirement, possibly in place of expensive commercial tools.</li> <li>• Including a digital portfolio for students and job seekers to organize career planning resources such as resumes, cover letters, saved career and school searches, and career quiz results.</li> <li>• Additional Career Bridge enhancements including enhanced search technology.</li> <li>• Switching Career Bridge to a continuous improvement model. Improving Career Bridge in an ongoing incremental way will improve user experiences and avoid future major modernization projects.</li> <li>• Organizing the system behind Career Bridge. In addition to being a career and labor market exploration tool, Career Bridge is the public-facing side of the underlying Eligible Training Provider List (ETPL) regulatory system. The ETPL allows Career Bridge to display outcome measures, which are compiled from student data collected directly by the Workforce Board through the Student Data Portal. Adding a</li> </ul>

	<p>management position will allow the Workforce Board to coordinate these systems more effectively.</p> <ul style="list-style-type: none"><li>• Provide ongoing technical support for the HSBP and digital portfolio tools.</li></ul>
<b>RECOMMENDATION AND NEXT STEPS:</b> What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?	<b>THE RECOMMENDATION AND/OR REQUESTED ACTION IS:</b>  It's hoped that the Board will consider taking this up as a 2022 legislative agenda request. Staff will present the proposal and be available for questions.

# Career Bridge Modernization

Enhancing equity and access to career exploration tools for all Washingtonians is important for economic recovery. The Workforce Board offers a popular and free career and education exploration component in its Career Bridge website, which could be further enhanced with a modernization effort to allow for increased functionality, integration with students' High School and Beyond Plan, and dedicated staff to provide the support necessary to ensure up-to-date, accurate information, provide technical support, and add to the program directory.

As lower-income households increasingly rely on mobile devices for internet, access could be enhanced by a more modern and mobile-friendly design. The addition of secondary school-focused features such as a portfolio that integrates the High School and Beyond Plan into Career Bridge could help school districts avoid the expense of privately offered career planning tools, costing districts tens of thousands of dollars per year.

*School district costs for privately offered career planning tools:*

*Small district: \$6,800 per year*

*Mid-size district: \$30,000 per year*

*Large district: \$105,000 per year*

## Career Bridge background

The Workforce Board has a well-established career and education exploration website, called Career Bridge ([careerbridge.wa.gov](http://careerbridge.wa.gov)), that after 10 years achieves over six-million page views per year. The site includes over 6,500 educational programs, labor market information, program performance data, career exploration, and a living wage calculator. Career Bridge is recognized nationally as the only state site that provides performance results (employment, earnings, more) for recent graduates of thousands of postsecondary education programs, including registered apprenticeships.

## Equity Issue: All WA students deserve access to an online career and education planning tool

Right now, WA school districts—that can afford it—are paying significant dollars to provide their students with for-profit tools that support career exploration and planning. Career Bridge could address that gap for smaller or under-resourced schools by meeting the need for an online portfolio for High School and Beyond Plans (HSBP) with a relatively modest investment for site upgrades and modernization. Career Bridge is free and can be distributed widely, and already partially fills this role. Updating the architecture of Career Bridge, making it mobile friendly, and embedding a student portfolio feature will enhance usability of this valuable information for student career exploration and planning.

## Need for site updates

Despite the scope and complexity of Career Bridge, the Workforce Board doesn't have dedicated resources to support the needed updates. Nor do current resources allow for dedicated staff support for ongoing site maintenance. While efforts at functional upgrades have been made when discretionary resources were available, the backbone architecture has not been upgraded in over a decade. The fact that the site remains popular despite the lack of a mobile-friendly design shows the value of this resource. Users could better access and engage with a modern site, with enhanced functionality to support student and jobseeker education and career planning.

### Shifting to a continuous improvement model

Continuous improvement is a standard industry practice to keep websites fresh and engaging through trial of small changes and direct measurement of user engagement. After an initial architectural upgrade, this will be the maintenance model that the Board employs. Additional staff is needed to support this. The proposed additions to the site will also cause additional ongoing workloads related to direct interaction with school districts. The current workload is barely manageable without a formal management structure or full-time staff, so the additional workload necessitates a reorganization around a new position to support more broad usage of the site.

### Position descriptions

Career Bridge is the public-facing website of a system. Federal and state policies define an Eligible Training Provider List (ETPL) to allow some types of financial assistance for training programs based on program characteristics and outcome measures. The Student Data Portal (SDP) website is used by training providers to submit student data for use in ETPL eligibility determination and the demographic and outcome analysis shown on Career Bridge.

The first proposed position is a Career Bridge Manager. They will be the lead for operations surrounding Career Bridge and the related Student Data Portal (SDP) and Eligible Training Provider List (ETPL). Responsibilities include SDP and ETPL activity coordination, second-level contact with training providers, and related policy decision making. This position will also lead stakeholder outreach and marketing for these systems. Having a manager responsible for coordination of these tasks will vastly improve staff efficiency, as this role is currently cobbled together from several other staff with other responsibilities and expertise.

The second position is a Career Bridge IT Manager. They will be a technical lead for the Career Bridge and Student Data Portal websites, including coordinating the Career Bridge modernization project and ongoing continuous improvements. They will also provide technical support for these websites to internal and external customers.

### The Results of New Investments to Career Bridge:

- Students can create, personalize, and revise their HSBP on the Career Bridge site.
- All school districts in the state will be able to provide an online comprehensive career and educational planning tool and HSBP for its students.
- Allows parents and guardians, educators, school counselors, and other support staff appropriate access to view students' HSBP and other materials for the purpose of supporting their academic and career goals.
- A digital portfolio for students (as requested by K-12 teachers and counselors) to upload career planning resources such as resumes, cover letters, saved career and school searches, and career quiz results.
- Up-to-date architecture that allows more interactive use. Mobile friendly for phones/tablets.

### Estimated costs

- Modernize architecture --\$800K (1X, over 2 years).

- Internal site search optimization
  - Mobile friendly for phones, tablets
  - Dynamic user-friendly experience
- Digital portfolio/HSBP feature--\$250K (1X over 2 years).
- Career Bridge Manager-- \$150K per year ongoing, including salary, benefits, and overhead.
- Career Bridge IT Manager-- \$150K per year ongoing, including salary, benefits, and overhead.

# Tab 4

# Career Bridge Modernization

**PRESENTER NAME:** Marina Parr

**BOARD MEETING DATE:** 7/16/21

**DISCUSSION TIME ALLOTTED:** 15 mins

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed.</p>	<p><b>THE ISSUE/OPPORTUNITY IS:</b></p> <p>One proposal for the 2022 legislative session are resources to upgrade the Workforce Board's website Career Bridge. Career Bridge is a vital connection for the public to the workforce system, and this proposal will strengthen this connection.</p>
<p><b>TAP STRATEGIC PRIORITY:</b> Which TAP strategic priority or priorities does this recommendation support? Can you tie to specific goals and objectives in TAP? Briefly describe these connections. If the connection is unclear, describe why this is of consequence to the Workforce Board and/or workforce system.</p>	<p><b>THIS IS IMPORTANT TO THE WORKFORCE SYSTEM BECAUSE:</b></p> <p>Career Bridge is mentioned by name in the TAP plan as both a method of consumer engagement and disseminating program performance information. This upgrade proposal is aimed at improving system accessibility and equity for jobseekers and students by improving functionality and adding key features. Resources for ongoing updates are also included in the proposal.</p>
<p><b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this recommendation?</p>	<p>The Workforce Board has developed a set of possible items for the legislative advocacy agenda over the last several months. Career Bridge modernization has been discussed as one possible item, and was developed into this proposal for further discussion.</p> <p>The proposal is for a one-time project to modernize Career Bridge for approximately one million dollars and two full time employees going forward to support Career Bridge and related systems. This will accomplish:</p> <ul style="list-style-type: none"> <li>• Enhancing mobile device accessibility. This is critical for equitable access to career and education information due to increasing dependence on mobile devices by low income households.</li> <li>• Adding a High School and Beyond Plan (HSBP) tool. Many schools use the free career and training exploration tools currently on Career Bridge, but career planning requirements have expanded to include a HSBP. Adding a HSBP component will provide school districts with another option to meet this requirement, possibly in place of expensive commercial tools.</li> <li>• Including a digital portfolio for students and job seekers to organize career planning resources such as resumes, cover letters, saved career and school searches, and career quiz results.</li> <li>• Additional Career Bridge enhancements including enhanced search technology.</li> <li>• Switching Career Bridge to a continuous improvement model. Improving Career Bridge in an ongoing incremental way will improve user experiences and avoid future major modernization projects.</li> <li>• Organizing the system behind Career Bridge. In addition to being a career and labor market exploration tool, Career Bridge is the public-facing side of the underlying Eligible Training Provider List (ETPL) regulatory system. The ETPL allows Career Bridge to display outcome measures, which are compiled from student data collected directly by the Workforce Board through the Student Data Portal. Adding a</li> </ul>



	<p>management position will allow the Workforce Board to coordinate these systems more effectively.</p> <ul style="list-style-type: none"><li>• Provide ongoing technical support for the HSBP and digital portfolio tools.</li></ul>
<p><b>RECOMMENDATION AND NEXT STEPS:</b> What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?</p>	<p><b>THE RECOMMENDATION AND/OR REQUESTED ACTION IS:</b></p> <p>It's hoped that the Board will consider taking this up as a 2022 legislative agenda request. Staff will present the proposal and be available for questions.</p>



## Career Bridge Modernization

Ensuring all Washingtonians equitable access to career and exploration tools is important for economic recovery. The Workforce Board administers a popular (and free) career and education exploration component on its Career Bridge website. This piece could be enhanced with a modernization effort that increases functionality, integrates with student High School and Beyond Plans, and provides dedicated staff to help ensure up-to-date, accurate information, along with an expanded program directory, and needed technical support.

As lower-income households increasingly rely on mobile devices, it's critical that Career Bridge incorporates a modern, mobile-friendly design to provide equitable access. Plans to launch a new digital portfolio on Career Bridge also promises to boost access to career and education planning. By integrating this new portfolio feature with the state's required High School and Beyond Plan, school districts from all parts of Washington can use this free tool rather than spending tens of thousands of dollars per year on private, for-profit career and education platforms.

### *School district costs for privately offered career planning tools:*

- *Small district: \$6,800 per year*
- *Mid-size district: \$30,000 per year*
- *Large district: \$105,000+ per year*

### Career Bridge background

The Workforce Board launched Career Bridge.wa.gov just over 10 years ago. The site records over six-million-page views per year and features over 6,500 postsecondary education programs, along with state labor market information on projected occupation growth and wages, employment and earnings performance data for thousands of WA education programs, a career quiz to assess talents and interests, and a living wage calculator to help ensure career and education goals align with the cost of living. Career Bridge is recognized nationally for providing performance results (employment, earnings) for recent graduates of thousands of postsecondary programs, including registered apprenticeships.

### **Equity Issue: All WA students deserve access to an online career and education planning tool**

Right now, WA school districts—that can afford it—are paying significant dollars to provide their students with for-profit tools that support career exploration and planning. Career Bridge could address that gap for smaller or under-resourced schools by meeting the need for an online portfolio for High School and Beyond Plans with a relatively modest investment for site upgrades and modernization. Career Bridge is free and can be distributed widely, and already partially fills this role. Updating the architecture of Career Bridge, making it mobile friendly, and embedding a digital portfolio feature, will provide a solid career exploration and planning tool to *all* Washington students.

### Need for site updates

As the scope and complexity of Career Bridge has grown, the Workforce Board hasn't been able to provide resources for needed updates. Nor do current resources allow for dedicated staff support for ongoing site maintenance. While efforts at functional upgrades have been made when discretionary resources were available, the backbone architecture has not been upgraded in over a decade. The fact that the site remains popular despite lacking a mobile-friendly design shows the value of this resource.

### Shifting to a continuous improvement model

Continuous improvement is a standard industry practice to keep websites updated and engaging through small changes and direct measurement of user engagement. After an initial architectural upgrade, Workforce Board staff will use this maintenance model. However, to keep Career Bridge fresh and relevant, additional staff are required. Proposed site changes call for more direct and ongoing interactions with school districts and will boost staff workloads. The current workload is only possible by dividing duties and tight collaboration among a handful of dedicated staff. New positions will be required to meet the needs of an expanding, modernized site, including overall site management and IT.

### Career Bridge: Home of the state's Eligible Training Provider List

Career Bridge is not only used by thousands of WA middle and high school students, it also is the “go-to website” for jobseekers and those interested in training for new careers, as it is the home of the state's Eligible Training Provider List (ETPL). Updating the site will benefit thousands of Washington residents who rely on Workforce Innovation and Opportunity Act funding, as well as those participating in other workforce programs, including the state's Training Benefits program. Federal and state policies allow financial assistance for eligible students enrolled in training programs that meet specific outcome measures. Workforce Board staff collect data and evaluate program outcomes each year through wage-record matches to determine whether programs meet employment, earnings, and completion requirements to be on the state's ETPL. These results are pushed out to the public via Career Bridge.

### Needed positions and descriptions

**Career Bridge Manager:** This position will lead the operations surrounding Career Bridge and the related Student Data Portal and Eligible Training Provider List (ETPL) functions. Responsibilities include coordinating data portal and ETPL functions, second-level contact with training providers, along with related policy decision-making. This position will also lead stakeholder outreach and marketing for these systems, and will vastly improve staff efficiency and oversight. Currently, agency staff from several departments are providing piecemeal support of this growing, increasingly technical website.

**Career Bridge IT Manager:** This will be a technical lead for the Career Bridge and Student Data Portal websites, including coordinating the Career Bridge modernization project and ongoing continuous improvements. This position will also provide technical support to both internal and external customers.

### New Investments to Career Bridge: What lies ahead?

- All school districts in the state will be able to provide comprehensive, online career and education planning that aligns with required High School and Beyond Plans for students.
- Parents and guardians, educators, school counselors, and other support staff will be provided easy (appropriate) access to student plans to support academic and career goals.
- Students can use a digital portfolio to upload career planning resources such as resumes, cover letters, saved career and education searches, and career quiz results. This feature has long been requested by K-12 teachers/counselors.
- Students can create, personalize, and revise their required High School and Beyond plans.
- Up-to-date architecture will allow more interactive use. Mobile friendly for phones/tablets.

### Estimated costs to modernize Career Bridge

- Modernize architecture --\$800K (1X, over 2 years).
  - Internal site search optimization
  - Mobile friendly for phones, tablets
  - Dynamic user-friendly experience
- Digital portfolio/High School and Beyond Plan feature--\$250K (1X over 2 years).
- Career Bridge Manager-- \$150K per year ongoing, including salary, benefits, and overhead.
- Career Bridge IT Manager-- \$150K per year ongoing, including salary, benefits, and overhead.

# Tab 5

# Next Generation Workforce System Proposals

**PRESENTER NAME:** Eric Wolf

**BOARD MEETING DATE:** 7/16/21

**DISCUSSION TIME:** 30 minutes

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed.</p>	<p><b>THE ISSUE/OPPORTUNITY IS:</b></p> <p>This discussion area encompasses three separate potential legislative requests:</p> <ol style="list-style-type: none"> <li>1) A renewed request for funding to support a system IT coordination project;</li> <li>2) A request to amp up cross-agency alignment on business partnership creation through additional state funding to support the Job Skills Program, including staffing to support expanded scope for the program; and</li> <li>3) A request for additional funding to expand use of Econovue as a business intelligence tool for the workforce system.</li> </ol> <p>All three requests are designed to increase our system's ability to support jobseeker and business customers by streamlining data sharing and creating a cross-agency team that supports expanded upskilling of incumbent workers statewide.</p>
<p><b>TAP STRATEGIC PRIORITY:</b> Which TAP strategic priority or priorities does this recommendation support? Can you tie to specific goals and objectives in TAP? Briefly describe these connections. If the connection is unclear, describe why this is of consequence to the Workforce Board and/or workforce system.</p>	<p><b>THIS IS IMPORTANT TO THE WORKFORCE SYSTEM BECAUSE:</b></p> <p>These proposals support all four TAP strategic priorities, but most strongly integration of service delivery and data sharing.</p>
<p><b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this recommendation?</p>	<p><b>System IT Coordination</b></p> <p>A decision package developed and endorsed by the Board for the 2020 Session requested \$1,248,000 for a feasibility study to initiate a technology solution for sharing data among workforce agencies to provide a streamlined customer experience across workforce programs, ultimately leading to improved job placement outcomes. While this decision package was not incorporated in the Governor's budget proposal, Board members and stakeholders expressed interest in re-introducing this concept.</p> <p>The study focus would be to identify an option to integrate a range of data systems and intake processes without requiring an expensive, time-consuming rebuild of any of current systems. Several states use Software as Service systems that achieve cross-agency data sharing without substantial modifications to existing management information systems (MISs). Other states have purchased systems that appear to achieve the needed levels of data sharing across agency and information system boundaries, without major structural modifications of existing MISs. More than one vendor is offering a system to connect preexisting MISs across agencies on a Software as a Service basis.</p> <p>The goal of the project is reducing silos and barriers for employers and jobseekers, with particular emphasis on jobseekers in the most vulnerable populations, leading to improved satisfaction and outcomes. This package identified specific system partners that would pilot—we need to reestablish which partners might be interested in participating. The feasibility study to initiate a technology solution for sharing data among workforce agencies and identify options</p>

	<p>to integrate a range of data systems and intake processes without requiring an expensive, time-consuming rebuild of current systems.</p> <p><b>Increasing State Investment in Business Partnership</b>  A second decision package developed and endorsed by the Board for the 2021 Session advocated for increased funding for the Job Skills Program at SBCTC, along with providing support within the Board agency staff and Commerce staff to increase statewide business partnership efforts. The proposal focused on allowing Washington's talent development system to radically amp up engagement with employers and co-create a stronger "talent pipeline" to dynamically upskill and reskill workers for long-term economic competitiveness, particularly through increasing investments in customized training. The decision package requested additional FTE to SBCTC, the Board, and Commerce to implement a cross-agency, comprehensive, statewide approach to build and retain talent in partnership with businesses.</p> <p>The proposal developed by the Board requested a \$4.5 million additional investment in the Job Skill Program in FY 21 (last year), additional \$12.5 million in later years (aiming at \$25 million in state investment per biennium) as the maintenance level investment in the program. Before last year's legislature, the program had an annual \$2.6 million a year to spend and \$5.2 million per biennium. Although this package was not fully funded by the legislature, they did act to increase the annual appropriation of the Job Skills Program by \$5 million per year. As a result, the program is receiving \$7.4 million in funds each budget year, or \$14.8 million of the \$25 million initially requested by the Board. The Legislature did not, however, provide additional staff to SBCTC to support program expansion or implementation. Moreover, the Legislature did not fund the FTE requested in the Board or Department of Commerce.</p> <p><b>EconoVue Continuation/Expansion</b>  At the June 9 meeting, the Board received an update on the test pilot of Econovue licenses by the Board staff, ESD, and local areas. This pilot was initially incorporated into the decision package proposal to support increased business partnerships. Approximately \$500,000 of WIOA statewide activities funds were used to ultimately support the project, and provided funding to purchase 10 Market Insight and 25 Econovue licenses for pilot use and evaluation. Econovue provides near real-time data concerning business health and employment conditions across the state. This data could improve state government's ability to proactively engage with business through built-in customer relationship management capabilities for timelier workforce support services.</p>
<p><b>RECOMMENDATION AND NEXT STEPS:</b>  What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?</p>	<p><b>THE RECOMMENDATION AND/OR REQUESTED ACTION IS:</b>  Information and discussion only. Staff will provide key questions at each level of the discussion for the Board to consider to help refine policy ideas, and narrow areas of focus, where needed.</p> <p>Board members and staff are encouraged to actively participate in honing the topics and next steps, and where appropriate, participate in the development of concepts and proposals for the August Board meeting.</p>

**[DRAFT]**

**Agency:** Washington State Workforce Training & Education Coordinating Board

**DP code/title:** Reengineering the State Workforce Development System for the Technological Economy and the Future of Work

**Budget Period:**

**Budget Level:** *(WTB Staff, please identify appropriate code)*

**Agency RecSum:**

The Workforce Training and Education Coordinating Board (Workforce Board) requests an investment of an additional \$4.6 million per year into the State Board of Community and Technical College's Job Skills Program beginning in FY 2022, complemented with additional program staff support at SBCTC, the Workforce Board, and the Department of Commerce that enable cross-agency implementation of a comprehensive, statewide approach to build and retain talent in partnership with businesses.

This request also includes: the purchase of Dun and Bradstreet business analytics packaged as the "EconoVue" tool; coordination of business services across agencies; a performance measurement system to track business engagement across agencies; and increased resources for training current workers looking to improve their skills. This recommendation derives from the Workforce Board's multi-stakeholder strategic planning process (*Talent and Prosperity for All*), its Rural Economic Vitality Forums in 2019, and the Future of Work Task Force created by SB 6544 (2018).

**Package Description:**

#### **Summary of Proposal**

Economic factors including technology, environment changes, security, and a globally interdependent marketplace are causing rapid-fire workplace disruptions—most impactful among our older and mid-career workers, small and midsize businesses, and populations left behind economically. Yet, new job opportunities are also being created. This proposal will allow Washington's talent development system to radically amp up engagement with employers and co-create a stronger "talent pipeline" to dynamically upskill and reskill workers for long-term economic competitiveness.

The Workforce Board has made enhanced and increased business engagement for the comprehensive workforce development system (including all forms of education, training, and support services) a strategic priority, and their top initiative. Business and labor members of the Board have joined together with state agencies and local providers to ascertain and develop solutions for the critical hurdles that have prevented successful, sustained business engagement.



As the nature and composition of the economy evolves at a rate unseen before—and as the very nature of work itself begins to shift as well—employers have told our public systems repeatedly that they most desire support *not just attracting new talent, but in upskilling and training existing talent*, essentially cultivating the talent of their current workers to seize market opportunities. This proposal establishes a new foundation for scaling “upskill” training across the state, creating a new suite of tools to attract and retain employers to do business in Washington. Moreover, this proposal ensures collaboration and coordination across agencies administering such programs, and creates a planning process and data-informed feedback loop to ensure co-investments of public funds into current worker training programs are leveraged to make the most impact.

***Build on System Foundation to Establish New Upskill-Backfill Approach to Services***

While the system has many of the required elements of this approach, they are fragmented across multiple programs and funding streams. Certain statutory, regulatory, and practice barriers have prevented seamless alignment of services to meet both employer and worker/jobseeker needs. Non-comparable performance goals and definitions of success also aided this disconnection.

The Board established this priority three years ago, but has not had available staff capacity, either within the agency of the Board or among its partner state agencies, to support the level of planning and implementation activities necessary. The FTEs across three agencies—Workforce Board, SBCTC, and Commerce—will enable effective cross-system planning and implementation of new practices toward a comprehensive, state-wide upskill-backfill approach to business engagement and services. These FTEs will also engage in new or expanded activities specific to each agency. In addition to cross-system planning and coordinated implementation, new agency FTEs will:

- **Workforce Board:** One FTE will develop a data dashboard using Dun and Bradstreet tools along with administrative data to track the system’s improvement of business service provision. That FTE will work in concert with a second policy FTE that facilitates a cross-agency, business, and labor workgroup to analyze data quarterly and report to the Workforce Board important trends, problems, and potential policy considerations. This FTE will also perform periodic literature reviews of new research and promising practices, collect and share Washington-based promising practices, and pose and coordinate deeper research and root cause analyses among agency partners when warranted.
- **SBCTC:** FTE will allow the agency to shorten the application and review cycles for JSP and Customized Training programs, and with added funds, will work to end the waitlist for funding from applications that have been deemed to meet program criteria, but where resource limitations have led to a backlog of projects unable to be supported. Additionally, the enhanced capacity will enable SBCTC to plan and execute more strategically its full portfolio of current worker training programs inclusive of both JSP and Customized Training, but also other discrete programs operated with its partners such as the Hospital Employee Education and Training (HEET) program, and the Early Achievers Grant (EAG) program executed through a partnership with the Department of Children Youth and Families (DCYF). Finally, the additional FTE will enable SBCTC to provide on-the-ground technical assistance to program applicants who lack the resources necessary to effectively execute these critical current worker training programs across the state, ensuring equitable outcomes across all communities in Washington.
- **Commerce:** FTE will enable full participation of Commerce, its economic development and community development divisions, as well as its network of local partners and providers, in this

effort. The FTE will serve as liaison between talent development system and Commerce's network of programs and providers to outreach to businesses, especially subject-matter experts, across the state, and to utilize Upskill-Backfill services to help businesses grow within or relocate to Washington, and create new jobs at livable wages. The FTE will also work with local government programs at Commerce to support alignment with the Upskill-Backfill approach on behalf of local communities, their people, and their businesses.

With this enhanced investment, all system partners have great opportunity to improve customer outcomes. For example, the Department of Commerce and its Associate Development Organizations (ADOs) will be better equipped to close deals with companies considering Washington for expansion or relocation. The state's 12 Workforce Development Councils will be able to help companies create new jobs and help jobseekers with barriers access meaningful career pathways. Our state's community and technical colleges and public universities will be equipped with the resources necessary to stay current in their offerings, gain a better understanding of what employers need, and establish long-lasting partnerships with regional business communities. Both existing and new apprenticeship programs have an opportunity to forge expanded joint partnerships with employers. The Workforce Board will continue its emphasis on 14 subpopulations and Washington communities that have historically been left behind economically. Across the system, new supports will be available for mid-career workers likely to be dislocated or see significant drops in earning levels. System partners will work together to find points of leverage and service integration to ensure that populations with barriers have access to employment and wage progression opportunities, and to help businesses see these populations as talent, not risk.

### **Defining the Need for Increased System Collaboration, Streamlined Business Customer Services, and More Customized Worker Training**

#### ***Increased Funding for Customized Current Worker Training***

The bulk of funds currently available to support an Upskill-Backfill model are restricted to unemployed or underemployed individuals—the Backfill component of the continuum. Very little of it can be used to support upskilling of current workers. Yet, from experience, we know that businesses are most likely to prioritize upskilling or reskilling their current workforce before hiring new workers to fill skill shortages. This gap has been identified by program providers and the business and labor communities, as the biggest hurdle to meaningful, continuous engagement of businesses with our system.

Based on aggregate data gathered from the Job Skills and Customized Training Programs, WorkStart, and Make it in Washington 2015-2017 Biennium outcome reports, the anticipated participant impact of this budget ask would scale our system's incumbent worker training impact to 300 employer clients and 8,000 workers served annually.

#### ***Workplace Disruptions Affecting Businesses, Workers, and Jobseekers***

As the new industrial revolution takes hold, it is urgent that the state works proactively to prevent mass worker dislocation and the elimination and degradation of jobs. The current challenges faced by businesses, workers, and their communities warrant a new strategy to sustain growth and prosperity. Washington's businesses are experiencing severe skill shortages as they re-engineer to meet the demands of the new economy. This unprecedented pace of change is fueled by the increased availability, interoperability, and decreasing cost of automation technologies, especially artificial intelligence, robotics, and machine learning. Current projections estimate at least 30 percent of every job and 25 percent of all jobs will be automated, requiring upskilling and reskilling of workers to maintain gainful employment. Technological changes are taking hold in all sectors; employers are

grappling with decisions about if and how best to prepare their workforce for this new reality. As businesses are responding to the rapid changes in their marketplace and increasingly more rigorous and demanding customer standards, they look to their workers as their greatest asset to keep up with the pace of change.

However, many employers are frustrated by the dearth of needed skills and competencies in the talent pipeline, and are lacking the wherewithal to address skills gaps on their own. Instead, they are making decisions to invest in automation technology and eliminating or degrading jobs as a result. It is urgent that state investments enhance business engagement with public systems, and help leverage business co-investment in creating a system of talent pipeline development that best meets industry needs now and into the future.

The current public system has significant limitations in responding to the changes upon us now and expected to accelerator in the near future. The system is comprised of numerous different state and federal funding streams, across seven state operating agencies. Both federal and state funding streams have statutory and regulatory restrictions that impede system responsiveness at the levels necessitated by this situation. System partners, including state administrative agencies, the business and labor communities, and local and regional providers and stakeholders have been working together in coordination with governor's policy staff to identify the critical path barriers to system transformation and develop solution strategies. Following is a summary of both barriers and solutions.

#### ***Limited Data Available to Best Target Workforce Pipeline Investments***

Our public systems currently do not have access to reliable, up-to-date information about the direction of our state's businesses, including their financial viability, or their prospects for growth or contraction. It has therefore been difficult to target businesses for either lay-off aversion or to support business growth or technology transformation. To be meaningful, the system needs real-time data from most, if not all employers about the specific job make-up and competitive outlook for each firm. The system must improve the availability of informative consumer data, and build stronger partnerships with industry to map new career and credential pathways with long-term labor market value.

#### ***Business Challenges Navigating the Workforce Development System***

Ongoing business engagement efforts such as Career Connect Washington, the Department of Commerce's Office of Economic Development and Industry Sector Leads, Make It In Washington, Upskill-Backfill Initiative, Rural Economic Vitality Forums, *Talent and Prosperity for All*, and many others have informed system-wide planning efforts, and helped identify the gaps or deficiencies in how we currently provide business-specific services and customized worker training, current data gaps, and what we do well. Partners have learned that many businesses are interested in working with the public sector to help solve their own workforce issues and to support Washington's ability to grow tomorrow's talent pipeline. However, businesses report finding the public system of services difficult to navigate across or even within agencies, don't know of or understand the programs of the various agencies, are frustrated that curriculum development and revision is time and resource intensive to meet their current or future needs, and see relevant existing resources as limited or overly restrictive.

#### **How this Proposal Provides Solutions**

The solutions encompassed in this request emanate from state strategic workforce planning (culminating in *Talent and Prosperity for All*, or TAP) and the deliberations of the Future of Work Task Force, as well as the efforts mentioned above. TAP identified enhanced and increased business

engagement as one of four strategic priorities to transform Washington's comprehensive workforce development system to respond to the future of work and improve prospects for long-term economic security for jobseekers/workers, businesses, and all communities across the state.

### ***Building a Statewide Upskill-Backfill Workforce Development System***

The Workforce Board has identified the need for increased state investment in customized current worker training as the most significant gap to creating a true Upskill-Backfill system that supports businesses, workers, and jobseekers. Adult workers, especially those who have been working within a career path or within an industry sector for a number of years, may find their current skill sets to be obsolete and unable to find new jobs at a similar wage level. Dislocated older workers and mid-career workers often languish in unemployment or braid together a number of "gig," contract, and lower-wage jobs to make ends meet. During the Great Recession, the number of dislocated older workers who applied for Social Security Disability Insurance (SSDI) rose significantly as all employment doors seemed closed to them. The current SSDI rolls are still higher than pre-recession levels at the national and state levels. However, if these individuals could be engaged in upskilling or reskilling while still on the job, they are more likely to become meaningfully re-employed or be retained by their employer at similar or higher wage levels.

Through the stakeholder engagement efforts described above, stakeholders have learned that businesses are concerned about both the out-of-date skill sets of their current workforce, and the lack of a skilled and ready talent pipeline. Stakeholders have also confirmed that businesses prioritize upskilling their existing workers before turning to a new set of workers. In either case, they often do not find easily accessible, relevant training options. Lacking necessary talent, many employers are making the decision to automate jobs that remain vacant for long periods, or if upskilling current workers is a too long or complicated process. Some employers are keeping a portion of their underskilled workforce in degraded jobs that support machines, rather than using machines to augment human workers. The self-check-out "monitor" position is a good example of this job degradation, with less customer engagement, limited decision-making, and lower wages than a traditional cashier.

But longevity on the job is important to employers, and most would prefer to keep and promote known talent. Therefore, their preference is to train current workers who have demonstrated talent and commitment to the company first. Once confidence in our public system is established through current worker upskilling efforts, employers have been more willing to backfill vacant positions from our public service and education systems. This concept was verified in the early 2000s through Industry Skill Panels, and recently through the Upskill-Backfill Initiative, which, with funding support from Governor Inslee, launched six regional public-private partnerships that help companies train and promote their current workforce, and prepare new hires with the skills and competencies employers need.

An Upskill-Backfill system is also positive for workers and jobseekers. Employees, especially those with family responsibilities, struggle to build skills on their own time while maintaining full-time employment. Older and mid-career workers who have been out of school for many years encounter additional barriers, including having to take prerequisite courses designed for students in a traditional degree program. Workplace-based "earn and learn" models such as these, which are directly contextualized to careers with their current employer or sector, are proven methods of instruction that result in high completion and employment rates, and also enhance promotion and wage increases. Expansion of these pathways allows adult learners to access and continue on a pathway to security and prosperity.

Washington has long lagged behind peer states investing in customized job training for current workers. Our level of investment has increased minimally since 1983, when the Job Skills program was established with a biennial budget of \$3.75 million. Currently the state's investment in customized current worker training, which includes the Job Skills Program and Customized Job Training (both operated by the State Board for Community and Technical Colleges), and Department of Commerce's WorkStart program, is about \$6 million per year. The most recent comprehensive study of state-level per capita investments ranked Washington at #46 nationally (see attachment A for comparable GDP states' investment numbers).

Though Washington is experiencing a period of economic prosperity unrecorded before in our history, there are still areas of the state struggling in the wake of the Great Recession to define a sustainable path forward for their citizens. Our state's tremendous economic growth is largely generated by King County, where the majority of our resource rich companies operate. Washington's other 38 counties are struggling to support business growth, especially in finding needed talent. Even in King County, we see the direct correlation—talent drives prosperity and skills gaps drive poverty—for both our state's businesses and workers. This proposal complements and accentuates Governor Inslee's vision that opportunity never be dictated by a person's ZIP Code with an infusion of flexible state investment to work directly with businesses on customized training and workforce development programs, Washington can support its "high-road" companies that value their workforce and the communities across the state where they operate, and respond collaboratively to technological and marketplace imperatives, enabling workers to share in their employer's growth and prosperity.

This request includes a **\$4.6 million increase** each year to the Job Skills Program, bringing the state's biennial appropriation to the program to \$25,000,000, administered by the State Board for Community and Technical Colleges, which is the most flexible of the customized current worker training programs. This increased funding level will help fulfill waitlist applications, but will not support significant program expansion or the ability to target outreach to businesses as described above. Funding is also requested for SBCTC to hire two additional staff to expedite grant-making and eliminate the current waitlist, and to coordinate across system partners to ensure all system resources are being maximized and duplication of effort is minimized or eliminated.

The Workforce Board, the State Board for Community and Technical Colleges, and the Department of Commerce, will jointly convene system partners at the state and local levels to develop an Upskill-Backfill plan for the comprehensive workforce development system. This plan will focus on the businesses and industry sectors critical to the state and local economies, with enhanced emphasis on rural regions; on older and mid-career workers who are likely to be substantially affected economically by job automation; and on the populations currently and historically left behind economically. The report will map existing state and federal resources, and identify service gaps and structural barriers to performance as a functional and easily navigable statewide upskill-backfill system. This effort will require stakeholder engagement across the state, which may take the form of surveys or focus groups, and other research, to estimate the need for and potential impact of additional customized current worker training funds and other resources to ensure equitable access for jobseekers and workers and all types of subject-matter experts in every region of the state.

This request includes additional ongoing FTE resources for the Workforce Board, State Board for Community and Technical Colleges, and Department of Commerce to support the plan development work, continuing advancement and oversight of a coordinated, streamlined business services infrastructure and Upskill-Backfill delivery system. The Department of Commerce FTE will also serve as

liaison to the Sector Leads and economic development and community development programs, coordinate outreach to Commerce business customers about Upskill-Backfill resources, and provide technical assistance to businesses interested in applying for Upskill-Backfill resources.

### ***Better Business and Employment Analytics, and Business Service Tracking***

The Workforce Board will purchase and administer on behalf of system partners the EconoVue (EV) program, a Dun and Bradstreet service that provides access to their employer database (includes over 400,000 WA employers), and is designed for public sector use. EV is in use in eight states already, which use this information to make more informed decisions about their workforce investments. EV provides both insight into identifying employers at risk of layoff or even closure, as well as positive information about employers or sectors likely to begin or continue expanding. Providing workforce system access to this data would support more timely delivery of layoff aversion efforts, current worker upskilling or reskilling, and preparation of new entrants to the job market. The Department of Commerce and other economic development entities can use the data to target business development, expansion, and maintenance resources, as well as for housing and community service investments.

Dun and Bradstreet offer proprietary data available nowhere else. Among the proprietary data sources are business-to-business transactions, financial services data, and custom research. They also offer ways to analyze financial stress and allow the workforce system to be strategic regarding layoff aversion. Their Market Insight interface has data on 400,000 Washington state businesses that are updated monthly.

The Workforce Board, which has a tripartite representation (business, labor, government) of system partners, will administer EV on behalf of the system allowing access for all partners. The license purchase will include initial access for 20 users across state and local agencies. These users will be able to query the system on behalf of their organizational colleagues. Additional users can be added at cost and within license parameters. Dun and Bradstreet data will also be used with a new business engagement data dashboard. A new Workforce Board staff position (more on that below) will be responsible for managing EV usage, and will coordinate a business-engagement working group to analyze dashboard data trends and elevate issues, opportunities, or policy recommendations to the Workforce Board for consideration.

A new staff position at the Workforce Board, working with state agency and business and labor partners, will develop and maintain a data dashboard that tracks the number of businesses utilizing public workforce development services, disaggregated, if possible, by characteristics such as location, industry sector, size, and type. The dashboard may also track the type(s) of services received and businesses' satisfaction with those services, and occupational trends among businesses utilizing system services. The dashboard will integrate predictive analytics from Dun and Bradstreet to help system frontline staff, managers, and policymakers make informed decisions about how to maximize business and worker services and resources.

### ***Increasing State Funding for Current Worker Training***

We anticipate that the planning process, informed by new data, will result in a request for enhanced funding to support customized current worker and new hire training. There are currently many more applications for support than funds available, without any outreach or promotion. SBCTC actively maintains a waitlist of projects waiting in queue for available funding from the Job Skills Program.

Washington was an early pioneer in demonstrating the impact of state-supported, employer co-invested, customized training. The Job Skills Program was established by the tripartite State Council on Vocational Education (SCOVE) in 1983, and transferred to SBCTC in 2009 to enhance community college relationships with the business community. In 2000, The Workforce Board (successor to SCOVE) created Industry Skill Panels with federal and state funds to support regional or state consortia of employers to improve the current and emerging talent pipeline for their respective industry clusters or sectors. The Department of Commerce, Employment Security Department, Office of Superintendent of Public Instruction, and most recently, the Career Connect Washington initiative have also supported an industry sector or employer consortium approach towards enhancing the talent pipeline and ensuring access for all Washingtonians to career and economic success. In 2012, a joint report of the National Governors Association and the National Skills Coalition about state sector partnership programs highlighted the pioneering history of Washington, but also noted that the majority of states have surpassed Washington's state funding level for this purpose.<sup>1</sup>

The Association of Washington Business and the Washington State Labor Council have consistently advocated for these investments, and have ensured the participation, including co-investment of businesses and workers in the design, oversight, and evaluation of these interventions. They have also been the primary drivers of the planning process that led to these recommendations, and have helped craft this comprehensive request with the relevant agency and local partners.

Washington has also piloted many more public-private partnerships with current worker training at the core using federal, philanthropic, and state funds, such as Make It In Washington, Hospital Employee Education and Training Grants, TACTT Grants, ARRA Green Jobs, and Allied Healthcare grants and programs targeted to specific population groups with multiple barriers to employment. Documented successes from these efforts and at the local level from recent pilot initiatives, such as the Governor's Upskill/Backfill grants and Career Connect Washington regional teams, give us great confidence that the workforce system and Washington employers are well-positioned to engage in these public/private partnerships. However, with minimal dollars, barriers related to the use of federal WIOA funds, varying eligibility criteria, and inconsistent access points, training and education partners have struggled to systematize this work as a cornerstone of our business engagement and economic development efforts.

As has been true of the Job Skills Program since 1983, this proposal intends to maintain the dollar-for-dollar matching grant model of the Job Skills Program, with exemption for those businesses which report a Gross Business Income of less than \$500,000. A 50/50 commitment to sustaining the funding ensures that Washington's workforce development system will co-create the talent pipeline. The planning process will map current investments, recommend strategies to maximize resources and reduce or eliminate duplication wherever possible, and identify other potential funding sources to support a request next year. The state's expanded investment in flexible and customizable worker training will build the capacity of our public system to provide high-value support to Washington's businesses and workers, and create meaningful, lasting public-private partnerships with our state's critical economic sectors. The state's businesses, communities, and public systems will be better able to transform and grow together well into the future.

System partners are committed to integration across workforce agencies to ensure statewide impact and policy reform, as necessary, to achieve these goals. Through a partnership of state agencies (SBCTC, the Workforce Board, ESD, L&I, Commerce, DSHS, DSB, Corrections, OSPI), business and labor

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<sup>1</sup> <https://m.nationalskillscoalition.org/resources/publications/file/state-sector-strategies-coming-of-age.pdf>

communities, and local providers of workforce training services, the performance accountability system will provide our state valuable data on the scope, reach and impact of customized current and new hire worker training using success indicators or metrics that are considered meaningful to businesses, workers, policymakers and taxpayers.

#### **Alternatives Explored**

- Even with minimal program promotion and marketing, the Job Skills Program has been extremely competitive and is routinely forced to reject quality applications each quarterly period. Figures from SBCTC show that during the latest application cycle, 29 percent of requested funds were declined. The workforce system is not able to use Job Skills Program funding in its current form as a strategy to increase its business engagement footprint and meet the goals of our state TAP plan.
- We explored the use of Federal Workforce Innovation and Opportunity Act (WIOA) dollars to supplement the Job Skills Program, but have faced barriers. While WIOA, enacted in 2016, added an allowable use for incumbent worker training, no additional funding was provided, and performance targets for services geared for unemployed individuals were not reduced. We also find that federal dollars invested specifically to pilot incumbent worker strategies, such as Upskill/Backfill and components of Career Connect Washington, are hampered by restrictions that do not allow the flexibility necessary to meet diverse business needs.
- Using one-time grant solicitations to pilot incumbent worker training strategies does not permit system providers to create and sustain long-term employer relationships or scale best practices.



## **ATTACHMENTS**

### **(A) Comparative State Data by comparable GDP**

<b>State</b>	<b>GDP in Millions – 3<sup>rd</sup> Qtr 2017</b>	<b>IWT Program</b>	<b>State IWT Investment (2006 Data)</b>	<b>Updated Investment Data (If known)</b>
Pennsylvania	750,923	Customized Job Training	\$60,000,000	
Ohio	656,190	Ohio Investment in Training Program / Ohio Worker Guarantee Program	\$34,400,000	
New Jersey	592,859	Customized Training	\$57,400,000	
Georgia	558,181	Quick Start / Retraining Tax Credit	\$44,701,506	
North Carolina	546,144	New and Expanding Industry Program (NEIT) / Focused Industrial Training (FIT)	\$16,686,554	\$24,800,000 (2014)
Massachusetts	530,675	Workforce Training Fund	\$42,000,000	\$44,000,000 (2014)
Michigan	517,865	Economic Development Job Training Program	\$19,596,000	
<b>Washington</b>	506,534	Job Skills / Customized Training	\$2,950,000	\$5,400,000 (2018)
Maryland	397,815	Partnership for Workforce Quality / Maryland Industrial Training Program	\$7,623,436	
Indiana	361,732	Training Acceleration Grant	\$30,000,000	
Minnesota	355,665	Job Skills Partnership	\$13,506,000	\$8,400,000 (2014)
Tennessee	346,767	FastTrack Job Training Assistance Program / Tennessee Job Skills Program	\$34,000,000	
Colorado	342,749	Colorado FIRST / Existing Industry Customized Training	\$5,400,000	\$8,400,000 (2014)
Arizona	321,635	Job Training Program	\$22,066,600	
Missouri	309,414	Community College New Jobs Training / Program Customized Training Program Job / Retention Training Program	\$62,600,000	

**(B) Current Customer Advisory Committee Members:**

Lynette Bird	Peninsula Community Health Services
Kristina Hayek	Hexcel
Donald E. Alber	Alber Seafoods
Brett Wideman	Plumbers & Steamfitters #44
Susan Palmer	District Lodge 751, IAM&AW
Emmanuel Flores	Washington State Labor Council
Maryann Brathwaite	NW Career Colleges Federation
Derek Brandes	Walla Walla Community College
Jenni Martin	Spokane Community College
Mike Brennan	Workforce Training and Education Coordinating Board
Gary Kamimura	Employment Security Department
Conor Duggan	Department of Commerce
Jan Yoshiwara	State Board for Community and Technical Colleges

**(C) SBCTC Job Skills Outcomes Data:**

**2013-2018 Distribution of Grants by Educational Sector & Business Partner**

Job Skills grants may be awarded to eligible postsecondary institutions, which include community and technical colleges; public and non-profit universities and regional colleges/universities; and licensed private career schools and colleges located in Washington. In 2013-18, all Job Skills Program applications were submitted through community and technical colleges. *Please note that the calculations are based on the dollar amounts awarded to each project, and not amounts expended.*

**2013-2018 Outcomes**

<i>Region</i>	<b>Number of businesses served</b>	<b>Number of JSP Projects in Region</b>	<b>Percent of JSP Projects in Region</b>	<b>Number of JSP Trainees by Region</b>	<b>Percent of JSP Trainees in Region</b>	<b>JSP Funds Awarded by Region</b>	<b>Percent of JSP Funds Awarded by Region</b>	<b>Average cost per project</b>	<b>Average cost per trainee</b>
Puget Sound (King, Pierce, Snohomish)	204	121	65%	7,204	59%	\$8,975,920	67%		
Balance of State – West	56	32	18%	1,417	11%	\$1,350,721	11%		
Balance of State – East	45	31	17%	3,712	30%	\$2,966,253	22%		
<b>Total</b>	<b>305</b>	<b>184</b>	<b>100%</b>	<b>12,333</b>	<b>100%</b>	<b>\$13,292,894</b>	<b>100%</b>	<b>\$72,244</b>	<b>\$1,078</b>

2017-18—Round One through Round Five, there were a total \$1,530,053 JSP applications not awarded per recommendations of Customer Advisory Committee. The decline rate for applications submitted between 2017 to present is currently 29 percent. That rate may change after the final two rounds. There are seven rounds per biennium.

## Coordinated Workforce Service Delivery IT – Feasibility Study

### **Agency Recommendation Summary:**

The Workforce Board is requesting \$1,248,000 for a feasibility study to initiate a technology solution for sharing data among workforce agencies to provide a streamlined customer experience across workforce programs, ultimately leading to improved job placement outcomes. Currently, when jobseekers and businesses explore workforce services, they are met with a complex workforce development system that includes various programs and multiple agencies, leading to unnecessary frustration, including some participants walking away from services. An in-depth business and technology analysis is a necessary next step toward improving Washington's workforce development system that includes over 30 workforce programs, operated by eight agencies. The study focus would be to identify an option to integrate a range of data systems and intake processes without requiring an expensive, time-consuming rebuild of any of current systems. Several states use Software as Service systems that achieve cross agency data sharing without substantial modifications to existing participant management information systems (MISs). Five workforce service agencies and the Workforce Board are committed to this project which will include ten programs deemed most ready. The goal is reducing silos and barriers for employers and jobseekers, with particular emphasis on jobseekers in the most vulnerable populations, leading to improved satisfaction and outcomes.

### **Fiscal Summary: (see attachment: Integrated Workforce IT Addendum Funding v2.xlsx)**

All dollar amounts are shown in thousands of dollars

<b>Operating Expenditures</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
General Fund- State	\$1,090	158	0	\$0
<b>Total Funds</b>	<b>\$1,090</b>	<b>158</b>		<b>\$0</b>
<b>Staffing</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
FTEs	1.40	0.5		0
<b>Revenue</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
General Fund- State	\$0	\$0	\$0	\$0
<b>Total Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **Package Description**

#### **What is the problem, opportunity or priority you are addressing with the request?**

Services supporting Washington's workforce are broadly distributed and spread across many agencies. Linking these services will:

- Improve support to Washington's workforce (both jobseekers and businesses).
- Improve worker productivity and partnerships between agencies to produce better outcomes.

Surveys, community forums, and focus groups, as well as administrative data review, tell us that businesses and jobseekers of all types experience frustration when trying to navigate services across multiple workforce

organizations, programs, and funding streams that need to be woven together to create a holistic, goal-oriented workforce system.

For individuals with multiple or significant barriers, the frustrations are exacerbated. Currently, the most successful participants in the workforce development system demonstrate high levels of agency or executive function, are strong self-advocates, and are resilient despite long delays, or breaks in communication or service delivery between provider agencies. They also often have strong family or social networks for support.

We've heard anecdotally of "intake fatigue", when we lose jobseekers between referrals because they are required to tell their difficult stories multiple times to multiple providers, and each provider then asks for different eligibility determination materials, often as evidence for the same thing (i.e., a utility bill may suffice as proof of address for one agency, while another needs a government ID; organizations might require different academic or language assessment tests, etc.).

Barriers to employment success, such as, but not limited to, homelessness, disability, being of an underrepresented minority group, under-education, immigrant or refugee status, in or have been in foster care, court-involvement, limited English-speaking, veteran, or experiencing economic disadvantages, can each add additional hurdles that impede a positive experience with system services. For these individuals there is often greater need for services provided by a number of different agencies that don't currently share client service information. In addition to job search assistance, education and training, individuals may need support for housing, nutrition, child care, transportation, civil legal aid, healthcare or behavioral healthcare and other resources.

If an individual makes it through the difficult processes of intake, eligibility determination, and skills and language assessments, their next step is developing an individual service plan outlining how they will reach personal career and employment goals. When receiving services from multiple organizations the customer is entirely responsible for coordinating those services into a single service plan, repeating the intake process and planning process, usually at multiple locations. For individuals with significant barriers, this process is often an insurmountable burden that results in services ending before they can have a beneficial impact.

Business customers often choose to forego public services, such as on-the-job training placements, because the process is too costly and time intensive for them—distracting from rather than enhancing productivity and competitiveness. A 2014 Accenture analysis of business engagement levels in state workforce development programs showed that only between three and five percent of the state's businesses with two or more employees have used these programs to meet hiring needs.

There are numerous field tests—pilots, demonstrations, limited scope practice changes—that have proven the value of more integrated service delivery. Consistently, we've heard that the greatest hurdles to scaling and systematizing cross-organizational navigation are the technology and data barriers.

In order to improve these linkages, expert resources are needed to analyze, model and identify solutions that support the integration of business processes and data sharing between the agencies. No single agency has the available resources and perspective to carry out the scoping and planning for this effort. In this proposal, we have buy-in of multiple partners whose participation will be essential for any successful implementation.

Identifying a common solution shared across multiple agencies has many challenges. Understanding business processes, data mapping, funding sources, security clearances, technology and interfacing with existing systems must be part of the analysis. Committing the resources to participate in the analysis may pose challenges to all

agencies involved.

An initial study—supported with Governor’s reserve WIOA funds and completed in SFY 2019—identified common data elements and issues that would be involved in integrating data for intake and case management based on input from programs in five workforce agencies, local workforce board staff, and several affiliated non-profit service organizations. The study also recommended more thorough IT analysis as the essential next step necessary to advance our progress towards integrated service delivery.

<http://wtb.wa.gov/Documents/CAI.WTECBWorkforceServicesIntegrationResearch.20181003.pdf>

### **What is your proposed solution?**

We have convened a partnership of workforce agencies committed to taking the crucial initial steps toward cross-agency technology solutions that support a more integrated workforce system. This will involve a feasibility analysis of business processes, data content, current systems, and technology options. The goal is to produce recommendations on initial technology development that would allow seamless integration of customer information across agencies to vastly improve the customer experience. Under the current system, this is particularly challenging for populations with barriers seeking more than one service. For example, a client seeking both SNAP benefits as well as assistance from the local WorkSource office may have to go to two different offices, fill out two very similar applications, and prove eligibility in two different ways. For this proposal, we have a commitment from five workforce agencies to include one or more of their programs in the feasibility study, and would be included in the initial implementation proposal that would be the final product of this process. This project will focus on data for case management and for reducing duplication of effort by participants and caseworkers when an individual is referred or otherwise chooses to enroll in programs operated by more than one agency.

Other states have purchased systems that appear to achieve the needed levels of data sharing across agency and information system boundaries, without major structural modifications of existing MISs. More than one vendor is offering a system to connect preexisting MISs across agencies on a Software as a Service basis. The existing system we have most investigated is operating in multiple agencies in four states, as well as many smaller-scale settings. These systems also appear to provide additional productivity enhancements and relatively rapid implementation—at acceptable cost. Further evaluation and option development is needed to confirm feasibility in meeting Washington needs, to develop sound cost estimates and to design an effective procurement process.

The Office of the Chief Information Officer (OCIO) is keenly interested in the development and outcome of this study because of the potential for important lessons learned that could be applied for additional technology projects within the broader state enterprise, and the opportunity for collaboration with the health and human services coalition’s Master Person Index team. Because of these factors, the OCIO has committed a staff enterprise architect to advise and support the project, and to facilitate collaboration with the Master Person Index team.

The overall approach includes the first of two phases of a multi-year effort as follows:

#### **Phase 1:**

- Hire the resources to perform the analysis and produce the work products required by Phase 2. These work products include:
  - o Analysis of impacted business processes and data that needs to be shared across agency systems, focused on the 10 programs that have been volunteered for this initial study and potential implementation. Those programs are: TANF, WorkFirst, BFET, SNAP, Wagner-Peyser,

Reemployment Services and Eligibility Assessments (RESEA), Disabled Veterans' Outreach Program (DVOP), LNI, DSSB, and DVR.

- Analysis of potential IT solutions that support the need to share participant information across multiple agencies—preferably without major modification of agency MISs.
- Requirements for interfacing with existing agency systems.
- As determined by the analysis, a decision package and related documentation required to request funding for the implementation Phase 2.

Phase 2 (**Not included in this request**):

- Purchase/implement the solution(s) identified in Phase 1.

If implementation of Phase 2 is successful, expansion of the system to additional programs, agencies, and types of data would be included in later phases.

### **What are you purchasing and how does it solve the problem?**

The proposal is to purchase a study of the feasibility of technology options for supporting integrated delivery of workforce services to individuals across 10 programs operated by five state agencies. Based on the option selected by the partner agencies, the contractor will develop a procurement plan and decision package to implement that option for the agencies volunteering for the intensive portion of the feasibility study. As part of the option design, the contractor will also assess the technology of 20 additional workforce programs operated by state workforce agencies to assure that the technologies recommended could be extended widely across the state workforce system.

### **What alternatives did you explore and why was this option chosen?**

1. The Workforce Board does not have the resources or skills to perform this multi-agency study. This option was discarded.
2. Stakeholder agencies were surveyed to identify possible resources to conduct and manage the study. No agency identified existing staff that were available and appropriately skilled for this task.
3. Work with stakeholder agencies and OCIO to fund a study managed by the Workforce Board.

Option 3 was chosen as explained above. This effort is in alignment with the mission of the Workforce Board and stakeholder agencies have agreed to participate in the effort.

### **Describe the pros/cons of alternatives. Explain why this request is the best option.**

Option 3 is the only feasible option. The Workforce Board does not have the staff to perform this size and scope of study, nor the expertise in data systems. The stakeholder agencies are willing to participate in the study, but no one agency has the ability to lead this without funding. The participating agencies have agreed to provide subject matter expertise about their existing systems out of existing budgets. The Workforce Board, with the legislative charge to coordinate the workforce development system, is the natural lead for this project, with the assistance and support of the OCIO.

*What other options did you explore? For example, did you consider:*

See section above.

*Redeployment of existing resources to maximize efficient use of current funding:*

The proposed solution includes using existing resources (staff experts) from each participating agency. These resources will be funded by existing agency budgets. Estimated staffing costs are \$59,000.

*Option to maintain the status quo:*

Maintaining the status quo will not provide the necessary details needed to work towards an integrated workforce data system. This will mean continuing to wait to integrate the intake process for workforce-related services across multiple agencies to improve worker and employer outcomes.

## Assumptions and Calculations

*Expansion or alteration of a current program or service?*

Not applicable to this package

*Detailed Assumptions and Calculations*

Resources required to support this effort are based on the following:

- Project deliverables
- Number of agencies participating
- Number of programs included
- Estimated number of analysis sessions needed per program
- Skills and knowledge needed to plan, conduct and participate in the study/analysis
- Input from multiple sources, including the OCIO and contracted staff
- Best estimate based on information available

The Funding request includes resources needed by the Workforce Board to manage and own the project as listed in the table below. Resources required by the other participating agencies will be funded out of those agencies' existing budgets (estimated at \$59k). This has been confirmed with the participating agencies.

Description	FTE	FY 2023	FY 2024
IT Policy and Planning Senior Manager (1.0 FTE) PM Activities	1.0	\$216,000	\$77,000
Administrative Assistant 4 (0.40 FTE)	0.4	\$40,000	\$14,000
<b>Total</b>	<b>1.4</b>	<b>\$256,000</b>	<b>\$91,000</b>

Contracted resource estimates are based on the following formula and estimates:

Contracted Staff	FY 2021	FY 2022
Analysis Vendor (10 core programs x 200 hrs) + (20 programs technology survey x 25 hrs)+ (450 hrs option development & procurement plan) x \$225/hr)	\$617,288	\$46,463
Independent QA Vendor (avg. cost)	\$75,000	\$0
<b>Total</b>	<b>\$692,288</b>	<b>\$46,463</b>



A 15 percent contingency is included in the funding request to cover any unforeseen items.

#### **Workforce assumptions**

Funding is strictly for an analysis of agency data systems, and will not impact current business processes or position descriptions.

- Agency resources participating in the study will be funded out of each agency's existing budget as in-kind.
- Position descriptions and staffing levels will not change.

### **Strategic and Performance Outcomes:**

#### **Strategic framework**

- *How does this package relate and contribute to the Governor's Results Washington goal areas and statewide priorities?*

This decision package provides clear benefit to the following Outcome Measures outlined in Results Washington:

#### **Goal 1: World Class Education**

- Increasing the Economic Security of Washingtonians.
- Increasing Young Adult Engagement for Successful Adulthood.

#### **Goal 2: Prosperous Economy**

- Increasing the Economic Security of Washingtonians.
- Increasing Access to Living Wage Jobs.

#### **Goal 5: Efficient, Effective and Accountable Government**

- Customer Experience

Implementing a new system will greatly improve the efficiency and timeliness of services received by both customer groups (job seekers and businesses), as well as improve the workforce agency staff experience.

#### **How does the package relate to the agency's strategic plan?**

The adoption of the state's strategic workforce plan, "*Talent and Prosperity for All*," or TAP, has called for IT upgrades that this project will address. TAP folds in key components of the federal workforce act, WIOA, encompassing 12 programs and funding streams, along with another 10 state-funded programs.

- This supports the goal of "Integrated and Streamlined Customer Service".

#### **Performance Outcomes:**

This feasibility study is a major step towards improving measures such as speed of referrals and customer satisfaction, but will not, by itself, affect those outcomes. This will, however, lead to major improvements in this area once Phase 2 is implemented.

### **Other Collateral Connections:**

**Intergovernmental**

*Describe in detail any impacts to tribal, regional, county or city governments or any political subdivision of the state. Provide anticipated support or opposition. Impacts to other state agencies must be described in detail.*

**N/A**

**Stakeholder response**

The prospect of cross agency integration of workforce services was extensively discussed with - and widely supported by—both internal and external stakeholders during the development and revision of the state strategic workforce plan (Talent and Prosperity for All). This proposal would advance towards deploying technology to support that objective.

**Legal or administrative mandates:**

**N/A**

**Changes from current law:**

**N/A**

**State workforce impacts:**

Limited

Temporary Workforce Board staffing for project coordination and management (1.4 FTE), plus participation of existing staff of all participating agencies as subject matter experts.

**State facilities impacts: N/A****Puget Sound Recovery: N/A****Other supporting materials: N/A****Information technology (IT)****Information Technology**

Does this DP include funding for any IT-related costs, including hardware, software (including cloud-based services), contracts or IT staff?

☐ No

☒ Yes

Please download the [IT-addendum](#) and follow the directions on the bottom of the addendum to meet requirements for OCIO review. After completing the IT addendum, please upload the document to continue.

# Tab 6

# Workforce Board Recommendation/Presentation

## Future of Work

**PRESENTER NAME:** Joe Wilcox

**BOARD MEETING DATE:** 07/16/21

**DISCUSSION TIME ALLOTTED:** 15 minutes

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed.</p>	<p><b>THE ISSUE/OPPORTUNITY IS:</b> Washington's initial Future of Work (FOW) project established a forward-thinking effort towards addressing the key challenges and opportunities facing the state's businesses and workers both now and in the future. Some of FOW task force recommendations were addressed through legislation, yet many remain unresolved, and COVID-19 has only accelerated many of the trends that challenge jobseekers and employers. Given the resulting increased pace of change in the workplace, an ongoing FOW focus on research, engagement, analysis and recommendation would provide crucial, proactive input to better inform policy decisions.</p>
<p><b>TAP STRATEGIC PRIORITY:</b> Which TAP strategic priority or priorities does this recommendation support? Can you tie to specific goals and objectives in TAP? Briefly describe these connections. If the connection is unclear, describe why this is of consequence to the Workforce Board and/or workforce system.</p>	<p><b>SUPPORTS TAP STRATEGIC PRIORITY:</b> Given the broad scope of the FOW purview, this proposal would support all TAP priorities in some form as evidenced in the range of recommendations in initial FOW reports, and issues that continue to remain important during the economic recovery.</p> <ul style="list-style-type: none"> <li>• The FOW encompasses a wide variety of Integrated and Streamlined Customer Service aspects, including work on comprehensive worker upskilling and lifelong learning, as well as modernized worker support systems.</li> <li>• Strengthened Business Engagement is also a crucial component of FOW, encompassing not only worker training and skills alignment, but also through the use and adoption of technology in the workplace and equal access of economic development resources.</li> <li>• The FOW also very much includes Next Generation Performance Accountability and an Accessible, Technologically Savvy System across much of its work including equitable access to technology and high-speed internet, improved labor market data and credentialing transparency, and addressing the impacts of technological adoption and disruption in the workplace.</li> </ul>
<p><b>POTENTIAL IMPACT:</b> Effect on people, businesses, communities. What is better or different from other existing strategies?</p>	<p><b>IT IS SIGNIFICANT BECAUSE:</b> While Washington was a trailblazer in the creation of the FOW Task Force, a consistent, ongoing commitment is necessary to address existing and emerging challenges as the FOW continues to evolve. An ongoing Future of Work project cements the Workforce Board's leadership role in helping policymakers, businesses and workers adapt to ever-changing economic conditions, and provides a platform for rapid policy responses by the executive and legislative branches to emerging workforce issues.</p>
<p><b>OPTIMAL NEXT STEPS:</b> What do you really want to happen as a result of this discussion with the Workforce Board?</p>	<p><b>MY IDEAL OUTCOME OF THIS DISCUSSION IS:</b> The Board should advocate for resources to continue their role as the convener of FOW policy research for the executive and legislative branches, as a funded function of normal Board activity, not as a separate "task force" or separately constituted body. This would include resources for Board staff to coordinate policy development, analyze and recommend action on FOW issues, and explore and advocate for innovative programs and models.</p>
<p><b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this</p>	<p><b>RELEVANT BACKGROUND INFORMATION:</b> Washington State gained national visibility and recognition for publishing the Workforce Board's 2019 FOW report, which was overseen by the FOW Task Force created by the Legislature in 2018. The research and recommendations received widespread attention locally, nationally and internationally. Several recommendations have been turned into enacted law, including the collection of occupational data to begin later in 2021 and the extension of the Customized</p>

<p>recommendation?</p>	<p>Training Program, a priority of the Workforce Board.</p> <p>As other states, such as Colorado and California, have followed Washington's lead on exploring FOW. They have set up different structures to organize and sustain their efforts.</p> <p>To carry on this essential work, the Workforce Board could support a budget proviso to re-establish the FOW initiative as a funded function of normal Board operations (rather than a separate task force).</p> <p>This will enable the FOW program to operate more proactively within a continuous process that will identify and analyze potential challenges and opportunities, issue recommendations, track implementation progress, and then restart the cycle by identifying new relevant FOW issues.</p> <p>Board members expressed an interest in continuing this work during the previous two board meetings in June.</p> <p>More information:</p> <ul style="list-style-type: none"> <li>• Future of Work Task Force webpage, including policy recommendations: <a href="https://www.wtb.wa.gov/planning-programs/future-of-work/">https://www.wtb.wa.gov/planning-programs/future-of-work/</a>.</li> <li>• Future of Work Task Force authorizing legislation: <a href="https://app.leg.wa.gov/billsummary?BillNumber=6544&amp;Year=2017&amp;Initiative=false">https://app.leg.wa.gov/billsummary?BillNumber=6544&amp;Year=2017&amp;Initiative=false</a>.</li> </ul>
<p><b>STAKEHOLDER ENGAGEMENT, PROS AND CONS:</b> Which stakeholders have been engaged in the development of this recommendation? What are the pros and cons of this recommendation? According to whom (which stakeholder groups)? Are there viable alternatives to consider?</p>	<p><b>STAKEHOLDERS HAVE PROVIDED INPUT AND THEY THINK:</b></p> <p>The original FOW Task Force engaged with, and was supported by, dozens of stakeholders and organizations from the government, business, and labor community. These stakeholders represented diverse interests, including the Association for Washington Business and Washington State Labor Council, legislators from both parties, and representatives from urban and rural communities.</p> <p>While some of these disparate groups maintained different priorities and viewpoints related to specific FOW issues, there was a consensus as to the crucial importance of taking proactive activity to understand and address these issues, and of the importance for the state to continue FOW activity to address more challenges as they emerge and evolve in the future.</p>
<p><b>FINANCIAL ANALYSIS AND IMPACT:</b> What will it cost to enact this recommendation? What resources will be used? Are new resources required? How much? Where will existing or new resources come from? Are there savings to be gained from this investment? Over what period? Are there other returns on investment to consider?</p>	<p><b>THE COST AND RESOURCE NEEDS OF THIS RECOMMENDATION ARE:</b></p> <p>Costs will be determined based on Board direction, and more information will be provided at the August meeting. Estimated Board staff funding based on previous FOW Task Force allocations are listed as follows, for a tentative guide for a potential ask.</p> <p>2.25 FTE would be required to staff the FOW to coordinate policy development, analyze research and data, recommend action on FOW issues, and explore and advocate for innovative programs and models. Staff would also be responsible for activities including: coordinating stakeholders, research and analysis, socializing FOW concepts, developing policy recommendations, preparing reports for the Governor and Legislature, as well as some travel to attend meetings across the state where necessary.</p> <p>The costs of these activities are estimated at approximately \$363,000 in 2022, with a 3 percent annual COLA increase placing ongoing funding at \$379,500 in 2023 and \$410,500 in 2024.</p>

	<p>Board staff have also had preliminary discussions with stakeholders about the opportunity to expand the Health Workforce Sentinel Network program, which the Board operates in cooperation with the University of Washington Center for Health Workforce Studies. This proposal, or a future ask, could explore adding additional Sentinel Networks in other industries, at a projected cost of approximately \$100,000 per year, per industry.</p>
<p><b>RECOMMENDATION AND NEXT STEPS:</b>  What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?</p>	<p><b>THE RECOMMENDATION AND/OR REQUESTED ACTION IS:</b></p> <p>This recommendation is to provide information and will set the stage for further discussion by the Board. The Board may then to narrow its focus, add or discard specific components of the proposals, and determine if or where further research and information is required.</p> <p>This presentation of information and discussion by the Board will provide the background for a decision by the Board at the August meeting on whether to adopt this proposal as a funding priority for the 2022 Legislative Session.</p>

## **Future of Work—Reestablish the Workforce Board’s primary role in driving “future of work” policy in Washington.**

Washington State gained national visibility and recognition for publishing the Workforce Board’s 2019 Future of Work (FOW) [report](#), which was overseen by the FOW Task Force created by the Legislature in 2018. The research and recommendations received widespread attention locally, nationally, and internationally. Several recommendations have been turned into enacted law, including the collection of occupational data to begin later in 2021 and the extension of the Customized Training Program, both of which were priority items for the Workforce Board. The implications of COVID-19 on the workforce and workplace puts the “future of work” squarely into the present, necessitating a sustained effort at maintaining currency in future of work research, trends, and policy development.

This proposal will install a dynamic, proactive approach to FOW issues in the workforce system that will serve as an early warning system to detect challenges and opportunities across the state. This forward-looking structure will provide policymakers more timely and actionable information than they are currently afforded, and would align with existing and legislative and executive goals and priorities. As part of its responsibilities, the program would identify and analyze current FOW trends and challenges to the state’s businesses, workers and economic climate, with a particular focus on underrepresented populations, and develop corresponding policy recommendations to be presented to the Governor and Legislature annually.

While Washington was a trailblazer in the creation of its FOW Task Force, that was later emulated by other states since, a consistent, ongoing commitment is necessary to address existing and emerging challenges as the FOW continues to evolve. An ongoing FOW focus cements the Workforce Board’s role in helping both businesses and workers adapt to ever-changing economic conditions, and provides a platform for rapid policy response for the executive and legislative branches.

This proposal will allow Washington’s talent development system to radically amp up engagement with employers and key stakeholders and co-create a stronger “talent pipeline” to dynamically upskill and reskill workers for long-term economic competitiveness, with a distinct focus on ensuring that diversity, equity, and inclusion remains top of mind in policy development.

### **Summary of Proposal**

The Legislature should mandate and provide funding (via an ongoing proviso) defining expectations for the Board to renew its focus on the FOW, through continued stakeholder convening, research, and analysis. This research and stakeholder engagement would inform targeted recommendations to address both existing issues such as the gig economy and equity in the workplace, and impending issues further on the horizon including the adoption of AI, automation, and other technology in the workplace.

To carry out this essential work, the Workforce Board should re-establish a new FOW initiative, as a funded function of normal Board activity, not as a separate “task force” or separately constituted body. Unlike many other reactive workforce programs, this will enable the FOW program to operate more proactively within a continuous process that will identify and analyze potential challenges and opportunities, issue recommendations, track implementation progress, and then restart the cycle by identifying new relevant FOW issues.

The Workforce Board’s FOW Task Force and its report and recommendations produced was a groundbreaking effort that provided policy guidance to the state Legislature, spurred new laws based on the report’s recommendations, and provided high visibility for the Workforce Board, both within and outside Washington State. This policy guidance touched upon many of the workforce system’s priorities, including business engagement and aligning and streamlining the workforce development system (all forms of education, training, and support services).

The Task Force made these recommendations with the following key interests in mind:

- Mitigate income disparity across populations, geography, and business sectors.
- Address the changing relationship between businesses and workers on issues including: workplace training, alternative work arrangements, length and nature of tenure, and employer-sponsored benefits.
- Ensure equitable access to resources that support economic vitality, innovation, skills development, and talent in all areas of the state.
- Identify skills and competencies needed for workers to attain and perform quality jobs aligned with the current and future needs of business, and the most effective mechanisms for workers to obtain these competencies.

While these topics were pertinent when the Task Force presented its recommendations to the Governor and Legislature at the end of 2019, their relevance has been magnified by the COVID-19 pandemic and resulting economic and workforce repercussions. Some of this work never got done under the original Future of Work project due to time constraints and budget, although these areas of focus remain relevant today.

As other states, such as Colorado and California, have followed Washington’s lead on exploring FOW issues, they have set up different structures to organize and sustain their efforts. California set up its well-funded Future of Work Commission, while Colorado established its [Office of Future of Work](#) within its Department of Labor, and submits a report to the Governor with recommendations for potential policy initiatives at least once per calendar year.

The Workforce Board’s role in this next iteration of the FOW would then include guiding the exploration and approval of any recommendations to help improve outcomes for both workers and employers, as well as identify and track future areas of exploration.

Any new reauthorization of FOW as a function of the Board should require engaging a wide array of stakeholders from the business, labor, and government communities similar to efforts undertaken by the original FOW Task Force. These include but are not limited to: business and



trade organizations, unions, EDCs, CBOs, state workforce and economic development partners, and representatives from underrepresented or marginalized groups.

### **Potential Initial Areas of Focus**

While there are numerous crucial FOW areas in need of addressing, the Board will initially need to refine its focus to a few key priorities. Some possible areas of concentration could be:

**1. Identifying skills and needs gaps across both industries and occupations.**

This can be facilitated by convening business and labor stakeholders across key industry sectors to identify critical needs and skills gaps. A similar approach was successfully used in the healthcare sector with the [Health Workforce Sentinel Network](#), which provides real-time information on emerging workforce trends from Washington's healthcare employers. Adding additional Sentinel Networks in other industries in the state could be a consideration in a decision package in 2022 or a subsequent year.

**2. Mapping in-demand occupations both now and projected demand in the future.**

Map education and training resources and connect them with in-demand occupations across Washington. The process will identify and ensure appropriate pathways exist to all in-demand, family-wage jobs in every Washington community, and result in the creation of a comprehensive skill, competency, and credential map.

**3. Equity and the Future of Work**

All FOW efforts need to be addressed through an equity lens to ensure that historically marginalized populations are not left further behind going forward. Research will help identify the size and composition of these populations in various industry sectors, as well as the barriers hindering them from education and employment opportunities. This work would ultimately result in recommendations to address these inequities.

McKinsey's July 2018 [report](#) on "Creating an Effective Workforce System for the New Economy" provides very useful recommendations at both a high level and more granular that could serve as discussion topics for the next iteration of FOW. The report highlighted seven initiatives to transform workforce development:

1. Develop new educational models that can meet the rapidly evolving needs of a new economy.
2. Shift more employers from hiring to actively building the pipeline.
3. Take a granular, fact-based view of workforce planning and establish quantifiable goals.
4. Create an integrated, systemwide view of agencies involved in workforce development and establish concrete goals.
5. Deploy insights and technology to support better decision making by states, employers, and educators.
6. Help individuals navigate career options.
7. Replicate and expand programs that have worked well elsewhere.

**Enabling Legislation.** Specific legislation reauthorizing a new FOW focus may not be necessary. A specific budget proviso in the Workforce Board’s agency detail could be enough to reauthorize with descriptive language. However, the original bill provides some guidance on how to proceed in terms of activities that justify an ongoing project or effort with an annual deliverable.

### **Costs**

Workforce Board staff would require funding to carry out Future of Work duties similar to prior responsibilities for the Future of Work Task Force. Two FTE will be required to staff the FOW to coordinate policy development, analyze and recommend action on FOW issues, data, and explore and advocate for innovative programs and models. Staff would be responsible for activities including: coordinating stakeholders, research and analysis, socializing FOW concepts, developing policy recommendations, preparing reports for the Governor and Legislature, as well as some travel to attend meetings across the state where necessary.

### **Fiscal Detail:**

<b>Operating Expenditures &amp; FTE</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
General Fund- State	363,000	379,500	401,500
General Fund- Federal	--	--	--
FTE	2.25	2.25	2.25
Total FTE Costs (Assumes 3% COLA each year, inc. salaries and benefits)	330,000	345,000	365,000
Indirect	33,000	34,500	36,500
<b><u>TOTAL</u></b>	<b><u>363,000</u></b>	<b><u>379,500</u></b>	<b><u>401,500</u></b>

**Optional:** If the Board wishes to explore the concept of adding additional Sentinel Networks in other industries across the state, the cost for those would be approximately \$100,000/year per industry sector, modeling the costs for the Board’s Health Workforce Sentinel Network, operated in collaboration with the University of Washington Center for Health Workforce Studies.

# Tab 7

# Workforce Board Recommendation/Presentation

## Long-Term Care Workforce

**PRESENTER NAME:** Julia O'Connor

**BOARD MEETING DATE:** 7/16/21

**DISCUSSION TIME ALLOTTED:** 30m

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed.</p>	<p><b>THE ISSUE/OPPORTUNITY IS:</b></p> <p>The challenges facing the long-term care (LTC) workforce predate the onset of COVID-19 in Washington, but the pandemic has greatly exacerbated them and has placed a spotlight on the industry writ large. Employers struggle to recruit and retain quality workers, who face low wages, high caseload volumes, and minimal opportunities for professional growth in a developed career pathway. Recent progress in the behavioral health workforce space, driven by a galvanized stakeholder presence, suggests that similar progress could be made in LTC. The Board would be a powerful champion in this space.</p> <p>At the July 16 meeting, the Board will be presented with background information and contextual data to underscore the severity of the problem and the need for a strong champion and robust stakeholder presence in order to bring about necessary improvements for the LTC workforce.</p>
<p><b>TAP STRATEGIC PRIORITY:</b> Which TAP strategic priority or priorities does this recommendation support? Can you tie to specific goals and objectives in TAP? Briefly describe these connections. If the connection is unclear, describe why this is of consequence to the Workforce Board and/or workforce system.</p>	<p><b>SUPPORTS TAP STRATEGIC PRIORITY:</b></p> <p><i>Integrated &amp; Streamlined Customer Service</i></p> <p>Support for, and investment in, sustainable improvements for the long-term care workforce is vital to ensuring that potential LTC workers are able to enter the field, progress through the necessary educational requirements, access fulfilling employment with sustainable wages, and progress through a vital caregiving career pathway.</p> <p>The workforce system has an opportunity to address a great need in our state for more LTC workers, both in terms of helping to move dislocated workers into this sector, as well as providing the necessary career pathway development to help our facilities better recruit and retain workers. This includes recognizing barriers facing both recruitment and retention within the field, proposing solutions and viable options to overcome those barriers, and piloting opportunities for meaningful employment that recognizes a worker's desire to obtain and master new skills and achieve career milestones.</p>
<p><b>POTENTIAL IMPACT:</b> Effect on people, businesses, communities. What is better or different from other existing strategies?</p>	<p><b>IT IS SIGNIFICANT BECAUSE:</b></p> <p>LTC services have always been in high demand, but with the aging of the baby boomer generation into retirement and beyond, demand for services is expected to exceed previous levels. The existing LTC workforce will not be able to meet this demand, rendering Washington in need of significant reinforcement of its LTC workforce, and soon. Moreover, the LTC workforce – overwhelmingly female and persons of color at the entry level – have historically faced low wages, stagnant professional growth opportunities, and limited options for progressing through a defined and fulfilling career pathway. Improvements in the field, both wage-related and otherwise, would benefit an entire industry of largely “invisible” care workers, who provide invaluable frontline services but, for many, have historically lacked incentives to remain in the field.</p> <p>Additionally, the increased attention on LTC brought about by the COVID-19 pandemic, coupled with an increase in dislocated workers who could be recruited into the LTC field, provides an opportunity for the Governor and the Legislature to</p>

	explore investments in LTC workforce initiatives. Mobilizing stakeholders that deeply care about LTC will be crucial in this, as LTC has historically lacked the substantial policy forum of its health workforce counterparts.
<b>OPTIMAL NEXT STEPS:</b> What do you really want to happen as a result of this discussion with the Workforce Board?	<b>MY IDEAL OUTCOME OF THIS DISCUSSION IS:</b> Communicate to the Board the need for a strong champion for the LTC workforce, with the ultimate goal of including this as an item in the Board's legislative agenda. Board staff have been discussing this concept with the Governor's Office, and will be convening stakeholders later in July to help develop the proposed policy actions that might be part of the Board or other agencies' decision packages.  Board staff provided initial thoughts to the Governor's Office that focused on survey work and pilot programs for improvements in the LTC workforce; funding for implementation of a Home Care Aid to Nursing Assistant Clinical to Licensed Practical Nurse (HCA-NAC-LPN) registered apprenticeship; and funding for a health workforce data analyst on staff at the Workforce Board to maintain annual evaluation and reporting on the LTC workforce. Pending feedback from the Governor's Office and stakeholders, the Board will be asked to consider inclusion of these and/or other items in its decision package at the August 18 Board meeting.
<b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this recommendation?	<b>RELEVANT BACKGROUND INFORMATION:</b>  With the heightened attention on LTC brought about by the ongoing pandemic, the Board has an opportunity to direct its advocacy in a manner similar to other health workforce sectors in the past. Recent progress in the behavioral health realm, in particular was greatly aided by the impact of stakeholdering led by the agency, suggests that there could be similar success for LTC should a champion emerge on a similar scale.  In the past (and on an ongoing basis), the Board has played a role in engaging in similar initiatives: the Health Workforce Council (HWC), staffed by the Board, convenes stakeholders across the full spectrum of the health workforce to address current and projected workforce shortages in health occupations, proposing strategies for the Governor and Legislature to address these issues. These strategies are shared via annual reports, legislative testimony, and ongoing dialogue with members of the Legislature and the Office of the Governor, as well as other relevant entities. The HWC is also considering taking up LTC as a key advocacy area, and will be hearing more about this topic in their meeting in late August.  The Board has also successfully engaged in past health workforce issues including behavioral health, the Health Workforce Sentinel Network, and the nursing shortage of the Great Recession, among others. The challenges faced by LTC workforce shortages and recruitment issues provides another opportunity for the Board to provide significant advocacy and support for necessary improvements to this vital workforce system.
<b>STAKEHOLDER ENGAGEMENT, PROS AND CONS:</b> Which stakeholders have been engaged in the development of this recommendation? What are the pros and cons of this recommendation? According to whom (which stakeholder groups)? Are there viable alternatives to consider?	<b>STAKEHOLDERS HAVE PROVIDED INPUT AND THEY THINK:</b>  Initial stakeholdering has included leaders in LTC such as the Nursing Quality Care Assurance Commission, Department of Health, employers, and the Office of the Governor.  Following the July 16 Board meeting, staff will take the direction received by the Board to continue working with key stakeholders to develop a proposal for review in the August 18 meeting.

<b>FINANCIAL ANALYSIS AND IMPACT:</b> What will it cost to enact this recommendation? What resources will be used? Are new resources required? How much? Where will existing or new resources come from? Are there savings to be gained from this investment? Over what period? Are there other returns on investment to consider?	<b>THE COST AND RESOURCE NEEDS OF THIS RECOMMENDATION ARE:</b>  Specific cost amounts will depend on feedback from the Governor's Office, which will ideally be available for the August 18 meeting of the Board.
<b>RECOMMENDATION AND NEXT STEPS:</b> What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?	<b>THE RECOMMENDATION AND/OR REQUESTED ACTION IS:</b>  Further action will be discussed and potentially finalized at the Board's August 18 meeting, with potential updates from the Governor's Office regarding support items. Ultimately, the Board will need to determine if this is a priority to include in its decision package and to advocate for in the upcoming Legislative session(s).

# Tab 8

# Addressing the Public Benefits Cliff

PRESENTER NAME: DCYF, DSHS, DSB, DVR

BOARD MEETING DATE: 7/16/21

DISCUSSION TIME ALLOTTED: 60 min

<p><b>ISSUE/SITUATION:</b> Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed.</p>	<p><b>THE ISSUE/OPPORTUNITY IS:</b></p> <p>The Board and stakeholders have long expressed interest in engaging the workforce system in addressing poverty in the state, through support in job placement, career planning and exploration as well as streamlining services and access to workforce programs. Following the discussions in the June Board meetings, system partners have prepared a presentation on the public benefits cliff (see more explanation on this issue in Background, below), including a specific focus on serving individuals with disabilities, and access to child care benefits.</p>
<p><b>TAP STRATEGIC PRIORITY:</b> Which TAP strategic priority or priorities does this recommendation support? Can you tie to specific goals and objectives in TAP? Briefly describe these connections. If the connection is unclear, describe why this is of consequence to the Workforce Board and/or workforce system.</p>	<p><b>THIS IS IMPORTANT TO THE WORKFORCE SYSTEM BECAUSE:</b></p> <p><i>Integrated &amp; Streamlined Customer Service</i> <i>Broaden System Accessibility</i></p> <p>The workforce system has an opportunity to advocate for ways to address benefit cliffs at both the state and federal levels, including exploring ways to streamline intake between programs, better understand and map the benefit requirements between various opportunities, and provide support to individuals trying to navigate the complex web of benefits as they seek employment, education, and training.</p> <p>The sudden loss of public system benefits such as child care, medical insurance, and cash and food assistance as a result of a small increase in wages or hours worked provides an often dramatic economic disincentive for individuals to advance in their career. The impact of a small increase in wages is rarely sufficient to address the costs of a public system benefits; leaving workers actually worse off than before a wage increase. This artificial ceiling for wages is detrimental to an individual's long-term stability, ability to follow a career path, work toward self-sufficiency, as well as bring their unique value to the workforce. It is also detrimental to the stability of business, creating situations of churn, turnover, and missed talent, as workers are forced to reduce hours or turn down promotions to continue receiving essential benefits to support themselves or their families.</p>
<p><b>BACKGROUND:</b> Short history of how this recommendation came to be. What has been tried, to what result? What evidence exists to support this recommendation?</p>	<p>The Governor's Poverty Reduction Workgroup (PRWG) was created by Governor Inslee's directive in 2017 and combines a broad membership list of agencies, community organizations, legislators, philanthropy, and more. The Workforce Board holds a seat on the PWRG, as do many of the Board and system partners. The PWRG is advised by an approximately 20 member steering committee comprised of individuals with experience in poverty.</p> <p>The PWRG included a recommendation in its <a href="#">10-year plan</a> regarding the need to smooth off-ramps from public benefits programs, such as child care, food and cash assistance, and health insurance. This "cliff effect" was described in the report as when "assistance can abruptly end before an individual or family is ready, or if a person begins earning just \$1 over a given eligibility threshold."</p> <p>The July 16 Board presentation on benefits cliff will include an overview of the concept overall, and then focused presentations on two aspects of this issue: child care and access to SSI/SSD for individuals with disabilities.</p> <p><b>Child Care Benefits Cliff</b> In the 2021 Legislative Session, steps to begin to address the child care benefits cliff through the passage of the Fair Start for Kids Act, <a href="#">Senate Bill 5237</a>. Led by Sen. Claire Wilson and Rep. Tana Senn, the broad-reaching bill expands eligibility for participation in the Working Connections Child Care (WCCC) program, increasing the income threshold under which</p>



	<p>families must remain for eligibility. In addition, the bill introduced new supports for student parents, including waiving of the work requirement for WCCC participant families enrolled in vocational education, associate degree programs, or registered apprenticeships, as well as bachelor's or applied baccalaureate programs. DCYF is charged with developing a rate model for nonstandard child care hours and must build upon the work of the Child Care Collaborative Task Force to develop and implement a model for increased child care subsidy rates.</p> <p>Entitlement for the Early Childhood Education and Assistance Program (ECEAP) was delayed until the 2026-27 school year, but eligibility definitions were broadened to allow for expanded enrollment in the program.</p> <p>The child care workforce also receives new support, including equity grants aimed at expanding access to culturally and linguistically specific programs, expanded opportunities for professional development aid access, and increased capacity flexibility for family home providers, among others. The legislation could be a model for future efforts to address the benefits cliff in other arenas.</p> <p><b>SSI/SSDI Benefits Cliff</b> Under current rules, beneficiaries of Supplemental Security Income (SSI, provided to low-income adults who are blind or disabled) and Social Security Disability Insurance (SSDI, provided to low-income disabled workers) lose their entire cash benefit if their earnings exceed the substantial gainful activity (SGA) threshold in the month after the trial work period (nine months, non-consecutive, above SGA) and grace period end. These amounts are \$2,190 for a blind recipient of the programs, and \$1,310 for a non-blind recipient.</p>
<p><b>RECOMMENDATION AND NEXT STEPS:</b> What specific result do you want from the Board? Is this recommendation for discussion or action? If for discussion, will action be required at a later date? What next steps are expected after this discussion?</p>	<p><b>THE RECOMMENDATION AND/OR REQUESTED ACTION IS:</b></p> <p>Information and discussion only. Board members and stakeholders will have the opportunity for discussion regarding the implications of the information presented, and provide direction for next steps in developing any potential policy requests between the July and August meetings.</p>