

State of Washington
Decision Package

DRAFT

Agency: 354 Workforce Train & Educ Coord Board
Decision Package Code/Title: 01 Workforce Systems Integration

Budget Period: 2017-19
Budget Level: PL - Performance Level

Recommendation Summary Text:

The Workforce Board operates and maintains four separate, but interrelated, data systems that relate to training programs and their outcomes, including private career school licensing and the state's federally required Eligible Training Provider List. These systems were programmed at different times, often overlap with one another, and because of their age, pose potential security risks. They are also fundamentally incompatible and do not meet current needs. Because of changes in federal law and state policy, significant changes must be made to each of these systems individually-a costly and inefficient endeavor, as these aging systems have severe structural deficiencies. It would be more efficient and cost effective to replace these systems with a single, unified system. An integrated system will also allow the agency to enact a new private career school license fee structure, bringing revenue collection in line with activity costs. At the same time, private career school licensing and billing will be significantly streamlined, freeing up staff to concentrate on oversight activities to protect Washington students.

The cost for this project is \$669,000 for the first year of the biennium including contract services and staffing of 1.3 ITS5 FTEs for this work, and ongoing costs of \$218,000 per year to cover maintenance services and a 1.0 FTE ITS5

Agency Total**Fiscal Detail**

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	669,000	217,000	886,000
Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>Annual Average</u>
FTEs	1.3	1.0	1.2

Program 110-Workforce Policy

Operating Expenditures	<u>FY 2018</u>	<u>FY 2019</u>	<u>Total</u>
001-1 -General Fund - Basic Account-State	669,000	217,000	886,000
Staffing	<u>FY 2018</u>	<u>FY 2019</u>	<u>Annual Average</u>
FTEs	1.3	1.0	1.2

Package Description:

The budget package will fund the following improvements:

- " Upgrade and integrate four overlapping Workforce Board data systems.
- " Integrate four existing systems so data contributors have a single, unified portal to enter their data, and system users have access to reliable data quickly.
- " Allow information to be updated more frequently and accurately, helping citizens connect with education and training that lead to employment.
- " Streamline private career school licensing and fee collection to free up staff resources for direct school oversight and student protection responsibilities.
- " Support a new fee structure that will allow the agency to bring fee collection into alignment with actual program costs. (Fee structure

has not changed in over 30 years).

" Requested ITS5 FTE will manage the build-out of the four-system integration project (Year 1), and subsequently support the new system and additional state workforce plan and federal reporting requirements.

The Workforce Board maintains four data systems (Private Vocational Schools Licensing System, Career Bridge .wa.gov, Eligible Training Provider (ETP) list, and Student Data Reporting System), each of which collect some of the same data. However, these systems do not share a common database, which causes duplicate entry, inefficiencies for both staff and training providers, and data integrity problems. Workforce Board staff must continually clean up data and resolve data integrity issues. The need to address these issues has been identified by customers, consultants, and agency staff for many years. However, it has become even more pressing with the recent passage of the federal Workforce Innovation and Opportunity Act (WIOA), which requires additional data collection and evaluation across multiple programs. Not only will the proposed project increase efficiencies of limited staff resources, it will help the state comply with WIOA's new reporting requirements. Ongoing investment will support the build-out and improvement of system integration and provide reporting systems for this new federal workforce act and the broader workforce system.

The Private Vocational Schools Licensing System is a Classic ASP website and uses a mix of SQL and MS Access databases. This system is used by private career schools to enter licensing data. Launched in 2001, it is difficult to even maintain this aging system. Agency staff members rely on the site to track licensing information and calculate fees. However, the system doesn't track payments. So staff must do this manually, which can result in loss of revenue or unnecessary delays in revenue collection.

Career Bridge and the Student Data Reporting System are public-facing websites that are ASP.NET and SQL Server systems. They were constructed by different vendors at different times. End users, Washingtonians making career and education decisions, have experienced significant delays in getting up-to-date data. Data contributors (over 300 private career schools with approximately 30,000 students) have to reenter the same data from the Private Vocational School Licensing System into Career Bridge. Staff must move the data from Career Bridge into the Student Data Reporting System through an inefficient process that requires partial manual entry. Any time data is manually entered, the possibility of data errors exists.

The Student Data Reporting System is used to collect detailed student records from schools, including demographic details such as age, race, gender, and veteran status; whether students completed a program and the credential they earned; program of study; and Social Security numbers. Workforce Board researchers match this data with UI wage records from the Employment Security Department to measure how well individual education and training programs prepare students for employment in particular fields, and how much students earn after completing a program. This helps students, job counselors, WorkSource customers, and others make informed choices about education programs that lead to living-wage careers.

The information gathered through the Workforce Board's data collection systems is also used to qualify programs for federal and state training dollars. The Eligible Training Provider List (ETPL) requires programs to meet certain performance thresholds to be eligible for these funds. The ETPL, a "consumer report card," creates a market for high performing programs. Programs that meet ETPL criteria are proven to offer a better return on investment for students, workers who are retraining, and to taxpayers who fund these training resources. The Workforce Innovation and Opportunity Act now requires some major updates to the ETPL, but no new funding is provided for this or any other required technology/data reporting updates.

In addition to the data challenges outlined above, the recent adoption of the state's strategic workforce plan, "Talent and Prosperity for All," or TAP, has created IT challenges for the agency 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. Both TAP and WIOA require the Board to establish new reporting mechanisms that integrate data from multiple agencies. This will force multiple changes to interact with all of the agency's current data systems. Most immediately, WIOA mandates new federal reporting requirements. These will be costly to implement if we are to only "bandage" the current system, and won't address the systemic data collection challenges facing the agency.

Once the four-system integration project is complete, we will be ready to build the multi-agency data reporting system. Currently, the workforce development system is assessing the system capacity to support a single, multi-agency reporting vehicle. A business analysis is expected in 2017, with a build-out of new infrastructure to begin in early 2018. The ITS5 FTE funded under this budget request will move into this work after leading the four-system data integration project.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

1. **Better Access to Private Vocational School Licensing Information:** Our current system requires users (private career schools) to share MS Access files, which are then uploaded into the data reporting system. This would be replaced by updated technology that allows implementation of new mobile-enabled web development products. This will allow interaction with our systems by staff visiting schools and customers using portable devices, increasing access and efficiencies.

Measured by: School feedback on Annual School Survey and freeing up in staff time dedicated to assisting providers and student compliance monitoring.

2. **Reduce Security Risks:** The current Private Vocational Schools Licensing System, which is over 15 years old, holds confidential financial data which cannot be released without damage to schools, their staff, and the reputation of the Workforce Board. The system has aged into an inherently vulnerable state and would require a full security audit and potentially cost prohibitive fixes to maintain security in the face of current threats. This issue has been highlighted by WaTech staff as a priority item to address.

Measured by: We expect the new system to meet or exceed current security best practices, such as those outlined by WaTech.

3. **Prevent Loss of Revenue due to System Information Integrity Issues:** Invoices for private career schools are currently tracked through to payment or penalty. However the process is manual and has data integrity issues. The system is unpredictable in how it captures and maintains invoice information needed to generate overdue notices and applies financial penalties for overdue payments. As an example, overdue payments disappear from the system if not paid within some (random) period, requiring staff to track payments manually. The new system will allow for accurate tracking and notifications regarding payments and penalties, capturing lost revenue and saving time to spend on other regulatory functions.

The new system will also allow the agency, after several decades of maintaining the same fee schedule, to adjust current fees and efficiently institute a new fee structure based on individual student enrollments (student assessment fee). Currently, operation costs of licensure and consumer protection far exceed revenues collected. The reduction in staff time currently spent manually checking invoices, and the ability to fully capture current fees, and generate new fees as needed, will assist in bringing costs and revenue into alignment. Measured by: New revenue to the state general fund that will be generated by the ability to fully capture late filing fees that are due the agency, and which are currently not collected.

4. **Eliminate Duplication of Data Entries, Reduce Errors, and Improve Data Integrity:** The agency's current four data systems will share a common database to create, read, update and delete common data. As a result, schools and Workforce Board staff will no longer waste time entering the same data in different places. Not only will this improve customer service, but by eliminating duplicate data entry, it will also improve data integrity and consumer reporting, as information will flow more quickly and accurately through a common data system. Measured by: Reduction in time dedicated to assisting providers validating, re-keying, and correcting data.

5. **Streamlines Licensing Process & Increases Consumer/Student Protection:** The new system would increase workload efficiency, streamline the licensing process for both schools and Workforce Board staff, and allow for better data management to inform staff about complaints or program-related non-compliance.

Measured by: This update will allow agency staff to spend more time on consumer protection activities such as responding to consumer/student complaints within 60 days, and making on-site visits to schools every year.

6. **Support Private Career Schools Working to Achieve Compliance:** Under the new system, schools will have the ability to directly monitor and manage their certification/license status, allowing them to take more timely actions and become better partners in meeting compliance requirements.

Measured by: More on-time payments and potentially fewer penalties for those actively working to come into compliance with state regulations. Customer satisfaction will also be measured by responses to the Annual School Survey, level of school compliance, and number and amount of late fees assessed. This will allow staff to focus on schools with serious compliance problems.

7. **Help Jobseekers/Workers and Students Connect with Education and Training and Make Informed Career Decisions:** Students, jobseekers, and those agencies and individuals that support and provide workforce services will be supported by an improved CareerBridge.wa.gov site with more timely and accurate information to help guide career strategies toward education and training that leads to living-wage jobs. The new system will also allow greater feedback about website use, so the site can be fine-tuned to improve the customer experience. Currently the system sees 12,000-16,000 users per month and 4 million page views per year.

Measured by: Increased use of the system over time by individuals, businesses, and service providers, using Google Analytics indicators (page views and interactions with job/training search features).

8. **Supporting Data Reporting Changes Required by TAP and WIOA:** The Workforce Board's current systems for consumer reporting and

performance accountability require significant modifications and upgrades to meet compliance requirements of new federal laws, and to meet objectives of the state's new strategic workforce plan "Talent and Prosperity for All" (TAP). The ITS5 FTE will support development of solutions, which may include enhancement or modification of current IT systems in-house along with coordinating planning across multiple agency partners to identify and assess resource needs for developing new cross-agency technology applications to support seamless, comprehensive, and equitable delivery of workforce services to citizens of the state .
Measured by: Comparison of the cost of modifying existing systems to collect additional data elements required by the state's new workforce plan, TAP, and reporting requirements under the federal workforce act, WIOA, with the incremental cost of integrating these data elements into a new system.

Performance Measure Detail

Activity

Incremental Changes

No measures submitted for package

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

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Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Goal 1: World Class Education

" 1.2.i Increase the percentage of 9th graders who after 5 years are either employed in Washington or enrolled in post-secondary education or training.

" 1.3.a Increase attainment of certificates, apprenticeships, and degrees.

" 1.3.c Increase the number of students entering public higher education who access online learning (online and hybrid courses) in public community and technical colleges.

" 1.3.d Increase the number of graduates in STEM (academic transfer and professional-technical programs) in public community and technical colleges.

Goal 2: Prosperous Economy

" 2.2.a Expand skilled workforce an average of 3.6 percent annually to match the increase in high-demand industries .

" 2.2.b Increase the number of workers in occupations who earn at least \$35,000 .

Goal 5: Efficient, Effective and Accountable Government

" Customer satisfaction, service reliability, effective government, and transparency

" 3.1 increase variety of data available on state portals by 10%.

" Increase staff and customer access - the new system will be designed with the ability of state employees to more easily work remotely and allow customer interaction via mobile computing.

What are the other important connections or impacts related to this proposal?

The Workforce Board's proposed integration of four data systems is expected to provide a wide range of benefits to schools, colleges, and universities that transmit student data and program details to the agency's online Student Data Reporting System, Career Bridge, and Eligible Training Provider List and, in the case of private career schools, the agency's online licensing and fee portal. Students, jobseekers, and workers looking to make informed education and training choices that result in jobs and living wages, will also benefit from a unified system that delivers a timely, accurate flow of information. Other customers who will benefit include K-12 school counselors, job counselors at WorkSource, vocational rehabilitation counselors who work with injured workers, and staff at community-based organizations, among others. More details below:

Private Career School Licensees: By improving and streamlining the licensing process, private career schools will be better able to navigate the comprehensive requirements outlined in RCW 28C.10. An integrated system will also eliminate the redundant reporting requirements in multiple places currently needed across the Licensing Process, Career Bridge website, Eligible Training Provider List, and annual Student Data Reporting.

Students/Workers/Employers: An integrated system will accommodate access through the web, including mobile devices. In addition the improved system will ensure more accurate and timely information is available to students, jobseekers, and workers who need to know the availability of training programs across the state and the impact on their earnings and potential for employment. Employers will also benefit through timely access to state labor market data, including wage levels, job growth, and regular report cards on the performance of education programs in training workers to meet their specific requirements.

Workforce Agencies and Service Providers: Workforce professionals will benefit from a more timely, accurate flow of information on the state's education and training programs, along with performance results on employment and earnings, when data is available. This information will support their services to workers/students, employers and the public that need to understand the array of training programs that are available, and the impact or results in finding a job and increasing their earnings. Currently, Career Bridge features over 6,500 education and training programs, from short-term certificates to two- and four-year degrees to apprenticeships.

What alternatives were explored by the agency, and why was this alternative chosen?

The Workforce Board has engaged a business consultant and IT process experts to review options and determine the most beneficial and prudent course of action. These options included:

1. **Focused Rebuild of School Licensing System with Vital Connections (selected option):** The Board selected the option focused on building an up-to-date, efficient, and streamlined licensing system with known technology to ensure our most important and customer-driven needs are addressed. This also would allow for eliminating of redundant reporting systems for schools between the Private Vocational School Licensing System, Career Bridge and Student Data Reporting System that improved efficiencies for our schools and Workforce Board staff. In addition, these changes captured the most important benefits for jobseekers, workers, students, employers and workforce service providers, including career counselors, in gaining accurate and timely information regarding training programs and their impact on worker earnings and employment results.
2. **Comprehensive Overhaul of All Aspects of the Systems:** This option considered a full reworking of all four current IT data systems (Private Vocational School Licensing, Career Bridge, Eligible Training Provider List and Student Data Reporting System) and their comprehensive interface with the web. This had increased costs and potentially more risk of time and cost over-runs to complete the system.
3. **Pouring More Resources into the Current Flawed System:** This option entailed investing in discrete fixes that keep the system operating with unacceptable levels of service for our customers; continued missed opportunities to capture revenue due to faulty, unreliable invoicing; an inability to raise fees to keep pace with current costs; higher levels of staffing to handle routine, mundane data checks and make manual corrections; and increasing IT maintenance costs. Also, as the system ages, fewer fixes are available and the knowledge base for making these repairs to out-of-date technology continually shrinks.
4. **Integration of New TAP and WIOA Responsibilities into Existing Workload:** The state's new 10-year workforce plan "Talent and Prosperity for All" (TAP) coupled with the Workforce Innovation and Opportunity Act (WIOA) - the first federal reform of the workforce system in 15 years and a central piece of the state's plan - has substantially expanded staff workload. It was determined to be beyond the ability of staff to take on these new and complex duties specifically outlined in the new state workforce plan TAP/WIOA without a more responsive, integrated, and modernized data system.

What are the consequences of adopting or not adopting this package?

If we do not invest in upgrading our systems we can expect the following results :

1. **Customer Service to Private Career Schools Negatively Impacted:** Washington's 300+ Private Career Schools will continue to input the same data in multiple places to remain in compliance with state requirements. Any change or update to their programs will require a tedious and time-consuming duplication of effort. Because of this duplication, Private Career School owners and staff will continue to face challenges in providing current, accurate data and information that generates Workforce Board performance analysis of education programs and consumer report cards (ETPL) on Career Bridge. It will also hamper their ability to stay current on fee payments, as the licensing system is prone to going down and requires staff to manually check payment records.
2. **Failure to Reduce Security Risks:** The current private career school licensing system, which is over 15 years old, holds confidential financial data that cannot be released without damage to schools, their staff, and the reputation of the Workforce Board and state government. The system has aged into an inherently vulnerable state and would require a full security audit and potentially cost prohibitive fixes to maintain security in the face of current threats. We either update this system to meet current security standards or leave it vulnerable to possible security breaches. This issue has been identified as a priority to address by WaTech staff.
3. **Research on Employment and Earnings Outcomes Negatively Impacted:** Because schools must enter data and other school details in potentially four separate places, this increases the chance that information will be incorrect, be delayed, or otherwise compromised. This impacts data collection and performance results for education programs and can delay programs from becoming eligible for federal and state training dollars, limiting student choice of retraining options, among other problems.
4. **Partnering Workforce Agencies and Professionals Negatively Impacted:** Partnering workforce agencies and their staff must rely on information that may not be as timely or accurate because of delays and redundancy that result from four different overlapping data systems. This hinders them from providing the most up-to-date information and advice to workers and students in need of career-focused training that leads to jobs and living wages.
5. **Workforce Board Staff Productivity Negatively Impacted:** If the current faulty system is maintained, not only will IT costs and staff time likely rise to address ongoing problems, the current underlying system will continue to require rekeying of information, rechecking of records, and other manual efforts that can be automated. A full FTE is estimated to be used currently to work around system data difficulties. This takes capacity away from important core functions of the agency, including private school oversight, veterans program approval, and student complaint investigation-which are all being slowed down by these inefficiencies.
6. **Costly and Ineffective Implementation of TAP & WIOA:** A piecemeal and uncoordinated implementation of required TAP and WIOA changes, and an absence of IT solutions to make cross-agency implementation more efficient and effective for data sharing, will hinder the state's workforce system from more effectively serving every customer, particularly those with significant barriers to employment. Data sharing is a key to service integration at local WorkSource career centers. A central element of the state's new workforce plan is pulling together a variety of services to more effectively serve customers and meet their individual needs. A fractured data collection system will make this goal much more difficult to achieve.

What is the relationship, if any, to the state's capital budget?

There is no relationship to the state's capital budget.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

There are no required changes to existing statutes, rules, or contracts, in order to implement the change.

Expenditure and revenue calculations and assumptions

The funds provided in the package are allocated as follows:

1. Purchased Contract Services for the design, development, and implementation of the Data Integration System is estimated at \$359,000 for FY 2018 with \$58,000 ongoing in purchased contract services through FY2021.
2. Software licenses are estimated at \$8,000.
3. Total 1.3 ITS 5 FTE salary and benefits for implementation are estimated at \$143,000 for FY 18.
4. Total 1.0 ITS 5 FTE salary and benefits for ongoing yearly maintenance, modification to data integration and interagency collaboration on data sharing are estimated at \$110,000 per year over a three year period.
5. Training costs are estimated at \$2,000 per year.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

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<u>Object Detail</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>Total</u>
A Salaries And Wages	108,000	83,000	191,000
B Employee Benefits	35,000	27,000	62,000
E Goods\Other Services	494,000	79,000	573,000
G Travel	6,000	6,000	12,000
J Capital Outlays	6,000	6,000	12,000
T Intra-Agency Reimbursements	20,000	16,000	36,000
Total Objects	669,000	217,000	886,000