

WIOA Subcommittee for Local Governance & Sector Strategies

Washington State Labor Council

906 Columbia Street, SW – 3rd Floor Conference Room

Olympia, WA 98501

October 12, 2015 from 9:00 am to 12:00 pm

866-339-6644 | Meeting number: *9563025*

AGENDA

9:00 am	Welcome/Introductions – Creigh H. Agnew <ul style="list-style-type: none">- Agenda Review- Meeting goals:<ul style="list-style-type: none">o Complete subcommittee work plan deliverables for the Steering Committee<ul style="list-style-type: none">▪ Finalize Incumbent Worker recommendation▪ Finalize Sectors Rubric▪ Finalize Local Board Certification Recommendation
9:05 am	Update and Review of Subcommittee Deliverables and Board Actions (page 2) <ul style="list-style-type: none">- Agnes Balassa
9:15 am	Action Item: Supporting Incumbent Worker Training (pages 3-7) <ul style="list-style-type: none">- Agnes Balassa, Dave Wallace
10:00 am	Action: Approval of Recommendation for Sectors Rubric (note: materials will be provided at the meeting) (page 8) <ul style="list-style-type: none">- Agnes Balassa, Dave Wallace
11:00 am	Action Item: Recommendation Regarding Local Board Certification (pages 9-14) <ul style="list-style-type: none">- Agnes Balassa
11:45 am	Public Comment Period <i>Please limit public comments to no longer than 3 minutes.</i>
Noon	Review Next Steps and Adjourn – Creigh H. Agnew

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Progress Toward Subcommittee Deliverables

Topic	Recommendation	TF Rec.	LG&S approval	Steering Comm approval	WETCB approval
Sectors	Create Framework - Definitions, Processes, Criteria, Connection to statewide sectors	✓	✓	✓	Done
	Identify outcomes for sector strategies WTECB approved creating a rubric. The actual rubric was intended to go directly to the Steering Committee for inclusion in the state plan, but will be discussed at 10/12 LG&S meeting before submission	✓	10/12	11/10	11/17
	Develop incumbent worker training policy - Recommend additions/modifications to ESD policy	✓	8/27 Returned to TF	9/8 Cancelled	
		✓	10/12/15	11/10/15	11/17/15
	Clarify State Role in Sectors (embedded in rubric)	✓	10/12/15	11/10/15	10/21/15 & 11/17/15
Local Gov.	Identify criteria for board member appointment - Nomination - Wearing of two hats	✓	✓	✓	Done
	Determine whether to support approval of alternative entities	✓	✓	✓	Done
	Develop process and criteria for local board certification	✓	8/27 Referred to staff for refinement	9/8 Cancelled	9/17
			10/12	11/10	11/17
Regions	Develop letter to gather input on identification of regions	✓	✓	✓	5/28/15
	Develop regions policy*	✓	✓	✓	Done
	Develop recommendation for assigning workforce regions		9/2 (mtg date change led to referral to SC)	9/8 (mtg cancelled)	9/17 (rec forwarded to board)
	Complete Local Vetting and assign regions			10/8 discussion	10/21 approval

Action Item: Supporting Incumbent Worker Training

Background: WIOA recognizes incumbent worker training as an important tool to increase worker retention and support business competitiveness. The Act provides greater flexibility for the use of WIOA resources for incumbent work training. However, the Act did not provide additional resources to support this activity. As a result, prioritization of incumbent worker training comes at the expense of other services to job seekers and businesses.

Governor Inslee has identified support for high-growth and critical business sectors as a priority for his administration. WTECB has made business engagement a priority for its strategic plan. If the system is to make a serious effort not only to increase its engagement with businesses, but to create solutions to business challenges, incumbent worker training support must be part of the toolkit. Businesses engaged in sector initiatives frequently identify the need to up skill and back fill their workers as a key strategy, especially in times of growth. Incumbent worker training resources are key to this strategy.

As a state, Washington invests relatively little into incumbent worker training. Approximately \$5 million in state funding supports three separate programs with different expectations and requirements (Appendix 1).

While WIOA allows for more investment into incumbent worker training, these investments are discretionary. If the Governor and WDCs choose to use the maximum resources allowable for incumbent worker training, Washington would more than double its current state incumbent worker investment (Appendix 2). However, because the use of funds for this purpose is discretionary, and many other state and local needs compete for these resources, it is unlikely that the discretionary use of WIOA funding for incumbent worker training will result in significant increases in resources for incumbent worker training.

This lack of incumbent worker training resources creates a competitiveness issue for the state. Washington ranks near the bottom of the list of states investing to support skill up opportunities for currently employed workers. Anecdotal evidence shows that when incumbent worker training resources are made available in the state, the demand far outstrips the availability of resources.

The resources that are potentially available is spread across at least 6 different approaches to implementation – more when local variability is factored into the mix. Because state resources for the non-WIOA funded programs fluctuate, and the WIOA approach to resourcing incumbent worker training is discretionary, it is difficult for WDCs, community colleges and others to maintain the infrastructure to respond quickly and effectively when incumbent worker resources are made available.

The limited resource availability, the lack of funding consistency, and the patchwork approach to implementation makes it difficult to deliver on the promise of incumbent worker training. The result is a customer experience that often leaves

- Businesses wondering what the magic words or key phrases are that open up access to the wealth of opportunities our system claims to offer.

- Program and service providers scrambling to meet businesses identified needs.
- Both sides unable to authentically engage because the resources aren't there once the challenges are identified.

The Sectors Task Force has been charged with making recommendations specific to WIOA implementation of sectors. However, members of the task force feel the current status of support for incumbent worker training limits the effectiveness of the Governor's efforts to support industry competitiveness. WTECB's leadership role and its ability to convene key stakeholders could create a strong response at the state level.

Therefore, the Sectors Task Force asks the Local Governance and Sectors Subcommittee to recommend that the WTECB do the following:

1. Request consideration for investment into incumbent worker training as one of the options for Statewide Activities funding or other state level workforce investments.
2. Lead an effort over the next year to research how other states implement incumbent worker training, identify promising practices, and recommend an approach and funding level for incumbent worker training.
3. Engage businesses in the development of a recommendation.
4. Develop a customer facing strategy to brand, market and simplify access to the variety of incumbent worker training resources (and other resources to solve business issues) so that companies no longer need to have the "magic code" to gain access to what the system has to offer.
5. Find a stable long term funding source to support incumbent worker training.

APPENDIX 1: Non-WIOA funding for incumbent worker training

	Job Skills Program	Customized Training	Washington Work Start
Description	<p>JSP brings together employers and educational institutions to provide customized employee training. State JSP funds, combined with employer match [dollar for dollar], support four types of training:</p> <ul style="list-style-type: none"> • New employee training for prospective employees before a new plant opens or when a company expands. • Current employee retraining when retraining is required to prevent the dislocation of those employees. • Current employee upgrading, enhancing productivity for advancement opportunities with greater skills and responsibilities. • Industry initiatives supporting development of customized training programs for several companies within an industry. 	<p>The Washington Customized Training Program (CTP) was created by the State Legislature to provide training assistance to businesses that provide employment opportunities in Washington.</p> <p>A training institution deliver dedicated customized employee training requested by the business. Customization ranges from existing training curriculum delivered at the job site to fully customized training and curriculum developed exclusively for the business.</p> <p>Training is provided by community, technical or private career colleges and can include formal training in:</p> <ul style="list-style-type: none"> • Basic education and skills • English language for non-native speakers • Technical skills and job-related instruction, plus • Skills assessment and evaluation and <p>Training on operating new equipment or working with new materials.</p>	<p>Fully customized workforce training program for businesses that are making significant investments in new business activities and expansion strategies or are expanding their operations into Washington State and need employees with specific skill sets or competencies.</p>

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APPENDIX 1: Non-WIOA funding for incumbent worker training

	Job Skills Program	Customized Training	Washington Work Start
Who is eligible	Prospective and current employees of a business receiving a Job Skills Program (JSP) grant are eligible for training. Eligible businesses and industries include private firms and institutions, groups, or associations concerned with commerce, trade, manufacturing, or service provisions. Public or nonprofit hospitals are also eligible.	<p>Business Eligibility: An eligible business must be:</p> <ul style="list-style-type: none"> • Located or locating in Washington and providing employment opportunities. • A Washington state Business & Occupation taxpayer. • Able to contract with an eligible training provider for desired training. • In need of short-term employee training (less than 12 months). <p>Trainee Eligibility: Trainees may be prospective, new, or incumbent workers in the business.</p>	<p>Must result in a >15 new permanent FTE hires <i>or</i> involve a critical need to increase the skillset of existing workers in a target industry for recruitment, expansion or retention purposes.</p> <p>Work Start funds are to be used to prevent closure of a business or facility, prevent relocation of a Washington business to another state or country, or to recruit a business to the state. Training is limited to new workers, except in cases where training an incumbent will lead to a promotion that enables a new hire to take the individual’s place.</p> <p>Workers need to be paid while they are being trained and training should be completed within 12 months of Washington Work Start approval.</p>
Who funds it	State funding	State funding	Legislature
How to apply	The training provider in consultation with the business develops and submits a training application to the State Board for Community & Technical Colleges.	The training provider in consultation with the business develops and submits a training application to the State Board for Community & Technical Colleges.	Apply by phone or online through the Dept. of Commerce
Resources available	\$2,725,000	This is a revolving loan program. The total amount available is \$340,000; the amount available depends on how many training projects are currently underway and the repayments expected each month.	Approximately \$2M

APPENDIX 2: WIOA funding for incumbent worker training

	Statewide Activities Funding	Local Incumbent Worker Funding	Rapid Response
Description	WIOA allows funding set aside for Statewide Activities to be used to support incumbent worker training. There are no clear guidelines	Financial support to in-demand businesses to train current workers in in-demand occupations in order to retain or advance their employment. Training should lead to recognized credentials and support those with barriers as appropriate	Rapid response resources may be used for lay-off aversion to save a worker’s job with an existing employer that is at risk of downsizing/closing or to transition a worker at risk of lay-off to a different job with the same employer or a new job with a different employer. Incumbent worker training is allowable under lay-off aversion.
Who is Eligible	Businesses applying on behalf of individuals who are employed, meet Fair Labor Standards Act requirements for an employer-employee relationship, and have an established employment history with the employer for 6 months or more.	Businesses applying on behalf of individuals who are employed, meet Fair Labor Standards Act requirements for an employer-employee relationship, and have an established employment history with the employer for 6 months or more.	Businesses undergoing changes that risk the loss of individuals who are employed, meet Fair Labor Standards Act requirements for an employer-employee relationship, and have an established employment history with the employer for 6 months or more.
Funding Source	WIOA Title 1	WIOA Title 1	WIOA Title 1
How to apply	Process would have to be defined at the state or local level	Local processes	Local processes
Resources available	The Governor may fund incumbent worker training within the allocation for statewide activities (currently up to 5% of a state’s WIOA Title 1 grant). Washington currently allocates about \$2.5 million for statewide activities.	Up to 20% of Adult and Dislocated Worker funds allocated to local boards may be used for incumbent worker training at the discretion of the each WDC. If all 12 decided to use the full 20% for this purpose it would come to \$5.4 million max. Businesses must match funding based on a sliding scale. Note: Local areas may also allocate resources for On-the-Job Training (OJT) separate from Incumbent Worker Training	No more than 25% of the state’s annual adult and dislocated worker allocation may be reserved for rapid response. Washington currently holds back less than 25% and has been working to distribute more of that resource to the local level, based on past usage of the funds. Rapid response, which must be used to serve workers who have been laid off, including lay-off aversion which may include incumbent worker training.

Action: Approval of Recommendation for Sectors Rubric

Background: In July, the LG&S Subcommittee approved a recommendation to measure the effectiveness of sector strategies. Because the performance outcomes for sector strategies are the same as for other economic development and workforce activities (Did people get and keep jobs, get/increase wages? Were businesses retained or grown? Did the job seeker and the business have a positive experience?) no additional statewide performance measures were recommended.

However, the result of sector strategies can be and often are tracked at the local level. In order to roll this information up to a statewide level, a common approach to sector strategies and reporting tool was recommended. Local sector experts identified the lack of consistency in the implementation of sector strategies as a challenge to learning across and even within local areas.

It was recommended that a rubric be developed and incorporated in the state strategic plan to provide

- Common definitions
- Clarification of the steps needed to implement a sector strategy
- Criteria that would help a local area identify, track and map its progress throughout a sector project
- Sample outcome measures and a tool for tracking sector specific outcomes.

Local areas/region will complete a rubric for targeted sectors as part of their plans, and will update their progress every two years as part of local/regional plan reviews. The rubric will include a template for tracking and reporting outcomes that could be compiled across regions/areas to give the board and the locals a better understanding of the results obtained.

This approach recognizes that the implementation of sectors is a learning opportunity. Locals should not be penalized for taking risks to address industry needs. Sector strategies are most effective as a way to gain more precise, actionable information to better fill the needs of employers and job seekers.

Sample rubrics shared with committee members are recommended as the starting point for this work.

The Steering Committee supported the development of a rubric for inclusion in the Strategic plan at its August meeting and the WTECB agreed on 8/17. There was no requirement to refer the rubric back to the subcommittee.

WTECB was able to provide some of Lindsey Woolsey's time to help with the development of the rubric. Lindsey will be meeting with members of the Sectors TF on 10/8 to recommend how to better align current sector work to national best practices and statewide goals. She will provide input into how the rubric could support this work. Her recommendations will be brought to the LG&S subcommittee at its meeting on Monday 10/12 for discussion and referral to the Steering Committee and WTECB.

Action Item: Recommendation Regarding Local Board Certification

Background: The LG&S considered a recommendation for local board certification at its last meeting on August 27, 2015. As a result of the discussion at that meeting, the recommendation has been amended as follows.

Recommended Action: approve the recommendation with the modifications identified.

Recommendations related to Local Board Certification

1. Develop a Local Board Certification Policy.

a. The policy will clarify

- i. The membership of Certification Committee as one labor, one business, and one state agency member appointed by the WTECB.
- ii. The frequency of the certification process – once every 2 years as per the Act, timed to coincide with the submission of local plans/local plan updates. See recommendation #2 below.
- iii. The criteria required for WDC board certification and the acceptable supporting source documents used to address these criteria (see pages 18-1911-13)
- iv. The conditions under which a WDC could be provisionally certificated – If a WDC is generally in compliance with the criteria, and able to address any issues in a reasonable time as determined via negotiation between the committee and the WDC, it could be certified provisionally, pending remediation of those issues.
- v. The conditions under which a local board would be decertified – failure to remedy issues identified via under provisional certification, failure to achieve certification, fraud, abuse, or failure to carry out function as per the Act as described in the local plan submission and/or update.
- vi. The process for decertification and identification of a new workforce board – if a board were unable to rectify the issues that affect certification, committed fraud or abuse, or failed to carry out the required functions as per the Act, the Governor would decertify and reorganize the board, with consultation with the Chief Elected Officials as per the Act. It would be up to the Governor to establish the timeline and appoint the new members, after consulting with Chief Elected Officials.

- ##### b. Define the term “lead” as it relates to the required functions of local workforce boards:
- WIOA requires local workforce boards to “lead” a variety of functions - employer engagement, pathways development, the identification of proven and promising practices – in some cases with other partners. For the purposes of the local board certification policy, the act of leading should be defined based on the following definition: "a process of social influence in which a person can enlist the aid and support of others in the accomplishment of a common task". WIOA makes it clear that a primary role of the local board is to assure the needs of business and workers/job seekers are met by the public workforce system. The requirement to serve as “lead” may include acting as the leader for specific efforts, as well as convening, organizing, coordinating, facilitating, and/or supporting the efforts of others in the community to achieve the best possible results for system customers. Workforce partners are expected to participate

in the development of agreements to align and coordinate services and to support the WDC's leadership efforts as defined in the regional/local plan, Memorandum of Understanding or other partnership agreements.

- c. **Create a standard local board certification tool that clarifies certification expectations for local boards as well as the certifying committee.**

- d. **Amend policy 5610 Board Membership Criteria to clarify under which circumstances non-profit organizations may serve in the business category on local boards.** Specifically:
 - i. Non-profit corporations whose primary function is to provide services to help people become employed or move out of poverty belong in the “voice of workforce” category.
 - ii. Non-profit corporations that play a role as an employer in high demand/high growth industries or board identified sectors – such as non-profit hospitals, nursing homes, etc. – ~~could~~ serve in the business category.
 - iii. Non-profit business organizations (trade associations, chambers of commerce, etc.) as identified in WIOA may serve in the business category.
 - ~~iii-iv.~~ Non-profit economic development organizations serve in the economic development category
 - ~~iv-v.~~ As with all members, members who work for non-profit corporations must have optimal decision making authority within their organization and expertise regarding their industry.

2. Use regional/local plans as living documents where local boards can identify issues and share their progress toward goals. The act calls for new regional/local plans to be submitted every four years, with an update at least in the first 2 years. Using the submission of regional/local plans as a way to address many of the local board certification criteria related to the functions of local boards (as indicated in the table below), requires a mechanism for addressing the required functions of local boards in the years between plan submission. ~~Local Plans also provide a source of information about the issues that local boards are grappling with and where they are developing expertise.~~ Biennial Local Plan updates could address this issue and be used as the basis for identifying both topics and promising practices for continual staff development. These updates would not require major plan modifications unless a local area determined that changes in status required the plan to be modified. Plan updates would allow WDCs to share their progress or identify where there had been no changes since the submission of the previous plan.

2.3. Create a statewide approach to identify, share and potentially replicate proven and promising practices. This was a constant theme in committee discussions. Members discussed the usefulness of past conferences, the Governor’s excellence award and other efforts to promote continuous improvement, such as monthly round table conference calls on issues like rapid response, etc.

ATTACHMENT A: DETAILED RECOMMENDATION

Board Certification Requirements	Where requirements will be addressed in policy		Which documents will provide evidence of meeting the criteria			Comments
	policy 5610	New Board Certification Policy (TBD)	Approved plan serves as evidence	Monitoring reports serve as evidence	One-Stop Certification results serve as evidence	
Has required board members in the appropriate categories to meet WIOA or alternative entity requirements	Add non-profit language	Cite Policy 5610 re these criteria				Certification tool will include a table for locals to provide this
Has only one board member per seat	Addressed	Clarify what documentation will be provided to address these criteria Attach a standard certification tool to capture this info				Ditto
Each board member was nominated by an appropriate entity						Tool will ask for nominating letters
Each board member has optimal decision making authority and demonstrated experience						Tool will ask for evidence of this
Can provide evidence of casting a wide net for board member recruitment <u>a broadly based recruitment strategy</u>						Tool will ask for <u>member</u> recruitment plan
Can provide evidence that it is actively recruiting for any open seats						Tool will ask recruitment plan
The Secretary of Labor has not made a formal determination that the grant recipient or administrative entity misexpended funds due to willful disregard of the requirements of the provisions, gross negligence, or failure to comply with accepted standards of administration for the two-year period preceding the determination.		Reference Policy 5609 Local Area Designation which has sane criteria. Attach a standard certification tool to capture this info				Tool will ask ESD/WTECB to provide this data based on communications with DOLETA
The local area met or exceeded local levels of performance negotiated by the Governor with local boards and chief local elected officials and the local area has not failed any individual measure for the last two consecutive program years.		Clarify the source for these items				Tool will ask WTECB to provide performance data

ATTACHMENT A: DETAILED RECOMMENDATION

Board Certification Requirements	Where requirements will be addressed in policy		Which documents will provide evidence of meeting the criteria			Comments
	In policy 5610	In Board Certification policy (TBD)	Approved plan serves as evidence	Monitoring reports serve as evidence	One-Stop Certification results serve as evidence	
Performs the 13 required functions of local boards						
(1) Develop and submit the LOCAL PLAN/ REGIONAL PLAN		Policy to state that approved plan meets requirement	Yes			Tool to ask WTECB staff to identify whether plan addresses the items below
(2) Provide WORKFORCE RESEARCH AND REGIONAL LABOR MARKET ANALYSIS for development and implementation of local plan			Yes			Plan guidance should request this information
(3) Convene local stakeholders to develop local plan and identify non-Federal expertise/resources to leverage for workforce development activities.			Yes			Plan guidance should request this information
(4) <i>Lead</i> employer engagement – develop/ implement strategies for meeting employment skill needs of workers and employers.		Policy to state that approved plan, including sectors rubric, meets requirement	Yes. Include sectors rubric			Plan guidance should request this information, including sectors rubric
(5) CAREER PATHWAYS DEVELOPMENT with secondary/postsecondary education, <i>lead</i> local efforts to develop/ implement career pathways aligning employment, training, education, and support services are needed by adults and youth, particularly those with barriers to employment		Policy to state that approved plan meets requirement	Yes			Plan guidance should use board function language which is more specific than local plan language
(6) PROVEN AND PROMISING PRACTICES.— <i>lead</i> efforts in the local area to identify and share promising practices		Policy to state that approved plan + one-stop certification results meet requirement	Yes		Yes – one-stop certification includes a section on promising practices	Plan guidance should request this information. Tool should ask for evidence from one-stop certification
(7) TECHNOLOGY.— <i>develop</i> strategies using technology to maximize accessibility and effectiveness of the local workforce system for employers, workers and jobseekers		Policy to state that approved plan + one-stop certification meets requirement	Yes		technology section of one-stop certification	State Technology plan should clarify local technology expectations. Local plans should address these. Tool to ask for one-stop certification

ATTACHMENT A: DETAILED RECOMMENDATION

Board Certification Requirements	Where requirements will be addressed in policy		Which documents will provide evidence of meeting the criteria			Comments
	In policy 5610	In Board Certification policy (TBD)	Approved plan serves as evidence	Monitoring reports serve as evidence	One-Stop Certification results serve as evidence	
8) PROGRAM OVERSIGHT.		Policy to state that approved plan, ESD monitoring and one-stop certification meet this requirement	Plan provides limited data regarding this item	Monitoring of program oversight should <u>will</u> address this	one-stop certification results would be a strong indicator of <u>address</u> this	Plan guidance will only request a description of system. Tools should ask for sign off from ESD monitoring and one-stop certification
(9) <i>negotiate and reach agreement</i> on local performance accountability measures.		Policy to state that approved plan meets requirement	Yes			Tools will address this in the questions related to performance
(10) SELECTI One-Stop OPERATORS AND PROVIDERS.—		Policy to state that approved plan meets requirement	Yes	Monitoring data re: procurement	One-Stop Certification	Plan guidance will request this. Tool will also ask for sign off from ESD monitors and proof of one-stop certification
(11) COORDINATE WITH EDUCATION PROVIDERS.—		Policy to state that approved plan meets requirement	Yes			Plan guidance should ask for this. Tool will request it. Recommend a statewide process for Title II application review
(12) BUDGET AND ADMINISTRATION		Policy to require evidence of budget development and administration from board notes and monitoring		Budgets submitted to state and monitoring address this		Tool will request ESD monitoring sign off, and local board documentation of the passage of a budget and other administrative requirements
(13) ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES.— <i>shall</i> annually assess the physical and programmatic accessibility, in accordance with section 188, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), of all onestop centers in the local area.		Policy to request evidence of efforts to address accessibility	Yes	Accessibility is monitored by ESD	Accessibility addressed in one-stop certification	Plan guidance should ask for this. Tool should also ask for sign off by ESD monitors, and one-stop certification.

ATTACHMENT A: DETAILED RECOMMENDATION