



**MINUTES OF MEETING NO. 222
September 26, 2018**

Board Members Present:

Perry England, Chair
Beth Thew, Vice Chair, Representing Labor
Creigh H. Agnew, Representing Business
Jeff Johnson, Representing Labor
Gary Chandler, Representing Business
Caitlyn Jekel for Greg Christiansen, Representing Labor
Lee Anne Caylor, Representing Business
Mark Mattke, Representing Local Government
Rebecca Wallace, for Chris Reykdal, Office of Superintendent of Public Instruction (OSPI)
Jon Kerr for Jan Yoshiwara, State Board for Community and Technical Colleges (SBCTC)
Suzi LeVine, Employment Security Department (ESD)
Rick Anderson, for Brian Bonlender, Department of Commerce (Commerce)
David Stillman for Cheryl Strange, Department of Social and Health Services (DSHS)

Board Members Absent

Chris Alejano, City of Seattle, Representing Vulnerable Populations

Board Staff Present

Eleni Papadakis, Executive Director

Welcome and Introductions

Mr. Perry England called the meeting to order at 9:06 a.m. at the South Seattle Community College, Georgetown Campus in Seattle, WA.

Opening Remarks

Dr. Malcom Grothe, Associate Vice Chancellor, Seattle Colleges welcomed the Board and provided opening remarks.

Chairs Report

Career Connect Washington

Mr. Perry England provided the Board with an update on Career Connect Washington (CCW). He noted that Mr. Eric Wolf has accepted the opportunity to draft the CCW legislation. He also reported that the marketing and branding strategy is really starting to come together thanks to the

ongoing conversations between the Board's staff and Ms. Maude Daudon. He reported that performance accountability is a top priority for CCW, emphasizing the importance of resolving the issues around data sharing in order to move forward. He concluded his report by informing the Board that the Governor's CCW Strategic Initiative rollout is scheduled for October 25th at 9:30 a.m. in Renton.

November Board Meeting

Perry informed the Board that the November Board meeting will be held in Spokane and that a pre-board meeting event has been scheduled for November 13th.

Consent Agenda

- Minutes from Previous Meetings
- 2019 Board Meeting Schedule
- Partner Agency Budget Requests
- State WIOA Targets

Motion 2018-222-01: Ms. Beth Thew moved to approve the items on the consent agenda as presented with the understanding that the Workforce Innovation and Opportunity Act (WIOA) targets are temporary. Ms. Creigh Agnew seconded the motion and the motion passed unanimously.

Executive Director's Report

The Board was provided with a written report in advance of the meeting. In addition to that, Ms. Eleni Papadakis took the opportunity to introduce the new Future of Work (FoW) Task Force Co-Managers: Mr. Lew McMurrin and Mr. Joe Wilcox. Mr. McMurrin and Mr. Wilcox provided the Board with a brief overview of their experience and an update on the FoW Task Force.

Workforce Board Legislative Advocacy Agenda

Board members updated each other on their TAP Priority team's progress:

Integrated Service Delivery (ISD)

Ms. Beth Thew reported that she and Mr. Mark Mattke had convened a meeting of stakeholders to take a deep dive into what ISD looks like from the ground level. From there, she and Mr. Mattke developed a set of recommendations for the Board to consider. Those recommendations were as follows:

- ISD is for everybody, including business. To make this more apparent they recommend changing the name of the priority from Integrated Service Delivery for Job Seekers to Integrated Service Delivery.
- They recommended that ISD be looked at in everything we do. They recommended that ISD be at the forefront of every legislative request.

Data Sharing

Ms. Lee Anne Caylor went over the vision for data integration for the Workforce System in Washington State. The desire is to make our system the ‘Best-in-Class,’ by serving its constituents with integrated programs that address the needs of participants, businesses, and agencies with a shared goal of economic stability.

The Three Strategies:

1. Make state-level information available to appropriate reporting agencies.
2. Connect case-management systems across the state to better serve constituents.
3. Use one existing system to coordinate engagement with businesses (CRM) to streamline points of contact, make better use of limited resources, and serve the needs of businesses.

The Board discussed the costs associated with the proposal.

Business Engagement

Mr. Jeff Johnson reported that since the last meeting a decision package has been submitted requesting 25 million in funding for increased incumbent worker training programs. Board members went over the proposal.

The Board received presentations on the SARA Case Management System and EconoVue before taking the following actions.

Motion 2018-222-02: Mr. Jeff Johnson Moved to direct Workforce Board staff to draft a policy paper on incumbent worker training trends. Ms. Beth Thew seconded the motion. The motion passed unanimously.

Motion 2018-222-03: Ms. Lee Anne Caylor moved to move forward with creating the policy paper for data sharing across the state to improve our workforce system. Ms. Caylor clarified that the policy paper will include the recommendation to hire a third party consultant to look at SARA and EconoVue and develop a cost estimate. Ms. Creigh Agnew seconded the motion and the motion passed unanimously.

Motion 2018-222-04: Ms. Beth Thew moved that Integrated Service Delivery and Equity be included in all of the policy papers. Mr. Mattke seconded the motion and it passed unanimously.

Youth Career Connected Learning Panel

The Board received updates from the Aerospace Joint Apprenticeship Committee, OSPI, the State Labor Council, and CorePlus.

The meeting adjourned at 4:21 p.m.

Revision to WIOA Title I Policy 5270

WIOA Title I formula allotment process and methodology

PRESENTER NAME: Gary Kamimura

BOARD MEETING DATE: 11/14/2018

BOARD MEMBER SPONSOR NAME: Perry England

DISCUSSION TIME ALLOTTED: N/A

<p>ISSUE/SITUATION: Be concise - 1 or 2 sentences that get to the heart of the situation, problem or opportunity being addressed.</p>	<p>THE ISSUE/OPPORTUNITY IS: The Washington Workforce Association would like the Workforce Training and Education Coordinating Board to approve a change to the formula methodology used to calculate local Dislocated Worker formula allotments, namely to adjust the weight applied to the <i>number of excess unemployed individuals for the 12-month period ending September 30</i> from 1.5 to 1.0.</p>
<p>TAP STRATEGIC PRIORITY: 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>SUPPORTS TAP STRATEGIC PRIORITY: N/A</p>
<p>POTENTIAL IMPACT: Effect on people, businesses, communities. What is better or different from other existing strategies?</p>	<p>IT IS SIGNIFICANT BECAUSE: The current Workforce Innovation and Opportunity Act (WIOA) Title I formula allotment methodology for the Dislocated Worker program has resulted in adverse impacts on several local workforce development areas, and the Washington Workforce Association seeks to mitigate some of that impact with this proposed change to the formula.</p>
<p>OPTIMAL NEXT STEPS: What do you really want to happen as a result of this discussion with the Workforce Board?</p>	<p>MY IDEAL OUTCOME OF THIS DISCUSSION IS: The Workforce Training and Education Coordinating Board's (Workforce Board) approval of the revision to WIOA Title I Policy 5270 and the local WIOA Title I Dislocated Worker formula allotment methodology as proposed by the Washington Workforce Association.</p>
<p>BACKGROUND: 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>RELEVANT BACKGROUND INFORMATION: Under the WIOA statute, Governors have one opportunity per year to change the WIOA Title I sub-state local formula allotment methodologies used for the youth, adult, and dislocated worker programs. State Workforce Development Boards are directed to assist Governors in developing those formulas. WIOA Title I Policy 5270 describes the WIOA Title I local formula allotment process and methodology applied in Washington. Per the policy, the Washington Workforce Association requested prior to this year's</p>

	<p>October 31 deadline an opportunity to review the formula allotment methodologies and determine whether or not to recommend changes that, if adopted, would go into effect for the Program Year 2019 (July 1, 2019 to June 30, 2020) period.</p> <p>Out of that review emerged a request to change the weight on one of the three data variables used to calculate local Dislocated Worker formula allotments, namely to adjust the weight applied to the <i>number of excess unemployed individuals for the 12-month period ending September 30</i> from 1.5 to 1.0.</p> <p>In brief, the existing formula allocates dislocated worker funding to local areas based on three local unemployment statistics during the prior program year:</p> <ul style="list-style-type: none"> - 28.5% of funds based on average number of unemployed individuals - 28.5% of funds based on average share of long term unemployed UI claimants (15+ weeks of benefits) - 43% of funds based on the number of unemployed individuals by which local unemployment exceeded 4.5% <p>The effect of the proposed revision would allocate an equal portion of funds based on each of the three measures: 33%.</p> <p>Attached is a copy of the current policy showing the proposed revision – the substantive change is in Attachment C.</p>
<p>STAKEHOLDER ENGAGEMENT, PROS AND CONS: Which stakeholders have been engaged in the development of this recommendation? What are the pros and cons of recommendation? According to whom (which stakeholder groups)? Are there viable alternatives to consider?</p>	<p>STAKEHOLDERS HAVE PROVIDED INPUT AND THEY THINK:</p> <p>The key stakeholders around this issue are the 12 local workforce development boards represented by the Washington Workforce Association (WWA) because the local WIOA Title I formula allotment methodologies reflected in WIOA Title I Policy 5270 have a direct bearing on the amount of youth, adult, and dislocated worker funds they receive each year.</p> <p>Because the state grant amount for each program (youth, adult, dislocated worker) is fixed, any change to the formula allotment methodology produces “winners” and “losers” in relative terms. In this case, the net impact of the proposed change to the weight applied to the <i>number of excess unemployed individuals for the 12-month period ending September 30</i> from 1.5 to 1.0 was assessed by WWA members to be preferable to those under the current methodology.</p>
<p>FINANCIAL ANALYSIS AND IMPACT: 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>THE COST AND RESOURCE NEEDS OF THIS RECOMMENDATION ARE:</p> <p>The cost of implementing this recommendation is minimal and merely requires the Employment Security Department to adjust the Excel spreadsheet it uses to calculate local area WIOA Title I Dislocated Worker formula allotments.</p>

<p>RECOMMENDATION AND NEXT STEPS: 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>THE RECOMMENDATION AND/OR REQUESTED ACTION IS:</p> <p>The recommendation is for the Workforce Board, on behalf of the Governor, to approve this change in WIOA Title I Policy 5270 so Employment Security can adjust the formula methodology before February 15, 2019 as per the policy.</p>
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Workforce Innovation and Opportunity Act Policy
Employment System Administration and Policy

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.

Policy Number: 5270, Revision ~~4~~2
To: Washington WorkSource System
Effective Date: ~~July 26, 2016~~November X, 2018

Subject: WIOA Title I Formula Allotment Process and Methodology

1. **Purpose:**

To communicate Washington's methodologies for calculating sub-state formula allotments and the annual process for revising the methodologies under the Workforce Innovation and Opportunity Act (WIOA).

2. **Background:**

WIOA law gives the Governor one opportunity a year to change the WIOA Title I (sub-state) local formula allotment methodologies used for the youth, adult, and dislocated worker programs. Under WIOA, the State Workforce Development Board (SWDB) is directed to assist the Governor in developing the allotment formula.

3. **Policy:**

a. Current Methodologies

The State's current methodologies for determining local area WIOA Title I formula allotments for the youth, adult, and dislocated worker programs are articulated in [Attachments A, B, and C](#), respectively.

b. Revising the Methodologies

The process for revising the State's methodologies for determining local area WIOA Title I formula allotments for the youth, adult, and/or dislocated worker programs is as follows:

- i. The SWDB will consult with the State Workforce Agency (SWA) and the 12 Local Workforce Development Boards (LWDBs) on the alignment of fund distribution with the state's strategic priorities, within statutory limitations.
- ii. Requests to explore changes to any of the WIOA Title I formula allotment methodologies

(youth, adult, and/or dislocated worker) must be communicated, in writing, to the SWDB by October 31 preceding a program year (e.g., by October 31, 2016 for PY16/FY17 allotments covering April 1, 2017-June 30, 2018).

- iii. The request must detail the alternate variable(s) proposed and program (youth, adult, and/or dislocated worker) methodology to which the variable(s) would be applied; the existing alternate variable(s) proposed for elimination and program (youth, adult, and/or dislocated worker) methodology from which the variable(s) would be eliminated; or both.
- iv. Pursuant to a request, the SWDB will, having delegated operational development of local formula methodologies to the SWA, direct the SWA to convene a state-local work group comprised of SWA and LWDB representatives between November 1 and January 1 to research and develop local area allotment scenarios based on the alternate variables proposed to be added or eliminated. Based on the information, the work group may recommend that one, two, all, or none of WIOA Title I formula allotment methodologies be revised.
- v. If the work group recommends revising program methodologies, a recommendation will be prepared as an agenda item at a regular or special meeting of the SWDB for consideration and action no later than February 15.
- vi. The SWDB, in acting on the work group recommendation, represents the Governor.
- vii. Changes to any WIOA Title I formula allotment methodology will be communicated to the SWA for the purpose of aligning allotment calculation worksheets and this state policy.
- viii. Formula calculation worksheets reflecting approved methodologies will be provided by the SWA to LWDBs after issuance of this policy and future revisions of this policy so local areas are able to research impacts of prospective methodological changes and inform decisions on whether or not to request changes.
- ix. Formula calculation worksheets reflecting local area allotments for the coming program year will be provided by the SWA to LWDBs at least five business days before the SWA issues local formula grant packages.
- x. If the SWDB does not receive a written request to explore changes to the formula allotment methodologies by October 31 preceding a program year, the methodologies referenced under Section 3.a of this policy will remain in effect and be applied to that program year.

4. Definitions:

None.

5. References:

- [Public Law 113-128](#), Workforce Innovation and Opportunity Act of 2014, Sections 128(b)(3), 133(b)(2)(B)(i-ii), and 133(b)(3)
- [20 CFR 683.120 and 683.125](#)
- [Training and Employment Guidance Letter \(TEGL\) 29-14](#) and all subsequent WIOA program allotment TEGLs

6. Supersedes:

None.

7. Website:

<http://wpc.wa.gov/adm/policy>

8. Action:

Local Workforce Development Boards and their contractors, as well as Employment Security Regional Directors, should distribute this policy broadly throughout the system to ensure that WorkSource System staff are familiar with its content and requirements.

9. Attachments:

[Attachment A](#) – Local Area WIOA Title I Formula Allotment Methodology for Youth

[Attachment B](#) – Local Area WIOA Title I Formula Allotment Methodology for Adult

[Attachment C](#) – Local Area WIOA Title I Formula Allotment Methodology for Dislocated Workers

Direct Allotment-Specific Inquiries To:

*Budget Manager
Finance and Administrative Services Division
Employment Security Department
PO Box 9046
Olympia, WA 98507
ESDGPBudgetQuarterlyEnterpriseReports@ESD.WA.GOV*

Direct Other Inquiries To:

*Employment System Administration and Policy Unit
Employment System Policy Division
Employment Security Department
P.O. Box 9046
Olympia WA 98507-9046
SystemPolicy@esd.wa.gov*

Attachment C – Local Area WIOA Title I Formula Allotment Methodology for Dislocated Workers

After the state's Dislocated Worker (DW) program allotment is divided into state administration, state set-a-side, statewide rapid response, and local funds in accordance with the appropriate Training and Employment Guidance Letter (TEGL), local area DW allotments are determined by three county-level factors that have been assigned certain weights:

1. The average number of unemployed individuals for the 12-month period ending September 30 (weight of 1 = ~~approximately 28.5%~~33.3% of the allocation).
2. The number of excess unemployed individuals for the 12-month period ending September 30 (weight of 1.5 = ~~approximately 43.0%~~33.3% of the allocation).
3. The average share of long term unemployed (Unemployment Insurance claimants with 15+ weeks of benefits for the 12-month period ending September 30) (weight of 1 = ~~approximately 28.5%~~33.3% of the allocation).

After the funding has been divided between the factors, it is spread amongst the counties based on the percentage of individuals that reside in that county per that factor. For example, if 4 percent of the state's long term unemployed participants live in Clallam County, 4 percent of the long-term unemployed funding would go to Clallam County. If a county does not qualify for any one factor, its data is excluded from calculation for that factor.

Once the total amount of DW funds has been divided amongst local areas within the state based on their county data, ESD ensures that no local area receives an amount of funding that is less than its hold-harmless level or greater than its stop-gain level.

The hold-harmless amount is determined for each local area by calculating 90 percent of the average allotment share for the two prior program years and multiplying that share by the total local DW allotment.

The stop-gain amount is determined for each local area by calculating 130 percent of the allocation percentage of the prior program year and multiplying that share by the total local DW allotment.

If a local area's initial award is below its hold-harmless level or above its stop-gain level, funding adjustments are necessary. Funds will be given to local areas whose pre-hold-harmless amounts are less than the calculated hold-harmless amount in order to raise their total DW allotment to match their calculated hold-harmless level. The offsetting reduction to the balance of local areas (those at or above hold-harmless) is based on their percentage of the total pre-hold-harmless amount less the amount surrendered to local areas that were funded below the hold-harmless level.

The same process is used to determine the stop-gain amount for each local area.

After all adjustments are made, a final award is issued to each local area, 10 percent of which is local administrative funding and 90 percent of which is program funding.