



MINUTES OF MEETING NO. 181 September 25, 2014

Board Members Present:

Cindy Zehnder, Chair
Creigh H. Agnew, Representing Business
Chris Alejano, Representing Target Populations
Lee Anne Caylor, Representing Business
Amy Johnson for Gary Chandler, Representing Business
Jeff Johnson, Representing Labor
Mark Mattke, Representing Local Government
Beth Thew, Representing Labor
Jim Crabbe, for Marty Brown, State Board for Community and Technical Colleges (SBCTC)
Kathleen Lopp for Randy Dorn, Office of Superintendent of Public Instruction (OSPI)
Dale Peinecke, Employment Security Department (ESD)
Alex Pietsch for Brian Bonlender, Department of Commerce (Commerce)
David Stillman for Kevin Quigley, Department of Social and Health Services (DSHS)

Board Staff Present

Eleni Papadakis, Executive Director

Welcome and Introductions

Board Chair Ms. Cindy Zehnder called the Workforce Training and Education Coordinating Board (Workforce Board) meeting to order at 9 a.m. at the State Board for Community and Technical Colleges in Olympia.

Chair's Report

Motion 14-181-01: Ms. Creigh H. Agnew moved to adopt the June 26, 2014, Board Meeting Minutes as presented. The motion passed unanimously.

Workforce Innovation and Opportunity Act

Ms. Cindy Zehnder made introductory comments on the Workforce Innovation and Opportunity Act (WIOA), remarking that Washington has the opportunity to lead the way and model what the act can do for the people the board serves. She also noted the opportunity brings with it a new level of responsibility for the Board and an increased time commitment. Ms. Zehnder commented on the Board's history of pulling together to best serve the people of Washington and encouraged the Board

to continue in that same spirit of cooperation and effort to take this new system to the next level. Ms. Zehnder also asked that the Board's efforts to design WIOA be open and inclusive.

Ms. Zehnder introduced Scott Cheney, Staff Director of the Senate Subcommittee on Employment & Workplace Safety, chaired by Senator Patty Murray. Mr. Cheney, who participated via telephone, began by thanking the Board on behalf of Senator Murray for the great work the Board has done and continues to do. He remarked that the system Washington has in place works well, but there is still room for improvement. He said that WIOA provides an opportunity for that improvement, along with an obligation to look beyond core systems, to innovate and encourage growth in the state and local systems to ultimately better serve Washington's workforce. He commented on the law's intent to allow flexibility, and the expectation of the Board to act as the neutral party responsible for bringing the state and local systems together to realize the goal of moving Washington's workers into great jobs in faster ways.

Ms. Eleni Papadakis, Workforce Board began her presentation by describing the intent of WIOA as providing the framework for ensuring Americans have access to systems and programs that set them up for good economic opportunity and discussed with the Board its elevated decision making authority. She commented that much of the work will be focusing on the development of new processes that align and integrate existing programs and funding streams for greater impact to system customers.

Ms. Papadakis gave a presentation on WIOA and *High Skills, High Wages*. In her presentation, she provided information on the roles of the required state and local Workforce Development Boards (WDBs), and touched on the grandfathering provisions of the Act. The Board discussed the possibility of enhancing the makeup of the Board. Ms. Papadakis then provided information on WIOA's requirement for a unified or combined plan, which requires the strategic alignment of key programs provided by the four core WIOA programs (unified) or with the addition of 1 or more optional programs (combined) in a complementary and coordinated way for the benefit of workers, jobseekers and employers, all under a single, transparent performance accountability system. The Board talked about updating the current High Skills, High Wages to align with WIOA and plans to discuss the topic further at a future meeting.

The Board discussed its goal of creating a system that sets a standard of excellence for Washington to serve as a model for other states and the resources necessary to accomplish that goal. The Board asked staff to coordinate an additional Board meeting in October and to provide a timeline for key decision points so that they may create and adopt a work plan.

Ms. Terri Colbert, Workforce Board staff, provided introductions for the guest presenters representing the Board's strategic partner organizations.

Mr. Dale Peinecke, Commissioner, Employment Security Department (ESD), provided the Board with an overview of ESD's priorities moving forward. He spoke to ESD's commitment to keeping the jobseeker and business customers at the front and center of the discussion while engaging local

partners to improve employment outcomes. He spoke about closing the skills gap between workers and employment opportunities. Mr. Peinecke remarked that WIOA is a fulcrum to reexamine the system, to identify weaknesses and ask ourselves what we should be doing differently and then implement a strategic response to achieve measurable statewide impact.

Mr. Mark Mattke, Washington Workforce Association, provided information on the operational details of the local Workforce Development Councils., and emphasized the business engagement and jobs driven component. He commented on his concern with the reduction in funding to programs such as sector strategies and skill panels, and the need to continue to look at the system through the sector lens and to balance resources and serve all populations, including the business community. He commented that all customers are better served when systems interface as much as possible and that funding Work Source centers is a key element to serving the community and bringing in job seekers of all types, including unemployed, underemployed and young people. He commented on the shift to serving out-of- school-youth and the work the WDCs do to balance that shift with their budget and the work they currently do with the students in the K-12 system. He spoke about setting up guidelines for funding programs aimed at incumbent worker training and asked for flexibility. Mr. Mattke spoke in more detail about the new local WDBs and how they are reconsidering their current structure and commented on the increased reporting requirements under WIOA.

Mr. Jon Kerr, State Board for Community and Technical Colleges (SBCTC), began by thanking the Board for its coordination of this very important work. Mr. Kerr provided information on the Adult Basic Education (ABE) program's goal of assisting individuals in gaining the skills necessary to move into living wage employment. Mr. Kerr spoke about looking at what's working and how to scale those efforts up to support critical workforce goals. He spoke about how changes in the new law impact ABE, such as the development of comprehensive college and career pathways and aligning basic skills education with K-12 Common Core, and changing the definition of adult basic education from a 10th grade level education to a college-ready education. Another change is the new requirement to teach employability skills to all ABE students. Mr. Kerr spoke about the exciting opportunities WIOA brings to the ABE program and expressed his enthusiasm to get started working together to shape a program that ensures living-wage jobs.

Don Kay, Department of Social and Health Services, Division of Vocational Rehabilitation (DVR), provided information to the Board on the decline of overall participation of persons with disabilities in the workforce. He commented on the challenges faced by DVR by commenting that DVR has great working relationships with all of the public school special education programs but hasn't built up the same level of relationships with the rest of the public school system, which makes mainstream students with disabilities particularly difficult to reach. He remarked that DVR has always had a mandate to provide employees to employers, and that he hopes that there will be an opportunity to extend services to employers to encourage them to hire and retain workers with disabilities. His hope is to connect DVR to the one-stop business services and participate in outreach to local employers.

Ms. Terri Colbert commented on behalf of Mark Adreon, Department of Services for the Blind (DSB) that access to services is not just physical but technological as well.

Mr. Jim Crabbe, State Board for Community and Technical Colleges (SBCTC), noted that SBCTC is involved in the Basic Food Employment and Training Program (BFET), Temporary Aid to Needy Families (TANF), and the Carl Perkins programs, and spoke about his enthusiasm for this historic opportunity to realize integration across all of those systems. He called out WIOA's focus to increase access for those with barriers, support alignment with workforce education and economic development and improve labor market relevance. He spoke about how to improve the structure of delivering services and how that focus aligns with the goals of the community college systems. He spoke about taking a strategic approach to identifying opportunities to further those goals. Mr. Crabbe recommended the Board revisit its compact and look at renegotiating relationships. He also recommended the Board reformat *High Skills, High Wages* to address the six purposes of WIOA.

Betty Klattenhoff, Office of Superintendent of Public Instruction (OSPI) began her presentation by remarking on OSPI's enthusiasm toward participating in the WIOA planning process and the importance of involving the K-12 system in all aspects of the discussion. She commented on the importance of connecting students with career and technical training and connecting the learning experience with career-connected learning and career training opportunities. She provided statistics on youth unemployment, earnings for high school graduates without postsecondary education. She also spoke to the importance of Career Guidance Washington.

Mr. Alex Pietsch, Department of Commerce, began his presentation by speaking to Commerce's excitement surrounding two components of WIOA in particular. The first being the industry mandate, and the second being the focus on key economic sectors. Mr. Pietsch remarked on how Commerce is aligning itself with Governor Inslee's goals by focusing on building the seven economic sectors that provide Washington with high wage employment opportunities. These sectors include: aerospace, technology, life sciences and health, military and defense, clean technology, agriculture and maritime, noting that workforce development is at the core of each sector.

Ms. Kaaren Roe, Department of Commerce, provided information on the State Community Development Block Grant (CDBG). CDBG is a required community one-stop partner, and is funded and regulated by the U.S. Department of Housing and Urban Development. Seventy percent of CDBG funding funnels to urban areas, with thirty percent funneling to the state to disburse to local government programs in rural areas. There are 34 CDBG programs in Washington working to improve living environments and provide affordable housing to individuals with low to moderate income. Part of their work involves providing training, education and economic development opportunities, which is where CDBG interfaces with WIOA. When the CDBG funds an economic development project they contact their local Work Source office to connect low-income workers with jobs.

Ms. Diane Klontz, Department of Commerce, provided information on the Community Service Block Grant (CSBG) which like the CDBG is also a required one-stop partner. The CSBG administers federal and state funds to community action agencies across the state. The goal of the CSBG is to

improve the lives of low income individuals with increased self-sufficiency, improved living conditions, and providing services to combat poverty. Ms. Klontz spoke about their connection with ESD and connecting people with employment opportunities.

David Stillman, Department of Social and Health Services (DSHS), opened by commenting on how much he appreciated the opportunity to be a part of the process, and echoed Mr. Crabbe's enthusiasm for the unprecedented opportunity that WIOA brings. Mr. Stillman commented on looking at ways to better serve individuals seeking employment opportunities. He remarked on the personal connection with the people DSHS serves to really help them move up and move on with a foundation for success. He spoke about DSHS also revisiting their current service delivery model to better serve not only their current clients but also to reach out to those who could benefit from services but currently don't have access, and noted addressing the unique needs of underserved populations. Mr. Stillman provided statistics on TANF and food assistance recipients and the host of federal reporting requirements that come with the funding for those programs, and that additional reporting is a consideration in the decision whether or not TANF will opt in or out as a one-stop service provider. He cautioned against cumbersome processes.

The Board noted two key programs missing from the presentations: veterans' programs and apprenticeship. Ms. Papadakis reassured the Board that staff has been very engaged in conversations with both programs, and that the Board can expect presentations from veterans and apprenticeship programs at a later date.

After the presentations concluded Ms. Zehnder asked the Business and Labor Board members to provide their perspective. Mr. Jeff Johnson, Representing Labor, commented that he shares a lot of the optimism around the table and feels the intent of the law is terrific. He sees it as an opportunity to create a much more fine-tuned workforce system. Ms. Amy Johnson, Representing Business, commented that she would like to see the Workforce Board elevated to the role of coordinator and convener. Ms. Creigh H. Agnew commented on reformatting *High Skills High, Wages* to align with the six purposes of WIOA. Ms. Lee Anne Caylor commented on preventing overlap in serving the same audiences and working toward increased efficiencies.

Governor Inslee's YouthWorks Initiative

Mr. Xandre Chateaubriand, Senior Policy Advisor on Workforce Development, Governor's Executive Policy Office, provided the Board with a brief presentation on Governor Inslee's YouthWorks Initiative focused on helping low income students get excited about learning and a pathway to viable careers. The YouthWorks initiative directs the \$1.9 million WIA discretionary fund dollars to the local Workforce Development Councils (WDC) to work with K-12 schools to provide career connected learning opportunities in the classroom. The role of the Board is to establish application guidelines for distribution of funds across the 12 WDCs and to negotiate performance targets for each WDC, and for the state as a whole. Distribution of funds will be administered by the Employment Security Department. Mr. Chateaubriand stated that the initiative was really built out of the incredible work the

Board has done over the years and based largely on the information provided in the Board's youth unemployment reports.

Executive Director's Report – Ms. Papdakis provided information on two national forums where she represented the Board, on the issues of youth unemployment and industry-driven workforce development policy.

Legislative and Budget Update

Glena Red Elk, Workforce Board staff, gave an overview of the Board's current financial state explaining that the funding cuts already sustained through the recession have left no reasonable way to cut an additional 15% as required for the Governor's Book One budget. Ms. Red Elk framed the proposed decision package items by explaining that with no reasonable options left, staff proposed the Board move forward with a decision package that eliminates the state administrative match funds to the Carl Perkins grant. She clarified for the Board that Carl Perkins funding touches almost every aspect of the Board's work, and failure to provide the administrative match, without a federal waiver, could jeopardize the entire \$20 million grant, most of which passes through the board to its partners SBCTC and OSPI.

The Board asked for information on other options to meet the fifteen percent reduction as required. Ms. Red Elk informed the Board that the only other possibility of meeting the reduction would be to cut almost the entire Private Vocational Schools oversight program (PVSA) effectively eliminating the Board's role as a consumer protection agency; putting students at an unacceptable risk.

The Board discussed the risks associated with both options and ultimately concluded that eliminating the PVSA program was the proposal they felt most comfortable moving forward with.

Motion 14-181-02: Mr. Jim Crabbe moved to move forward with a decision package eliminating the PVSA program. Ms. Kathleen Lopp seconded the motion and the motion passed.

Due to time constraints Mr. Justin Montermini and Ms. Nova Gattman, Workforce Board staff, provided the Board with an abbreviated legislative update. A full legislative report and prioritization exercise will be provided at the October special board meeting.

Career-Connected Learning Video

Ms. Marina Parr, Workforce Board staff, provided the Board with information on the new Career Connected Learning videos. Ms. Parr noted that the videos had circulated earlier in September for the board to review, and that feedback was largely positive. She remarked on a few issues that arose that can be easily fixed by filmmakers, including changing K-12 in the animated movie to "education." She also said the filmmakers would remove the "Fs" from this video, at the request of Governor's staff, who found failing grades were overly negative towards our education systems. Mr. Crabbe, SBCTC, suggested that the animated video was negative about education, both K-12 and college. They cautioned that educators might not like it. Ms. Parr said some adjustments will be made to the videos in

time for another review before the October special board meeting. However, the content of the docustyle videos has been shot and wrapped up so will not be easily changed.

The Board expressed some concern surrounding the agency's ability to create and maintain another website, particularly in light of the recent discussion surrounding budget and staffing constraints. Ms. Caylor cautioned that such sites take a lot of work, from pulling in relevant content to curating content. She worried about how many staff hours would be devoted to the project, saying that this is difficult even at Microsoft.

Board meeting adjourned at 2:30 p.m.