



Workforce Train & Educ Coord Board  
2023-25 First Supplemental Budget Session  
Maintenance Level - ST - Workforce Board Statutory Operation

## Agency Recommendation Summary

The Workforce Board requests maintenance budget adjustments to support certain critical activities and functions necessary to comply with federal and state mandates. Request includes match to optimize federal CTE funds; provide cross-agency research and evaluation; and restart dedicated services and activities to fully engage our business customers. Each functional area is rooted in either federal or state statutes, and/or aligns with a strategic priority within the statutorily required state strategic plan for workforce development. Each area also is designed to leverage federal, state, or philanthropic resources, and to maximize benefits for workers, employers, and communities of all types.

## Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2024	2025	2023-25	2026	2027	2025-27
<b>Staffing</b>						
FTEs	0.0	4.4	2.2	4.4	4.4	4.4
<b>Operating Expenditures</b>						
Fund 001 - 1	\$0	\$1,886	\$1,886	\$1,886	\$1,886	\$3,772
Total Expenditures	\$0	\$1,886	\$1,886	\$1,886	\$1,886	\$3,772

## Decision Package Description

The Workforce Training and Education Coordinating Board (Workforce Board) formally requests additional funding to address critical functional gaps identified in our state strategic planning process. As the primary agency overseeing the state's workforce development strategy, we have identified three main areas where our existing maintenance budget falls short in fulfilling the Board's statutory obligations. These items and our suggested solutions to address each gap area are below:

- Systemic, Cross-Agency Research and Evaluation: A dedicated annual fund of \$1 million and staff support to facilitate thorough cross-agency research, evaluation of service designs, and a deeper understanding of system impact on target populations such as BIPOC, people with disabilities, and veterans.
- Enhanced Industry & Economic Development Partnerships: Reinstate and reinvigorate the Economic & Business Development (EBD) Manager position. This is essential for robust communication with our state's employers, understanding rapid industry changes, and promoting workforce programs and innovations to businesses like industry skill panels and Job Skills Program.
- Administration of Carl Perkins Career and Technical Education (CTE) Program: An annual allocation of \$484,352 to match federal administrative funds. This funding is critical to uphold the Perkins program's standards, especially in administrative oversight, program reporting, and ensuring state-wide CTE success. As the state appropriations that can be used for the Perkins match have shifted or dwindled, the Workforce Board's ability to meet the match has been a challenge, resulting in returning federal funding for lack of state match funds for many years.

### Background and History

The Workforce Board and the workforce development system have significant responsibilities to support the equitable economic success and resilience of all Washington communities. The Workforce Board was established in 1991 to ensure that public investments improve service delivery and enhance economic outcomes for Washington's workers and businesses. Washington's workforce development system, as is true in most U.S. states, is a disjointed confederation of programs, services, and funding streams, each with its own authorizing statutes and performance accountability system.

The legislature described the situation in the Workforce Board's authorizing statute this way:

"The legislature further finds that the state's current workforce training and education system is fragmented among numerous agencies, councils, boards, and committees, with inadequate overall coordination."

(WA. (1991). RCW 28C.18.005)

Workforce system fragmentation is a national issue; year after year it is a key advocacy agenda item for national organizations like the National Governors Association, the National League of Cities, National Association of Counties, and the U.S. Conference of Mayors. Large segments of the nation's workforce development system were established in federal law many years ago. Most related policy frameworks were developed between 50 and 100 years ago to respond to the problems of a very different economy and exclusionary societal norms. While tweaks have been made and bandages applied, public federal investments are still made in silos. State investments often follow suit, usually to align with federal programs and mandates or to leverage federal funds.

Most states have tried various approaches to bring siloed programs into alignment, such as moving programmatic authority among agencies or adjusting state administrative structures every few years, often linked to the election of new governors. Washington is among a small group of states that established a permanent (statutory) planning, policy, performance accountability, oversight, and advocacy structure that provides consistency and direction across the numerous programs and services of the comprehensive workforce system.

The Workforce Board, the oldest of these state structures, was created in 1991 by a coalition of business, labor, legislators, and the governor's office, as an umbrella organization to help bring the programmatic partners across the entire system into alignment, without disruptively moving programs or administrative structures.

The purpose of the board was chartered in the authorizing statute as:

"The purpose of the board is to provide planning, coordination, evaluation, monitoring, and policy analysis for the state training system as a whole, and advice to the governor and legislature concerning the state training system and the student achievement council."

(WA. (1991). RCW 28C.18.020)

The legislature provided the Workforce Board with tools, such as establishing and tracking common performance metrics across siloed programs, enacting a single comprehensive state plan every four years, and periodically funding research and demonstration efforts in support of policy recommendations on critical workforce-related issues. Most importantly, the legislature chartered the Workforce Board as both an education and a labor agency, specifically designating the Board as Human Investment Council/State Workforce Board to meet federal workforce development rules, and as the State Council for Vocational Education/CTE Board to meet federal K-12 and postsecondary rules. This co-designation has enabled the Workforce Board to source education and labor data at the participant-record level to effectively track and evaluate program and system performance, as well as to provide meaningful "apples-to-apples" comparison data to consumers and policymakers needing to make important decisions.

No new state funding was provided for this entity in 1991. Instead, the legislature merged the responsibilities and a portion of the budgets of four state entities that oversaw aspects of state and federal workforce development investments to create the Workforce Training and Education Coordinating Board. While there were constraints based on allowable uses of funds available, the two largest federal funding streams at the time, the Job Training Partnership Act (JTPA) and the Carl D. Perkins Act provided sufficient flexibility for the new agency to meet its obligations. Indeed, Washington's Workforce Board and workforce development system saw tremendous improvements in service design and outcomes for both workers and employers, being heralded as a top performer nationally, year after year, with many innovations being adopted by other states, and even taken to scale nationally through changes to federal statute.

This funding request is unique and has not been proposed in its current form in the past, although each component has been supported in previous years to meet specific workforce system concerns. This maintenance level adjustment is requested to make permanent the activities required for the Board to fulfill its responsibilities. This request re-aligns the roles and responsibilities of the Workforce Board with federal and state statutory obligations and the state strategic plan for workforce development. This package also requests funds to match the federal Carl Perkins program because agency state funds are fully obligated to other mandatory activities, with limited margin left to apply to administration of the Perkins program—having to return funds annually and putting the state at risk of financial sanctions.

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

### Today: Workforce Development System Faces a Watershed Moment

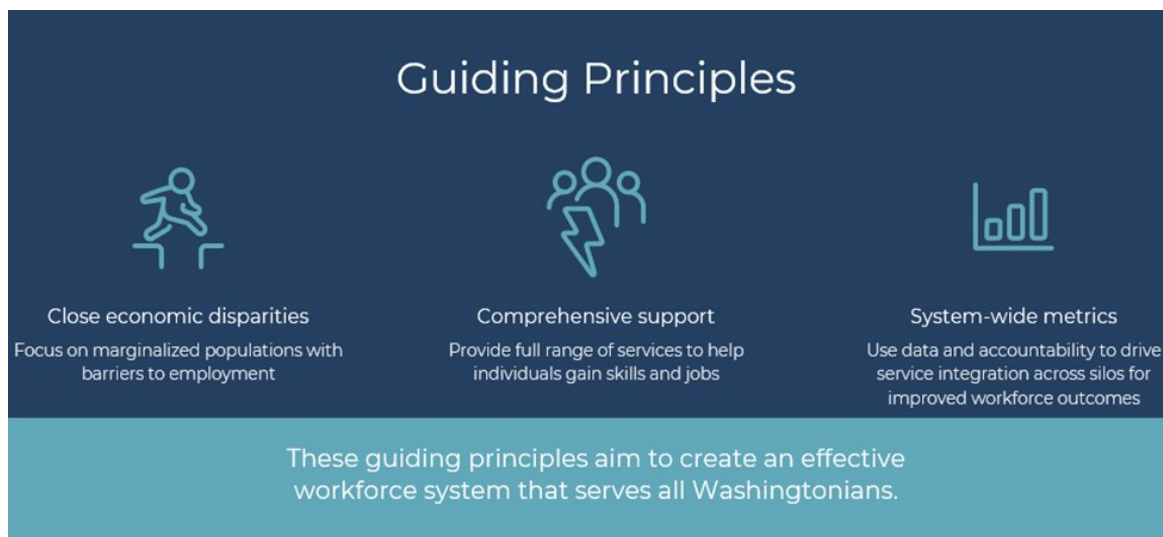
Since 2011, as the Great Recession ebbed and Washington’s economy came back stronger than ever, the Workforce Board and system partners have been exploring more deeply the economic disparities across the state, especially in regard to historically marginalized communities and populations. By delving more deeply into available administrative data, and gathering local input via community forums and surveys, the Workforce Board identified numerous systemic barriers to achieving true economic equity across the state. This work was heightened because of the COVID-19 pandemic and has been the center of the current state planning process for the 2024-2028 state strategic plan for workforce development, titled “Talent and Prosperity for All,” (TAP Plan). The Board and its partners determined that the system strives to serve the current workforce development needs of both jobseekers and employers but cannot be fully responsive within the policy constraints of a system built for a different time.

The Board’s two-day planning retreat in May 2023 had the largest turn-out in its history, with 64 attendees representing state and local workforce development programs, two- and four-year public and private colleges, K-12 CTE and STEM, state policymakers, state and local human services, and economic development, business, and labor. Many organizations had never before participated in a Workforce Board retreat. When asked why they prioritized two days to participate, the resounding message was that this plan needs to be significantly different than recent plans, it needs to be truly transformational, and they wanted their voices heard when identifying problems to be tackled and solution-finding strategies. We heard the rallying cry, “*We can’t turn away from this watershed moment for workforce development!*” It is imperative to utilize this momentum and the increased stakeholder engagement to bring about transformative changes to address these system issues and existing disparities within the workforce.

Working together with Board members and staff, attendees helped the Board coalesce around three guiding principles and five strategic priorities, which establish the framework for the planning process:

#### 2024-2028 Guiding Principles:

- Close economic disparities for marginalized populations.
- Comprehensive support for individuals with barriers to employment.
- System-wide performance metrics and accountability.



#### 2024-2028 Strategic Priorities:

- System Improvement—Integrate system services, data, accountability, and resources with clear partners and roles.
- Enhance Business Outcomes—Support business development and competitiveness by aligning with economic development and growth efforts.

- Youth—Improve opportunities for young people to transition to an economically successful adulthood.
- Credential Transparency and Equity—Explore credential reform to improve equitable access, mobility, and long-term economic success.
- Job Quality—Develop a job quality framework to guide decisions and key investments in the delivery of business and jobseeker services.



### What is your proposal?

### Related Adjustments to Maintenance Budget

While the TAP planning process is not yet complete, three critical functions were identified as lacking full capacity to fulfill the Board's role beginning July 1, 2024. The Board is required under three statutes (Workforce Innovation and Opportunity Act (WIOA) of 2014, Pub. L. No. 113-128, 128 Stat. 1425 (2014); Strengthening Career and Technical Education for the 21st Century Act (Perkins V), Pub. L. No. 115-224, 132 Stat. 1563 (2018), and RCW 28C.18) to develop and oversee the implementation of the state strategic plan. In addition to ensuring the consistency of the operating plans of system administrative agencies with the state strategic plan, the Board must work with partners to create a meaningful performance accountability system, including cross-agency research and evaluation, establish system policies that support implementation of the plan and meet federal and state compliance, and support industry partnership development that enhances system effectiveness and programmatic outcomes. The Board also is charged by state and federal statute to administer the federal Carl Perkins CTE program, which is a core component of the state's workforce development system.

The following maintenance budget requests were developed based on the functional gaps identified as necessary to be filled to meet all statutory obligations of the Workforce Board:

#### 1. Systemic, Cross-Agency Research and Evaluation

The Workforce Board and its partners, including a cross-agency evaluation team, determined that current resources are insufficient to fully track the progress of and improve upon system services. Performing a cross-program evaluation of at least the four core titles of the Workforce Innovation and Opportunity Act (WIOA) is a required activity under WIOA Sec. 116(e). The four core titles provide funding for workforce development activities, such as the One-Stop Career Center system and Temporary Assistance for Needy Families (TANF), adult education and literacy programs, employment services, and vocational rehabilitation services. As the system has prioritized integrated service delivery as an important mechanism to improve customer outcomes, the evaluation team highlighted the need for cross-agency evaluation beyond the four core WIOA titles, and research into new, integrated-service designs. Additionally, the team determined that agencies would not be able to alter service strategies without sufficient return on investment (ROI) evidenced from evaluated pilots and other valid research methods.

Currently, research and evaluation resources reside within the administrative agencies of covered programs and are used according to guidelines provided by each unique program funding source. Current resources only help to evaluate the performance of a single program year after year. The Workforce Board's WIOA-funded budget has not increased with demand, and indeed, has been reduced, so certain activities had to be deprioritized after consultation with the federal funding agency, U.S. Department of Labor (USDOL). The Workforce Board periodically performs a Net Impact Analysis of each of the state's 10 largest programs to explore long-term impact and a return on taxpayer investments. While useful, these evaluations can't indicate how the system as a whole is performing, especially regarding impact on individuals with multiple

barriers who may seek multiple services from a variety of agencies.

There are no available funds to evaluate how components of the comprehensive system interact with each other, for which services, and to what level of impact, nor how the system as a whole performs in relation to the full economy or to targeted population groups. The ability to evaluate systemically and/or across programs provides meaningful information about where transformation is needed. It also allows for identification of promising practices, and the ability of agencies to redeploy resources to address emerging issues or significant service gaps. Without such resources, agencies are only able to know and make decisions about what occurs within their own programs.

This component of the Workforce Board's maintenance-level budget request establishes a \$1milliondollar annual fund to pay for that required cross-agency research of various types. Funds will leverage the research and evaluation resources of partner agencies to support activities either not allowable under program funding rules and regulations, or for which insufficient funding is otherwise available. The Workforce Board will formalize a Research and Evaluation (R&E) Committee comprised of the lead administrative entities of programs within the comprehensive workforce development system. The R&E Committee will work with system stakeholders to identify and make recommendations to the Board about potential, fundable projects that support the goals and strategic priorities of the state strategic plan for workforce development. The Board may also submit requests for specific items to the R&E committee for the creation of an evaluation plan that may be financed with these funds. The committee will also play an oversight role to ensure that projects remain on track, and that project findings are transparent and presented accessibly to the Board and system decisionmakers, including policymakers.

The fund will be administered by the Workforce Board, with joint oversight from the agency's Research Director and the Chief Financial Officer as part of their existing duties. The additional requested funding will provide part-time support for the R&E Committee from a Research Lead and Fiscal Analyst as additional duties. Optimally, research projects will be undertaken by a combination of research staff from the Board and partner agencies to build subject matter expertise. However, with limited research capacity across agencies, we expect to periodically contract for additional support.

An early list for Year 1 (FY25) research projects is currently being developed by a cross-agency R&E team (currently ad hoc). One noteworthy project that began with grant funds and has been recommended for continuation with the R&E Fund is the National Governors Association Workforce Innovation Network (NGA WIN) project.

The NGA WIN project initially received funding from the National Governors Association in response to the economic impacts of COVID-19. Washington's chosen focus was bolstering economic opportunities by creating pathways to self-sufficiency and increasing customer access to services, particularly for marginalized communities and low-wage workers. By simplifying program intake and improving customer counseling and integrated service planning, the goal is to remove key barriers within the workforce system.

The WIN project aims to develop a universal tool for program intake, customer counseling, and service planning, that doubles as a portable portfolio for documenting customers' strengths, assets, skills, and achievements. The NGA paid for a consulting team from American Institutes for Research (AIR) to help develop prototype resource materials and guidelines for the project. The pilot phase is set to launch in early FY25. Under the oversight of the R&E committee, comprised of lead administrative entities from comprehensive workforce development programs, the NGA WIN project will receive essential financial and strategic support to determine the model's efficacy and worthiness for system-wide implementation.

This integration underscores our commitment to ensuring that all Washingtonians can receive and benefit from the services they need, when they need them—opening service doors that seem shut, and customizing services for the individual, not using a “cookie cutter” approach. We aim to improve our ability and capacity to meet people where they are in their journey. Creating equitable opportunities for job seekers, in-turn contributes to our state's overall economic success and aligns with our strategic workforce development goals. Envisioned as a key strategy for mitigating systemic inequity and poverty, the innovations from this project will assist workforce system customers in achieving true self-sufficiency through the integration of diverse workforce, education, and supportive services and resources.

The project above is just one example of the type of work that we envision could be supported through this funding. Research and evaluation projects will have various schedules to reach completion. Some, like WIN, may require multiple phases in order to see meaningful results. Others may be much shorter, requiring informed analysis of multiple administrative data sources. Our expectation is that in any given year, there will be three to six active projects to help inform the next generation of workforce development services in Washington.

## 2. Enhanced Industry & Economic Development Partnerships



To effectively increase responsiveness and adapt the state's workforce development system to the ever-evolving needs of industry, consistent and robust communication with employers and economic development partners is crucial. The Workforce Board has established a position for this purpose, the Economic & Business Development (EBD) Manager (Management Analyst 5). However, during the Great Recession, the funding and focus of this role had to be repurposed and shifted towards more direct worker support and job seeker services. Despite its significance, the position remained vacant in subsequent years when the Workforce Board faced budgetary constraints as federal funding for workforce development programs diminished and were de-prioritized by Congress.

Enhancing business services has been a long-standing priority of the Workforce Board and the system for many years—highlighted in at least the last five state strategic plans. Over those years, the Workforce Board has worked with business, labor, and government partners to pioneer many innovative programs to accomplish business service goals:

- Industry Skill Panels (ISP), at the state and local levels, which brought consortia of businesses together with education, workforce development, and human service providers to understand and build the talent pipeline needed for the sector to compete and grow. The ISP concept was evaluated by third party researchers and highlighted as a promising practice in numerous reports and journals and is now supported in federal statute and replicated in most states across the country.
- Industry Centers of Excellence (COE) was jointly designed by the Workforce Board and the State Board for Community and Technical Colleges as repository and distribution centers for new curricula and other materials developed via the ISP program. The ISP program proved to be “a way into businesses” to learn about the specific skills and competencies needed by the workforce to help the business thrive well into the future. ISPs would learn first about new products, new technologies, and new markets that might impact workers and future job opportunities. By partnering the ISPs with the specific industry COE, information could be validated and synthesized for use by faculty and college administrators to keep their programs current with industry.
- School-to-Work Transition Program (STWT), the Workforce Board with K-12 schools, local chambers of commerce and other employer organizations partnered to develop a program to help at-risk students contextualize their learning through work-based learning experiences and built a local talent pipeline for participating employers. STWT was the original career-connected learning model where local businesses were true partners with education and the community to help more young people complete school and transition to in-demand, well-paying careers. Positive program evaluations caused Congress to pass legislation and provide funds so every state could establish its own STWT program.
- Job Skills Program (JSP) was created to help employers upskill their incumbent workforce and avert layoffs. JSP, originally implemented by the Workforce Board, was also designed to help employers connect with the state's community and technical colleges as partners in the preparation and on-going modernization of the firm's labor force. Administration of JSP was therefore transferred to the State Board for Community and Technical Colleges to ensure the direct connection. While businesses may select training providers from outside the CTCs, most programs utilize CTC faculty, which helps keep faculty and college curriculum up to date. The Workforce Board continues to monitor and advocate for increased funding for this highly effective business service model.
- Washington's Health Workforce Sentinel Network launched in 2016 using federal grant funding. This ongoing effort is a collaboration between the Workforce Board and the University of Washington's Center for Health Workforce Studies and has received ongoing funding from the Legislature since 2019. The Sentinel Network is a twice-yearly data collection tool where Washington healthcare employers can provide information about their workforce demands, key barriers and offer suggestions for policy changes. This qualitative data is shared with educational, training, and policy partners to help highlight areas of need for healthcare employers. The Sentinel Network's public-academic partnership enables rapid identification of healthcare workforce trends, assisting policymakers and educators in addressing the evolving needs of the healthcare sector and enables more nimble response to address emerging trends.

While these innovations and more have bolstered business engagement within the workforce development system, the lack of a dedicated staff member and sustained investment focused on business and economic development has curtailed our potential for lasting and consistent impact, including our ability to advance many of these initiatives. The federal Workforce Act, WIOA, the primary funder of local workforce development services, encourages employer-directed services. Since 2016, WIOA has even mandated sector partnerships as a required component of state and local strategic plans. However, additional funding was not provided to support these enhanced employer services. In fact, WIOA funds have been cut substantially (about 40 percent) over the past 10 years, causing state and local administrators to prioritize funding for jobseekers who are most in need (a federal requirement in the event that funds are inadequate to support all services). The dedicated EBD Manager role is essential in assisting the state and local areas in achieving their WIOA mandated employer-objectives, even when federal funding is inadequate.

Given the rapid changes in industry, in workplaces, and in occupations, it is more important than ever to build and maintain robust communication channels with our state's employers. Changes induced by industry evolution, technological advancements, global

interdependence, fragile security systems, and environmental conditions are occurring more rapidly than ever before—and the pace of change is not expected to slow. The comprehensive workforce development system must stay informed on how changes are impacting workplaces and workers if the system is going to become and remain agile and responsive to economic conditions.

Employers are asking for assistance with reforming workplace policies and procedures as they clamor for workers to fill critical job functions. They are also seeking technological solutions to mitigate worker shortages. Automation has already reduced, degraded, or fully removed many job functions from the economy. The rise of automation, artificial intelligence, and quantum computing suggests a future where many roles could be machine-operated.

The EBD Manager is poised to bridge this gap. By collaborating with industry leaders and employer groups, they will understand and decipher workforce challenges and work with workforce development partners to craft viable solutions. The EBD Manager will also work with economic development partners at the state and local levels to support emerging and established businesses with connections to talent development resources.

Additionally, the EBD Manager will review and refine workforce business services and system policies in alignment with TAP Plan goals. Their role also extends to spotlighting areas for improvement and promising practices deserving of replication. The EBD Manager will also champion the Board's strategic priority to develop a job quality framework that guides decisions and key investments in the delivery of business and jobseeker services, to ensure our strategies are implemented in innovative and impactful ways.

### 3. Administration of Carl Perkins CTE Program

The Workforce Board is statutorily required to serve as the administrative and oversight body for the federal "Perkins V: Strengthening Career and Technical Education (CTE) for the 21st Century Act" grant. The Board's Executive Director is assigned the role of State CTE Director for federal purposes, and as such commits the agency to all administrative and fiscal obligations of the Perkins Act.

"The board shall be designated as the state board of vocational education as provided for in P.L. 98-524, as amended, and shall perform such functions as is necessary to comply with federal directives pertaining to the provisions of such law."

(WA. (1991). RCW 28C.18)

The Perkins Act is a primary federal funding source for secondary and postsecondary CTE programs critical for preparing youth and adults for jobs in local and regional economies. Perkins funds play a key role in filling certain gaps in state CTE funding, such as creating new programs, recruiting, and providing professional development for instructors, and developing and piloting strategies to improve outcomes for rural and underserved populations. Perkins funds also are used to establish secondary to postsecondary pathways, to support industry-education partnerships, and to evaluate the impact of secondary and postsecondary CTE programs on student education and employment progress.

While most of the grant funds (approximately \$26 million for 2023) are distributed to local CTE providers through the Office of Superintendent of Public Instruction (OSPI) and the State Board for Community and Technical Colleges (SBCTC), the Workforce Board retains a small portion, approximately 1.9 percent (out of a total allowable 5 percent), to meet administrative requirements and to support the Board's role as the state CTE policy and oversight body. Funds available for administration across the three state agencies are inadequate to fund staff and perform the work involved, but all partners are required to leverage at least a dollar-for-dollar match of non-federal funds. This requirement presents further administrative challenges as the Workforce Board does not have sufficient state funds to leverage all federal administrative funds available. In fact, the Board's commitment to Perkins, has resulted in a deferral of funds from other essential programs and activities such as the agency's Private Career Schools licensing/consumer protection program and the Veterans Affairs (VA) Education Program which evaluates and approves programs for Washington veterans using GI Bill benefits. The Workforce Board has also deferred hiring a Legislative Director, an essential position in advocating to the Legislature workforce policies elevated to the Board through system partners and community stakeholders. The Workforce Board has also reduced staff professional development and training. In recent years, the Board has either distributed administrative funds to partner agencies for program enhancements or has returned the funds, with an average annual loss to the Workforce Board of approximately \$250,000 in federal funds. The lack of match funding has put the agency and access to federal funding in

jeopardy, as we've had to scale back our administrative and oversight activities.

U.S. Department of Education monitored Washington's Perkins and CTE system in June 2023. Overall, the system was reviewed favorably, and innovative practices were highlighted. However, areas needing improvement were identified, primarily in the areas of administrative oversight and program reporting. The lack of matched administrative funding was noted as a risk factor to performing at adequate compliance levels. Additional match funding will support increased administrative staff, detailed in the Assumptions and Calculations section, to bolster administrative oversight and program reporting functions.

The Board utilizes Perkins administrative funds for the following purposes:

1. Developing the State workforce plan.
2. Reviewing local applications.
3. Monitoring and evaluating program effectiveness.
4. Assuring compliance with all applicable Federal laws, including Methods of Administration (MOA) and Americans with Disabilities Act (ADA) standards. The Methods of Administration (MOA) program is a civil rights compliance program within the U.S. Department of Education Office for Civil Rights that ensures all students, regardless of race, color, national origin, sex, or disability, have equal access to high-quality career and technical education (CTE) programs.
5. Providing technical assistance, including a focus on work-based learning in public schools.
6. Re-engaging in oversight of the Comprehensive Local Needs Assessment (CLNA) process, to help identify gaps in the CTE programs and develop strategies to address those gaps.
7. Providing funding and support for school districts to develop articulated pathways by aligning secondary education with postsecondary education and training, allowing students to earn credit toward a postsecondary degree or credential while still in high school.
8. Administering the annual Washington Award for Vocational Excellence (WAVE) scholarship which recognizes high-performing CTE students at both the high school and college level and provides tuition assistance through a competitive two-year scholarship.
9. Supporting and developing state data systems relevant to the provisions of Perkins V.

The Workforce Board shares administrative (5%) and leadership (10%) funds with OSPI and SBCTC, to support their capacity to work directly with local institutions on effective implementation of the Perkins program. The majority of leadership funds, which do not require the 50/50 match, are distributed to our partner agencies to provide them flexibility when working with local institutions and school districts. Rather than shifting this long-standing (30+ years) distribution approach, the Board requests state funds to address the non-federal shortfall. The Board requests \$484,352 annually to match federal administrative funds, which is crucial for the Board to fulfill its responsibilities, to leverage the full amount of federal funds available, and to ensure the continued success of the Perkins program in Washington.

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

The Workforce Board is seeking funding to address three pivotal areas: systemic, cross-agency research and evaluation; enhanced industry and economic development partnerships; and state-match for the administration of the Perkins CTE program. This strategic investment is designed to bridge the gaps identified in our state's workforce development system, ensuring that we can better serve Washingtonians and meet the evolving demands of our state's economy.

The funding package is set to provide resources for comprehensive cross-agency research and evaluation capabilities, foster enhanced partnerships with industry and economic development entities, and match funds to maximize federal Perkins CTE contributions. This approach is aimed at reducing systemic barriers that have historically prevented economic equity for disadvantaged populations across the state. Moreover, it will decrease our dependency on dwindling WIOA funds, which have seen a significant reduction of approximately 40 percent over the past decade. One of the most crucial aspects of this proposal is the elimination of the risk of losing out on federal Perkins administrative funds due to a lack of state matching funds.

In terms of services and activities, the proposal will provide a dedicated Research and Evaluation (R&E) Committee to oversee cross-agency research, with an expectation of 3-6 active projects annually. Additionally, the EBD Manager will be introduced to foster industry partnerships, ensuring that businesses have access to skilled labor and industry-specific training. Further, the recent federal evaluation pinpointed areas in Perkins that require additional staff and funding to support enhanced monitoring techniques, perform data-validation, and ensure accountability. The commitment to match federal Perkins administrative funds will solidify our ability to continue optimal support for the Perkins CTE program, which has been a cornerstone of our educational initiatives.

These service-level enhancements, set to commence starting July 1, 2024, will have a broad impact. They will resonate with workforce



development professionals across Washington, businesses in dire need of skilled labor, historically marginalized communities seeking equitable economic opportunities, and educational institutions, especially those involved in career and technical education.

The essence of these changes is to drive efficiency and effectiveness. By investing \$1 million annually in cross-agency research, we aim to provide actionable insights that drive system improvements. The introduction of the EBD Manager will bridge the communication and operational gap between businesses and the workforce development system. This alignment ensures that training programs are tailored to industry needs, fostering a more responsive and agile workforce. Lastly, our desired commitment to match federal Perkins funds underscores our dedication to providing world-class career and technical education to Washingtonians.

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

The proposal is the most cost-effective and advantageous option because it builds on the current activities and staff expertise within the Workforce Board. The request was developed in coordination with partners and leverages resources and support from system partners and external funders. The proposal aligns with and advances the guiding principles and strategic priorities of the state workforce plan, which addresses the systemic barriers to achieving true economic equity across the state.

The consequences of not funding this proposal are that without critical research and demonstration projects focused on integrating service delivery, the workforce development system will continue to be fragmented among numerous agencies, councils, boards, and committees, with limited evaluation abilities and siloed services. The proposal is the best option because it will provide comprehensive, evidence-based transformational strategies that holistically address the challenges faced by Washington's workforce development system. The investment will enhance research and evaluation capabilities to support the establishment of system-wide performance and accountability metrics, strengthen industry and economic development partnerships, and ensure the Perkins CTE program's continued success.

The Workforce Board over the years has explored various strategies, such as moving programmatic authority among agencies or adjusting state administrative structures. In evaluating alternatives, it became clear that lower-cost options, relying on other agencies, or merely streamlining processes would not adequately address the systemic challenges. Current resources are stretched thin and maintaining the status quo would only perpetuate existing challenges. The current proposal was developed by exploring the impact of the Board's evaluation and leadership role over the years, when federal and state funding could support these activities. This emerges as the best option, offering a comprehensive plan that addresses these challenges head-on. Without this funding, the Workforce Board would be ill-equipped to track progress, engage effectively with industry partners, and meet federal obligations, leading to potential economic disparities and inefficiencies. The proposed funding is essential to continue to support the system's strategic goals and transform our workforce development system to meet today's challenges and those of the future.

## **Assumptions and Calculations**

### ***Expansion, Reduction, Elimination or Alteration of a current program or service:***

n/a

### ***Detailed Assumptions and Calculations:***

To ensure Washington's workforce development system can support their strategic plans, remain competitive, and be responsive to the ever-evolving economic landscape, the Workforce Board is proposing a comprehensive enhancement to its cross-agency research and evaluation, economic development and business services, and Perkins state-match funding.

### **Systemic, Cross-Agency Research and Evaluation (R&E)**

- **Annual Fund:** \$1 million dedicated to cross-agency research.
- **Objective:** The Workforce Board will formalize the R&E Committee of lead program administrative entities, overseeing the financing of evaluation projects with an expectation of 3-6 active projects annually.
- **Contract Funding:**
- \$250,000 dedicated to external support and specialized services strategically employed to bolster the efficacy and reach of our research

and evaluation efforts. Here's a breakdown of potential contracted services:

- Specialized Research Consultants: Engage experts in workforce development research to provide insights into niche areas, ensuring our strategies are informed by the latest best practices and emerging trends.
- Data Analytics and Visualization Firms: To interpret complex datasets and present them in user-friendly formats, aiding in decision-making and stakeholder communication.
- Survey and Focus Group Facilitation: Engage firms specializing in gathering qualitative data from both employers and job seekers to understand their unique challenges, aspirations, and feedback on current initiatives.
- Technology and Digital Tools: Contract with tech firms to develop or customize digital platforms for data sharing, analysis, and dissemination.
- Cross-sector Collaboration: Partner with academic institutions or think tanks for joint research projects, leveraging their expertise and resources for deeper insights.
- Training and Workshops: Engage experts to conduct training sessions and workshops for cross-agency workforce system staff, ensuring they are equipped with the latest skills and knowledge in workforce research methodologies.
- Peer Review and Validation: Contract with third-party entities to review and validate our research findings, ensuring credibility and accuracy.
- Industry-specific Analysis: Engage industry experts to provide in-depth analysis of specific sectors, understanding their unique challenges and opportunities, and ensuring our strategies are tailored accordingly.
- **Flexible Funds for Pilots:**
- \$750,000 allocated for evaluation and policy development. Flexible funds for pilots are essential for fostering innovation within the workforce development sector. These funds provide the Workforce Board with the agility to test new strategies, tools, and partnerships on a smaller scale before committing to broader implementation. Here's a detailed breakdown of how these funds could be utilized:
  - Innovative Program Testing: Launch pilot programs that introduce novel approaches to workforce training, job placement, or employer engagement. For instance, a pilot could test a new apprenticeship model in a specific industry or region.
  - Technology Integration: Experiment with emerging technologies like virtual reality for job training, AI-driven career counseling tools, or blockchain for credential verification.
  - Cross-sector Partnerships: Establish pilot collaborations with non-traditional partners, such as tech startups, community organizations, or academic researchers, to bring fresh perspectives and solutions to workforce challenges.
  - Diverse Population Engagement: Design pilots specifically targeting underrepresented or marginalized communities, ensuring that workforce development initiatives are inclusive and equitable.
  - Feedback Mechanisms: Implement new feedback tools or platforms on a trial basis to gather real-time insights from employers, job seekers, and training providers, refining strategies based on direct stakeholder input.
  - Skill Gap Analysis: Fund short-term studies to identify emerging skill gaps in the labor market, ensuring that training programs remain relevant and responsive to employer needs.
  - Flexible Training Models: Test alternative training delivery methods, such as micro-credentials, boot camps, or online mentorship platforms, to determine their efficacy and scalability.
  - Outreach and Awareness Campaigns: Launch pilot campaigns to raise awareness about specific workforce programs, targeting demographics or regions that have been historically under-engaged.
  - Evaluation and Assessment: Dedicate a portion of the funds to rigorously evaluate the outcomes of these pilots, ensuring that successful initiatives can be scaled up with confidence and lessons learned can be integrated into future strategies.
  - Risk Mitigation: Given that pilots inherently involve testing unproven strategies, a portion of the funds can be reserved for risk mitigation, ensuring that any unforeseen challenges or setbacks can be addressed promptly without jeopardizing the overall initiative.
- **Key Personnel and Duties: State Employee Staffing Costs**
- **Researcher (MA5, 0.5 FTE ongoing)**: Oversee the execution of research projects, coordinate with partner agencies and stakeholders, and ensure the relevance and timeliness of project results.
- **Financial Analyst (FA4, 0.2 FTE ongoing)**: Support the CFO in overseeing and executing contracts related to the projects, ensure proper budgeting, and handle accounting for the flexible funds for the pilots.

## Enhanced Industry & Economic Development Partnerships

- **Key Personnel and Duties: State Employee Staffing Costs**
  - **Economic & Business Development Manager (MA5, 1 FTE ongoing):** Bridge the gap between industry needs and workforce solutions. This role will review business services, align them with state goals, and identify areas of improvement.

### Administration of Carl Perkins CTE Program

- **Objective:** The Workforce Board is seeking an annual commitment of approximately \$484,352 in state funds to match federal administrative funds for a total of \$968,704. Only half of the below listed costs will be covered with state funds, the other half will be supported by the federal match. The Workforce Board's commitment to the Perkins program and its resulting use of state general fund monies towards Perkins has resulted in the deferral of funds to other essential programs and positions, such as the Private Career Schools program, the Veterans Affairs (VA) Education Programs, hiring a Legislative Director, and supporting staff professional development and training. While the Perkins program is undeniably vital in the Workforce Board's mission, the Board's necessary decision to prioritize Perkins funding has had cascading effects on other vital functions and initiatives of the Workforce Board. This underscores the intricate balance of meeting immediate compliance requirements while also striving to achieve the statutory obligations and vision of the Workforce Board.
- **Perkins Activities:** Following the June 2023 monitoring visit by the federal Department of Education's Office of Career, Technical, and Adult Education Division of Adult and Technical Education (OCTAE) to evaluate Washington's administration of the Perkins program, two official findings and seven suggestions were presented. These findings pinpointed the need for enhanced monitoring, validation, and accountability measures, especially regarding subrecipient oversight in fiscal expenditure data validation and State Determined Performance Levels. OCTAE emphasized the post-COVID-19 reactivation of monitoring and program evaluation protocols, utilizing methods like desk audits and on-site visits. It was also suggested to adopt a risk-based monitoring approach tailored for secondary and postsecondary eligible recipients and to refine fiscal accountability procedures, ensuring the precise allocation of state funds used for federal matching and the accuracy of the maintenance of effort requirement data. Similarly, heightened attention is demanded for the Methods of Administration (MOA) segment of the Perkins program, overseeing civil rights compliance activities. On a related note, the recent relaunch of the Washington Award for Vocational Excellence (WAVE) scholarship, managed by the Workforce Board and restarted by the Legislature in 2022, has attracted an increasing number of applicants, emphasizing the need for additional resources to meet increased administrative demands in alignment with federal Perkins guidelines.
- **Contract Funding:** Perkins-funded CTE programs require detailed supervision, monitoring, and reporting. Federal Perkins funds that remain after staffing costs--\$200,000 in the first year and \$218,000 in the proceeding years--will be used to fund essential contract services. Contracts will primarily focus on specialized areas of research, data collection, validation, and evaluation. This contracted work will provide the Workforce Board with additional expertise in the administrative activities necessary for the effective and efficient performance of duties under Perkins.
- **Key Personnel and Duties: State Employee Staffing Costs**
  - **Career Pathways Manager (WMS2, 1 FTE ongoing)**—Leads the Board's initiatives to align with federal Perkins guidelines, focusing on improved monitoring practices. Guides the heightened monitoring and program evaluation protocols, ensuring alignment with federal Perkins guidelines. Will play a critical role in re-invigorating monitoring practices, leveraging both desk audits and on-site visits.
  - **Program and Research Analyst (MA4, 1 FTE ongoing)**—Bridges communication between CTE institutions and the Workforce Board, focusing on program outreach, awareness, and monitoring program adherence to state and federal guidelines.
  - **Career Pathways Policy Associate (MA4, 1 FTE ongoing)**—Analyzes and interprets Perkins guidelines, recommending policy adaptations for state CTE programs, and ensures consistent application across all initiatives.
  - **Fiscal analyst (FA4, 0.8 FTE ongoing)**—Provides the necessary fiscal oversight, focusing on accurate allocation of state-appropriated dollars for federal match and precise tracking of state and local expenditures. Ensures a precise approach to fiscal monitoring and data validation, driving the Board's efforts towards accurate and compliant fiscal reporting.
  - **Administrative Assistant (AA4, 1 FTE ongoing)**—Ensures meticulous documentation, data collection, and reporting, essential for adherence to compliance and effective stakeholder communication.
  - **Researcher (MA5, 0.5 FTE ongoing)**—Cross-verify the collected data against multiple sources to validate its accuracy. Work with individual schools and institutions to correct discrepancies and fill in any data gaps. Analyze data to check for any disparities or biases that might indicate civil rights violations. Engage with policymakers, providing them with research-backed insights to shape future CTE policies and initiatives.

In sum, this proposal not only ensures compliance with federal and state directives but also positions Washington at the forefront of workforce development, ensuring our strategies are both innovative and impactful.

### **Workforce Assumptions:**

See Detailed Assumptions and Calculations.

## **Strategic and Performance Outcomes**

### **Strategic Framework:**

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

The Workforce Board's budget adjustments directly support the Governor's vision for a world-class education in Washington. Through initiatives like the systemic cross-agency research and the administration of the Carl Perkins CTE Program, the Board ensures that education and training programs are tailored to meet the evolving needs of Washingtonians, facilitating a seamless transition from education to employment. This commitment not only elevates the state's educational standards but also prepares students for lifelong learning and successful careers.

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

In fostering a prosperous economy, the Board's emphasis on enhanced industry and economic development partnerships ensures that businesses have access to a skilled workforce, and workers are equipped for the jobs of the future. The dedicated EBD Manager role will bridge communication gaps with employers, ensuring that workforce development remains responsive to rapid industry changes, thereby supporting businesses and ensuring community growth.

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

The Board's commitment to efficient, effective, and accountable governance is evident in its strategic priorities. The establishment of a dedicated fund for cross-agency research and the request for additional funds to match federal administrative funds underscore the Board's dedication to accountability, ensuring that public investments drive tangible results for the people of Washington.

**Agency Strategic Alignment:** This package is reflective of how the Workforce Board's requests are not just financial decisions; they are strategic moves designed to ensure that the agency's vision and goals, as outlined in the strategic plan, are realized. These budget adjustments ensure that the Board has the resources and tools necessary to implement its strategic priorities effectively and remain at the forefront of workforce development, ensuring that the state's workforce development system remains robust, responsive, and forward-looking.

### **Performance Outcomes:**

With the proposed additional funding, we anticipate the following outcomes:

- **Increased Program Participation:** An increase in the number of individuals accessing workforce development programs, with a specific emphasis on integrated service delivery for rural and historically marginalized communities.
- **Strengthened Business Engagement:** A growth in businesses actively collaborating with the Workforce Board, ensuring training programs align with industry needs.
- **Strengthened Industry-Education Partnerships:** The EBD Manager is pivotal to enhancing our Industry-Education Partnerships. By bridging the gap between education and industry, the manager will facilitate an increase in access to vital industry-recognized credentials, benefiting businesses with skilled workers and providing job seekers with quality job opportunities. In essence, this strategic alignment will be instrumental in driving a prosperous economy, benefiting both employers and potential employees.

## **Equity Impacts**

### **Community outreach and engagement:**

In crafting our Talent and Prosperity for All (TAP) state's strategic workforce plan, which is a key driving force to identify and address gaps in our state's workforce system, the Workforce Board has been actively engaged with both state and local agency partners. This collaboration has been instrumental in shaping a more inclusive approach to workforce development in Washington. Specifically, for our three proposals: the Systemic, Cross-Agency Research and Evaluation; the Enhanced Industry & Economic Development Partnerships; and the Administration of the Carl Perkins Career and Technical (CTE) Program, we've conducted targeted outreach sessions with agencies and organizations representing communities that have historically been marginalized, such as BIPOC, veterans, and people with disabilities. These sessions have been pivotal in ensuring that our initiatives resonate with the real-world needs and aspirations of these communities. Our commitment is two-fold: to make decisions that are both data-driven and deeply influenced by the lived experiences of the communities we aim to serve.

### **Disproportional Impact Considerations:**

The Workforce Board's proposed maintenance budget request aims to fortify our workforce development strategy, emphasizing inclusivity. Historically, state workforce development activities have inadvertently disproportionately left out certain communities, including rural residents,

immigrants and refugees, BIPOC individuals, and older workers transitioning due to industry shifts. Our proposal, while robust, might not fully address the unique challenges faced by these communities. To rectify this, we are committed to proactive engagement with these groups, partnering with community-based organizations, and crafting specialized research and evaluation, business and industry engagement, pilots, and programs. Our goal is to ensure that our initiatives are not just inclusive on paper but in practice, truly serving the diverse needs of all Washingtonians.

### ***Target Populations or Communities:***

Our proposal is fundamentally rooted in the principle of equity, aiming to bridge the disparities faced by various marginalized communities in Washington. The target populations that stand to benefit most prominently from this proposal encompass a broad spectrum of individuals and communities: urban and rural, job seekers and businesses, tribal communities, and more.

The Washington workforce system, underpinned by our three key proposals—Systemic, Cross-Agency Research and Evaluation; Enhanced Industry & Economic Development Partnerships; and the Administration of the Carl Perkins Career and Technical Education (CTE) Program—is focused on improving services to all Washingtonians, with a special emphasis on certain priority populations:

- Individuals from BIPOC Communities
- Displaced Homemakers
- Low Income Individuals
- Native Americans, Alaska Natives, and Hawaiians
- Individuals with Disabilities
- Older Individuals
- Justice Involved Individuals
- Unhoused Individuals
- Youth in, or formerly in, Foster Care
- English Language Learners
- Migrant/Seasonal Farmworkers
- Individuals within Two Years of Exhausted TANF Eligibility
- Single Parents/Pregnant Individuals
- Long-Term Unemployed
- LGBTQIA+ Individuals
- Veterans & Eligible Spouses

These populations, historically marginalized and often overlooked, will benefit from increased resources focused on developing a more streamlined and integrated system of services. The current system, which requires individuals to navigate multiple organizations and repeatedly undergo intake processes, is particularly burdensome for these groups. Our proposal, especially the R&D Services initiative, aims to simplify this, ensuring that individuals with significant barriers don't abandon the process prematurely due to its complexity and from having to repeat and duplicate often difficult intake information to multiple providers. Furthermore, the Enhanced Industry & Economic Development Partnerships will fortify our connections with employers, ensuring that workforce programs align with industry needs. The Perkins CTE Program, on the other hand, will bolster our commitment to hands-on, career-focused education, ensuring that we meet federal standards and provide opportunities for all Washingtonians to access quality career and technical education.

## **Other Collateral Connections**

### ***Puget Sound Recovery:***

Not applicable.

### ***State Workforce Impacts:***

Not applicable.

### ***Intergovernmental:***

The proposed maintenance budget adjustments for the Workforce Board will have implications for tribal, regional, county, city governments, and other political subdivisions of the state.



- **Tribal Governments:** The proposal acknowledges the unique needs and challenges faced by tribal governments. By focusing on these populations, tribal governments stand to benefit from a more streamlined and efficient workforce development system that caters to their specific needs. We anticipate that tribal governments will support this initiative, given its potential to uplift their communities. However, it's crucial to engage in continuous dialogue with tribal leaders to ensure that the implementation respects tribal sovereignty and cultural nuances.
- **Regional, County and City Governments:** The proposal's emphasis on a more integrated and coordinated workforce development system will necessitate close collaboration with regional, county and city governments. These entities will play a pivotal role in the localized implementation of the plan, ensuring that services are tailored to the unique needs of their communities. We expect support from these governments, especially since the proposal aims to address longstanding challenges in workforce development at the local level.
- **Other State Agencies:** The proposal's cross-agency research and evaluation component will involve collaboration with other state agencies. This collaborative approach will ensure that resources are leveraged efficiently and that there's a unified strategy in place. While this might necessitate some operational adjustments, we believe that the long-term benefits of a coordinated approach will continue to garner support from other state agencies. However, it's essential to maintain open channels of communication to address any concerns or challenges that might arise during the implementation phase.

In conclusion, while we anticipate broad support for the proposal given its potential benefits, it's crucial to engage proactively with all stakeholders, addressing concerns, and ensuring that the plan's implementation is as collaborative and inclusive as possible.

### ***Stakeholder Response:***

Given the nature of this request and its necessity in implementing the workforce system's strategic priorities, several non-governmental stakeholders will be impacted by this proposal:

- **Businesses and Industry Groups:** These entities stand to benefit significantly from the enhanced industry and economic development partnerships. The reintroduction of the EBD Manager role and the focus on business services will ensure that their needs are addressed more effectively. We anticipate strong support from this group as the proposal aims to bridge the gap between industry requirements and workforce training.
- **Educational Institutions:** Schools, especially those involved in career and technical education, will be directly impacted by the certainty afforded by a match for Perkins/CTE program funding. The commitment to match federal Perkins funds emphasizes our dedication to strengthening career and technical education in Washington. We expect these institutions to be supportive, given the potential for increased resources and alignment with industry needs.
- **Historically Marginalized Communities:** These communities, which have been the focus of our efforts to close economic disparities, will benefit from the systemic, cross-agency research and evaluation. By identifying and addressing barriers to employment and economic equity, we aim to create more inclusive opportunities. We anticipate support from community leaders and advocacy groups representing these communities.
- **Workforce Development Professionals:** As the primary executors of the strategies and programs, they will be directly impacted by the changes and enhancements proposed. Their roles might evolve, and they will have access to more comprehensive data and research. While we expect general support due to the potential for improved outcomes, there might be concerns about adapting to new methodologies or systems.
- **Local Chambers of Commerce and Economic Development Entities:** These organizations, which often act as intermediaries between businesses and the workforce, will likely see the benefits of a more integrated and responsive workforce development system. We anticipate their support, especially given the historical success of partnerships like the School-to-Work Transition Program.

In summary, while we anticipate broad support from most stakeholders due to the proposal's potential benefits, it's essential to engage in continuous dialogue, address concerns, and ensure that the implementation of the budget request is as seamless as possible.

### ***State Facilities Impacts:***

Not applicable.

### ***Changes from Current Law:***

Not applicable.

### ***Legal or Administrative Mandates:***

Not applicable.

#### **HEAL Act Agencies Supplemental Questions**

Not applicable.

#### **IT Addendum**

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

No

#### **Objects of Expenditure**

<b>Objects of Expenditure</b> <i>Dollars in Thousands</i>	<b>Fiscal Years</b>		<b>Biennial</b>	<b>Fiscal Years</b>		<b>Biennial</b>
	<b>2024</b>	<b>2025</b>	<b>2023-25</b>	<b>2026</b>	<b>2027</b>	<b>2025-27</b>
Obj. A	\$0	\$378	<b>\$378</b>	\$376	\$376	<b>\$752</b>
Obj. B	\$0	\$137	<b>\$137</b>	\$137	\$137	<b>\$274</b>
Obj. C	\$0	\$1,200	<b>\$1,200</b>	\$1,218	\$1,218	<b>\$2,436</b>
Obj. E	\$0	\$76	<b>\$76</b>	\$76	\$76	<b>\$152</b>
Obj. G	\$0	\$41	<b>\$41</b>	\$41	\$41	<b>\$82</b>
Obj. J	\$0	\$16	<b>\$16</b>	\$0	\$0	<b>\$0</b>
Obj. T	\$0	\$38	<b>\$38</b>	\$38	\$38	<b>\$76</b>

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