Washington State Auditor's Office

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Performance Audit

Workforce Development System:

Identifying Overlap, Duplication and Fragmentation

August 31, 2015

The workforce development system in Washington is a complex network of 55 programs and multiple service providers, serving hundreds of thousands of job seekers and employers at a cost of more than $1 billion a year in federal and state funds. The system is complex because it serves a wide variety of people with vastly differing circumstances, and it requires a coordinated effort among many program partners.

Washington is a national leader in many areas of workforce development. Our review of this complex system found some evidence of overlap, duplication and fragmentation of services, but they are for the most part justified. We found the risks to the system's success are more related to potential gaps in service delivery, and those risks could warrant further study.

Audit Number: 1014148

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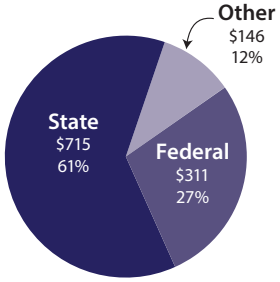
Executive Summary

The workforce development system in Washington is a complex network of 55 programs and multiple service providers, serving hundreds of thousands of job seekers and employers at a cost of more than $1 billion a year in federal and state funds. The system is complex because it serves a wide variety of people with vastly differing circumstances. It takes a coordinated effort among many program partners – at state agencies, school districts, community and technical colleges, local Workforce Development Councils, and community-based organizations – to develop a skilled workforce able to meet the diverse demands of business and industry in Washington.

To succeed, the system must effectively prepare individuals for the job market, by offering training for occupations in demand, and job preparation and support services to help individuals succeed. The system must be sufficiently flexible and comprehensive to accommodate the varying needs of participants and employers. Effective coordination of service delivery is essential to success, as is employer engagement, particularly at the local level.

Our review of the existing system found duplication, fragmentation and overlap of services that are largely justifiable. We also identified risks associated with program coordination and service delivery that may call for further analysis.

State, federal and other funding sources for workforce development
Fiscal year 2013, dollars in millions



Source: Unaudited data supplied by agencies.

In many areas, Washington is a national leader in workforce development

Washington's approach to coordinated service delivery is highly regarded at the federal and state level, and the reauthorization of the primary federal workforce development legislation includes components of Washington's system in its design. Workforce specialists in Washington acknowledge, however, that there is still room for improvement. This reflects the necessarily complex nature of the system, the accelerating changes taking place in the economy, and the diverse needs of workers and employers.

Despite fairly high state unemployment (6.2 percent in 2014), employers have reported skills gaps in the workforce, both in Washington and nationwide. This apparent skills gap ultimately results in missed opportunities for Washington citizens and competitive disadvantages for Washington companies.

Given the significant amount of money invested and the complexity of the system, we set out to inventory the system, gain an understanding of funding, and identify where overlap, duplication or fragmentation may exist. The questions we set out to answer were:

1. What are Washington's workforce development programs? How are they funded and administered?
2. Is there overlap, duplication or fragmentation within the workforce development system?

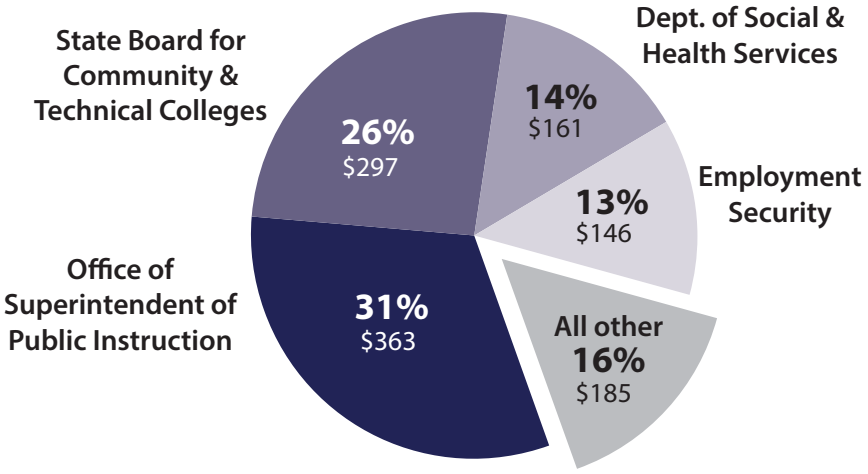
Washington's workforce development system is complex and decentralized

The mix of activities required by a comprehensive workforce development system results in a complex system. Using a definition by the U. S. Government Accountability Office (GAO), we identified 55 statewide workforce development programs managed by 12 state agencies. In addition, 34 community and technical colleges, more than 200 school districts, and numerous community-based organizations provide training, education and services to people of all ages and abilities.

The Workforce Training & Education Coordinating Board (Workforce Board) is the lead state agency responsible for coordinating system partners throughout the state to direct the strategic vision for workforce development in Washington and advise the Governor and Legislature on state policy. Four state agencies each manage or coordinate more than $100 million of the $1 billion spent annually, as illustrated below.

Four agencies managed or coordinated 84% of the $1.1 billion spent on workforce development programs

Fiscal year 2013, dollars in millions



Source: Agency self-reported data.

The majority of program expenditures are in three programmatic areas that involve mutiple state agencies:

- More than $500 million is spent annually on **Career and Technical Education** (CTE) at the state's school districts and community and technical colleges, funded primarily from state appropriations. These programs provide vocation-based education and training in specific in-demand career fields. The Office of Superintendent of Public Instruction (OSPI) and the State Board for Community and Technical Colleges (SBCTC) oversee and coordinate CTE programs, with a focus on integrating local programs with the current needs of employers. Decisions on course offerings and interactions with partners, including employers, are made at the local level.

GAO's definition of workforce development

- Enhance the specific job skills of individuals in order to increase their employability
- Identify job opportunities
- Help job seekers obtain employment

We limited our scope for this audit and did not include:

- Academic-oriented programs at two and four-year colleges and universities
- Non-technical education in the K-12 system
- Early learning programs
- Federally funded programs that do not rely on the state government as a conduit, such as Job Corps
- Privately funded, employer provided training

We recognize the importance of these programs to workforce development, but needed to keep the scope of the audit manageable.

- More than $100 million of federal funds is spent on programs authorized by the **Workforce Investment Act** (WIA). These programs offer education, training and support services to participants, prioritizing more intensive services for disadvantaged adults and youth.
- More than $50 million of federal and state funds is spent on **WorkFirst**, the state's work-based component of the federal **Temporary Assistance for Needy Families** (TANF) program. The primary aim of WorkFirst is to provide TANF recipients with the training and services they need to get and keep a job.

Strong local partnerships are critical to workforce development program success. Federal law requires that federally funded services be provided and in some cases, such as WIA, be managed at the local level because local government officials and businesses best understand local needs. Twelve Workforce Development Councils (WDCs), each with a majority-business Board, oversee the local one-stop service delivery system and coordinate with a broad range of local partners, including businesses, labor organizations, education, social services and government.

WorkSource, Washington's one-stop service delivery system, consists of career centers, affiliates and connection sites. Thousands of people seeking employment, changing jobs, reentering the workforce, or learning new skills use WorkSource Centers each year. And while the local Centers are the primary access points to the workforce development system, there are many other doorways to workforce programs, such as community and technical colleges, individual agencies and community service organizations. The goal is that clients receive a similar level of service regardless of entry point.

The reauthorization of WIA tightens service delivery integration. Recognizing the need for change and growth to keep pace with the changing economic environment, the Workforce Innovation and Opportunity Act (WIOA), which began to take effect in 2015, requires:

1. Further coordination of services at one-stop centers
2. A focus on "career pathways" when providing services to participants
3. A reiterated focus on local control, with some additional accountability requirements
4. A new focus on regional coordination between local workforce development areas

Although Washington has already implemented many of the WIOA-required changes, service providers will have to overcome potential challenges and there is uncertainty regarding some of the provisions of WIOA that have not yet been codified in federal regulations or clarified through federal guidance.

The overlap and duplication we found in the system is largely justified, but risks are associated with coordination and service delivery

The overlap or duplication we found was mostly in programs that serve specialized populations. Sometimes entry to these programs is restricted by specific eligibility requirements, while others have no specific requirements at all. For example, some serve veterans or dislocated workers, while other programs serve all adults. We found fragmentation in the 10 TANF-related programs, but this was justified because the four agencies involved had very specific roles based on their expertise.

The risks we found in the system were related to the complexity of the system with its many moving parts, and assigning authority to the local level. Although Washington is well-respected at the federal and state level for its coordinated, holistic approach to workforce development, we identified four potentially risky areas within the system that may warrant further analysis.

Variations in local service delivery – Because of the localized nature of both service delivery and strategic decision-making among school districts, community and technical colleges and WDCs, there is a risk that participants and employers may not receive the same level of service throughout the system.

This variation in the delivery of services can be caused by differing levels of funding and resources, unique conditions among regions, and the level of collaboration that occurs among local partners.

Variable degrees of engagement between employers and educators – Another critical local connection point is the relationship between high schools, community and technical colleges and employers. Schools and colleges play a vital role in preparing participants for future job opportunities by providing them with relevant education and training. However, there is a risk that some do not adequately engage employers or plan their program offerings based on current and projected demand, in which case some of the training being provided may not meet the needs of employers or students.

Inconsistent quality of counseling to help students transfer into training and employment – Local choice is an important component of the workforce development system, but good choices require access to good information and effective assessments. Although OSPI offers assistance to schools and the Employment Security Department and WDCs provide training and labor market information, counseling varies among schools and colleges, and some students may not be receiving the information they need to make informed decisions.

Federal restrictions on services, particularly in TANF – Federal requirements for the TANF program can conflict with the state's workforce development system goals of getting participants on a career pathway that will lead them to self-sufficiency. For example, federal requirements and funding both favor getting a job quickly, which may keep participants from reaching an optimal employment outcome.

Future audits

The intention for this first audit was to provide a high-level overview of the workforce development system, determine where overlap, duplication or fragmentation may exist and identify potential areas of risk. While we make no recommendations in this audit, we have identified risky areas that may warrant future performance audits.

Introduction

The workforce development system in Washington is a complex network of programs and service providers, serving hundreds of thousands of job seekers and employers at a cost of more than $1 billion a year in federal and state funds. Most job-related learning takes place within companies, through on-the-job training and workplace-funded education. The government-sponsored system of workforce development serves a wide variety of people with vastly differing circumstances: seasoned employees dislocated from lifelong careers, single mothers seeking a support network to help them return to the workforce, young people struggling to reach the first rung on a career ladder. It takes a coordinated effort among many program partners – at state agencies, school districts, community and technical colleges, local Workforce Development Councils (WDCs), and community-based organizations – to develop a skilled workforce able to meet the diverse demands of business and industry in Washington.

The stakes are high. The skills workers need are changing rapidly, and the success of the state's economy depends on a ready supply of well-trained and prepared workers. Employers have reported skills gaps in the workforce, in Washington and nationwide. The state must have a workforce development system that functions effectively and collaboratively because the education and training the system provides have to serve many missions, including growing a healthy economy that offers good wages to employees.

Washington's innovations in workforce development have drawn national attention

One of the best examples is the state's Integrated Basic Education and Skills Training (I-BEST) program, which blends adult education with occupational training, pairing adult education teachers with career and technical education instructors. One study found that I-BEST participants are 56 percent more likely than regular adult education students to earn college credits. Also important is the state's development of sector strategies, which support regional, industry-specific approaches to workforce needs. A 2011 national report praised Washington's Industry Panels for integrating their efforts with the Centers of Excellence at community and technical colleges. But in our interviews with state agencies and local WDCs, all acknowledged there is still room for improvement. This is not surprising, given the necessarily complex nature of the system, the accelerating changes taking place in the economy, and the diverse needs of workers and employers.

Audit objectives

Due to the complexity of the workforce development system, its importance to the economy and the people it serves, and the money invested in it, our first task was to develop an understanding of the system and its component programs. The information gathered helped us identify important risks that may be appropriate for more in-depth analysis in subsequent audits. We asked these questions:

- What are Washington's workforce development programs? How are they funded and administered?
- Is there overlap, duplication or fragmentation within the workforce development system?

The **Background** section includes information to help the reader gain a broad understanding of the workforce development system and its components. This section covers:

- A historical perspective on important federal and state laws that have shaped the current system
- The structure of the system
- A discussion of the variation in services provided and populations served
- The roles of the 12 state agencies involved in program administration and service delivery
- The results of an analysis of program outcomes in Washington

The **Audit Results** section, in two parts, answers the audit objectives.

Part one presents an overview of the system, including budget and program information. It references the four important workforce development programs we analyzed in more detail, which are discussed in **Appendix B**:

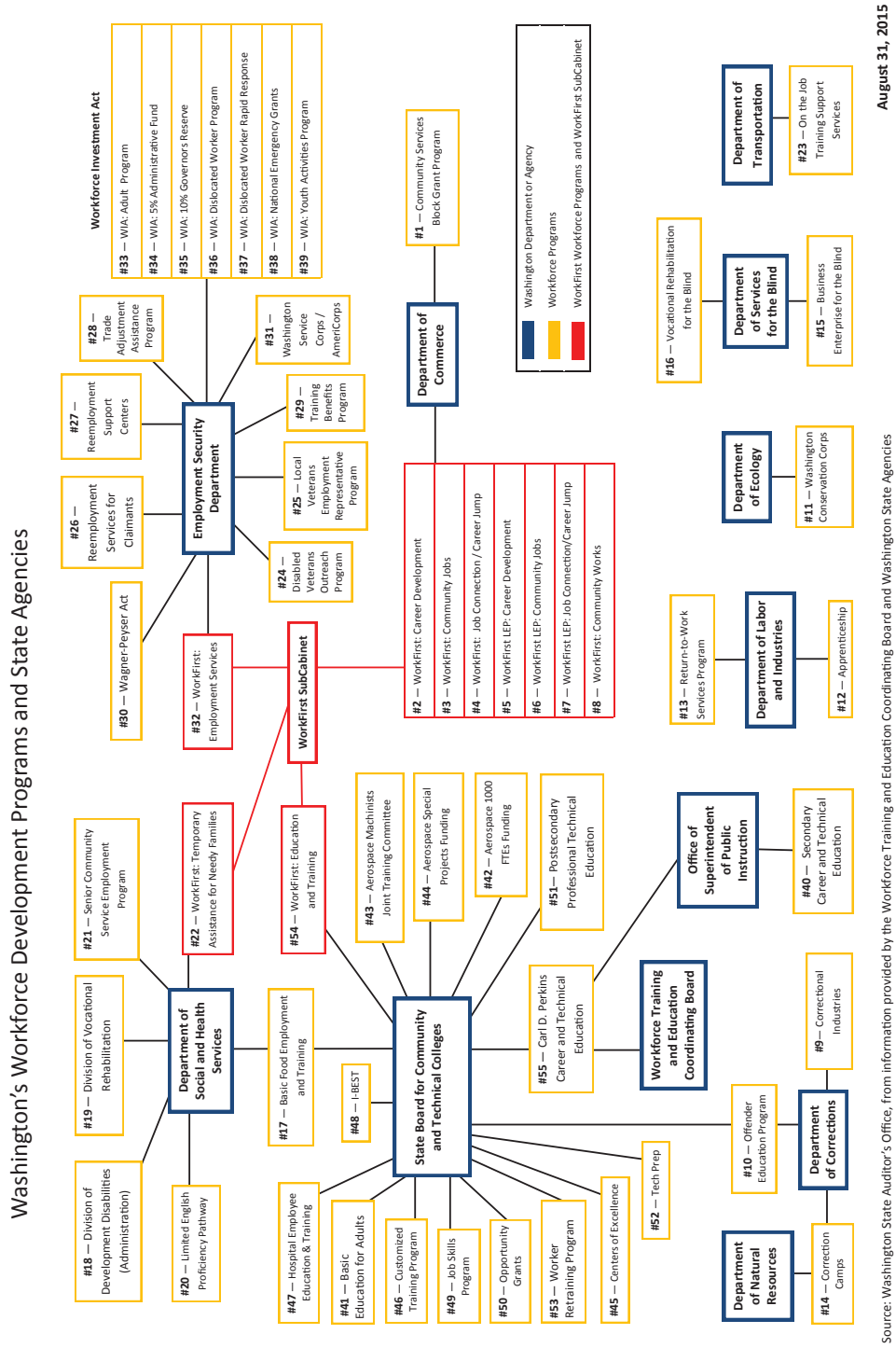
- The Career and Technical Education (CTE) programs at high schools and community and technical colleges
- Workforce Investment Act (WIA) and its reauthorization, the Workforce Innovation Opportunity Act (WIOA)
- Temporary Assistance to Needy Families (TANF), called WorkFirst in Washington
- Apprenticeships

Part two presents an analysis of overlap, duplication and fragmentation, followed by a discussion of the potential risks we identified in our fieldwork.

The Appendices include synopses of the state's 55 main workforce development programs, a timeline of important milestones nationally and in Washington, an analysis of workforce development outcome measures, and tables showing funding, expenditures, participant counts and types of services provided by each program. Other appendices include how we addressed the I-900 elements of a performance audit and the methodology we used to conduct our work.

A Map of Washington's Workforce Development System

This graphic maps, by agency, the 55 programs we identified in Washington's workforce development system. Blue boxes identify state agencies, yellow boxes identify the individual programs they deliver or administer. Red boxes indicate the WorkFirst program, keyed to the WorkFirst subcabinet, whose members include representatives from the Departments of Commerce, Early Learning, Social and Health Services, and Employment Security, the Office of Financial Management, and the State Board for Community and Technical Colleges. A larger scale version is available in **Appendix L**.



A Glossary of Terms and Acronyms in This Report

AAI	American Apprenticeship Initiative
Apprenticeship	On-the-job training vocational programs for entry-level workers; may be done with State approval or independently
Basic Education for Adults (BEdA)	Under WIA (see below), programs for adults who lack a high school credential or basic literacy, numeracy or English language skills. Also known as **Adult Basic Education**.
Collaboration	Any joint activity that is intended to produce greater public value than could be produced when organizations act alone. Also commonly called cooperation, coordination, or integration.
Commerce	Washington State Department of Commerce
Corrections	Washington State Department of Corrections
CTE	Career and technical education; generally supported though the Carl D. Perkins Career and Technical Educational Improvement Act of 2006
DDA	The Developmental Disabilities Administration within DSHS
Demand / Decline List	A list of Washington's in-demand and in-decline industries maintained by the Employment Security Department
Dislocated worker	Under WIA, a designated status for workers who lost employment due to a plant closure, local economic downturn, foreign competition, or other criteria
DNR	Washington State Department of Natural Resources
DOL / USDOL	U.S. Department of Labor
DOL-ETA	U.S. Department of Labor Employment and Training Administration
DSB	Washington State Department of Services for the Blind
DSHS	Washington State Department of Social and Health Services
Duplication	When two or more programs are engaged in the same activities or provide the same services to the same beneficiaries
DVR	Division of Vocational Rehabilitation within DSHS
Eligible Training Provider List	Under WIA, a list of approved training programs eligible for WIA funding
ESD	Washington State Employment Security Department
Federal Poverty Level	Income guidelines that commonly determine eligibility for federal programs such as TANF
Fragmentation	When more than one state agency is involved in the same broad area of need and/or opportunities exist to improve service delivery
GAO	Government Accountability Office (federal)
I-BEST	Integrated Basic Education and Skills Training; a Washington workforce development program noted for its high level of service integration
Industry clusters	Groups of similar or related businesses geographically concentrated in a specific area due to access to markets, a skilled labor force, raw materials or transportation options
K-12	Public education system, kindergarten through high school
L&I	Washington State Department of Labor and Industries
Lean	A performance improvement methodology to eliminate waste in organizational processes
Local area	Under WIA and WIOA, a designated region in which workforce development activities are overseen by a WDC
Local level	Governance at the city, county, district, or other sub-state level

One-stop	Under WIA, a single physical location where a job-seeker or employer can access a comprehensive set of services
OSPI	Office of Superintendent of Public Instruction
Overlap	When multiple programs engage in similar activities or strategies to achieve them, or target similar beneficiaries
Personal Responsibility and Work Opportunity Act	Federal welfare reform law of 1996 that instituted the TANF program
RCW	Revised Code of Washington (State law)
SBCTC	State Board for Community and Technical Colleges
Sector strategy	An approach to workforce and economic development focused on industry sectors rather than individual businesses
State Plan	A comprehensive statewide strategic implementation and operational plan for federal programs including WIA and TANF
TANF	Temporary Assistance for Needy Families program
Wagner-Peyser Act	Federal program dating from 1933 that established public employment services offices
WDC	Workforce Development Council, Washington's name for a WIA-mandated local Workforce Investment Board
WIA	Workforce Investment Act of 1998; federal law establishing a national workforce development system
WIOA	Workforce Innovation and Opportunity Act of 2014; reauthorization of WIA
Work activity	The TANF program requires a certain proportion of WorkFirst participants to be engaged in work activities. Countable work activities can include employment, job search and readiness, community service, work experience, on-the-job training, vocational educational training and education directly related to employment.
WorkFirst	The education and employment component of Washington's TANF program
Workforce Board	Under WIA, the designated state-level Workforce Investment Board; in Washington, the Workforce Training and Education Coordinating Board
WorkSource Centers	Washington's name for WIA-mandated one-stop service delivery centers

Background

Washington's workforce development system is the gateway for hundreds of thousands of people seeking employment, changing jobs, reentering the workforce, or learning new skills. It is a coordinated and comprehensive system of services provided by 12 state agencies through 55 workforce development programs. Some programs serve general adult and youth populations, others are designed to serve the needs of more specialized populations. In this section of the report, we review:

1. The laws that shape the current framework of the system
2. The one-stop services delivery system
3. The services provided and populations served
4. The roles of the 12 state agencies involved in providing services in the system.

This section concludes with a synopsis of workforce development program outcomes in Washington.

1. State and federal laws have shaped the current system

The significance of career and technical education for youths and adults was recognized almost a century ago with the establishment of the federal Smith-Hughes Act of 1917. It remains a vital aspect of workforce development today, as middle and high schools, community and technical colleges and private schools, offer career, vocational and technical education.

Some federal funds flow to career and technical education, but almost all career and technical education funding is provided by the state

Washington invested more than $500 million in state funds in career and technical education in FY 2013. An additional $20 million in federal funding from the Carl D. Perkins Career and Technical Education Improvement Act of 2006 (the Perkins Act) helps the state enhance academic achievement of students in these courses. Perkins funds also help strengthen the connection between secondary and post-secondary education systems, and improve state and local accountability.

State laws frame how services are delivered in Washington

Over the last 30 years, state lawmakers have taken several key actions to reshape the structure of workforce development, focusing on oversight and how services are delivered.

Legislators recognized the importance of having a single point of leadership for the workforce development system – one entity responsible for developing a comprehensive strategic plan to guide and direct the different parts of the system.

The Workforce Training and Education Coordinating Board (Workforce Board) was established in 1991 to coordinate the state's workforce training system. Also in 1991, the Community and Technical College Act merged the oversight of community and technical colleges under the renamed State Board for Community and Technical Colleges (SBCTC), and shifted responsibility for Adult Basic Education from the Office of Superintendent of Public Instruction (OSPI) to SBCTC.

In 1996, Congress designed a massive overhaul of the U.S. welfare system under the Federal Personal Responsibility and Work Opportunity Reconciliation Act. In response, state legislators enacted the Washington WorkFirst Temporary Assistance to Needy Families (TANF) Act in 1997, aimed at moving families on welfare into employment as quickly as possible through up-front job search, work experience activities, and short-term education and training.

Federal laws govern many other aspects of funding, spending and service delivery

Federal requirements drive how workforce services are delivered at the state level, who may benefit from them, and the training and education they receive. The Workforce Investment Act of 1998 (WIA) and its reauthorization, the Workforce Innovation and Opportunity Act (WIOA), have had a particularly influential impact on the way services are delivered to the people participating in the trainings these laws govern.

The Workforce Investment Act of 1998

WIA calls for coordination at all levels of government (federal, state and local) related to workforce investment activities, and directs states to establish a one-stop services delivery system where information about and access to a wide array of job training, education and employment services are available at a single location. The goals of the one-stop system are twofold: to provide services more effectively to participants at a single location, while each center also becomes a nexus where the state can engage business and industry at the local level to develop workforce solutions. Achieving these goals requires considerable integration and collaboration among numerous partners.

Implementation of the Workforce Innovation and Opportunity Act began in July 2015

In recent years, federal lawmakers have recognized that the system put in place by WIA in the mid-1990s needed to evolve to address changing workforce needs across the nation. In 2014, Congress reauthorized WIA through WIOA, which will open a new chapter in the history of workforce development. The intent of WIOA is:

> *"to better align the workforce system with education and economic development in an effort to create a collective response to economic and labor market challenges on the national, state and local levels."*

WIOA leaves the basic structure of the workforce development system intact, but makes adjustments for more integrated service delivery, a new focus on career pathways, and enhanced accountability. Many provisions of WIOA went into effect on July 1, 2015. As of the writing of this report, however, the set of proposed rules for implementation that commonly accompany major federal laws has not yet been published, although some guidelines have been issued.

See Appendix B for more information about both WIA and WIOA.

100 years of legislation for workforce development

For a full timeline showing the evolution of federal and state laws, see Appendix D.

STATE – 1991
Technical College Act *merges administration of technical and community colleges; the State Board for Community College and Education becomes the State Board for Community and Technical Colleges (SBCTC); Adult Basic Education leadership moves from OSPI to SBCTC.*

Also in **1991**, *the Workforce Training and Education Coordinating Board (Workforce Board) succeeds the State Board for Vocational Education.*

STATE –1993
Workforce Employment and Training Act *provides funding to dislocated and unemployed workers for training programs and related support services.*

FEDERAL – 1996
Personal Responsibility and Work Opportunity Reconciliation Act *establishes the Temporary Assistance for Needy Families (TANF) program.*

FEDERAL – 1998
Workforce Investment Act *(WIA) establishes the structure and relationship in national, state, local workforce investment activities.*

STATE – 1999
WorkSource one-stop resource centers devised.

FEDERAL – 2014
Workforce Innovation and Opportunity Act *(WIOA) enacted; first reauthorization of WIA since 1998.*

2. WIA's one-stop ideal requires system-wide cooperation

To deliver on the federal WIA mandate of a "one-stop shop" framework, a state must devise a comprehensive, collaborative workforce development system. Ideally, it requires the coordination of many partners at the state and local level to provide employment services, education and training to participants while remaining mindful of local opportunities.

WIA also dictates that states establish Workforce Investment Boards at both the state and local levels to coordinate program partners in the system. State investment boards provide state-level strategic planning and oversight, but most decision-making and coordination responsibilities take place at the local level. Underpinning the system design is the premise that local government officials and businesses best understand the workforce needs of their city, county or region.

Exhibit 1 outlines the key roles of "one-stop shop" partners in Washington. The Workforce Board and Workforce Development Councils (WDCs) in particular are specified in WIA; their roles are discussed further below.

Exhibit 1 – The key roles of program partners in workforce development

Workforce Board – the WIA state-level Workforce Investment Board	Advises the Governor and Legislature on workforce development policy. Coordinates the state's workforce services and programs and evaluates the performance of Washington's key workforce development programs.
Workforce Development Councils (WDCs) – the WIA local-level Workforce Investment Board	Responsible for overseeing how services are delivered in the local workforce development areas throughout the state and establishing partnerships with business and industry
State agencies	May provide services directly to participants and employers *OR* May contract with other state agencies or local service providers to deliver the services
School districts and community and technical colleges	Provide vocational, remedial and English literacy education and training as well as career and academic counseling
Community-based organizations	Work with program partners, including employers, to provide services in the local workforce development areas throughout the state

Washington's Workforce Board serves as the state-level Workforce Investment Board. The Workforce Board coordinates state policy and strategic planning for the workforce development system, advises the Governor and Legislature on state policy, and evaluates the performance of programs in the system.

The state has devised 12 workforce investment areas to deliver services at the local level, administered by WDCs as the local workforce investment boards. The Employment Security Department serves as the WIA grant administrator responsible for oversight of WDC performance and use of funds.

WDC members are appointed by local elected officials, typically county commissioners and city executives, under criteria established by the Governor. The board must have a majority of business representatives, as well as members from local schools and colleges, labor organizations, community-based organizations, veterans groups, economic development agencies, the operator of the one-stop service delivery site, and others.

WDCs and their local partners plan and monitor the workforce development activities in workforce investment areas. They negotiate local performance outcomes and targets with the Workforce Board, collect and enter data in a statewide management information system maintained by the Employment Security Department and the Governor, and select eligible training providers and the one-stop operators. In some cases, the WDC is the one-stop operator.

Washington's "one-stop shop" concept is most visible to consumers in a WorkSource Center

In Washington, the "one-stop" is known as WorkSource. WorkSource Centers deliver multiple services to participants in one physical location, though distinctions in funding or administration of the many programs are generally invisible to participants. At a minimum, each workforce investment area must have one comprehensive WorkSource Center, though it is common for areas to have several supplemental resource centers. (See Appendix B, Figure 2, for a map of WorkSource offices.)

WorkSource Centers are not the only entry point or place at which participants can access services. Many other organizations and agencies are able to identify potential clients and point them toward service areas that would benefit them. No matter where people first touch the system, they should ultimately receive the services that best meet their needs and for which they qualify, and the preparation they undertake should meet the needs of employers.

The "one-stop" service delivery site in Washington is…

WorkSource

a WorkSource Center

… one physical location where job-seekers can access a variety of employment services.

State and local strategic industry clusters

In 2009, the Legislature directed the Workforce Board to identify strategic industry clusters for workforce development in the state plan, and WDCs to identify area strategic clusters in their local strategic plans. The local and state plans must align.

In developing the local strategic plans, WDCs brought together regional partners and stakeholders to assess skills gaps, identify emerging and future employment possibilities, and plan for economic development. In 2011, the Workforce Board and local WDCs identified strategic industry clusters for each of the 12 workforce development areas, and incorporated them into their five-year plans. The plans were approved by Governor Inslee in 2013. These industry clusters now guide and inform policy and investment decisions for workforce training and education, strategically steering investments toward the most prevalent industry sectors to provide the greatest benefit to local economies.

3. Types of services provided and populations served

Workforce programs are designed to meet a variety of needs. Caseworkers or counselors conduct individual assessments at most entry points into the system to determine the best course of action for participants. Assessments identify cases where support services, such as child care and transportation, could remove impediments to success, or where remedial education or English literacy courses are essential to participation. These services either support the job search effort or are a prerequisite to further vocational education or training.

Some workforce programs, such as employment services funded by the 1933 federal Wagner-Peyser Act, are available to everyone, but most programs have specific eligibility requirements that direct who can be served and what services they can receive. Examples of specific populations served are: low-income youth and adults, displaced workers, veterans, long-term unemployed, people with disabilities, and incarcerated youth and adults. WIA-funded programs, which serve both youth and adults, have core services available to all, but prioritize the neediest for more intensive services. Some people qualify for basic employment services only, such as receiving labor market information, resume assistance, and job search and placement assistance. Others may need, and are eligible for, more intensive services, such as comprehensive assessments, individual counseling, development of individual employment plans and case management.

A few programs are specifically targeted to employers, such as those providing customized training for incumbent workers and potential employees.

4. Roles played by 12 state agencies in the workforce development system

A variety of entities deliver workforce development services in Washington. The success of the one-stop system throughout the state depends on effective coordination among program partners. Twelve state agencies play key roles in administering and delivering the 55 workforce development programs in Washington. Workforce development is a primary focus for some state agencies, while others manage workforce development-related programs that complement their mission. Similarly, for some programs, agencies provide only administrative services and pass through federal funds to other programs.

State agencies can provide services directly or contract with other state agencies and service providers such as community-based organizations. In the instances where services are contracted, state agencies are required to monitor the entities providing the services to ensure they are delivered under program requirements. A brief discussion of the roles of the 12 state agencies follows; the [⇔] symbol indicates a partnership or contractual arrangement between agencies.

Department of Commerce serves low-income individuals and contracts through Community Action Agencies that provide specific job readiness counseling and training, as well as job placement assistance in local areas through the Community Services Block Grant program.

⇔ The Department of Social and Health Services (DSHS) contracts with Commerce to provide job readiness and work experience services to participants in the TANF/WorkFirst program.

Department of Corrections serves incarcerated adults by providing educational opportunities at the state's correctional facilities under the Offender Education Program. Depending upon the individual's needs, classes are available in basic education for adults, English as a second language, vocational skills training, and offender change programs.

⇔ Corrections works with OSPI to provide separate educational services to a limited number of youthful offenders, under the age of 18, who have been tried and convicted as adults.

Corrections also manages the Correctional Industries program, which runs various work training programs designed to help offenders develop marketable job skills and a positive work ethic.

Department of Ecology serves unemployed youth, helping them gain experience in environmental fields through the Washington Conservation Corps program.

Department of Labor and Industries (L&I) serves injured workers and employers; its Return-To-Work Services Program helps identify light duty, modified or alternative jobs a worker can perform during recovery and provides incentives to employers to continue to employ their injured employee through the Washington Stay at Work program. The goal of Stay at Work is to reduce overall system costs and help keep employer premium costs down.

In addition, L&I serves as the administrative arm of the Washington State Apprenticeship and Training Council and as the registration agency for state-approved apprenticeship training. Registered apprenticeships are privately administered and funded job-training opportunities. L&I oversees the set-up and operation of these programs to ensure federal and state laws are followed. It issues nationally recognized completion credentials for these programs, and maintains a database of all credentialed apprentices. See Appendix B for more information on apprenticeships.

⇔ **Department of Natural Resources** (DNR) partners with Corrections and DSHS to provide seasonal daily work opportunities and forest fire-fighting training to incarcerated youth and adults.

Department of Services of the Blind (DSB) serves people who are blind or visually impaired by providing comprehensive and individualized services that help them attain competitive employment through the Vocational Rehabilitation for the Blind program. DSB also helps participants learn to operate successful food service businesses in government buildings through the Business Enterprise for the Blind program.

Department of Social and Health Services (DSHS) serves people with some of the most significant barriers to employment, such as intellectual development disabilities, behavioral health issues and traumatic brain injuries. DSHS programs also help people on low incomes gain skills and keep jobs.

Some of this assistance is provided through the Developmental Disabilities Administration (DDA), the Division of Vocational Rehabilitation (DVR), the Behavioral Health Services Integration Administration, and the Aging and Long Term Services Administration (ALTSA). They work across divisional boundaries to help people achieve their educational and employment goals, including long-term options to support the whole person. People who are blind or visually impaired usually receive services from DSB (discussed above).

TANF/WorkFirst, the agency's extensive group of workforce programs, is discussed at length in Appendix B.

⇔ DSHS partners with other state agencies to provide employment, education and training services including Commerce, the State Board for Community and Technical Colleges, and the Employment Security Department.

Department of Transportation offers employment opportunities to people who want to work in the highway construction industry through its On-the-Job Training Support Services program, with priority given to minorities, women and disadvantaged individuals.

Employment Security Department (ESD) plays multiple roles in the workforce development system. Key roles include:

Grant Administrator for WIA Title I-B funds – ESD allocates WIA funding to WDCs to deliver services in their local areas using a federally prescribed funding formula; the agency then oversees and monitors those activities to ensure they comply with federal requirements. ESD administers and oversees WIA discretionary funds, including the Governor's 10%, Rapid Response Additional Assistance and National Emergency Grants.

Service Provider for Wagner-Peyser Act funds – ESD works with WDCs to deliver labor exchange and employment services under the Wagner-Peyser Act through WorkSource.

⇔ DSHS contracts with ESD to deliver employment services to participants in the TANF/WorkFirst Program.

Office of Superintendent of Public Instruction (OSPI) oversees and coordinates with 295 school districts to administer the state's system of K-12 education, including the administration of the state's secondary career and technical education program. These courses are offered at Washington middle schools, high schools and skill centers, and give students the chance to sample instructional programs in different career fields. See Appendix B for information about K-12 technical education programs.

State Board for Community and Technical Colleges (SBCTC) oversees the 34 community and technical colleges that provide much of the state's workforce training and education. Training offered at colleges can include professional-technical education, upgraded training and retraining, apprenticeship classroom training, and developmental education. With its oversight duties, a stated goal of the SBCTC is to encourage "the use of community and technical colleges to meet the workforce training and retraining needs of business and industry." See Appendix B for information about community and technical colleges.

⇔ DSHS contracts with SBCTC to deliver the education and training needed by participants in the TANF/WorkFirst program.

Workforce Training and Education Coordinating Board (Workforce Board) is the state's federally-designated Workforce Investment Board, collaborating with business, labor organizations, state agencies, the 12 local WDCs and other program partners to develop the state WIA workforce development plan. The Workforce Board coordinates state workforce development policy and strategic planning, evaluates results, and facilitates demonstration projects that test innovations and ideas.

Workforce development programs have proven to be a good investment

Many analyses of federally funded workforce development programs have shown positive returns on investment both for participants and taxpayers. Washington is one of only a few states that have analyzed program outcomes at the state level.

It is difficult to say which programs produce the greatest benefits for the money invested because analyzing program outcomes is challenging. Data on program participation, employment and wages is readily available, but separating out the effects of a program from other contributing factors such as the economy makes it difficult to determine what is purely a program effect. **Appendix E** describes how these outcomes analyses are done and identifies some challenges facing researchers.

The economic benefits of training programs in Washington are generally positive

The performance of major programs in Washington's state-defined workforce development system are measured and reported annually in the Workforce Board's annual Workforce Training Result report. Every four years the Workforce Board contracts with an economist to conduct a net impact and cost-benefit analysis of these programs, comparing the outcomes of program participants to similar individuals who did not participate in a workforce program. **Exhibit 2**, taken from the 2015 report, shows the calculation of the benefits of programs to participants, next to the benefits and costs to the public. The definition of benefits are limited to earned wages, changes in tax receipts and unemployment insurance, and do not include social welfare benefits.

Exhibit 2 – Participant benefits, public benefits, and public program costs to age 65
Excerpted from Workforce Training Results 2015

	Net benefit to a participant	Public benefits per participant	Public program costs per participant*
Adults			
Apprenticeship	$332,432	$84,829	$3,647
Community and Technical College Professional/Technical	$143,899	$31,378	$11,150
Private Career Schools	$2,964	$3,609	-
Worker Retraining	$68,404	$15,396	$7,408
WIA Dislocated Worker	$40,935	$12,397	$6,273
Adults with Barriers			
Basic Education for Adults	No significant positive impact	No significant positive impact	$2,759
Division of Vocational Rehabilitation	$21,681	$3,229	$7,637
WIA Adult	$44,788	$6,948	$5,772
Youth			
Secondary CTE	$78,834	$8,673	$922
WIA Youth	$43,040	$3,367	$7,156

**Includes state and federal program costs per participant, with the exception of student financial aid programs. Earnings are expresssed in 2014 Q1 dollars.*

Data source: Workforce Training Results 2015 (Workforce Training and Education Coordinating Board).

According to the analysis, virtually all the programs examined by the Workforce Board in their report had lifetime participant benefits (to age 65) that far exceed the costs to participants. Net participant benefits far outweigh public benefits for these publicly-funded programs, because participant program costs are minimal. For example, net participant benefits for apprenticeship programs are nearly four times that of the programs' benefit to the public.

Public benefits outweighed public costs for seven of the 10 programs in the study. As we would expect, public benefits show wide variability based on program type and participant type. For example, apprenticeship programs have a public program benefit of $84,829 per participant, reflecting the intensive nature of the training and the specialized nature of the work that participants will perform upon completion.

It was this significantly higher outcome that drew us to evaluate apprenticeship programs in more depth during our audit; we provide more information on such programs in Appendix B. At the other extreme, the Basic Education for Adults program has no significant direct monetary benefit for participants or the public. But as discussed in Appendix E, research has shown that many programs for disadvantaged populations, such as Basic Education for Adults, can reap social welfare benefits that are not included in outcomes analyses.

Scope & Methodology

Identifying workforce development programs in Washington

The first step in our analysis was to determine the programs to include in our audit. We used a U. S. Government Accountability Office (GAO) definition of workforce development that includes programs and activities specifically designed to:

- Enhance the specific job skills of individuals to increase their employability
- Identify job opportunities
- Help job seekers obtain employment

To keep the scope of work manageable, we limited our definition of workforce development programs to include only programs that directly provide workforce-related training and support services to participants, and were funded directly by the state (general fund), by the federal government with state-agency administrative support, or through worker compensation funds paid by employers.

We omitted programs that play an important role in workforce development, including:

- Academic-oriented programs at two- and four-year colleges and universities
- Non-technical education in the K-12 system
- Early learning programs
- Federally funded programs that do not rely on the state government as a conduit, such as Job Corps
- Privately funded, employer-provided training

Analysis of programs in the workforce development system

To gain an understanding of the system and individual programs, we interviewed state agency and WDC officials and staff, and reviewed federal and state agency reports and websites. We researched materials from other states and independent research organizations to learn how Washington's workforce development system was perceived outside the state.

To analyze overlap, duplication and fragmentation, we inventoried 55 state programs, identified possible issues, and analyzed the reasons for them. We conducted our analysis using definitions established by the GAO:

Overlap – Multiple programs that engage in similar activities or strategies to achieve similar goals, or that target similar beneficiaries.

Duplication – Two or more programs that engage in the same activities or provide the same services to the same beneficiaries.

Fragmentation – More than one state agency is involved in the same broad area of need and/or opportunities exist to improve service delivery.

We realized that the risks to system and program performance were related to potential gaps in service delivery, so we focused our analysis on three administratively complex program groups:

- Career and technical education (CTE) in K-12 schools and community and technical colleges
- WIA programs
- TANF/WorkFirst

These programs are integral to how the system operates, specialize in meeting the needs of individuals with some of the most significant barriers to employment, or educate and train the current and future generations.

Because apprenticeship programs have some of the best outcomes for training workers in skilled occupations, we also analyzed this program more extensively. More information on these four key programs is available in Appendix B.

Audit performed to standards

We conducted this performance audit under the authority of state law (RCW 43.09.470), approved as Initiative 900 by Washington voters in 2005, and in accordance with Generally Accepted Government Auditing standards (December 2011 revision) issued by the U.S. Government Accountability Office. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. See **Appendix A**, which addresses the I-900 areas covered in the audit. **Appendix C** contains more information about our methodology.

Next steps

Our performance audits of state programs and services are reviewed by the Joint Legislative Audit and Review Committee (JLARC) and/or by other legislative committees whose members wish to consider findings and recommendations on specific topics. Representatives of the State Auditor's Office will review this audit with JLARC's Initiative 900 Subcommittee in Olympia. The public will have the opportunity to comment at this hearing. Please check the JLARC website for the exact date, time, and location (**www.leg.wa.gov/JLARC**). The State Auditor's Office conducts periodic follow-up evaluations to assess the status of recommendations and may conduct follow-up audits at its discretion.

Question 1: What are Washington's workforce development programs? How are they administered?

More than $1 billion in federal and state funding is invested annually in 55 workforce development programs in Washington

Based on the federal GAO definition of workforce development programs set out in the methodology section of this report, we identified 55 programs, administered by 12 state agencies, that collectively spent more than $1 billion in fiscal year 2013 on workforce development activities. These programs offer a variety of services and are mainly funded through federal and state dollars.

Exhibit 3 presents an example of just one agency's programs: the Department of Services for the Blind offers two programs to a small and specialized audience. Although the agency's funding and expenditure are smaller than many others, the agency nonetheless offers or coordinates services across all the service categories we identified during our audit work.

Exhibit 3 – An example of one agency's workforce development programs

With an index to related appendices

Department of Services for the Blind		
Program numbers in our inventory	15, 16	*Appendix*
Where does funding come from?	$11.9 million from federal, state and other funding streams	*F*
How much was spent?	$11.9 million (combined programs)	*G*
Who is served by these programs?	At least 1,367 people (combined programs*)	*H*
What do the programs offer?	**Business Enterprise Program for the Blind (#15)** offers qualified, legally blind people opportunities to operate food service businesses. **Vocational Rehabilitation for the Blind (#16)** provides a wide array of services to help eligible people gain family-wage jobs with benefits in integrated settings.	*I*
Which service categories are offered?	**#15:** Job readiness skills training; Occupational and vocational training; Work experience; On-the-job training; Job retention training/services; Support services **#16:** Employment counseling; Basic Education for Adults; Job readiness skills training; Occupational and vocational training; Job search; Work experience; On-the-job training; Job retention training/services; Support services	*J*

** Program 15 counts participants monthly, program 16 counts them annually: some people may be in both programs and so double-counted.*

Data source: Unaudited fiscal year 2013 data supplied by Department of Services for the Blind.

Vocational Rehabilitation for the Blind is just one of 15 programs included in the statutorily-defined Workforce Development Training System overseen by the Workforce Board. They are managed by seven state agencies, listed in **Exhibit 4**.

Exhibit 4 – The 15 programs defined in RCW 28C.18.010

Number in (parentheses) is the program inventory number we assigned

Department of Labor & Industries
Apprenticeship (12)
Department of Services for the Blind
Vocational Rehabilitation for the Blind (16)
Department of Social & Health Services
Division of Vocational Rehabilitation (19)
Employment Security Department
Training Benefits Program (29)
Wagner-Peyser Act Employment Services Program (30)
WIA: Adult Program (33)
WIA: Dislocated Worker Program (36)
WIA: Youth Activities Program (39)
Office of Superintendent of Public Instruction
Secondary Career and Technical Education (40)
State Board for Community & Technical Colleges
Basic Education for Adults (41)
Customized Training Program (46)
Job Skills Program (49)
Postsecondary Professional Technical Education (51)
Worker Retraining Program (53)
Workforce Training and Education Coordinating Board
Carl D. Perkins Technical Education Grants (55)

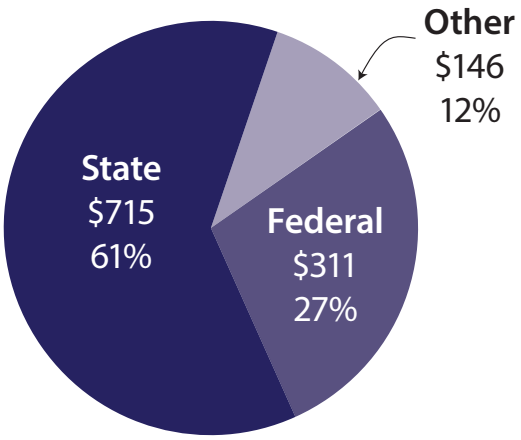
State funds accounted for more than two-thirds of workforce development spending

The state provides the lion's share of Washington's workforce development funding, contributing 61 percent ($715 million) of the $1.1 billion spent in fiscal year 2013. Most of this state financing was spent on educational programs, with the majority devoted to the career and technical education programs run by school districts and two-year colleges. Federal dollars accounted for 27 percent of the funding, while Workers' Compensation funds and local and private funding accounted for the remaining 12 percent.

Exhibit 5 shows the different funding sources and the cumulative total received by state agencies.

Exhibit 5 – Funding for workforce development programs by source

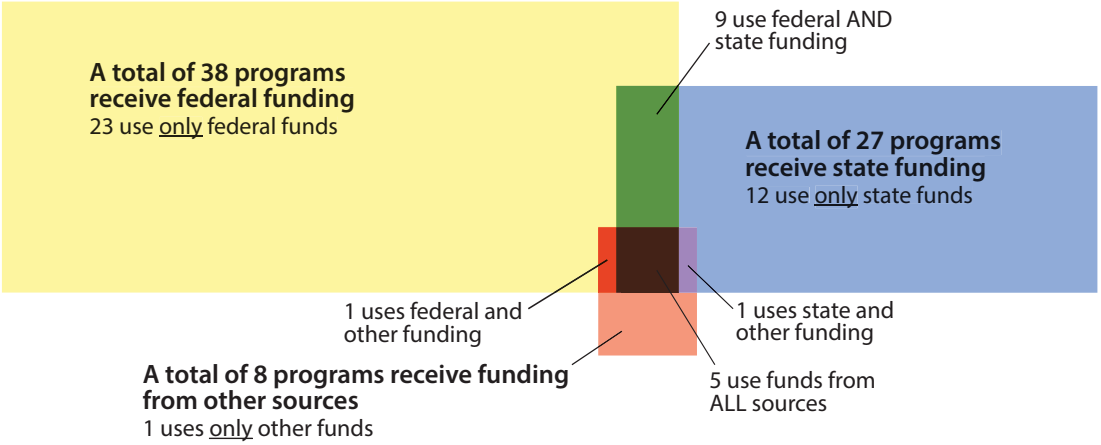
Fiscal year 2013, dollars in millions



Source: Unaudited data supplied by agencies.

Workforce development programs are funded by various combinations of federal, state, and other types of local and private dollars, as **Exhibit 6** shows.

Exhibit 6 – Different combinations of revenue streams fund the 55 programs
Boxes show the number of programs receiving funds, not the value of the funding.



Notes:
1. Other sources of funding for workforce development programs include local general funds, Gates Foundation funding and Worker's Compensation funds.
2. Three programs were unfunded in FY 2013.

See **Appendix F** for a detailed list of funding sources for each program.

Exhibit 7 shows the total spent by each agency to deliver its programs and services. Funding and expenditures for an individual agency or program vary, sometimes significantly, due to use of differing reporting periods and the effects of pass-through funding. For example, total spending for the Workforce Training and Education Coordinating Board, shown as $0.4 million in the table, excludes more than $20 million transferred to OSPI and SBCTC's CTE programs. The Workforce Board also received almost $0.5 million of the WIA 5% Administrative Fund, but this is included in Employment Security Department spending.

Exhibit 7 – State agency expenditures for the 55 programs
FY 2013, dollars in millions

Agency name	Total spending
Office of Superintendent of Public Instruction	$363.4
State Board for Community and Technical Colleges	$297.0
Department of Social and Health Services	$161.4
Employment Security Department	$146.0
Department of Corrections	$80.4
Department of Labor and Industries	$54.1
Department of Commerce	$24.4
Department of Services for the Blind	$11.9
Department of Ecology	$10.9
Department of Natural Resources	$2.9
Workforce Training and Education Coordinating Board	$0.4
Department of Transportation	$0.2
Total	**$1.1 billion**

Data source: Unaudited data supplied by agencies.

Together, the 15 statutory programs listed in Exhibit 4 spend about $760 million annually. More information on the expenditures by program is available in **Appendix G**.

Note that workforce development or training programs are not always an agency's primary mission; their overall budgets may be much larger than the amount spent on such programs.

Workforce development programs provide different mixes of services to different populations

Many missions, goals and clientele drive the nature of individual workforce programs. Some focus on employment services, such as job readiness, job search assistance and placement activities, while others provide specialized training and education for participants with special needs or barriers to employment. Every program has defined eligibility criteria, which identify:

- Target population – the people the program can serve
- Allowable services – the services enrollees are eligible to receive

Most programs serve targeted populations that must meet certain eligibility criteria. For example, the Vocational Rehabilitation for the Blind program's target population is blind or visually impaired adults and youth age 14 and above; they are eligible for comprehensive, tailored employment services. A few programs, such as Wagner-Peyser Act-funded Employment Services, are available for all people seeking help finding a job. For additional information about participant groups, see **Appendix H**. **Appendix K** presents examples of how five hypothetical workers might navigate the workforce development system.

The largest workforce development programs serve diverse populations with equally diverse needs

In this survey of the entire workforce development system, we primarily sought to understand how the agencies and programs interact, who they are designed to serve, and where their services might overlap or duplicate the work of others in the system. We did not investigate spending or performance during this audit. **Appendix I** contains summary descriptions of all 55 programs and their administrative arrangement. Note that we did not analyze every program, nor did we include every analyzed program in our detailed risk assessment.

The 10 programs with the largest budgets illustrate the diversity of service population and programs offered. They are summarized briefly on the following pages.

Ten programs provided by six agencies

Number in (parentheses) is the program inventory number we assigned

Program name	Agency
Correctional Industries (#9)	Corrections
Return-to-Work Services (#13)	Labor and Industries
Developmental Disabilities Administration (#18)	Social and Health Services
Division of Vocational Rehabilitation (#19)	
TANF (#22)	
WIA/WIOA (#33-#39)	Employment Security Department
Secondary Career and Technical Education (#40)	Office of Superintendent of Public Instruction
Basic Education for Adults (#41)	State Board for Community and Technical Colleges
Postsecondary Professional Education (#51)	
Worker Retraining (#53)	

Correctional Industries (#9)

Correctional Industries (CI) is a real-world work program where offenders develop employability and technical skills and use them daily. The program partners with the Department's Vocational Education program to link basic education, vocational skills and on-the-job training to help offenders successfully transition back into the workforce in their local communities upon release. While in prison, these work opportunities provide the means for offenders to pay court-ordered financial obligations, victim restitution, a portion of the costs of incarceration, help support their families, and build a mandatory savings account.

CI is authorized to operate five types of programs:

- Private sector companies operate a business and hire offenders within a correctional facility
- State-owned businesses provide offenders with work experience producing goods and services for tax-supported and non-profit organizations
- Jobs assigned to offenders within a correctional facility
- Offenders provide services to public and non-profit agencies in host communities
- Non-violent offenders work off a community restitution order outside a correctional facility

Return-To-Work Services (#13)

The Return to Work Services program helps injured workers and their employers identify return-to-work opportunities, such as light duty or modified or alternative jobs that a worker can perform during recovery. Program services can include job modifications, clothing, tools, training fees or materials, assessment of an injured worker's retraining needs, and, where appropriate, developing retraining or rehabilitation plans for injured workers. Workers who have been determined to be unemployable due to the effects of their injury or occupational disease may be eligible for retraining if the training is likely to make them employable. L&I may pay up to $17,599 for up to two years of retraining through qualified schools or on-the-job training.

The Washington Stay at Work program offers incentives to employers to accommodate injured workers and enable them to continue working at the same company after sustaining an on-the-job injury. Workers and employers who are covered by the State Industrial Insurance Fund's Workers' Compensation insurance are eligible for free L&I assistance in returning to work with the employer at the time of injury. Eligible employers can be reimbursed for half of the worker's base wages for up to 66 days (to a maximum of $10,000 per claim within a 24-month period), and save on their workers' compensation insurance payments. This program is intended to reduce the financial impact of lost wages to injured workers and to save on overall system costs that can occur with long -term disability.

Developmental Disabilities Administration (DDA) (#18)

The DDA's Employment Services program offers people with intellectual and developmental disabilities, age 21 years and older, training and services to support their path to employment. Working with clients and their families, case resource managers assess capabilities and identify interests and support needs, then provide access to DDA services. The program contracts with counties, which then subcontract with qualified service providers to serve clients.

Eligible people receive a variety of support services and training opportunities to assist them on their pathway to obtain and maintain competitive employment. They may include:

- Assessments
- Job preparation – to ensure clients have the needed training and skills
- Employer engagement – to address existing barriers to employment and provide support to the employer
- Job support – to offer ongoing support and/or technical assistance to help people keep a job

If they are able to, DDA clients must first attempt to utilize Division of Vocational Rehabilitation services to reach their employment goals. Once the DDA client is stable in his or her job, long-term funding is provided by the DDA Employment Services Program.

In addition, DDA coordinates activities of the Employment Partnership, which establishes the collaboration needed between DDA, counties, school districts, the Division of Vocational Rehabilitation and OSPI, to ensure students with developmental disabilities leave high school with a job or a plan to fulfill their employment goals.

Division of Vocational Rehabilitation (DVR) (#19)

DVR provides services for people age 16 years and older who want to work but experience barriers due to a physical, sensory, cognitive or mental disability. A DVR counselor develops a customized plan of services with each client, designed to help him or her reach employment goals. These services, based upon individual needs and unique circumstances, may include:

- Counseling and guidance, including specialized services for deaf and hard of hearing clients
- Assessment services to identify strengths, capabilities, work skills and interests
- Independent living services to help people learn how to manage disability issues that get in the way of work
- Assistive technology services that improve an individual's ability to hear, speak, move around or use a computer
- Training and education at two- and four-year colleges and universities
- Job related services that help people find and keep a job

DVR also supports businesses that employ eligible people, by providing help with support systems, work accommodations, and adaptive technologies.

DVR contracts directly with community rehabilitation organizations to provide assessment, placement, retention and training services to clients in their communities. DDA contracts through counties with many of the same local support organizations and in certain instances will refer clients to DVR for employment services.

DVR's program and the Vocational Rehabilitation Program for the Blind provide very similar services, but those offered by the Department of Services for the Blind (DSB) serve only blind and visually impaired people.

TANF/WorkFirst (#22)

TANF offers services and activities to help adults in needy families find and keep good jobs so they can become self-sufficient. In Washington, the TANF program encourages participants to get meaningful and valuable experience from WorkFirst program activities, and not simply complete the requirements so they can continue to receive program benefits.

The WorkFirst program is overseen by a legislative task force, and administered by DSHS. DSHS staff oversee the program's intake process, including approval and assessment, to determine the activities and services each participant will receive. DSHS case workers help participants develop a personal work plan and monitor them throughout their program participation. Other agencies are responsible for providing many key workforce development elements of the program.

- The State Board for Community and Technical Colleges (SBCTC) provides WorkFirst participants with an educational pathway that can include work-based learning or work study, vocational education, basic skills training and job skills training.
- Commerce offers WorkFirst participants the opportunity to gain job skills and experience through a variety of work readiness programs while receiving one-on-one case management services. Work experience may also complement a participant's education pathway.
- ESD is responsible for providing WorkFirst participants with intensive job search services, including one-on-one case management, in-depth assessment and job coaching.

Workforce Investment Act (WIA)/ Workforce Innovation and Opportunity Act (WIOA) (#33-#39)

WIA-funded programs give participants access to job training as well as core and other services coordinated through WorkSource. Core services include skill assessment, labor market information, consumer reports on training programs, and job search and placement assistance. Second-tier "intensive" services, available to eligible adults unable to obtain jobs through core services, include career counseling and short-term pre-vocational training. Third-tier services consist of formal occupational skills training. This sequence of services is individualized and may include more intensive assessments, individual counseling, employment planning, and prevocational and vocational training.

Core services are intended to help a wide variety of job-seekers find their way back into employment, and so they rarely require participants to meet eligibility requirements but are part of the self service main menu of WorkSource offerings. Other WIA programs require participants to meet certain criteria; for instance, they tailor services to meet the needs of youth and dislocated workers. See Appendix B for more information on WIA and WIOA.

OSPI Secondary Career and Technical Education (#40)

Secondary Career and Technical Education (CTE) gives students the chance to sample instructional programs within career pathways such as agriculture, business, technology, cosmetology and health. Where available, these programs are open to all middle and high school students; they teach occupational, technical and leadership skills while instilling a solid work ethic. Students may embark on a program of study that leads to registered apprenticeships, industry certifications and two- and four-year college options. Through CTE, students:

- Explore careers in middle and high school, especially careers in high-demand, high-growth fields such as healthcare and green technologies
- Identify a career goal
- Write a High School and Beyond Plan, with help from school career and guidance counselors, that identifies the high school and college-level academic and skills-based classes, training programs and apprenticeships that will best prepare them for their chosen career path
- Take classes that apply math, science and other academic subjects in real-life, hands-on ways, in high schools, at skills centers and at community and technical colleges
- Earn tuition-free college credits as well as high school credits required for graduation
- Become leaders by participating in skills competitions and community service

Basic Education for Adults (#41)

The Basic Education for Adults (BEdA) program helps participants develop skills in reading, writing, math, speaking/listening in English, GED and Adult High School preparation, and basic computer literacy. Literacy services can also include workplace literacy, family literacy, citizenship classes integrated with English literacy, and/or Integrated Basic Education and Skills Training (I-BEST). The goal of the program is to help adults:

- Become literate in English and obtain the knowledge and skills necessary for employment, transfer to postsecondary education and self-sufficiency
- Earn a high school level credential
- Gain necessary skills and obtain college credits, certificates, and degrees with direct meaning in the job market
- Develop the skills they will need to become full partners in the educational development of their children

These activities help adults practice, learn from, and master the skills and strategies required for responsible citizenship, productive employment, and family self-sufficiency. To participate in the program, people must be age 16 or older, and not be enrolled or required to be enrolled in secondary school under state law. They must also have academic skills below the high school completion level, or be in need of increased English language skills in order to succeed in their communities.

Postsecondary Professional Technical Education (#51)

Workforce education and training programs are offered at all 34 community and technical colleges. Many other state agencies, including L&I, Commerce, DSHS and ESD, refer their program participants to community and technical colleges to receive a wide array of training:

- Professional-technical education for employment
- Upgraded skills training and retraining to improve or supplement workers' knowledge and abilities in order to remain competitively employed
- Supplemental classroom training for apprentices
- Developmental education to enhance reading, writing, and math skills for entry or success in a professional-technical program

Community and technical college programs are open to all high school graduates and people aged 18 years or older; students under 18 who are still in high school may be admitted with permission from their local school districts. There are no eligibility requirements for postsecondary workforce training. Full-time students are assessed at admission and placed into appropriate courses, some of which may have prerequisites or selection criteria dictated by licensing or accreditation requirements.

Worker Retraining (#53)

The Worker Retraining program serves currently eligible unemployed workers or those facing imminent layoffs. It provides funding for approved training programs at the state's 34 community and technical colleges, as well as at private career schools and colleges that are awarded contracts for student assistance. Courses offered include basic skills and literacy, occupational skills, vocational education, and related or supplemental instruction for apprentices.

Priority access to the program's training and support services is given to dislocated workers and long-term unemployed people who have exhausted their unemployment compensation benefits within the last 48 months. Those who may also qualify include: displaced homemakers, people formerly self-employed, military members with separation notices, unemployed veterans recently separated from service, and vulnerable workers (those who are employed in declining occupations and have a credential but less than one year of college education).

In-depth analysis of major workforce development program groups

We conducted more in-depth analysis on aspects of the system, concentrating on three very broad program groups and one that is more narrowly focused but particularly successful at helping people find jobs.

Three of our in-depth examinations looked at program groups that are integral to how the system operates, specialize in meeting the needs of individuals with some of the most significant barriers to employment, or educate and train current and future generations. These programs are:

- Career and technical education (CTE) in K-12 schools and community and technical colleges
- WIA/WIOA
- TANF/WorkFirst

The fourth in-depth analysis looked at apprenticeship programs. Apprenticeships have some of the best outcomes for training workers in skilled occupations and might be more widely used, and so warranted additional study.

These analyses gave us a better understanding of these important programs and helped us identify overlap, duplication and fragmentation, and risks to system or individual program performance. Detailed information on these programs is included in Appendix B, and relevant findings that pertain to risks are summarized in the next section of the report.

Program administration practices vary significantly

Program service delivery varies based on funding requirements, program and agency structure, and what model best meets the needs of participants. We identified five different approaches to administration among the 55 programs in the audit. They are:

- State agencies **deliver the services directly** to the participants and employers
- State agencies **contract with WDCs** to deliver services
- State agencies **contract with other state agencies** to deliver services
- State agencies **contract with local service providers** to deliver services
- State agencies **conduct initial assessments** to determine services needed, **then contract with other state agencies and local service providers** to deliver them

Appendix I has information on the administrative arrangements of all 55 programs. **Appendix J,** in addition to providing information about the service categories we identified, indicates which programs provide a given service category and which refer participants to another agency to receive the needed service.

Must the state's workforce development system be so complex?

Workforce development systems have one general mission in common – to develop a workforce that efficiently meets the needs of employers. Accomplishing this mission requires a variety of strategies to meet the differing needs of individuals and employers in a rapidly changing economic climate. Target populations require different services, including a variety of employment and social support services besides the more traditional education and training. These services require specialists. A highly complex system evolved to support the individualized nature of getting and keeping a job. In addition, the programs receiving federal funding are subject to varying federal requirements and restrictions that can make it difficult to streamline operations.

Although we found this complexity to be largely justified, it introduces risks into the system. Our second audit question analyzed the duplication, fragmentation and overlap we found among the programs, and we identified risks that may affect workforce development efficiency and outcomes. **Appendix K** illustrates the possible paths that five different people might take through the system, and risk points that might exist along the path.

Question 2: Is there overlap, duplication or fragmentation within the workforce development system?

Risks in the workforce development system are related to potential gaps in service delivery – not in overlap or in duplication

This audit was intended to provide a high-level overview of the workforce development system, to determine where overlap, duplication or fragmentation may exist, and to identify potential areas of risk for future program success. While we looked for overlap or duplication, the likeliest risks we found in the system related to potential gaps in service delivery. We found that agency activities generally reflected their specializations, with coordination taking place between multiple agencies when complex programs demanded they cooperate to serve clientele.

Washington's workforce development system is highly coordinated, although continual improvements will be necessary to keep pace with a changing environment. Because our work is a prospective review of the workforce development system, we do not make specific recommendations in this report. However, we have identified four areas of potential risk. They arise in the variations of local service delivery, the variable degrees of engagement between employers and educators, inconsistent counselling at the high school level, and federal restrictions on services.

Results for analysis of overlap, duplication and fragmentation

For our analysis, we relied upon self-reported data from state agencies about the programs, outreach materials and agency reports. We used GAO's criteria to identify overlap, duplication and fragmentation, illustrated in **Exhibit 8**, below.

Exhibit 8 – Criteria for Identifying Overlap, Duplication and Fragmentation

We used the GAO definition as a basis for our definition of overlap, duplication and fragmentation. They are defined as:

Overlap - when multiple programs engage in similar activities or strategies to achieve them, or target similar beneficiaries.

Duplication - when two or more programs are engaged in the same activities or provide the same services to the same beneficiaries.

Fragmentation - when more than one state agency is involved in the same broad area of need and/or opportunities exist to improve service delivery.

Mapping the system revealed a few issues with program overlap

Faced with a system as complex as workforce development, we anticipated finding considerable instances of overlapped client populations and duplicative programs to serve them. Once we identified the target population and services provided for each program, we could allocate activities into one of nine commonly used categories based on federal law, program manuals and other reports discussing workforce development.

We then plotted the programs by the target populations served and services provided under the specific service category, allowing us to clearly see where programs overlap and the potential for duplication may exist. For more information about the services offered, by program, see **Appendix J**.

Our mapping exercise found the following:

- **Of the 55 programs in our analysis, 19 overlapped each other.** Most overlap resulted from various programs serving similar populations, but providing different services. For example, two programs target veterans. One is open to all veterans, connecting veterans with employers and helping them translate their military experience into skills in civilian occupations. The other serves only disabled veterans, delivering intensive services to those with special employment and training needs.
- **Seven overlapping programs appeared to duplicate other programs.** Most duplication was driven by the structure of federal programs, and not by any inefficiencies at the state level. For example, the Wagner-Peyser Employment Services program and the WIA/Adult program provide basic employment services to all adults through the WorkSource Centers. While anyone could make use of Employment Services or WIA core services, the system identifies people who could benefit from more intensive WIA/Adult services and confirms that they qualify for it.
- **Ten TANF/WorkFirst programs administered by four state agencies exhibited fragmentation.** TANF/Workfirst, administered by DSHS, requires multiple partners to provide the variety of services needed by participants. We identified 10 TANF/WorkFirst programs as fragmented. The education, training and employment services they provide are run by four state agencies (DSHS, Commerce, ESD and SBCTC) and involve numerous community and technical colleges and community-based organizations as service providers.
  After reviewing the services provided by the different program partners, we determined that WorkFirst's complex approach is reasonable based upon the providers' key roles and specializations in the workforce development system. For example, SBCTC's education component is delivered by its network of community and technical colleges, while ESD focuses on the employment services component.
- **The remaining 26 programs had no evidence of overlap, duplication or fragmentation** due to the distinct populations served and/or services provided.

From our high-level analysis of the programs and discussions with state agency and WDC managers and staff, we recognize there may be duplication within the system at the local level, but we do not expect it to be pervasive. Most programs are structured and targeted to specific populations. Both state agency and WDC staff told us that, due to limited resources, they take care to minimize duplicative efforts. Based on what we found, we would not recommend restructuring the current workforce development system to reduce or eliminate overlap, duplication or fragmentation of the programs themselves. The state might decide to restructure the system for other reasons, but we cannot make recommendations about doing so without further research and analysis.

Based on what we found, we would not recommend restructuring the current workforce development system to reduce or eliminate overlap, duplication or fragmentation of the programs themselves.

Impact of federally funded programs on analysis

Thirty-eight of the 55 programs we examined receive some degree of federal funding, with the state subject to varying federal requirements for each program. These programs often provide different services to similar clientele resulting in overlap, but there are instances where programs serve similar clientele and deliver similar services. GAO is tasked with analyzing overlap and duplication among federal programs, including workforce development, so we did not analyze duplication and overlap in terms of federal agency administration.

Although a few programs serve all comers, many federally funded programs strategically target specific populations to meet their unique needs. The majority of programs have been developed and added over time to meet a new or different need that the system did not previously address. This incremental growth, in which different federal entities see an unmet need and step forward to fill the gap in services, leads to a greater need for coordination between program partners at the state level.

We found that state agencies managing complex federal programs have generally done well at coordinating their services based on their specialized expertise. For example, DSHS is the designated administrative agency for two programs that provide similar services to similar clientele:

- TANF/WorkFirst, providing cash support for food as well as training opportunities
- Basic Food Employment and Training (BFET), a component of the state's Basic Food program (called the Supplemental Nutrition Assistance Program, or SNAP, at the federal level)

However, TANF WorkFirst participants are not eligible for BFET, so the two programs do not duplicate services. Furthermore, DSHS is not in the employment training business, so the training called for in BFET and TANF takes place at community and technical colleges and other organizations.

We found fragmentation may not be an issue at the agency level, but it is a potential problem at the local level where services are delivered

Decisions on how services are delivered is determined at the local level to align with business and industry workforce needs. Although GAO's criteria for fragmentation is defined as being "when more than one state agency is involved in serving the same broad area of need," we found the greater risks to high-quality outcomes for program participants are posed at the local service delivery level. In such a complex system, there are multiple points where participants pass from one service provider to another. Ideally, people should be able to enter the workforce development system at any point and receive consistent service that includes:

- Being assessed correctly for his or her needs
- Navigating the pathway laid out for services provided by multiple entities
- Getting the right services, at the right time, in their progress towards entering the workforce

The WorkSource Center is a common point of entry for people seeking help and information. The system must work seamlessly behind the scenes if all participants are to succeed as they seek work. Weak or missing connection points within fragmented parts of the system can lead to gaps in service delivery.

Anticipating service delivery gaps at points where participants pass from one service provider to another, we focused our analysis on three large program groups involving multiple state agencies and service providers:

- Career and technical education in K-12 schools and community and technical colleges
- WIA programs
- TANF/WorkFirst programs

One potential gap in service delivery is that the training students receive in secondary and postsecondary schools may not align with the needs of employers. A lack of counseling in high school may leave students unaware of the skills they need to succeed in certain high-demand career pathways, or what opportunities are available to them in another vocation. Without access to comprehensive counseling, students may choose a course of study that isn't right for them or that doesn't lead to a good local job.

The risks associated with gaps in service delivery are also heightened by the autonomy and authority exercised at local levels within the system, where individual schools, colleges and WorkSource Centers decide what services will be delivered to students and clients and by what means.

We identify four areas of risk associated with coordination and service delivery

In our closer analysis of the three large program groups, we identified several issues that have the potential to lead to performance risks and may warrant further analysis. These topics address the interfaces between state and local entities and between entities at the same level, as well as the role played by federal program requirements. These four areas of potential risk are discussed below.

1. Variations in local service delivery at WorkSource Centers – When we talked with state agency and WDC representatives, we discussed how services are delivered to employers and participants at WorkSource Centers throughout the state. We found that most decision-making and coordination responsibility are delegated to the local level, where WDCs prioritize and direct how services are delivered to participants and employers in each region. This arrangement can pose several risks because:

- Locally made decisions have the potential to better align with local needs, but participants and employers may experience variations in the level of service they receive across the system.
- The level of coordination among program partners and collaboration with employers may vary based upon local decision-making.
- If the data management systems that are used to collect, record and track client information are not well integrated, stakeholders may have difficulty tracking and accessing data for participants and employers. WIOA will require even greater integration of data management systems, which will be challenging given that some of the IT systems are outdated.

Note that we identified these risks based on a targeted approach. We did not undertake sufficiently detailed analysis in this performance audit to determine the magnitude of these risks, or whether these issues have had an effect on workforce development system performance.

Other risks may exist within the system as well. These are potential topics for future performance audits.

- WIOA also brings new expectations for integrating the social service systems into the workforce development system. This could be difficult to achieve depending on the availability of local resources.

2. Variable degrees of engagement between employers and educators – Another critical local connection point is the relationship between high schools, community and technical colleges and employers. Ensuring young people are adequately prepared to enter the workforce is an area of significant concern as the demand for skilled workers is likely only to rise.

Schools and community and technical colleges play a vital role in preparing participants for future job opportunities by providing them with relevant education and training. However, there is a risk that if schools and colleges are not adequately engaging employers or planning their program offerings based on current and projected demand, some of the training being provided may not meet the needs of employers or students. The risk is heightened by the difficulty in projecting future job opportunities in a churning economy.

Students may not be prepared for the workplace or further education because:

- Courses at high schools may not be aligned with community and technical college programs and training
- Programs and courses at schools and colleges may not meet employer needs
- Opportunities for participants may be constrained due to limited local employment options, availability of funding, or access to training and education

The Washington Student Achievement Council recognizes similar challenges in its 10-year plan, the 2013 Roadmap. For example, it reported that a gap exists between curriculum required for high school graduation and the skills and knowledge required for postsecondary success.

In addition, a 2013 report issued by the employer-focused Washington Roundtable found that

> *"employers in Washington State express increasing concerns regarding their ability to find employees with the requisite skills to fill available job openings"*

The report provided several policy recommendations, one of which was to "improve alignment of technical degree and certificate curricula with employer demands."

3. Inconsistent quality of counseling to help students transfer into training and employment – Helping youth make successful transitions from secondary school to employment or postsecondary training is another critical point in the system where potential risks exist. Local choice is an important component of the workforce development system, but good choices require access to good information and effective assessments.

Students may not choose the best education or career development course of action because:

- Education, training or labor market information may be unavailable
- Information may be available, but the student didn't receive sufficient or appropriate guidance

A briefing document filed by the Washington Student Achievement Council as part of the publication of its 2013 Roadmap noted:

> *"...students who do not have adequate information about academic preparation, postsecondary education costs, financial aid, and career choices are less likely to attempt, persist and complete a postsecondary education."*

4. Federal restrictions on services, particularly in TANF – Washington's TANF WorkFirst program is geared to helping participants overcome barriers and placing them on career pathways that will lead to self-sufficiency. The services participants need to succeed vary from person to person. Federal limitations can create conflicts with the state's workforce development goals, particularly with the TANF program.

TANF/WorkFirst participants may not reach an optimal employment outcome because federal requirements and funding emphasize participants getting a job quickly. This emphasis may not allow time for participants to build a solid foundation, with the consequence that these placements may be short-lived and not designed to result in long-term self-sufficiency, which is the state's ultimate goal for participants. Furthermore, the discrepancy between "allowable" and "countable" activities as federal regulations define them leaves the state working to balance federal requirements tied to funding with providing services that result in long-term success for participants.

TANF recipients may only be enrolled in educational programs for 12 months: a person who needs remedial education may use up much of her or his 12-month allotment, leaving inadequate time to complete a certificate or degree program.

Risks identified may lead to potential performance audits

Our analysis revealed that the overlap or duplication found in the system was largely justified and resulted from the need for programs that could serve specialized populations with specific eligibility requirements as well as programs without specific requirements that could serve all populations. The fragmentation we found with the 10 TANF-related programs was justified because the four agencies involved had very specific roles based on their expertise.

However, the system's complexity suggests that the greatest risks arise in the gaps between service nodes – places where program edges do not quite touch. Where programs do not commonly work together in a tightly coordinated fashion, or where a client's path forward is atypical, the risk that a person will fall into the gap is greater. Having identified four potential areas of risk in our overview of the system, we expect to conduct additional, in-depth reviews of one or more of these areas in future performance audits, in order to make specific recommendations about the ways state agencies can improve Washington's workforce development system.

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August 28, 2015

Ms. Jan Jutte
Acting Washington State Auditor
P.O. Box 40021
Olympia, WA 98504-0021

Dear Ms. Jutte:

On behalf of the audited agencies, thank you for the opportunity to review and respond to the State Auditor's Office (SAO) performance audit report, "Workforce Development System: Identifying Overlap, Duplication and Fragmentation." To provide this consolidated response, the Office of Financial Management worked with the Workforce Training and Education Coordinating Board, the State Board for Community and Technical Colleges, and the departments of Commerce, Corrections, Ecology, Employment Security, Labor and Industries, Services for the Blind, Social and Health Services, and Transportation.

We commend your staff for their efforts in compiling this inventory of Washington's complex workforce development system and their dedication to ensuring accuracy. We appreciate the acknowledgment in the audit that Washington State is a national leader in many facets of workforce development. In addition, we appreciate the acknowledgment that existing overlap, duplication and fragmentation for services is, for the most part, justified.

We disagree with one statement in the audit, that Basic Education for Adults has no significant direct monetary benefit. These programs teach foundational skills — reading, writing, math, technology and the English language — so adults can move to and through college and into careers. Approximately 650,000 to 700,000 Washington adults require basic skills to pursue college and living-wage jobs.

As your staff begins to consider future performance audits in the workforce development series, please keep in mind that our state's — and the nation's — workforce development system will face significant transformation as a result of the newly enacted federal Workforce Innovation and Opportunity Act (WIOA).

We also soon expect the reauthorization of various federal legislation — the Carl D. Perkins Career and Technical Education Act, Higher Education Act, Elementary and Secondary School Act, and possibly Temporary Assistance for Needy Families (TANF) — all of which could have a dramatic influence on our state's system. We agree that federal limitations on services, particularly TANF, could create conflicts with our state's workforce development goals. We hope the national-level changes will help us to better serve low-income individuals who need education and training to

prepare for and find stable, long-term, and family-wage employment that will allow them and their families to be self-sufficient, economically resilient and independent of public assistance.

We are keenly interested in learning from your future work about areas of risk and opportunity as we undertake such dramatic change as they may present ways to improve results.

Since the passage of WIOA last summer, our state has taken a lead nationally on planning for performance improvement, including expanding and enhancing access for both job seekers and employers. In his October 27, 2014, directive to the workforce development system, Governor Inslee set a clear course for WIOA implementation in Washington:

Establish a clear focus across three fundamental goals for the workforce development system:

- *Help more people find and keep jobs that lead to economic self-sufficiency, with a focus on disadvantaged populations.*
- *Close skill gaps for employers, with a focus on in-demand industry sectors and occupations.*
- *Work as a single, seamless team to make this happen.*

The four top priorities that have emerged from our statewide strategic planning process are:

1. ***Performance system:*** We are creating a new performance accountability system that builds on our successes. Washington is once again ahead of the nation as it develops a system that tracks how we are performing across program and service silos to further increase the number of people who find jobs.

2. ***Employer engagement*:** We are considering a number of state and local strategies to both expand the number of employers with whom we work, and strengthen relationships with employers so they view themselves as valuable partners.

3. ***Integrated service delivery:*** Washington's system will have a new menu of program and service offerings made possible by braiding resources across funding streams. We intend to make our system as responsive to the needs of individuals and businesses as possible. We are standardizing front customer intake and triage protocols while making service planning flexible and customizable.

4. ***Technology and access:*** We will use technology to make our operations more efficient and services accessible to a wide range of individuals, especially those experiencing significant barriers to education and employment. These individuals are most likely to have difficulty accessing and benefiting from traditional workforce development services.

Additionally, work-based learning and student choice cannot be understated when analyzing data about programs of study and enrollment trends. Business mentors, internships and other work-based learning are engaging and motivating for students, contributing to higher graduation rates in our high schools and re-engagement of youth who have dropped out. Colleges provide potential

students with information and advice on programs and labor market data to assist them in making decisions about training. Emphasis on the importance of career and job counseling will continue, yet we look to improve our advising and career counseling services to keep students on track to graduate on time.

Finally, Governor Inslee has recently been appointed to chair the National Governors Association's Education and Workforce Development Committee. We believe this will give us access to the work of other states as they also transition to WIOA, which offers a tremendous learning opportunity. We also will be in a better position to inform federal policy based on our state's experiences.

Your investments in auditing our workforce development system will provide valuable information for our efforts on the national level, as well as our transformational efforts in Washington. Please extend our thanks to your staff for their time and diligence in preparing this report.

Sincerely,

David Schumacher
Director

cc: Joby Shimomura, Chief of Staff, Office of the Governor
Kelly Wicker, Deputy Chief of Staff, Office of the Governor
Miguel Pérez-Gibson, Executive Director of Legislative Affairs, Office of the Governor
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Dale Peinecke, Commissioner, Employment Security Department
Joel Sacks, Director, Department of Labor and Industries
Lou Oma Durand, Executive Director, Department of Services for the Blind
Kevin Quigley, Secretary, Department of Social and Health Services
Lynn Peterson, Secretary, Department of Transportation
Marty Brown, Executive Director, State Board for Community and Technical Colleges
Eleni Papadakis, Executive Director, Workforce Training and Education Coordinating Board

Appendix A: Initiative 900

Initiative 900, approved by Washington voters in 2005 and enacted into state law in 2006, authorized the State Auditor's Office to conduct independent, comprehensive performance audits of state and local governments.

Specifically, the law directs the Auditor's Office to "review and analyze the economy, efficiency, and effectiveness of the policies, management, fiscal affairs, and operations of state and local governments, agencies, programs, and accounts." Performance audits are to be conducted according to U.S. General Accountability Office government auditing standards.

In addition, the law identifies nine elements that are to be considered within the scope of each performance audit. The State Auditor's Office evaluates the relevance of all nine elements to each audit. The table below indicates which elements are addressed in the audit. Specific issues are discussed in the Results and Recommendations section of this report.

I-900 element	Addressed in the audit
1. Identify cost savings	**No.** The audit scope did not address cost savings, but rather focused on gaining a high level understanding of the workforce development system.
2. Identify services that can be reduced or eliminated	**No.** We identified programs in the Workforce Development System, but did not determine whether services provided by programs can be reduced or eliminated.
3. Identify programs or services that can be transferred to the private sector	**No.** The audit scope did not address programs or services that can be transferred to the private sector.
4. Analyze gaps or overlaps in programs or services and provide recommendations to correct them	**Yes.** We found overlap, duplication and fragmentation within the Workforce Development System and identified risks to be considered in future audits.
5. Assess feasibility of pooling information technology systems within the department	**No.** The audit scope did not address the feasibility of pooling information technology systems.
6. Analyze departmental roles and functions, and provide recommendations to change or eliminate them	**Yes.** We obtained a high level understanding of the governance structure for the Workforce Development System. Although no recommendations were made, we did identify areas of risk to consider in future audits.
7. Provide recommendations for statutory or regulatory changes that may be necessary for the department to properly carry out its functions	**No.** The purpose of this audit was to provide a high level overview of the workforce development system, determine where overlap, duplication or fragmentation may exist and identify potential areas of risk that may warrant future performance audits, and did not closely examine statutory or regulatory issues.
8. Analyze departmental performance, data performance measures, and self-assessment systems	**No.** The audit scope did not include an analysis of departmental performance, data performance measures or self-assessment systems. However, it did review program outcomes evaluated by others at the state and national level.
9. Identify relevant best practices	**No.** The audit scope did not address best practices, but rather looked for governance structures in other states that successfully improved outcomes for program participants and employers.

Appendix B: Four Key Workforce Development Programs

Detailed analysis of major workforce development programs

We focused our detailed analysis on programs that are integral to how the system operates, specialize in meeting the needs of individuals with some of the most significant barriers to employment, or educate and train the current and future generations. These programs are discussed on the following pages:

Career and Technical Education (CTE) in K-12 Schools and Community and Technical Colleges 44

Temporary Assistance for Needy Families (TANF) WorkFirst 49

Workforce Investment Act of 1998 (WIA) and its reauthorization, the Workforce Innovation and Opportunity Act of 2014 (WIOA) 52

Apprenticeship 61

These analyses gave us a better understanding of these important programs and helped us identify overlap, duplication and fragmentation, as well as risks to system or individual program performance.

Career and Technical Education (CTE) in K-12 Schools and Community and Technical Colleges

Washington's kindergarten through 12th grade (K-12) schools and its community and technical colleges are key components of the workforce development system. In 2013, they received more than $500 million in federal and state money to provide job- or career-related education and training to nearly 482,000 students. The vocational education programs they offer provide hands-on and classroom training to students to prepare them for employment upon program completion.

Gauging the success of workforce education programs is about the success of individuals, and whether they can obtain employment in their chosen fields. While individual success depends on student effort and adequate preparation, it also depends on teaching the right things in the right way. More specifically, a successful workforce education program requires that:

- The curriculum facilitates learning and teaches students things they need to know to be successful later in life
- Preliminary career and technical education (CTE) coursework in the K-12 system prepares students for subsequent coursework in the community and technical college system
- Students receive guidance that helps them make informed decisions about education and careers
- Schools offer courses in subject areas that meet employer needs

Some students, low-income and non-traditional in particular, may also need support services to help them succeed.

To function properly, workforce education systems must align with other components of the workforce system, in particular, with employer needs. Decisions about what courses and training to offer should therefore consider regional economic conditions and local employer needs. Washington's workforce education system reflects this: state agencies provide coordinating and advisory functions, while local school districts and community and technical colleges make the on-the-ground decisions, including what courses to offer and how to interact with local businesses and other partners. There are risks in such a decentralized system, however, which we address later in this section.

Two centralized bodies are key partners in workforce development education

Many state and local partners already collaborate to help students explore and connect to postsecondary education and vocational training opportunities. Both the Office of Superintendent of Public Instruction (OSPI) and the State Board for Community and Technical Colleges (SBCTC) play important oversight roles as they help schools, colleges and workforce development programs work together effectively.

OSPI has supervisory responsibility for all matters pertaining to public schools in Washington, and coordinates with 295 school districts to administer the state's K-12 education system. OSPI is responsible for administering the state's secondary school CTE programs, offered at middle schools, high schools and skill centers, and for ensuring that all programs have formed advisory committees to provide direction and guidance to administrators and teachers. State law requires that approved CTE programs align with rigorous industry and academic standards. OSPI is also responsible for revising and approving the operational guidelines of skill centers.

State law grants the SBCTC general supervision and control over Washington's system of 34 community and technical colleges, which educate and train a significant portion of the state's workforce. These colleges offer professional-technical education, retraining, supplemental classroom apprenticeship training, and related education.

CTE by the numbers

In school year 2013, OSPI received more than $362 million for CTE courses. About 303,000 secondary students enrolled in one or more CTE courses statewide.

That year, the SBCTC received more than $160 million in federal Perkins and general state funds for professional technical education and training at community and technical colleges. About 179,000 students enrolled in postsecondary career and technical programs.

The SBCTC provides support to the advisory committees that are required for all professional-technical programs and program clusters at colleges. Composed of employees and employers representing local business, labor and industry, these committees advise on curriculum, equipment and facilities, instructional quality and delivery, and student employment.

Beyond its oversight duties, an important goal of the SBCTC is to promote community and technical colleges as a resource to meet the workforce training and retraining needs of business and industry. To help achieve this goal, the SBCTC supports 10 Centers of Excellence at two-year colleges around the state. Their stated mission is to

> *"...serve as statewide liaisons to business, industry, labor and the state's education systems to facilitate the development of a highly skilled and readily available workforce."*

Local control gives Washington's school districts and community and technical colleges general responsibility for education

While OSPI and SBCTC play important roles in coordinating and overseeing school districts and colleges, including acting as fiscal agents, they are not directly responsible for providing education. Washington is considered a "local control" state, which means that school districts and colleges are generally responsible for setting school policies and delivering instruction to their students.

In Washington, each school district is governed by a locally elected board, and each college is governed by a board appointed by the Governor. These boards are subject to state and local laws, but have broad authority in determining how they provide their own education programs, as well as how they choose to interact with employers and other local resources (such as WDCs). While colleges and schools are required to establish advisory committees for CTE programs, their effectiveness may vary.

Successful student transitions to postsecondary pathways

Preparing young people to transition successfully from the K-12 system to further academic and vocational education is a challenge in Washington as well as nationally. Two issues have emerged:

1. Schools do not always adequately prepare students for postsecondary schooling
2. Courses high school students take do not always prepare them for local job opportunities.

According to the SBCTC, 57 percent of 2009-2010 high school graduates who attended a community and technical college took at least one remedial class in math, reading or writing before they were able to tackle college-level courses.

Schools must ensure that students graduate, but they must also make sure that students have the information they need to make informed decisions about the classes they take and their future choices. According to one brief by the Washington Student Achievement Council, "students who do not have adequate information about academic preparation, postsecondary education costs, financial aid, and career choices are less likely to attempt, persist and complete a postsecondary education."

A statewide approach to student planning and preparation aims to help

State law encourages middle, junior high and high schools to develop a comprehensive guidance and planning program for all students, to help guide students as they navigate their education and plan their future. Washington schools provide assistance to K-12 students through career counseling, student planning, federally funded Perkins Programs of Study, and CTE courses.

In addition, OSPI has developed Career Guidance Washington, a career and college readiness program model for students that ties together support from an advisor and/or counselor with guidance curriculum and tools to help develop student High School & Beyond plans (see sidebar).

High School & Beyond plans

High School & Beyond plans are now a statewide graduation requirement.

According to OSPI, the High School & Beyond plan is a "formal process designed to help students think about their future and select course work that will best prepare them for their post high school goals. Students create their High School & Beyond plans in cooperation with parents/guardians and school staff."

The state's 14 skill centers play an integral role in expanding the state's CTE programming. According to OSPI:

> *"…skill centers are regional secondary schools that serve high school students from multiple school districts. They provide instruction in preparatory programs that are either too expensive or too specialized for school districts to operate individually."*

Skills centers were established to provide access to comprehensive, industry-defined career and technical programs of study that prepare students for careers, employment, apprenticeships and postsecondary education.

A skills gap also hinders placing graduates in jobs

Students may master the coursework prescribed for them, but still struggle to find work in their local economy. A 2013 Washington Student Achievement Council report stated there is "a gap between the curriculum required for high school graduation and the skills and knowledge required for postsecondary success." Washington employers, who rely upon both the K-12 system and community and technical colleges to train new workers, have expressed similar concerns. A 2012 Washington employer survey conducted by the Workforce Board concluded that "of the estimated 60,000 Washington employers who hired in the last 12 months, one in five had difficulty finding qualified applicants." A 2013 report issued by the employer-focused Washington Roundtable found that "employers in Washington State express increasing concerns regarding their ability to find employees with the requisite skills to fill available job openings." The report provided several policy recommendations, one of which was to "improve alignment of technical degree and certificate curricula with employer demands."

The causes of challenges with student transitions and curriculum alignment reflect those experienced elsewhere in the workforce system

Both state and local entities have made significant efforts to help students transition successfully between secondary school and further training or job opportunities. However, our audit identified four issues that can lead to misalignment between workforce system partners in Washington, and limit the preparedness of students transitioning from the K-12 system into workforce activities.

Local control guides curriculum choices – and may introduce variation in student outcomes

Washington's laws delegate considerable control to school districts: for example, neither the state Legislature nor OSPI decides on instructional materials. Each school district is under the control of a locally elected school board that hires a superintendent, sets school policies and develops its own curriculum.

The state has laws that define basic education and learning standards for state and federal accountability purposes, but local school boards decide how they will provide basic education to students and how they will adhere to state and federal learning standards. For example, every CTE course provided in the state must meet certain standards and receive curriculum approval from OSPI, but school districts largely decide what courses are taught, and the level and type of guidance provided to students. Guidance is an important component of academic and career planning, because it is ultimately students and parents who decide what courses students will take. School districts likewise set practices for student High School & Beyond plans.

CTE course re-approval process underway

"Beginning in the 2013-2014 school year and continuing through the 2016-2017 school year all Career and Technical Education (CTE) courses will go through a re-approval process. The purpose of this process is to make certain that all CTE courses:

- Ensure academic rigor.
- Align with the state's education reform requirements.
- Help address the skills gap of Washington's economy.
- Maintain strong relationships with local CTE advisory councils for the design and delivery of career and technical education."

New courses are also supposed to align their sequence of instruction with 21st century skills and the state's Common Core.

CTE Course Approval/Re-Approval Process 2013-17

Because local approaches vary, classroom curricula, academic guidance and postsecondary planning assistance vary from district to district. The result is that while Washington has both broad and specific measures in place, students at any given school district can have very different outcomes.

Lack of coordination between potential partners hinders program development

Without effective coordination between school districts, community and technical colleges, and other local partners, it can be very difficult to align curricula and other student development opportunities with the expectations of employers and educational institutions. Staff at OSPI said that for CTE courses in particular, program success depends on the district's relationship with local businesses. School districts and colleges may take advantage of assistance from local WDCs, but the strength of working relationships with employers is still important and can vary significantly.

Working relationships between colleges, school districts, WorkSource centers and other partners can vary as well. Some school districts and WDCs have forged strong and productive partnerships with local colleges, while other partnerships are less well developed.

A Workforce Board-sponsored survey of employer needs and practices notes that Washington's community and technical colleges have opportunities to establish stronger connections with employers. It also notes that while 38 percent of responding employers provided or paid for classroom training, workshops or seminars for employees in 2012, only 2.5 percent had an arrangement with local colleges to provide education and training services to their employees. Satisfaction was very high – 71 percent of employers reported being very satisfied with community and technical college training, and another 21 percent were somewhat satisfied. This low rate of penetration and high level of employer satisfaction suggests there are opportunities for further collaboration.

Cooperative partnerships in action

A representative from a local business recently got involved with **a CTE course in a Pierce County high school**. The representative came into the classroom to teach lessons, meet students and take students on tours of his business. The business representative subsequently hired several students right out of high school.

The **Agriculture Center of Excellence at the Walla Walla Community College** has brought together constituents in the community to solve problems associated with water and viticulture (wine making) in the region. The partnership serves as a model for cooperative accountability agreements and systems.

Lack of funding may inhibit the availability of counseling and course offerings

A lack of funding may limit the number and type of course offerings and development programs schools and colleges can offer students. At secondary schools in particular, insufficient funding may lead to fewer counselors and assistants who can help students move from high school to postsecondary education, vocational training or other career pathways. Of course, because school districts have broad discretion over their operations, the decision to offer fewer courses or provide fewer counselors may be due more to local priorities than a lack of funds.

As an oversight agency, OSPI offers many services to school districts to help districts align courses with state standards, but the reviews OSPI provides are not mandated. For example, OSPI conducts periodic formal reviews of school instructional materials as a service to school districts, but OSPI officials reported that these reviews are largely dependent on the availability of state resources.

Uneven opportunities driven by the physical and economic landscape

Opportunities for students, and for the school districts and colleges that teach them, depend a great deal on location. The presence or absence of certain industries and employers can expand or limit the number of partners available for vocational training.

Great physical distances between schools, and between schools and the nearest college, can also make it harder to establish connections between schools and programs, or to form partnerships that help align educational standards. Rural areas face particular challenges in providing opportunities, including hosting skill centers: they may not have enough students to fill a certain program, but bussing students to the next nearest center can consume a significant amount of time and money.

Aside from geographic disparities, school services may not meet the needs of under-represented and non-traditional students, especially those from low-income families.

Economic conditions vary greatly by district and region. Wealthier areas of the state may direct additional funding from property taxes and local levys to their schools, a funding gap which less affluent and rural areas may find hard to close. Rural areas usually have fewer resources than more urban areas, including less access to high-speed Internet and other information resources.

Temporary Assistance for Needy Families (TANF) WorkFirst

The Temporary Assistance for Needy Families (TANF) program provides cash benefits to Washington families based upon family size, income and resources. The WorkFirst program, a component of the state's TANF program, offers services and activities to help adults in these families find and keep good jobs so they can become self-sufficient. Families become eligible for WorkFirst only by meeting eligibility criteria for TANF, which is administered by DSHS.

Washington's TANF program was established by the Legislature in 1997 to help implement the federal welfare reform legislation known as the Personal Responsibility and Work Opportunity Act. The federal program's design called for families to move from welfare to employment as quickly as possible.

Consistent with the goals of the federal program, Washington's goals for TANF's WorkFirst program are to "encourage personal responsibility and work opportunities for needy, low-income families receiving assistance," and to help them "achieve permanent economic self-sufficiency."

WorkFirst – which has almost a dozen program component variations – often serves people with barriers to employment, a group with more intensive needs than most people using Washington's workforce development system. People who participate in the WorkFirst program may receive the following benefits and services:

- Social services
- Special exemptions for parents with infants
- WorkFirst program services and activities that can help them reenter the workforce

Accessing TANF WorkFirst Benefits

WorkFirst participants must complete a comprehensive evaluation that includes a work skills/employability assessment, which looks at their education, employment strengths, job skills and employment history. Participants then prepare a plan that sets out the specific activities, timeframes and expectations for each WorkFirst participating family member.

The plan spells out what needs to be done to get a person employed as quickly as possible, and then breaks those tasks into action steps. It may also indicate what support services WorkFirst will provide. Caseworkers and partners then work with participants to help them progress with the planned activities that will lead to joining the workforce.

In Washington, a key message for the TANF program is "Engagement that matters," which means encouraging participants to get meaningful and valuable experience from WorkFirst program activities, and not simply complete the requirements so they can continue to receive program benefits.

Multiple state agencies participate in the administration of TANF's WorkFirst program

WorkFirst's goals, strategies and policies, as well as the roles for administering agencies, are defined by the Washington TANF State Plan, with DSHS assigned lead responsibility for administration. Within DSHS, the Community Services Division is responsible for developing WorkFirst policies and procedures and delivering services.

The TANF State Plan noted that "the WorkFirst Program requires an unprecedented level of coordination among state agencies, local communities, businesses, and charitable organizations." Three other agencies are responsible for delivering key workforce development elements in WorkFirst: Commerce, the Employment Security Department and the SBCTC. (The Office of Financial Management and the Department of Early Learning are also responsible for aspects of TANF programs and services but are not directly involved in delivering WorkFirst job programs.)

The Legislative-Executive WorkFirst Oversight Task Force oversees the operation of TANF programs to ensure they achieve the desired outcomes for clients. The task force determines evidence-based outcome measures for the WorkFirst program, develops accountability measures for WorkFirst recipients and agencies, and makes recommendations concerning the program to the Governor and Legislature.

Federal requirements pose challenges in administering Washington's WorkFirst program

Federal requirements define what program activities can be paid for with TANF funds and who can participate. States must meet certain requirements as they implement TANF-funded programs or risk facing penalties, including reduced funding if they do not meet federally defined Work Participation Rates. To meet the rates, states must have a set percentage of people participating in the required number of hours of countable activities each month. These federal requirements can create challenges for states as they implement TANF-funded programs while trying to meet their own social welfare and workforce development goals.

Washington's DSHS and WorkFirst partners may only count 12 months of education toward a participant's program requirements, which can limit her or his ability to complete or meaningfully engage in a training program. Another, related, challenge is that federal requirements dictate the types of activities permitted for program participants. These activities may not align with either the participant's personal goals or the state's goals for the WorkFirst program.

Federal requirements can also lead to difficulties between the state agencies that administer WorkFirst programs. For example, DSHS refers some WorkFirst clients to community and technical colleges for education and training. However, staff at SBCTC said that DSHS and colleges may have a different interpretation of when clients are ready to take courses, sometimes referred to as "competing performance measures." Balancing the time-limited nature of TANF benefits with federal participation rate requirements and the needs of participants can create additional challenges between WorkFirst partner agencies as they serve participants, and has been the focus of several recent Lean workshop activities described in more detail below.

DSHS and its program partners are applying continuous improvement principles to the WorkFirst program

While agencies report difficulties in administering TANF programs and ensuring successful outcomes for program participants, the agencies involved in WorkFirst are working together to address them by applying continuous improvement, or Lean, practices. Beginning in December 2013, DSHS and several partners conducted six Lean workshops, attended by front line employees and managers, in order to strategize program improvements.

The Lean project produced a final outcome report that outlined the work that was done as well as a series of steps and actions to address the issues examined in each workshop. The Lean project team also recommended that DSHS undertake a series of proposed process improvement events, where participants identify individual implementation strategies.

Five of the Lean project workshops were related to field operations of the WorkFirst program. The sixth related to process improvements that ensure all participation hours are credited to Washington's reported federal Work Participation Rate. Figure 1 on the following page lists the six Lean workshops and their objectives.

Figure 1 – Six Lean workshops

Workshop title	Objective
Reducing job search churn	Improve participation and employment outcomes of participants referred by DSHS case managers to Job Search, by improving the process of referral, enrollment and engagement.
Federal rate reporting process	Review the process and definitions for reporting WorkFirst program participation rates. The workshop recognized that "there is a limited knowledge base of the Federal Participation Rate reporting process across the agency," and looked for opportunities to improve connectivity between information reported in the field and data that is used for reporting purposes.
Increasing successful outcomes for contracted educational activities	Evaluate and improve the current process of enrolling and supporting WorkFirst participants in contracted education and training activities.
Reducing transition gaps	Improve communication between the WorkFirst participant and their case manager or other agency provider as they agree the appropriate next steps to lead participants to the right activities at the right time.
Post comprehensive Evaluation (CE) engagement (barrier removal)	Develop strategies that help the agencies remove the barriers preventing participants from progressing to work or work-like activities.
Verifying and documenting actual hours of participation	Evaluate the current process of verifying, documenting, and recording actual hours of performance. The workshop also sought opportunities to "fully capture every possible hour of participation in a timely and accurate manner" to help improve their federal participation rates, and streamline the process for DSHS staff and partners.

Workforce Investment Act of 1998 (WIA) and its reauthorization, the Workforce Innovation and Opportunity Act of 2014 (WIOA)

Workforce Investment Act (1998)

The Workforce Investment Act (WIA) established the nation's current workforce development system infrastructure. Passed in 1998, WIA sought to implement a cohesive national vocational preparation and training system; it combined and superseded a handful of smaller workforce programs, some of which dated back to the Great Depression. WIA was designed to meet the needs of both job seekers and employers. For job seekers, WIA provides individualized employment services such as skills assessments, job search assistance, information and referrals to training programs, and support services. For employers, WIA provides outreach and coordination services to help businesses find appropriately trained workers.

WIA provides a variety of services through four main Titles, each with distinct funding streams, target populations, service offerings, and program administrators. In FY 2013, the expenditures for each Title were:

- Title I – Adult, dislocated worker, and youth programs, and some special funds: $55.4 million
- Title II – Basic Education for Adults: $52.8 million
- Title III – Wagner-Peyser employment services: $14.7 million
- Title IV – Vocational rehabilitation: $67.8 million

For more information, see the Program Inventory in Appendix I.

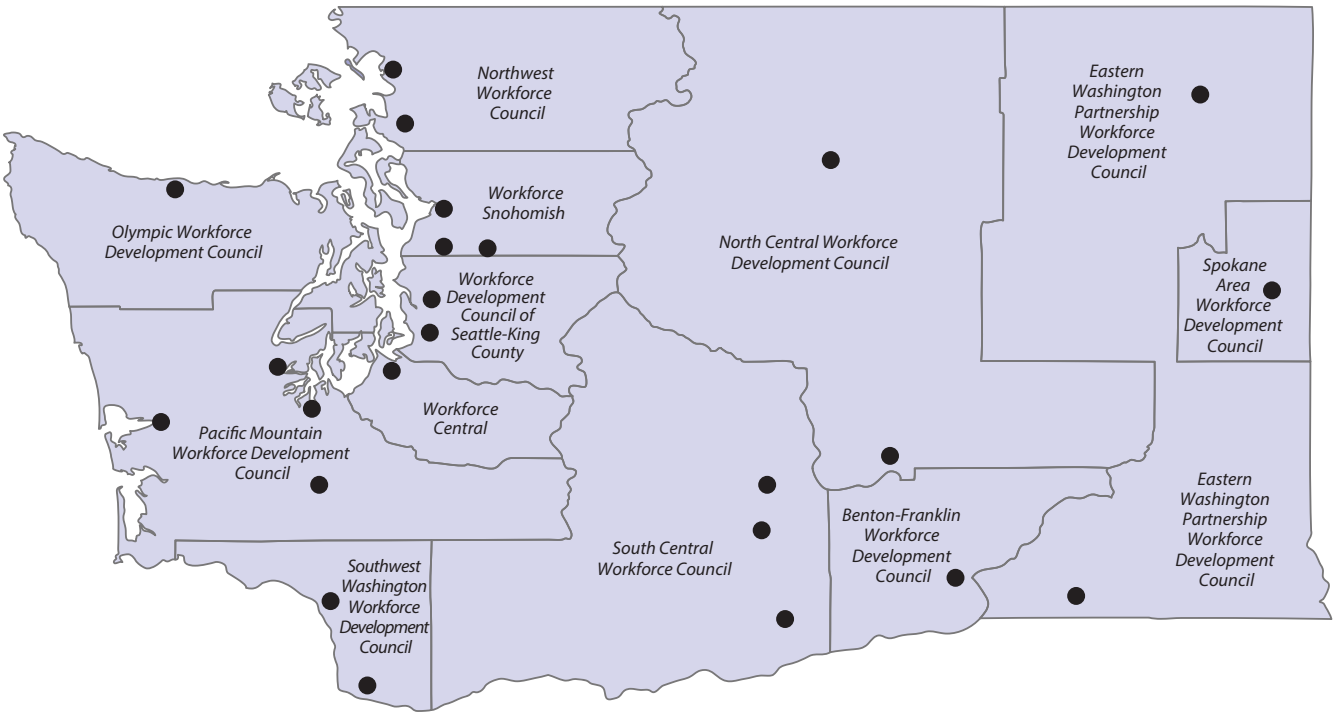
WIA coordinates the nation's primary federally funded workforce development activities, but it is by no means the exclusive provider of workforce development services in Washington. For example, in fiscal year 2013 Washington spent $190 million on WIA programs out of a total budget of $1.1 billion for all state-administered workforce development programs. (For more information about program funding see Appendix F.) Private, non-profit and philanthropic entities also operate workforce training programs – some officials suggest that these parallel programs even dwarf the public system – but we did not review them for this survey.

WIA provides the state's main framework for workforce development

WIA requires states to designate a state-level workforce investment board to develop five-year strategic plans for workforce development activities throughout the state, ensure compliance with WIA rules and monitor statewide efforts. In Washington, the Workforce Training and Education Coordinating Board (Workforce Board) serves as the state workforce investment board. It advises and assists the governor in workforce development matters, and is also tasked with overseeing other workforce programs not funded through WIA.

The Governor also designates and, through the state's Employment Security Department, oversees 12 workforce investment areas across the state. Services in each area are administered by a local workforce investment board, known as Workforce Development Councils (WDCs); see **Figure 2**, on the following page, for a map of Washington's 12 local areas and the designated WDCs for each.

Figure 2 – Locations of the state's 12 workforce development areas, with the main WorkSource Center locations identified by dots



WIA has greatly influenced the structure of the state's workforce development system. Three of the main tenets of WIA, discussed in more detail below, are:

- Local control
- The one-stop service delivery model
- Business involvement

Local control

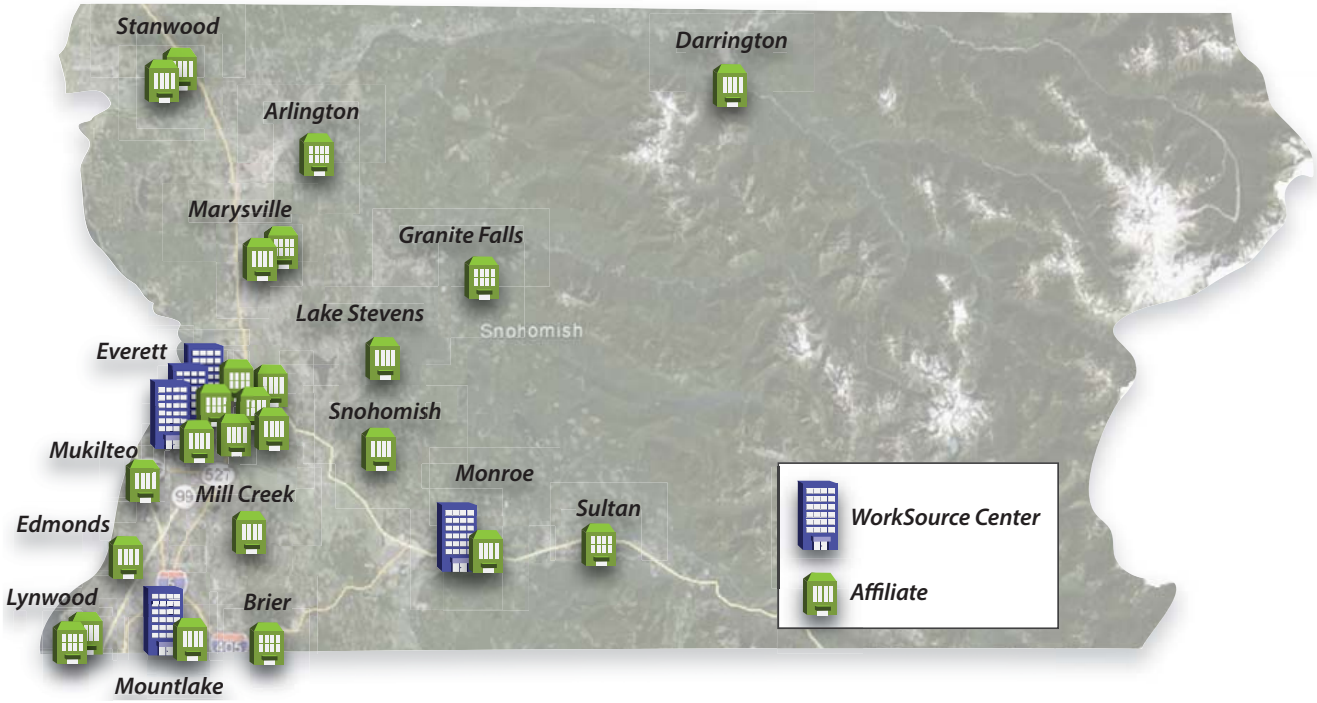
Central to WIA's administration in Washington is its insistence on local control. WIA assigns almost all decision-making and coordination responsibilities to the local level with the understanding that local government officials and businesses best understand the workforce needs of their area. Members of Councils are appointed by local elected officials, typically county commissioners and city executives, in accordance with criteria established by the Governor. The board membership must have a majority of business representatives, along with representatives of schools and colleges, labor organizations, community-based organizations, veterans groups, economic development agencies, WorkSource Center operators, and others as necessary.

WIA codifies the importance of local control by requiring about 85 percent of WIA funds to be disbursed to the local boards by formula funding, based on area population, unemployment and poverty rates, and other factors. The remainder is retained for state-level administration and oversight activities, emergency grants, and incentive funding programs. Each WDC, in partnership with local elected officials, is responsible for planning and monitoring the workforce development activities in its area; tasks include writing a plan, selecting the service delivery site operators and eligible training providers, negotiating performance measures, aiding in data collection, and reporting performance outcomes to the Employment Security Department and the Governor.

The one-stop service delivery model

A key component of WIA is the mandated one-stop service delivery model: the establishment of at least one physical location where job seekers can access a variety of core employment services. In Washington, the one-stops are called WorkSource Centers; each WDC designates the Center's operator, although in a few cases, the WDC is the operator. At a minimum, each workforce development area must have at least one comprehensive WorkSource Center, though it is common for areas to have several supplemental resource centers. As an example, see **Figure 3** for a map of the workforce service delivery sites in Snohomish County.

Figure 3 – Snohomish County has numerous WorkSource Centers and affiliate offices serving dispersed population centers



Washington's workforce development areas encompass anywhere from one to nine counties, so a network of WorkSource Centers, affiliate sites, online information and information resources co-located at other service providers' facilities is necessary to ensure services are widely available. In addition to the services offered through the main WIA programs, WorkSource Centers must also co-locate with several other designated programs, such as the state unemployment program, the Rehabilitation Act's vocational rehabilitation program for injured and disabled workers, and programs targeted at seniors and veterans.

Business involvement

Business involvement is central to the design and function of WIA on the ground. The law's expectation is that local businesses will provide information, leadership, and strategic input on the development and management of training and employment programs, so that employers' workforce needs are met by the local talent pool, and that job seekers have access to relevant, timely and practical vocational training opportunities. Two-way communication is essential: businesses inform WDCs of their workforce needs, and WDCs in turn inform businesses about the local talent pool – what skills are available, what training programs are available or possible – and strive to match job seekers with employers. This cooperative effort to enhance business growth and local economies is the main reason why the greatest number of seats on local workforce boards is reserved for business. The intention is that those who best understand the needs of the current and future regional labor market have significant input in planning the area's workforce development programs.

Beginning in the early 2000s, Washington's WDCs moved toward a "sector strategy" approach, with a focus on working closely with key business leaders, building capacity in the local labor force, and coordinating training efforts to meet the needs of multiple employers. Industry clusters are groups of similar or related businesses, geographically concentrated in a specific area due to access to markets, a skilled labor force, raw materials or transportation options. Each of Washington's 12 workforce development areas has a unique set of industry clusters, such as aerospace manufacturing, maritime trades, food processing, forest products, health care, tourism and hospitality, and many more. WDCs may base their planning on these sectors but can, and do, develop their own list. The Workforce Board reviews the status of industry clusters, which typically do not change dramatically year-to-year but may shift over time as industries wax and wane.

A promising example of business involvement within the sector strategy approach is the introduction of industry skill panels. WDCs bring together key leaders within a business sector for a series of meetings over a period of several months to discuss the needs of the industry as a whole, culminating in an agreed set of actions and assignments. In a typical panel session, employers may identify a skills gap in the region; the WDC can use its position to reach out and coordinate with a training provider, typically a local community or technical college, to develop a new – or augment an existing – training program to meet the industry's needs; the college provides the actual training; and the WDC works with job seekers to alert them of the program and job openings, and can help finance their participation in the training.

One WDC member told us that the industry panel approach is growing in momentum as it gains credibility within the business community. The sector-based approach on the whole is widely viewed as a success, and Washington's work was used as a model in the reauthorization of WIA in 2014.

Target populations

WIA has three primary target populations: youth, adults and dislocated workers (those who became unemployed due to local economic downturn, plant closure, etc.).

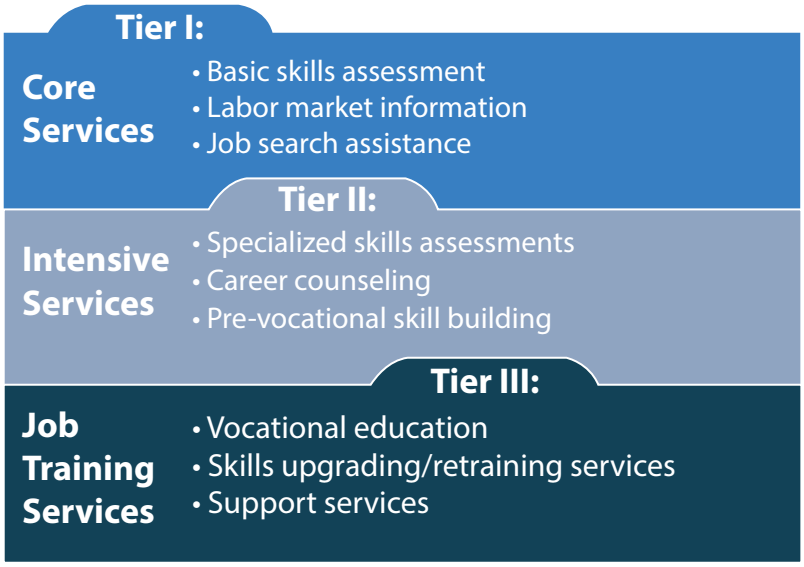
Youth

WIA youth services typically focus on low-income individuals, age 14 to 21, with barriers to employment or academic attainment, such as lack of high school diploma or homelessness. Services are typically tailored to the needs of the individual, and can include paid or unpaid work experience, linking academic and occupational learning, mentoring, professional skills training, and support services. WIA differentiates between out-of-school youth and in-school youth at risk of dropping out, and allows WDCs to determine how best to meet the needs of its youth population. WDCs commonly contract out youth services to a different service provider than those serving other WIA clients; contractors typically include Education Service Districts, public agencies and community-based non-profit groups.

Adults and dislocated workers

The services provided to adults and dislocated workers are largely the same, though the funding streams – and therefore the programs – remain distinct. For these populations, services are offered in a sequential, three-tiered system, with each tier representing increasingly individualized and intensive services, illustrated in **Figure 4**, below. Job seekers must use at least one service in the preceding tier and meet additional eligibility criteria before advancing to the next tier of services.

Figure 4 - Sample of services provided in sequence to adult and dislocated workers



By design, Tier I services are provided to the greatest number of clients, Tier II to fewer clients, and Tier III to the fewest. As services increase in personalization and intensity, they become increasingly expensive, so this structure ensures clients make use of the most cost-effective services first. Tier III services match individual job seekers with vocational training in a variety of fields, including bookkeeping, construction, nursing and web development. The program also offers support services necessary to complete the training.

WIA funds support training provided by organizations such as community and technical colleges, four-year universities, private career schools, registered apprenticeship training centers, and employers, through participants' Individual Training Accounts. Job seekers must demonstrate they are motivated to complete the courses and understand the demands of the training program they are pursuing. Pre-enrollment skills assessments help determine if participants are ready and a good fit for the program.

For a training program to be eligible under WIA, it must meet several requirements. For example, the specific skills taught must be identified as "in-demand" on the state's Demand/Decline list, assembled by the Employment Security Department with input from WDCs. And it must be present on the Workforce Board's online searchable database called the Eligible Training Provider List; the Board reviews training programs for eligibility annually. Consumer choice is an important component to selecting a training program. A brief search in January 2015 found approximately 5,000 WIA-eligible training programs offered by hundreds of different providers in Washington.

Workforce Innovation and Opportunity Act (2014)

The Workforce Innovation and Opportunity Act (WIOA) is a legislative reform of the national workforce system, passed in July 2014 with bipartisan Congressional support. The majority of WIOA law went into effect July 1, 2015, with additional requirements becoming effective in 2016. WIOA supersedes the Workforce Investment Act of 1998, and amends several additional Acts; it leaves the basic structure of the workforce system intact while making adjustments for more integrated service delivery, and a new focus on career pathways and underserved populations. Washington Senator Patty Murray was a prime sponsor of the bill. Washington served as a model for several important aspects of the WIOA reforms, a recognition of the state's leadership in developing innovative and successful programs under WIA, although WIOA authors looked at many other promising elements of workforce development systems throughout the country as well.

> The stated purpose of WIOA is to "improve the quality of the workforce, reduce welfare dependency, increase economic self-sufficiency, meet skills requirements of employers, and enhance the productivity and competitiveness of the nation."
>
> *Workforce Innovation and Opportunity Act: An Overview*
>
> *– National Association of Workforce Boards*

The transition from WIA to WIOA

WIOA maintains the basic structure and programs of WIA. For example, WIOA continues the one-stop service delivery system (with some modifications), and maintains the core programs for youth, adults, and dislocated workers, Wagner-Peyser employment services, basic education for adults, and vocational rehabilitation. WIOA maintains the leadership role of the Governor and a workforce investment board in overseeing the state's workforce system, and reiterates the importance of local control by the WDCs.

Because WIOA was modeled, in part, on Washington, the state already does many of the new things mandated under the law; some other states will have to undergo a significant overhaul of their workforce development system to bring them in line with the new standards. This is not to say that Washington will not need to make any changes. WIOA requires a higher level of coordination and integration in service delivery for job seekers, refocuses on career pathways, and places more emphasis on underserved populations, among other changes. We did not attempt to cover all of the important changes in transition from WIA to WIOA, but describe some of the more significant ones here.

> **Washington is regarded as a leader in workforce development.**
>
> A member of Senator Murray's staff who assisted in writing WIOA described the state as showing "true national excellence" in its design and administration of the workforce system under WIA. He mentioned several specific examples:
>
> - I-BEST, a program that integrates adult basic education and vocational skills training, which is being replicated in over a dozen states
> - Leadership in developing a common set of performance metrics; WIOA's system is nearly identical to the blueprint Washington created
> - The state's local control mechanisms that allow for strong local leadership and collaboration

Coordinated performance metrics and service delivery

WIOA is strongly oriented toward increased coordination between service providers, to achieve alignment of the workforce development system overall and specifically of service delivery through the one-stops. WIOA implements a common set of performance measures for core programs, at both the state and local level, so each program is working toward common goals. By virtue of using shared metrics, programs can better hold each other accountable. With these new performance metrics, WIOA requires increased and improved data validation, monitoring and reporting.

WIOA imposes some new mandates but also encourages enhanced coordination. For example, states are required to submit a unified state plan for all core WIOA programs to coordinate efforts, set goals, and assign responsibility and accountability for workforce development activities. States may opt to develop a combined strategic plan, in which the workforce development state plan is combined with the state plan for one or more other federal program(s) – for example, the TANF program. While WIOA and TANF will interact through the WorkFirst program, the two programs differ in significant ways, such as their performance goals and metrics, which alter the way each program sets out to achieve its targets.

Although WIOA offers this option to improve coordination, the efficacy of a combined state plan is hampered by the "silo mentality" in program funding and structure at the federal level, which makes it difficult to fully integrate service delivery while maintaining compliance with each program's requirements. Including TANF in a combined state plan may prove to be challenging under current federal rules.

Career pathways

WIOA eliminates the sequential, tiered service delivery model for adults and dislocated workers, replacing the three categories with two – Career Services and Training Services – that are not necessarily sequential. This should make it easier to target a participant's needs. The Individual Training Account system that enables clients to access training programs is essentially intact; its only major change is the requirement that youth and on-the-job training providers are added to the Eligible Training Provider List. The elimination of the tiered system supports the "career pathways" approach, which values a worker's ability to move up the career ladder and obtain jobs that allow for self-sufficiency.

WIOA also places an even greater emphasis on providing participants with complete, easily accessed information on services, educational and training programs, and employment.

Underserved populations

A significant demonstration of the shift in emphasis toward underserved populations is the reformulation of spending priorities within the youth program: under WIOA, at least 75 percent of youth program funds must be spent on out-of-school youth. Out-of-school youth, sometimes called disconnected youth, may not have access to any public services at all, while young people who are still in school have access to at least some support services. Furthermore, the funding available for support services within the public school system far outstrips that available through the workforce development system.

Young people aged 24 and under have the highest unemployment rate of any group in the United States, and the problem of youth unemployment has worsened as a result of the recent recession. In part, this is because "trainer jobs" historically staffed by young workers have disappeared or were taken by adults displaced from better jobs themselves. The lack of entry-level work experience and the chance to develop workplace skills has a detrimental impact on a young person's current and future employability. The stronger emphasis on getting youth into the workplace and building work experience sooner rather than later is seen as critical by WIOA authors. Indeed, they raised the upper age limit for youth from 21 to 24 to help more young adults transition into the workforce.

Unlike WIA, WIOA now allows for up to 20 percent of adult and dislocated worker funds to be spent on incumbent workers – those who are currently employed, but wish to retrain or upgrade their skills to improve the chances of keeping their jobs or avoid being laid off. However, this creates a dilemma for WDCs: funding trainings for incumbent workers probably means taking funding away from training unemployed workers. On the other hand, the strategy of "upscale / backfill" – upgrading incumbent workers' abilities so that employers can promote them to more skilled positions, and placing new workers in the vacated entry-level or lower level positions – can be an important tool for helping workers ascend career ladders.

With WIOA, there is an increased expectation that states will integrate social service systems with the workforce development system to provide resources and opportunities for disadvantaged and disabled individuals. The two systems will need to work well together if they are to provide longer term and wrap around support to those who need it as they progress on their career pathways.

Challenges to implementation

We spoke to six of the 12 WDCs to better understand how they operate under WIA and their expectations for the transition to working under WIOA. The WDCs we interviewed represented a diversity of characteristics, including urban and rural areas, varied industry sectors and special populations (veterans, out-of-school youth, etc.), differing board composition and different types of WorkSource Center operators, and so on. Representatives from WDCs reiterated that on the whole, WOIA maintains the same infrastructure and basic functioning as WIA, and that several of Washington's own best practices served as the model for new requirements under WIOA.

However, the transition to WIOA will not be without its challenges. Among the opinions offered by staff and managers of WDCs, we heard:

- **No new funding despite new activities:** WIOA institutes several new requirements, as well as new options for allowable activities and increased financial flexibility. Overall, WDCs were positive about the new opportunities available under WIOA. However, WIOA does not come with any additional funding; without it, it will be difficult or impossible to implement many of the new components of the law. For example, WIOA restores and increases to 15 percent the Governor's discretionary fund that historically helped spur innovation in Washington. The discretionary fund is a proven and useful tool, but the 15 percent would have to be drawn from existing program funds. WDCs reported that WIOA will require a re-prioritization of their resources.
- **Lack of implementation guidelines:** As of the writing of this report in June 2015, the set of proposed rules for implementation that commonly accompany major federal laws has not yet been published, although some guidelines have been issued. This is creating confusion and challenges for all of those responsible for implementation, especially WDCs; some worry that the way they proceed to implement the law now will differ from the official guidelines, which would create extra work retroactively and possibly cause some compliance issues.
- **Difficulties with new coordination requirements:** WIOA places a strong emphasis on increased coordination among partners and service integration of programs. WDCs expressed the opinion that there was already a high level of coordination among Washington's project partners. While enhancing coordination and integration is a worthy goal, the new WIOA requirements and options create practical challenges. For example, core programs under WIA (including adult, dislocated worker and youth programs, basic education for adults, Wagner-Peyser employment services, and vocational rehabilitation) and several other related "one-stop partner programs" (mostly aimed at specialized populations) are required to co-locate and share resources for infrastructure. Exactly how they must accomplish this is unclear, and could potentially require additional resources from the WIA pot of funds – which may mean less funding for client services.
- **Outdated technological systems:** Good data management is fundamental to the work of WDCs. The core partners each use a different data management system to collect, record and track client information, and clients are often present in a number of different systems at once. This presents a considerable barrier to better service integration and collaboration among partners. Further complicating the harmonization of data are the outdated "legacy" information technology systems which do not "talk" to each other, as well as restrictions on information sharing between programs.
  The state's Employment Security Department is currently contracting with Monster.com to develop a new integrated job matching and case management system – but this system bridges only two of the existing data management systems, and may present new challenges of its own. In addition to the data, performance, and case management systems operating behind the scenes, WDCs also mentioned the importance of updating public-facing job seeker and employer interfaces to enhance usability.

Intentions behind WIOA

We spoke to Scott Cheney, Policy Director for Workforce and Economic Development of the U.S. Senate's Health, Education, Labor and Pensions Committee, about the authors' intentions behind the writing of WIOA. Cheney described Washington's workforce development system as exemplary, and described several of the state's innovative programs and initiatives that WIOA authors wished to replicate in other states: the common set of performance metrics, models for integrated employment training programs like I-BEST, and strong local control mechanisms. Mr. Cheney also clarified the purpose of several key components of the new law that may be interpreted as problematic.

For example, he explained that WIOA authors are aware that there is no new funding despite a variety of new requirements and non-required opportunities. However, the authors decided to put the "right policy structure" in place – against the time when funding returns to the workforce development system – rather than cutting corners in the framework of the law to meet the current financial climate.

In addition, Mr. Cheney told us that the original intention under WIA was that WDCs would be stewards of more resources than just what they received through WIA funding streams. The WIOA authors envisioned the possibility of entrepreneurial WDCs seeking grants and other funding sources, and creating dynamic partnerships to leverage funding. The law made explicit WDCs' ability to transition to non-profit 501(c)3 organizational status in order to accomplish this, and some WDCs in Washington already operate this way.

Mr. Cheney concurred that WIOA has a strong focus on further integration of programs and services (such as incorporating other federal programs into a combined state plan) and acknowledged that there may be some roadblocks at the federal level that could prevent states from accomplishing this. He explained that for certain programs, such as TANF and the Perkins Career and Technical Education Act, states will likely need to wait for these to be reauthorized when there is a window of opportunity to augment the programs in such a way as to bring them into better alignment with WIOA and workforce development efforts.

Apprenticeship

According to research conducted by the Workforce Board, apprenticeship programs have some of the best outcomes for training workers in skilled occupations. Apprenticeship programs provide entry-level workers with an opportunity to become fully qualified journey-level workers in one to five years. The programs use a combination of on-the-job training and related classroom instruction under the supervision of a journey-level craft person or trade professional, allowing workers to learn the practical and theoretical aspects of a highly skilled occupation. Apprentices earn wages during the term of their apprenticeship, which increase throughout the training program in accordance with a progressively increasing wage scale.

On-the-job training for apprentices is provided by employers; the technical instruction, usually classroom study, can be held at secondary schools, employer- or union-sponsored schools, or community and technical colleges. Apprenticeships are available in a wide variety of occupations, including construction trades,education services,healthcare and manufacturing, and course durations vary.

High return on investment for participants

Registered apprenticeship programs in Washington have the highest rate of return on investment out of 10 major programs analyzed each year by the Workforce Board, with a $91 to $1 participant return on public investment.

While the programs show high returns for individual participants, they also provide value to the public, with a $23 to $1 return on investment for taxpayers. The return on taxpayer investment is measured in terms of additional lifetime taxes paid by participants, plus decreases in unemployment insurance benefits compared to the costs of administering the program.

Apprenticeship programs may be sponsored by joint employer and labor groups, individual employers, or employer associations, which plan, administer and pay for each program. Candidates apply for positions in the programs that interest them, but must meet the minimum qualifications for entry specific to each program.

Registered apprenticeships and state oversight

In Washington, program sponsors have the option to request state approval of their apprenticeships. To receive state approval and register their programs, sponsors agree to meet the various state and federal regulations governing the conduct of their program. Upon completion of a state-approved apprenticeship program, apprentices receive a certificate and are recognized as qualified journeyworkers nationwide. Most registered apprenticeship programs must be represented by a committee that creates standards for the apprenticeship program, and operates each program in accordance with state standards.

Oversight and administration of state-approved apprenticeship programs are conducted by two different bodies. The Washington State Apprenticeship and Training Council, which has seven members representing the interests of labor, business and the general public, is responsible for regulatory oversight of apprenticeships statewide, including establishing policy and ensuring fair access for all applicants. L&I's Apprenticeship Section is responsible for administration, such as the creation and oversight of registered programs and maintaining a list of all registered apprenticeship programs. Applicants can search L&I's web-based database to identify programs in their area.

In 2014, there were 12,517 active registered apprentices in Washington, and 1,140 received program completion certificates.

L&I does not receive any regular federal funding for operation of the apprenticeship program, but annual funding from the state Worker's Compensation accounts is set aside for administration of the program (around $1.4 million in FY 2013). However, a new grant from the U.S. Department of Labor may make additional funds available (see sidebar).

Developing curriculum for new apprenticeship programs

When L & I wants to register curriculum for a new apprenticeship, staff first put together a Related Supplemental Instruction request for SBCTC to review. If SBCTC approves, the agency then makes a recommendation to the Apprenticeship and Training Council.

New programs can also develop an instruction request for themselves, then work with a college to develop and submit a plan to L & I's Technical Review Team. The team reviews the plan to make sure the program complies with applicable state laws and other guidelines before forwarding it to the SBCTC. If SBCTC approves the proposal, it then goes before the Council for final review and approval.

State appropriations for apprenticeship technical instruction are provided to community and technical colleges as part of their base allocation. Colleges are then required by state law to provide certified apprenticeship courses at 50 percent of regular tuition costs. The state sets no limit on how many students can be given half-price tuition, but each college determines how many enrollment slots from their general enrollment allocation they will dedicate to support apprenticeship programs.

Lack of funding limits expansion of registered apprenticeship programs

Although apprenticeships have demonstrated high value to participants, as well as strong overall returns on investment, the programs represent only a small portion of the training provided in Washington's workforce development system. One reason for the limited growth of apprenticeship programs is a lack of public investment. Trust funds established by employers and workers cover the administrative expenses for the program in Washington, and there are no dedicated federal funds to aid in expansion.

A 2015 Workforce Board review of the apprenticeship program argues that more should be done to expand apprenticeships into non-construction industries. According to the review, although half of apprenticeships were in the construction industry, "ideally apprenticeships would grow in other industries." Expanding such programs into other industries could also help increase the number of young people and women applying for apprenticeships. According to the Workforce Board, "the median age of those leaving apprenticeships is 30," and "more should be done to enroll younger people and women (9 percent of participants are women) into apprenticeships."

The American Apprenticeship Initiative (AAI)

In 2015, the U.S. Department of Labor will be awarding $100 million in competitive grant funds nationwide to encourage expansion of Apprenticeship programs into high growth industries. Several colleges in Washington are partnering with employers and each other to develop a grant application for AAI funds.

L&I officials told us they would like to expand the apprenticeship program, and the agency is seeking new opportunities around the state. Staff at L&I said one area that shows particular promise for expansion of apprenticeship is in health care industries, where demand for skilled workers is growing; apprenticeship programs could help train people for a variety of technical positions such as medical assistants, HVAC operators and dental lab technicians.

We may see greater use of apprenticeships in the future. WIOA promotes the use of registered apprenticeships to meet the needs of employers, and pre-apprenticeship programs to help prepare vulnerable youth and other job seekers for successful employment. WIOA includes language noting that registered apprenticeships are a proven method to prepare workers for successful careers. WIOA includes such programs on the eligible training provider list for the adult and dislocated worker program, and apprenticeship completion certificates will be recognized as a postsecondary credential. Perhaps most importantly, in the Department of Labor's view WIOA requires that:

State and local boards have representatives of Registered Apprenticeship programs as members, ensuring that a key employer voice contributes to strategic planning activities for the workforce system. This will provide opportunities for more integrated coordination between local WDCs and apprenticeship programs.

Appendix C: Methodology

This audit was designed to answer two questions:

1. What are Washington's workforce development programs? How are they funded and administered?
2. Is there overlap, duplication or fragmentation within the workforce development system?

To answer our audit questions, we:

- Researched audits and studies performed by other states and federal agencies regarding workforce development. From this review, we were able to define what elements identify a program as workforce development, and what constituted overlap, duplication and fragmentation
- Researched state agency websites to identify potential workforce development programs in Washington, then interviewed staff and management at state agencies to get a better understanding of the programs
- Requested that 12 state agencies verify and provide information on 55 specific workforce development programs, including each program's description, services, participant eligibility criteria, target population, administration, history, funding, expenditures, and relevant state and federal laws
- Analyzed the information provided by the agencies to determine whether overlap, duplication or fragmentation exists within the workforce development system
- Researched Workforce Development Councils (WDCs) in Washington, and interviewed people at six councils to learn more about their role in the Workforce Development System

Identifying workforce development programs in Washington

Our first task was to define what constitutes a workforce development program. A key resource was a series of audits on Workforce Development Programs performed by the U.S. Government Accountability Office (GAO). In a 2011 report titled Multiple Employment and Training Programs (GAO-11-92), GAO defines employment and training programs as those specifically designed to:

- Enhance the specific job skills of individuals in order to increase their employability
- Identify job opportunities
- Help job seekers obtain employment

We used this definition to determine which programs we would include in our audit.

To keep our audit scope manageable, we limited our definition of workforce development programs to include programs that directly provide workforce-related training and support services to participants, and were funded directly by the state (general fund), by the federal government with state-agency administrative support, or through worker compensation funds paid by employers.

We thus omitted programs that play an important role in preparing people for the workforce, including:

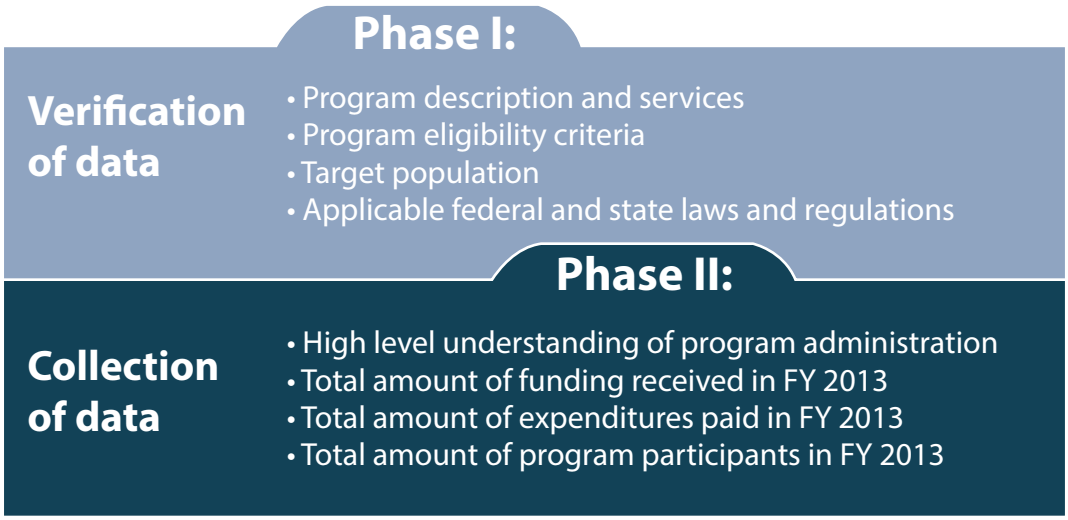
- Academic-oriented programs at two and four-year colleges and universities
- Non-technical education in the K-12 system
- Early learning programs
- Federally funded programs that do not rely on the state government as a conduit, such as Job Corps
- Privately funded worker training

Data collection from state agencies

Once we developed a preliminary list of potential workforce development programs from our research of websites, then we interviewed state agencies responsible for administering the programs to learn more about their role in the workforce development system.

Our next step was to develop a data collection instrument that contained all of the preliminary programs we had identified by agency. We tested the data collection instrument with three state agencies before sending it out to all 12 state agencies. We used a two-phase approach to verify and collect the data, as illustrated in **Figure 5.**

Figure 5 - Data collection process for this audit



The verification and collection of data from the state agencies allowed us to determine whether we had captured the universe of programs correctly. We followed up with state agencies to address any questions we had concerning their data.

Notably, all data was self-reported, and our verification of funding and expenditure data was limited to assessing the funding flows among agencies. Two other aspects of data collection further complicate efforts to analyze all data consistently:

State versus federal fiscal year – Fiscal year definitions vary due to the differences between state and federal fiscal years. Certain programs could only provide funding and expenditure data based upon the federal fiscal year (October 1st – September 30th) because that is how they track data. However, in most instances, data was available for the state fiscal year (July 1st – June 30th). Unless otherwise noted, this report uses the state fiscal year, abbreviated as FY.

Defining a participant – Participant data is collected and defined differently by programs. We asked staff to tell us how they defined a participant for their specific program and how the participant count was determined (for example, monthly, annually, etc.), and reported it as such.

Analysis of overlap, duplication and fragmentation

We based our analysis of overlap, duplication and fragmentation using definitions established in the GAO's 2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap, and Duplication and Achieve Other Financial Benefits (GAO-13-279SP).

> **Overlap** – Multiple programs engage in similar activities or strategies to achieve them, or target similar beneficiaries.
>
> **Duplication** – Two or more programs engage in the same activities or provide the same services to the same beneficiaries.
>
> **Fragmentation** – More than one state agency is involved in the same broad area of need and/or opportunities exist to improve service delivery.

We then analyzed the different type of services provided by the programs and grouped them into nine categories:

1. **Employment assessment and counseling –** An assessment provides information about a person's skill levels, aptitudes, interests, and supportive service needs. Counseling helps the person gain a better understanding of his/her situation in the labor market so they can more realistically choose or change an occupation, or make a suitable job adjustment.
2. **Adult basic education; English literacy –** Instruction designed for those who lack sufficient mastery of basic educational skills to enable the individuals to function effectively in society; do not have a secondary school diploma or its recognized equivalent level of education; or are unable to speak, read, or write the English language.
3. **Job readiness skills training –** Training that helps prepare people for work by assuring that they are familiar with general workplace expectations, and exhibit work behavior and attitudes necessary to compete successfully in the job market.
4. **Occupational and vocational training –** An organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by certain occupational fields at entry, intermediate or advanced levels.
5. **Job search or job placement activities (includes job referrals) –** A service that helps a job-ready individual seek, locate, apply for and obtain a job. Activities may include job-finding skills, interview techniques, resume preparation, developing a job-search plan, and referrals to job openings.
6. **Work experience –** A planned, structured learning experience that takes place in a workplace for a limited period of time. Work experience may be paid or unpaid, as appropriate.
7. **On-the-job training –** Training provided by an employer to a paid program participant while he or she is engaged in productive work in a job that itself provides knowledge or skills essential to the full and adequate performance of the job.
8. **Job retention services –** Follow-up services, such as regular contact with the employer, the participant or program representatives, in order to reinforce and stabilize job placements.
9. **Support services –** Services other than employment or training that are needed to enable individuals to obtain or retain employment, or to participate in employment and training programs.

We diagrammed the programs by the target populations served and the services provided. From this diagram, we were able to identify programs that provided the same type of services to the same or similar target populations. The only category that we did not consider in the analysis is support services, which enable the participant to actually participate in a given program by providing further individualized support and/or financial assistance.

Due to our knowledge of the programs and the services provided, we were able to determine why overlap, duplication or fragmentation may exist in most instances. Where we could not, we met with management and staff to further discuss their programs. We also asked how upcoming federal changes in the Workforce Innovation and Opportunity Act (WIOA) would affect them.

Selecting the WDCs to interview

Twelve WDCs are responsible for overseeing the one-stop WorkSource Centers within their regional Workforce Development Area, and ensuring the quality of service to the employers and participants in their region. We began by gathering basic information about their operations and geographic areas, including counties served and populations, number of local elected officials, composition of councils and their total number of members, one-stop operators, key industry sectors and economic viability.

From this information, we selected six WDCs to interview, focusing on how they see their role in the workforce development system and how the upcoming changes in WIOA might affect their operations. Our selections represented a mix of urban and rural areas, levels of economic prosperity, and key industry sectors, including one that serves as the WorkSource Center operator.

Identifying potential risks to the effective operation of Washington's workforce development system

We used the following sources to identify potential risks in the system:

- Published reports on the specific programs, current endeavors to make improvements within them, and how they interact with other programs in the system
- Information provided by the state agencies in the data requests and in interviews
- Meetings with six WDCs

Appendix D: A Timeline of National and State Workforce Development Programs

Workforce development priorities in the United States have continuously shifted to meet the needs of each new era in the 20th century, beginning with federal funding for career and technical education in 1917 and Congressional passage of the Wagner-Peyser Act, which established the Employment Service in 1933.

With few exceptions, Washington's workforce development structure has largely reflected the evolution and shifting priorities of federal workforce programs. This appendix presents a selection of important events in the history of workforce development nationally and in Washington.

Federal legislation	Washington state legislation
FEDERAL – 1917 *The **Smith-Hughes Act** establishes federal funding for career and technical education*	
FEDERAL – 1933 *The **Wagner-Peyser Act** establishes the Employment Service*	
FEDERAL – 1935 *The **Social Security Act**, which includes a provision for Unemployment Insurance*	**STATE – 1937** *The **Department of Social Security Creation Act** establishes the state's first unemployment compensation program (as authorized by the Social Security Act of 1935), including authorization of the state's public employment service*
FEDERAL – 1937 *The **Fitzgerald Act**, also known as the National Apprenticeship Law*	**STATE – 1939** *The **Vocational Education Act** sets out state funding for career and technical education, using a weighting factor for approved vocational classes in local school districts* *The **Unemployment Compensation Act** establishes the Washington State Department of Unemployment Compensation and Placement*
	STATE – 1941 *The **Junior Colleges Act*** *The **Apprenticeship Act** encourages voluntary agreements, estabilishes standards for those agreements and creates the Apprenticeship Council*
FEDERAL – 1946 *The **Employment Act***	**STATE – 1946** *Cooperative agreement between the Washington State Employment Service and Bureau of Labor Statistics for preparing and publishing current employment figures*
FEDERAL – 1962 *The **Manpower Development and Training Act***	
FEDERAL – 1963 *The **Vocational Education Act***	
FEDERAL – 1964 *The **Economic Opportunity Act** establishes the Basic Education for Adults (BEdA) Program*	**STATE – 1967** *The **Community College Act** establishes an independent community college system separate from local school districts*

FEDERAL – 1973
*The **Comprehensive Employment and Training Act** (CETA) replaces and repeals numerous manpower programs*

FEDERAL – 1974
*The **Trade Act** establishes the Trade Adjustment Assistance program*

STATE – 1977
*The **Services to the Blind Act** establishes the Commission for the Blind (renamed the Department of Services for the Blind in 1983)*

FEDERAL – 1982
*The **Job Training Partnership Act** (JTPA) replaces and repeals CETA*

FEDERAL – 1984
*The **Carl D. Perkins Act***

STATE – 1987
*The **Job Service Program for the Unemployed Act** creates a program of job services to help people drawing unemployment insurance find jobs through Reemployment Services and Reemployment Support Centers*

STATE – 1991
*The **Workforce Training and Education Act** establishes the Workforce Training and Education Coordinating Board (Workforce Board) as the successor agency to the state board for vocational education*

*The **Community and Technical College Act** merges administration of the state's technical and community colleges, renames the old State Board for Community College Education the* State Board for Community and Technical Colleges *(SBCTC), and transfers Basic Education for Adults (BEdA) leadership from OSPI to the SBCTC.*

STATE – 1993
*The **Workforce Employment and Training Act** provides funding for training programs and related support services that serve dislocated and unemployed workers*

FEDERAL – 1996
*The **Personal Responsibility and Work Opportunity Reconciliation Act** establishes the Temporary Assistance for Needy Families (TANF) program*

STATE – 1997
***Washington WorkFirst TANF Act** in response to Congressional creation of TANF in 1996*

FEDERAL – 1998
*The **Workforce Investment Act** (WIA) establishes the structure and relationship between national, state and local workforce investment activities*

STATE – 1999
WorkSource is established as a partnership of Washington businesses, government agencies, colleges and nonprofits to provide employment and training services via career one-stop centers around the state

STATE – 2004
SBCTC begins the first set of I-BEST demonstration projects

STATE – 2009
*The **Department of Commerce Creation Act.** Formerly the Department of Community, Trade, and Economic Development (CTED), Commerce is restructured to become a leader in the state's economic development efforts.*

*The **Workforce and Economic Development Act** establishes Centers of Excellence at community and technical colleges*

FEDERAL – 2014
*The **Workforce Innovation and Opportunity Act** (WIOA) is the first reauthorization of the Workforce Investment Act*

Appendix E: Evaluating Outcomes of Workforce Development Programs

This appendix discusses the results of recent workforce program evaluations and describes the methods that are used to conduct them. In addition to a discussion of challenges faced by evaluators in measuring program outcomes – in performance measurement, analyses and interpretation – we will examine possible solutions offered by the Workforce Investment Act (WIA) Gold Standard Evaluation.

Typical program outcomes include employment rates, earnings levels, participant and taxpayer return on investment, and employer satisfaction.

The effectiveness of workforce development programs, including subsidized employment, training and job search assistance, has been extensively debated over the past half century. Because billions of public dollars are invested annually in the programs that help prepare people to get and keep good jobs, it is important to evaluate the results achieved by these activities.

However, evaluating the success or effectiveness of worker development programs hinges upon a wide array of variables:

- The nature of the training: Is it basic or advanced, does it combine several modes of instruction into a comprehensive package, how does it interface with potential employers?
- The 'starting point' of the people embarking on the training: Do they lack a high school diploma, are they experienced workers who have been laid off from a job that required specialized knowledge, do they have any barriers to learning?
- The goal of the evaluation itself: Is it more concerned with participation versus graduation rates from the program, does it evaluate short-term versus long-term gains, can it evaluate individual as well as societal benefits?

Despite the challenges, measuring the benefits of workforce development programs over time can help determine which approaches and strategies are successful, and inform future decision making.

The typical approach measures changes in an individual's employment and earnings, tracking the success of participants during and after their participation in a program and trying to understand how their participation affected their success.

Social benefits – to the individual and to the wider community – are much more difficult to measure. Although the effects of workforce development programs on employment and income are often modest, studies find that they provide other positive results, ranging from the acquisition of portable credentials and higher self-esteem for participants to reduced crime in the community.

We reviewed recent workforce development program evaluations and found that workforce programs generally provide positive benefits to participants and to society, but that results between programs can differ greatly. We also found that although some workforce programs provide only minimal benefits to participants in terms of increased employment and earnings, they offer other important albeit unmeasured benefits to participants, who are often disadvantaged.

The basics of measuring the benefits of workforce development programs

Evaluators have been measuring workforce development program participant outcomes for decades. These impact analyses mostly look at the benefits of training programs to participants and employers, but they can also attempt to measure the overall benefits of programs to society.

In 2005, a group of six states including Washington, with assistance from the National Governors Association, proposed measuring program performance using eight workforce development outcome measures:

- Short-term employment rates
- Long-term employment rates (4th quarter after exit)
- Earnings level
- Credential completion rates
- Repeat employer customers
- Employer market participation
- Taxpayer return on investment
- Participant return on investment

These measures – very similar to those required by the Workforce Innovation and Opportunity Act (WIOA) – are meant to reflect the interests and needs of workforce development stakeholders, including program participants, employers and taxpayers. See Appendix B for more about WIOA.

Depending on data availability and the outcomes they are trying to measure, impact studies use different variables. Demographic information on program participants is collected when they enroll, and evaluators typically use Unemployment Insurance (UI) data in most major analyses. The UI data set, which includes information supplied by all firms covered by unemployment insurance, includes quarterly information on employment and wages.

Methods used in workforce program analyses

Most workforce program impact analyses use design methodologies that:

- **Describe the outcomes** (typically average employment and/or earnings or wages) and satisfaction of employers and program participants after they receive training
- **Compare the results** of program participants to similar non-participants to gauge the impact and effectiveness of training and benefit programs

The most common method used to measure participant outcomes is to compare employment and wages before and after participation in a program. To isolate program impact from economic and other effects, changes in employment and wages of program participants are compared to a group of non-participants with similar demographic characteristics and work history. Comparison groups are selected from other state or federal programs that also collect demographic information, such as Wagner-Peyser Employment Services.

While most impact analyses of workforce development program outcomes use a similar methodology, the U.S. Department of Labor is currently conducting a multi-year experimental evaluation of participants in the WIA Adult and Dislocated Worker Programs. See page 73 for more information about the WIA Gold Standard Evaluation.

Workforce program analyses face certain challenges and limitations

Over the years, impact analyses have helped provide a better understanding of the value and effectiveness of modern workforce development practices. However, as with any form of research, both the data and the resulting analyses face some limitations and challenges. Common issues fall into two categories: problems with the methodology, and difficulties that arise in interpreting participants' outcomes.

Program "effects" in workforce development can include:

- Skill acquisition and/or credential attainment for program participants
- Employment after training
- Earnings after training
- Participant and employer satisfaction
- Participant and public return on investment

Challenges with methodology within a study

- **Isolating the effect of the program.** Even when the study uses a sound design, it can be difficult to isolate the effects of the program from "noise," or other non-measured variables, that may have affected the outcomes of participants and non-participants.
- **Minimizing the impact of unmeasured characteristics.** Most comparison evaluations rely on the availability of a comparison group of people with similar characteristics to program participants. However, the degree to which these groups differ on unmeasured characteristics is unknown. These undefined variables, which might explain why participants experienced a program effect and non-participants didn't, cannot be examined in the analyses.
- **Significant effects on the labor market**, prompted by large national programs, may be difficult to identify and measure. Researchers have already noted that programs like WIA may have indirect effects on both participants and non-participants to the extent that they change the equilibrium of the labor market, influencing individual training returns and the training choices of others.
- **Accounting for different program enrollment strategies.** The way that programs select participants can greatly distort perceptions of their success and make cross-program comparisons problematic. For example, a program that is required to accept all eligible applicants may have much lower success rates for participant job placement and retention than programs that are able to select participants based on their own criteria.
- **Gaps in data.** Gaps in UI records reduce the accuracy of the study. Some typical gaps in UI data include records on out-of-state employment, as well as data on domestic workers, railroad workers and the self-employed.

Issues with interpreting outcomes

- **Harmonizing different program measures.** Studies sometimes take different approaches to measuring program outcomes, including how long they track participants after they leave a program, which can make it difficult to fully gauge the benefits of programs to participants.
- **Differing definitions and data limitations.** When studies lack data on the duration of training, skills acquired, completion of qualifications or credentials, productivity gains, or program costs, it can be very difficult to conduct comprehensive cost-benefit analyses or calculate social returns from different training programs. Furthermore, program outcomes can also vary greatly by region, state or within a state, depending on demographics and local labor market conditions, and data may not be available to explain these differences.
- **Workforce needs and drivers at a national or international level.** National and international economic conditions (including foreign trade, recessions and changing workforce skill requirements) can impact the need for and results of workforce development programs.

Even allowing for challenges in data and analyses, it is evident that results vary among workforce development programs

Our review of several national studies highlighted four key variables in the outcomes of workforce training programs. The most significant variations depend on:

- Program participants, and their abilities or skills before entering the training
- The types of training participants receive
- The comprehensiveness of a program's approach
- The evaluation of short- versus long-term program effects.

Program effectiveness outcomes are often driven by the participants they serve

Workforce training programs serve a very diverse pool of individuals with varying backgrounds, conditions and skill sets. Private sector evidence suggests that workforce development outcomes are lower for relatively unskilled and less able individuals. A Workforce Board study looking at Washington programs that serve adults with significant barriers to employment found that they tend to show low post-program earnings.

Training programs targeted toward dislocated workers, who generally have higher skills than participants in other workforce programs, also tend to produce lower employment gains and little or no impacts on earnings, but for very different reasons. These people have often been laid off from more skilled, better paying jobs, and are likely to struggle to find comparable work and remuneration, no matter what training they participate in.

Studies looking at differences in outcome by gender are more mixed. Some have found that women generally realize larger gains from vocational training, while others find no differences in impacts by gender.

The type of training that participants receive affects their outcomes

If who you are when you enter a program affects the success rate of the program, the type of training you receive affects your individual success. Some studies at the national level have found that subsidized public job programs are "relatively ineffective"— or the least likely to provide positive impacts in terms of employment and earnings. Other studies have shown that youth programs such as WIA/Youth and Job Corps deliver weaker earnings and employment benefits, but have suggested that such programs still provide other valuable individual and social benefits that can be difficult to measure.

However, a study by the Workforce Board corroborated national analyses that showed that apprenticeships – programs that combine classroom instruction with paid, on-the-job training – consistently demonstrate the best outcomes for program participants. Again, these differing outcomes may be due, at least in part, to differences in populations served.

Comprehensive approaches to workforce development have a higher payoff

Comprehensive approaches – which combine two or more modes of training or instruction – are especially beneficial for disadvantaged people or those requiring basic education. For example, studies have found the benefits of Basic Education for Adults are typically greater when it is paired with vocational training, as it is with Washington's well-respected Integrated Basic Education and Skills Training (I-BEST) program.

For a discussion of the Washington I-BEST program, see the CCRC's "Washington State's Integrated Basic Education and Skills Training Program (I-BEST): New Evidence of Effectiveness."

However, according to a study using data from the Washington State Community and Technical College System, short term (courses of less than one year) training alone may help disadvantaged people "get into the labor market, but it usually does not help them advance beyond low-paying jobs." Similarly, "short-term training that is focused on getting a job for low-skilled adults, with little attention to educational advancement, results in lower future earnings when students do not return to college for more education."

The activities and focus of different programs offer significantly different short- and long-term outcomes

Depending on the activities and focus of a program, participants may experience quite different short-term and long-term outcomes. For example, some analyses have shown:

- Job search assistance is more likely to provide positive benefits in the short run that then fade over time
- Classroom and on-the-job training programs are more likely to yield benefits in the medium-term, rather than in the short-term
- The benefits of vocational training may take longer to develop, but grow over time

WIA Gold Standard Evaluation will provide national evaluation of WIA programs

The WIA Adult and Dislocated Worker Programs Gold Standard Evaluation is a U.S. Department of Labor-funded experimental research study. The research is led by Mathematica Policy Research (online at **www.mathematica-mpr.com**) and MDRC, a nonprofit, nonpartisan education and social policy research organization (online at **www.mdrc.org**). Other evaluation partners include Social Policy Research Associates and the Corporation for a Skilled Workforce.

The evaluation's approach is meant to address two common criticisms of non-experimental impact analyses:

> *"First, findings will be applicable to programs nationwide, because the sites are nationally representative, neutralizing criticism that participating areas were unusual.*
>
> *"Second, random assignment of job seekers avoids a common critique of non-experimental studies – that the findings are biased because those who choose to receive services differ in important ways from those who do not receive services."*

Experimental vs. non-experimental research design

In an experimental study design, participants are randomly assigned to either a treatment group that receives a service or a comparison group that does not. Non-experimental design has usually been used for workforce development programs in order to avoid denying appropriate services to some individuals.

Under the guidance of the Department of Labor, the research team is conducting a rigorous evaluation of the WIA-funded Adult and Dislocated Worker Programs and their services to determine the impact they have on individuals who use them, and to provide insight into the effectiveness of the programs' services. To this end, the research team randomly selected 28 study sites and, within those sites, is randomly assigning about 35,000 customers to treatment and control groups.

The study's research questions are:

- How do the WIA-funded intensive services affect customers' employment rates, earnings, and other related outcomes?
- How does WIA-funded training affect customers' employment rates, earnings, and other related outcomes?
- What is the effect of these services on subgroups of customers defined by customer and program characteristics?
- How are these services implemented, and how do differences in implementation affect customers' employment, earnings, and related outcomes?
- Are the benefits of these services (measured in dollars) greater than their costs?"

The analysis will describe how the WIA program is run across local sites, focusing on the availability, content, and intensity of WIA core, intensive, and training services, as well as on non-WIA services to which each group might have access. Learn more online at: **www.mdrc.org/project/wia-adult-and-dislocated-worker-programs-gold-standard-evaluation#agenda-scope-goals**.

Appendix F: Funding Sources

Workforce development program funding by agency

FY 2013, dollars in millions

		Funding			
Inv. #	Program	Federal	State	Other	Total
Department of Commerce					
1	Community Services Block Grant Program	$0.8	$0.1	-	$0.9
2	WorkFirst: Career Development	DSHS TANF WorkFirst funding passed through to Commerce is only recorded under Program no. 22 to prevent double counting.			
3	WorkFirst: Community Jobs				
4	WorkFirst: Job Connection / Career Jump				
5	WorkFirst LEP: Career Development				
6	WorkFirst LEP: Community Jobs				
7	WorkFirst LEP: Job Connection / Career Jump				
8	WorkFirst: Community Works	The WorkFirst Community Works program did not begin until FY 2014, therefore no funding was reported for FY 2013			
Department of Corrections					
9	Correctional Industries	-	$2.4	$62.4	$64.8
10	Offender Education Program	-	$15.6	-	$ 15.6
Department of Ecology					
11	Washington Conservation Corps	$1.3	$6.4	$3.2	$10.9
Department of Labor and Industries					
12	Apprenticeship	-	$1.6	-	$1.6
13	Return-To-Work Services Program	-	-	$52.5	$52.5
Department of Natural Resources					
14	Special Employment Services for Offenders Program (Correction Camps)	$0.1	$1.4	$1.5	$3
Department of Services for the Blind					
15	Business Enterprise for the Blind	$0.1	$0.01	$0.9	$1.0
16	Vocational Rehabilitation for the Blind	$8.6	$2.2	$0.1	$10.9
Department of Social and Health Services					
17	Basic Food Employment and Training	$17.4	-	-	$17.4
18	Developmental Disabilities Administration/ Employment Services	$31	$41.2	-	$72.2
19	Division of Vocational Rehabilitation	$46.7	$11.8	-	$58.5
20	Limited English Proficient (LEP) Pathway	$6.5	$2.4	-	$8.9
21	Senior Community Service Employment Program	$6.7	$0.2	-	$6.9
22	WorkFirst: Temporary Assistance for Needy Families (TANF)	$28.8	$11.9	$24.3	$65
Program #22 includes all TANF WorkFirst funding. DSHS TANF WorkFirst funding is not counted as funding under any of the other WorkFirst programs.					
Department of Transportation					
23	On the Job Training Support Services	$0.3	$0.1	-	$0.4

		Funding			
Inv. #	Program	Federal	State	Other	Total
Employment Security Department					
24	Disabled Veterans Outreach Program	$1.7	-	-	$1.7
25	Local Veterans Employment Representative Program	$2.2	-	-	$2.2
26	Reemployment Services for Claimants	$14.7	-	-	$14.7
27	Reemployment Support Centers	$0.7	-	-	$0.7
28	Trade Adjustment Assistance Program	$24.8	-	-	$24.8
29	Training Benefits Program (TRA)	-	$7.6	-	$7.6
30	Wagner-Peyser Act	$14.7	-	-	$14.7
31	Washington Service Corps/AmeriCorps	$7.3	-	-	$7.3
32	WorkFirst: Employment Services	DSHS TANF WorkFirst funding passed through to ESD is only recorded under Program no. 22 to prevent double counting.			
33	Workforce Investment Act (WIA), Title I-B Adult Program	$15.7	-	-	$15.7
34	(WIA), Title I-B Adult, Youth and DW 5 % Administrative Fund	$2.8	-	-	$2.8
35	(WIA), Title 1-B Adult, Youth, DW 10% Governors Reserve	No funding was allocated to the WIA DW 10% Governors Reserve in SFY 2013.			
36	(WIA), Title I-B Dislocated Worker Program	$22.7	-	-	$22.7
37	(WIA), Title I-B Dislocated Worker Program Rapid Response	$3.7	-	-	$3.7
38	(WIA), Title I-B National Emergency Grants	$4	-	-	$4
39	(WIA), Title I-B Youth Activities Program	$17	-	-	$17
Office of Superintendent of Public Instruction					
40	Secondary Career and Technical Education	-	$353.3	-	$353.3
Carl D. Perkins funding that is passed through to OSPI is only recorded under Program no. 55 to prevent double counting.					
State Board for Community and Technical Colleges					
41	Basic Education for Adults	$9.6	$42.3	-	$51.9
42	Aerospace 1000 FTEs funding	-	-	-	-
Funding for the Aerospace 1000 FTEs funding program was not effective until July 1, 2014, therefore no funding is reported for FY 2013.					
43	Aerospace Machinists Joint Training Committee (AMJTC)	-	$2.7	-	$2.7
44	Aerospace Special Projects Funding	-	$1.5	-	$1.5
45	Centers of Excellence	-	$1.6	-	$1.6
46	Customized Training Program	-	$2.2	-	$2.2
47	Hospital Employee Education & Training (HEET) Grants	-	$2	-	$2
48	Integrated Basic Education and Skills Training (I-BEST)	$1.0	-	$0.8	$1.8
49	Job Skills Program	-	$2.7	-	$2.7
50	Opportunity Grants	-	$12.5	-	$12.5
51	Postsecondary Professional Technical Education	-	$149.6	-	$149.6
Carl D. Perkins funding that is passed through to SBCTC is only recorded under Program no. 55 to prevent double counting.					
52	Tech Prep	$0.01	-	-	$0.01
53	Worker Retraining Program	-	$39.8	-	$39.8

		Funding			
Inv. #	Program	Federal	State	Other	Total
54	WorkFirst: Education and Training	DSHS TANF WorkFirst funding passed through to SBCTC is only recorded under Program no. 22 to prevent double counting.			
Workforce Training and Education Coordinating Board					
55	Carl D. Perkins Career & Technical Education	$20.6	-	-	$20.6
Workforce Board-administered Carl D. Perkins funding is not counted as funding under either OSPI or SBCTC's CTE program.					
Total		**$311.5**	**$715.1**	**$145.7**	**$1,172.3**

Source: State agencies' self-reported data.

Appendix G: Program Expenditures

Workforce development program spending by agency

FY 2013, dollars in millions

Inventory #	Program	Total expenditures
Department of Commerce		
1	Community Services Block Grant Program	$0.8
2	WorkFirst: Career Development	$0.3
3	WorkFirst: Community Jobs	$14.6
4	WorkFirst: Job Connection / Career Jump	$8.5
5	WorkFirst Limited English Proficiency (LEP): Career Development	-
The DSHS Office of Resettlement and Assistance Program already has an unpaid work program that can be used in place of Career Development for LEP clients, therefore no expenditure information was reported for FY 2013.		
6	WorkFirst LEP: Community Jobs	$0.1
7	WorkFirst LEP: Job Connection / Career Jump	$0.1
8	WorkFirst: Community Works	-
The WorkFirst Community Works program did not begin until FY 2014, so no expenditure was reported for FY 2013.		
Department of Corrections		
9	Correctional Industries	$64.8
The total includes offender gratuities, training, workforce development activities, and costs of goods manufactured for sale.		
10	Offender Education Program	$15.6
Department of Ecology		
11	Washington Conservation Corps	$10.9
Department of Labor and Industries		
12	Apprenticeship	$1.5
13	Return-To-Work Services Program	$52.6
Department of Natural Resources		
14	Special Employment Services for Offenders Program (Correction Camps)	$2.9
Department of Services for the Blind		
15	Business Enterprise for the Blind	$1.0
16	Vocational Rehabilitation for the Blind	$10.9
Department of Social and Health Services		
17	Basic Food Employment and Training	$17.4
18	Developmental Disabilities Administration/Employment Services	$68.1
19	Division of Vocational Rehabilitation	$57
20	Limited English Proficient (LEP) Pathway	$7.7
21	Senior Community Service Employment Program	$6.3
22	WorkFirst: Temporary Assistance for Needy Families (TANF)	$4.9
Total Expenditures for the DSHS WorkFirst TANF program excludes $60.1 million distributed to the Commerce, ESD and SBCTC WorkFirst programs.		
Department of Transportation		
23	On the Job Training Support Services	$0.2

Inventory #	Program	Total expenditures
Employment Security Department		
24	Disabled Veterans Outreach Program	$1.7
25	Local Veterans Employment Representative Program	$2.2
26	Reemployment Services for Claimants	$14.7
27	Reemployment Support Centers	$0.7
28	Trade Adjustment Assistance Program	$24.1
29	Training Benefits Program (TRA)	$7.6
30	Wagner-Peyser Act	$14.7
31	Washington Service Corps/AmeriCorps	$7.3
32	WorkFirst: Employment Services	$17.6
33	Workforce Investment Act (WIA), Title I-B Adult Program	$15
34	WIA, Title I-B Adult, Youth and DW 5% Administrative Fund	$0.7
35	WIA, Title 1-B Adult, Youth, DW 10% Governors Reserve	-
No funding was allocated to the WIA DW 10% Governors Reserve in SFY 2013		
36	WIA, Title I-B Dislocated Worker Program	$17.9
37	WIA, Title I-B Dislocated Worker Program Rapid Response	$1.9
38	WIA, Title I-B National Emergency Grants	$3.9
39	WIA, Title I-B Youth Activities Program	$16.1
Office of Superintendent of Public Instruction		
40	Secondary Career and Technical Education	$363.4
State Board for Community and Technical Colleges		
41	Basic Education for Adults	$52.8
42	Aerospace 1000 FTEs funding	-
Funding for the Aerospace 1000 FTEs funding program was not available until July 1, 2014, so no expenditure was reported in FY 2013		
43	Aerospace Machinists Joint Training Committee (AMJTC)	$2.7
44	Aerospace Special Projects Funding	$1.5
45	Centers of Excellence	$1.6
46	Customized Training Program	$0.3
47	Hospital Employee Education and Training (HEET) Grants	$2
48	Integrated Basic Education and Skills Training (I-BEST)	$1.6
49	Job Skills Program	$1.9
50	Opportunity Grants	$12.5
51	Postsecondary Professional Technical Education	$160.7
52	Tech Prep	$0.01
53	Worker Retraining Program	$39.8
54	WorkFirst: Education and Training	$19.5
Workforce Training and Education Coordinating Board		
55	Carl D. Perkins Career & Technical Education	$0.4
Total Workforce Board expenditures for the Carl D. Perkins program excludes $20.2 million distributed to OSPI and SBCTC's CTE programs.		
Total		**$1,153.0**

Source: State agencies' self-reported data.

Appendix H: Program Participant Groups

Note: Data and definitions in this appendix have not been audited for this report. Annual/monthly column indicates the period for which the agency counts participation. Because participants may be counted in more than one program, the numbers in this table cannot be totaled.

Workforce Development FY 2013 Program Participants

Inv. #	Program	Participants	Annual/ monthly	Participant definition
1	Community Services Block Grant Program	28,327	Annual	The number of participants in any CSBG program or activities between October 1, 2012 and September 1, 2013. Individuals included in the count of program participants may or may not be associated with a workforce development program.
2	WorkFirst: Career Development	332	Annual	A TANF recipient who has been placed at a host site for unpaid work experience.
3	WorkFirst: Community Jobs	2,902	Annual	A TANF recipient enrolled in Community Jobs who has been accepted into the Commerce WorkFirst program and has an Individual Development Plan created.
4	WorkFirst: Job Connection / Career Jump	2,730	Annual	A TANF recipient enrolled in Job Connection or Career Jump who has been accepted into the Commerce WorkFirst program and has a Career Plan created.
5	WorkFirst LEP: Career Development	0		There were no participants in the program because the DSHS Office of Resettlement and Assistance Program already has an unpaid work program that can be used in place of Career Development for LEP clients.
6	WorkFirst LEP: Community Jobs	51	Annual	A TANF recipient with limited English proficiency enrolled in Community Jobs who has been accepted into the Commerce WorkFirst program and has an Individual Development Plan created.
7	WorkFirst LEP: Job Connection / Career Jump	58	Annual	A TANF recipient with limited English proficiency enrolled in Job Connection or Career Jump who has been accepted into the Commerce WorkFirst program and has a Career Plan created.
8	WorkFirst: Community Works	0		Community Works became active in FY2014, therefore there were no participants in 2013.
Department of Corrections				
9	Correctional Industries	2,778	Annual	Any offender who participated in Correctional Industries during the fiscal year.
10	Offender Education Program	6,697	Annual	Offenders enrolled for a minimum of one hour in the program.
Department of Ecology				
11	Washington Conservation Corps	266	Annual	Corps member employees during the federal fiscal year (October 1 - September 30).
Department of Labor and Industries				
12	Apprenticeship	11,482	Annual	Active registered apprentices for the 12-month time period ending June 30th.
13	Return-To-Work Services Program	9,161	Annual	Injured workers who received a specific service (return-to-work assistance, employability assessment, retraining plan development, or participation in a retraining plan). Individual workers may receive more than one service but are counted once for each time period, without regard to the number of services received.

Inv. #	Program	Participants	Annual/ monthly	Participant definition
Department of Natural Resources				
14	Special Employment Services for Offenders Program (Correction Camps)	227	Annual	Estimated FTE count by dividing the number of hours worked by offenders at camps and for fire suppression by 2080 (52 weeks x 40 hours a week) during SFY 2013.
Department of Services for the Blind				
15	Business Enterprise for the Blind	30	Monthly	Includes individuals who hold both a current license and facility agreement, individuals who hold a license but who are not assigned to a facility and individuals who are actively enrolled in the BEP training program.
16	Vocational Rehabilitation for the Blind	1,337	Annual	Individuals who have met eligibility requirements listed in WAC 67-25-030 for the program. The minimum age requirement for the program is 14.
Department of Social and Health Services				
17	Basic Food Employment and Training	10,914	Annual	Any client who receives BFET services.
18	Developmental Disabilities Administration/ Employment Services	10,730	Monthly	Average monthly count of DDA-eligible clients who are authorized to receive a direct employment or day program service.
19	Division of Vocational Rehabilitation	21,737	Annual	Any individual who had an open DVR case on one or more days during the fiscal year.
20	Limited English Proficient Pathway	4,930	Annual	Any eligible refugee or immigrant who received an LEP Pathway service in any month during the fiscal year.
21	Senior Community Service Employment Program	1,091	Annual	Individuals in the SCSEP program involved in job training and providing community service hours who had an Individual Plan for Employment (IEP) between July 1 and June 30.
22	TANF/WorkFirst	31,599	Monthly	Average monthly count of TANF clients who are required to participate in WorkFirst.
Department of Transportation				
23	On the Job Training Support Services	694	Annual	Any individual who was provided assistance during the federal fiscal year.
Employment Security Department				
24	Disabled Veterans Outreach Program	8,878	Annual	Any individual who received one or more services from the Disabled Veterans Outreach Program during the participation period.
25	Local Veterans Employment Representative Program	8,600	Annual	Any individual who received one or more services from the Local Veterans Employment Representative Program during the participation period.
26	Reemployment Services for Claimants	195,449	Annual	Any individual who received a service during the participation period, who was flagged as "UI" by service staff, according to the federal definition, on the first day of their participation.
27	Reemployment Support Centers	-		Participants are accounted for in the Reemployment Services for Claimants count.

Inv. #	Program	Participants	Annual/ monthly	Participant definition
28	Trade Adjustment Assistance Program	2,715	Annual	Individuals enrolled in the program during the participation period who received a TAA-affiliated statewide service.
29	Training Benefits Program (TRA)	2,398	Annual	Unemployment Insurance claimants who were approved to participate during the participation period.
30	Wagner-Peyser Act	406,389	Annual	Any individual who received a service during the participation period.
31	Washington Service Corps/AmeriCorps	565	Annual	Individuals enrolled in the AmeriCorps program.
32	WorkFirst: Employment Services	3,611	Monthly	Individuals who had an active WorkFirst Job Search component with the Employment Security Department for at least one day in the month.
33	Workforce Investment Act (WIA), Title I-B Adult Program	4,995	Annual	Adults who received staff-assisted services after eligibility determination within the reporting time period.
34	WIA, Title I-B Adult, Youth and DW 5% Administrative Fund			These funds do not serve participants. These funds are used to pay the costs associated with oversight and administration of the WIA programs at the state level.
35	WIA, Title 1-B Adult, Youth, DW 10% Governors Reserve			Participant counts are a subset of the other WIA formula-funded programs.
Employment Security Department				
36	WIA, Title I-B Dislocated Worker Program	6,140	Annual	Dislocated workers (adults who lost jobs due to plant closures, company downsizing, or some other significant change in market conditions) who received staff-assisted services after eligibility determination within the reporting time period.
37	WIA, Title I-B Dislocated Worker Program Rapid Response	1,863	Annual	Individuals who received staff-assisted services after eligibility determination within the reporting time period. Participants were co-enrolled with the WIA Dislocated Worker program.
38	WIA, Title I-B National Emergency Grants	1,678	Annual	Individuals who received staff-assisted services after eligibility determination for specific National Emergency Grants within the reporting time period. Participants are commonly co-enrolled with WIA Dislocated Worker program or other Title I-B programs.
39	WIA, Title I-B Youth Activities Program	4,249	Annual	Youth (ages 14-21 at time of enrollment) who received staff-assisted services after eligibility determination within the reporting time period.
Office of Superintendent of Public Instruction				
40	Secondary Career and Technical Education	302,888	Annual	A secondary student who has enrolled in one or more courses in any CTE program area.
State Board for Community and Technical Colleges				
41	Basic Education for Adults	61,392	Annual	Students who were 16 years of age and older, had academic skills below the high school completion level (with CASAS scores of lower than 256 in Reading & Math and 228 in Listening), and received at least 12 hours of instruction in the academic year.

Inv. #	Program	Participants	Annual/ monthly	Participant definition
42	Aerospace 1000 FTEs funding	-		This is not a discrete program that requires programmatic eligibility.
43	Aerospace Machinists Joint Training Committee (AMJTC)	262	Annual	Students who are employed and enrolled in Aerospace Joint Apprenticeship Committee (AJAC) apprenticeship-related supplemental instruction training through Washington community and technical colleges.
44	Aerospace Special Projects Funding	-		There are no program participants. Program funding is used to support aerospace programs and projects at Washington community and technical colleges.
45	Centers of Excellence	-		No separate program participants. Program funding is allocated to colleges where Centers of Excellence are housed.
46	Customized Training Program	352	Annual	Participants are defined as new or incumbent employees of a participating business, enrolled in designated customized training courses.
State Board for Community and Technical Colleges				
47	Hospital Employee Education & Training (HEET) Grants	194	Annual	Students must be incumbent health care workers seeking to participate in the projects approved for funding during a fiscal year. Students who are enrolled in the approved programs are coded with a program special code to identify them as HEET students.
48	Integrated Basic Education and Skills Training (I-BEST)	3,398	Annual	Students enrolled in an I-BEST program at a community or technical college. I-BEST participants are students who meet the qualifications for Basic Education for Adults or developmental education.
49	Job Skills Program	2,009	Annual	Participants are defined as new or incumbent employees of a participating business, enrolled in designated job skills courses.
50	Opportunity Grants	5,317	Annual	Students whose family income is verified as at or below 200% of poverty level and who are enrolled in an approved workforce high wage/high demand career pathway.
51	Postsecondary Professional Technical Education	179,031	Annual	Students enrolled in post-secondary career and technical education programs at 34 community colleges receiving Perkins funding.
52	Tech Prep	-		Designated federal funding for the program ceased in 2011, and though the program is still operational the state no longer tracks program participation in postsecondary education. However, OSPI still collects enrollment data for Tech Prep students in secondary schools.
53	Worker Retraining Program	15,330	Annual	Students who are dislocated workers (including UI exhaustees, displaced homemakers, formerly self-employed) as well as certain students who are from a disaster-impacted area, veterans separated from service within past 24 months, or workers vulnerable to layoff due to lack of training.
54	WorkFirst: Education and Training	10,367	Annual	Temporary Assistance for Needy Families (TANF) recipients with an approved Individual Responsibility Plan who received education and training as part of their WorkFirst program participation.
Workforce Training and Education Coordinating Board				
55	Carl D. Perkins Career & Technical Education	481,919	Annual	Students enrolled in Career and Technical Education (CTE) classes.

Appendix I: Program Descriptions

This appendix contains short descriptions of all 55 Washington workforce development programs in place during our audit (as of April 2015). However, not all programs were reviewed, and not all reviewed programs were included in our audit results. We assigned the inventory number during our analyses.

- For information about Program Funding, see **Appendix F**.
- For information about Program Expenditures, see **Appendix G**
- For information about Program Participants, see **Appendix H**.
- For information about Services by Program, see **Appendix J**.

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Department of Commerce

Community Services Block Grant Program — #1

Program Description

The purpose of the Community Services Block Grant Program (CSBG) is to encourage local communities to establish goals and find solutions that address the causes of poverty. Grant funds support Community Action Agencies across Washington by helping to pay for the implementation of comprehensive local plans, activities and services designed to eliminate barriers to self-sufficiency among needy residents. Services include: housing assistance, energy assistance, emergency services, education, job readiness counseling, job placement assistance, nutrition, asset development and transportation.

Program Administration

CSBG federal funds are awarded by the U.S. Department of Health and Human Services, supplemented periodically by the state Legislature via appropriations from the state General Fund. Grants are issued by Commerce to eligible entities. Thirty entities are eligible for CSBG funds; all 39 counties and all major urban areas are covered by the Community Action Agency network. Grants are issued every two years.

WorkFirst: Career Development — #2

Program Description

The Career Development program is designed to improve the employability of Temporary Assistance for Needy Families (TANF) recipients who cannot find employment without experience and must be supervised by a worksite supervisor daily. The program provides up to 12 months of unpaid work experience to complement a participant's educational pathway. Commerce's local contractors help place participants in unpaid positions that reinforce the specific skills, training, knowledge and experience they need to obtain employment in their chosen career field.

Program Administration

The U.S. Department of Health and Human Services' Administration for Children and Families allocates federal funding to Washington's Department of Social and Health Services (DSHS), which in turn allocates funds to Commerce. Commerce offers its WorkFirst services through an interagency agreement.

Commerce administers the program statewide by working with local community-based organizations. The local organizations provide support services, determine participant eligibility, and track the success of participants throughout their job training experience. They partner with local non-profits, governments and other public entities that act as job training placement sites for the participants.

WorkFirst: Community Jobs — #3

Program Description

The Community Jobs program provides comprehensive, paid work experience plus skill building opportunities for hard-to-employ TANF recipients. Participants gain work experience, self-confidence and marketable skills, with the program offering an avenue to permanent unsubsidized employment.

Program Administration

The program is administered by Commerce as part of WorkFirst.

WorkFirst: Job Connection/Career Jump — #4

Program Description

The Job Connection program offers participants the opportunity to build references, develop networking connections, and demonstrate their work skills by performing jobs in their chosen career field. Commerce's local contractors place participants in paid positions for up to three months with local nonprofit, tribal, or government agencies. Employment is paired with targeted job hunting activities and mentoring opportunities; the goal is to secure unsubsidized employment.

In Career Jump, a subset of the Job Connection program, participants gain paid work experience with a nonprofit, tribal, government or private employer who has agreed to place them on their payroll at the end of the training period.

Program Administration

The program is administered by Commerce as a part of WorkFirst.

WorkFirst Limited English Proficient (LEP): Career Development — #5

Program Description

This program provides WorkFirst: Career Development services for Limited English Proficient Pathway (LEP) clients.

Program Administration

The program is administered by Commerce as a part of WorkFirst.

WorkFirst LEP: Community Jobs — #6

Program Description

This program provides WorkFirst: Community Jobs services for LEP clients.

Program Administration

The program is administered by Commerce as a part of WorkFirst.

WorkFirst LEP: Job Connection/Career Jump — #7

Program Description

This program provides WorkFirst: Job Connection and Career Jump services for LEP clients.

Program Administration

The program is administered by Commerce as a part of WorkFirst.

WorkFirst: Community Works — #8

Program Description

Community Works gives participants an unpaid, structured work activity for one to 12 months, with the goal of building both soft skills and work skills. The program provides opportunities for TANF recipients with significant barriers to employment to do volunteer work in a supportive environment. The program also acts as a transitional activity for a TANF recipient who is waiting for her or his next activity to begin.

Program Administration

The program is administered by Commerce as a part of WorkFirst.

Department of Corrections

Correctional Industries — #9

Program Description

Correctional Industries (CI) is a division of the Department of Corrections, and operates business enterprises within prisons across Washington; products range from furniture and textiles to printing and emergency response kits. Offenders participate in work training programs intended to develop marketable job skills, and instill and promote a positive work ethic, while reducing the tax burden of corrections.

Program Administration

CI is led by a director who reports to the Deputy Secretary of Corrections. CI is authorized to operate five types of programs for inmates, such as community restitution programs outside correctional facilities, assigned work within facilities, and work experience producing goods and services for tax-supported and non-profit organizations. Funding is a combination of direct state appropriations and the CI Revolving Fund, which is revenue from the sale of goods and services to authorized purchasers, such as state agencies, county and local governments, and not-for-profit organizations. The cost of incarceration is deducted from the offender gratuity.

Offender Education Program — #10

Program Description

Corrections' re-entry initiatives include offering appropriate educational opportunities to adult offenders, to increase the knowledge, skills and abilities they will need to function effectively while incarcerated and upon release. Programs address a broad range of offender needs, including Basic Education for Adults, English as a Second Language, vocational skills training, and offender change programs. Corrections also gives offenders under age 22 who do not have a high school diploma or GED certificate, and offenders who have literacy scores lower than ninth grade, coursework that leads to earning a high school equivalency diploma.

Program Administration

Funding for the program is appropriated to Corrections by the Legislature on a biennial basis. Corrections administers the program in partnership with Washington State Board for Community and Technical Colleges (SBCTC), the Spokane Homebuilders Association, and local colleges near the agency's 12 correctional facilities.

Department of Ecology

Washington Conservation Corps — #11

Program Description

The Washington Conservation Corps (WCC) consists of three subprograms: the original Corps Program, the Veteran Conservation Corps (specifically for military veterans), and the Puget Sound Corps. WCC enhances the environment and helps young adults aged 18-25 gain experience in the environmental field. Corps crews (a crew supervisor and five crew members) are deployed throughout the state to work on environmental projects, including environmental restoration, emergency response, habitat enhancement and recreational resource improvement. Some crews are also available for national disaster response throughout the nation (hurricane, tornado, fires, etc.).

Program Administration

Funding for the WCC program comes from a variety of sources, but the largest source is the federal AmeriCorps Program, administered in Washington by the Office of Financial Management (OFM). Ecology cooperates with Natural Resources, Veterans Affairs, Fish and Wildlife, State Parks, and more than 50 other local and federal organizations to accomplish environmental projects statewide.

Department of Labor and Industries

Apprenticeship — #12

Program Description

Apprenticeship is a combination of on-the-job training and related classroom instruction, under the supervision of a journey-level craft person or trade professional, in which workers learn the practical and theoretical aspects of a highly skilled occupation. These diverse programs help people progress from entry-level to fully qualified journey-level workers, able to progress up the industry's wage scale. Upon completing their program, apprentices receive a nationally recognized industry credential.

Program Administration

The Department of Labor and Industries (L&I) serves as the registration agency for employers who wish to register their apprenticeship training program. Registered apprenticeships are privately administered and privately funded: L&I's role is to oversee the set-up and operation of these programs to ensure state and federal laws that protect the rights of the apprentice are followed and equal opportunity is allowed. L&I also provides the completion credential, and maintains a database of those who complete the courses.

Return-To-Work Services Program — #13

Program Description

The Return-To-Work Services program helps injured workers and their employers identify return-to-work opportunities, such as light duty or modified or alternative jobs that a worker can perform during recovery. Employers are encouraged to participate by Washington's Stay at Work Program, which can provide partial reimbursements for wages, job modifications, and clothing to encourage employer participation.

The program also uses the services of private vocational counselors to provide a variety of services, including assisting with return-to-work, assessing an injured worker's retraining needs, and where appropriate, developing retraining or rehabilitation plans for injured workers. Workers who cannot return to their original job are encouraged to access job seeking resources available through WorkSource. L&I may pay up to $17,599 for up to two years of retraining through qualified schools or on-the-job training.

Program Administration

Administrative costs of the program are paid from the Medical Aid Fund; retraining costs are paid from the Accident Fund. Both funds are supported by workers' compensation premiums paid by employers and their employees. The program is served by L&I staff in offices statewide. Available assistance includes direct help in return-to-work, and administration of return-to-work incentives (Washington Stay at Work, Preferred Worker, and job modification).

Department of Natural Resources

Special Employment Services for Offenders (Correction Camps) — #14

Program Description

The program provides daily work opportunities for offenders supervised by Department of Natural Resources (DNR) Forest Crew Supervisors for the primary purpose of firefighting assistance in the summer. After training, participants receive an Incident Qualification Card (known as a Red Card), which indicates what positions the holder is qualified for. DNR trains adult inmates and youth offenders to function on 10-person forestry crews. During a typical year, crews plant trees from January through April, undergo wildland fire-fighter training in the spring, fight fires and improve timber stands during the summer, and do pre-commercial thinning, illegal dumpsite cleanup and litter collection year round. Other work includes maintaining forest roads and plantations and recreation sites, cleaning up streams, controlling invasive weeds, and providing services to other governmental agencies

Program Administration

Funding is secured through DNR's normal budget development process. DNR develops its budget based on the historical work provided by the camps and projected future workloads for emergency response, state trust land management, and services contracted out to other agencies on a cost reimbursement basis.

Department of Services for the Blind

Business Enterprise for the Blind — #15

Program Description

The Business Enterprise program provides opportunities for qualified, legally blind adults to successfully operate food service businesses, including delicatessans, full service cafeterias, grab 'n' goes and espresso stands, in government buildings. It is part of the state's Vocational Rehabilitation for the Blind program.

Program Administration

Program funding is primarily secured through vending operations at state and municipally operated government facilities. The program is administered by three employees of the Department of Services for the Blind (DSB) in conjunction with the Vocational Rehabilitation Unit, which refers potential participants for the training program.

Vocational Rehabilitation for the Blind — #16

Program Description

The Vocational Rehabilitation (VR) program provides comprehensive and individualized services to help eligible people gain family-wage jobs with benefits in integrated settings. Typical services include information and referrals, vocational assessment, adaptive skills assessment and training, vocational counseling and career exploration, assistive technology and training, job skills and academic training, job development and job search assistance, transportation, placement, job site analysis (including assistive technology), and employer support and follow-up.

When appropriate, the program also provides assistance in establishing small businesses. Services may include assessment and development of a business plan, occupational licenses, tools, equipment, technological aids, and other goods and services that can be reasonably expected to help participants achieve successful employment.

Program Administration

The program is funded by the U.S. Department of Education, matched by a state appropriation. DSB administers the VR program on a statewide basis through three regional teams. Multi-disciplinary work teams collaborate to provide services that help clients progress towards employment. Cases are managed by VR counselors. DSB staff collaborate with other state agencies when helping a customer who is eligible for multiple programs: services are not duplicated, but each program contributes expertise.

Department of Social and Health Services

Basic Food Employment and Training — #17

Program Description

The Basic Food Employment & Training (BFET) program helps people receiving federal Basic Food (SNAP) benefits, who are not participating in the TANF WorkFirst program, gain skills that are in demand in local economies, secure better-paying jobs, and achieve self-sufficiency.

Training and services are provided through community and technical colleges and community-based organizations. Participating colleges and organizations may use BFET funds to provide tuition assistance or other support services in one or more of the following activities:

- Basic skills/English as a Second Language (ESL)
- Vocational, professional, or technical programs
- Job search training

Program Administration

DSHS administers the BFET program regionally, by working with local community and technical colleges and community-based organizations. The program is funded by the U. S. Department of Agriculture with a local match. BFET provides 50 percent reimbursement to program providers; all of Washington's 34 community or technical colleges are currently providers, and any community-based organization that provides related services may apply to become a provider.

The State Board for Community and Technical Colleges (SBCTC) has an annual umbrella contract to administer BFET funds for participating colleges. The colleges provide training and instruction to participants in line with the goals set forth in the student's Individual Employment Plan. Colleges can choose to provide financial assistance in the form of tuition and fees, books, and reasonable and necessary support services.

Some college participants may be co-enrolled with a community-based organization, which provides support services, determines participant eligibility and monitors participant progress.

Developmental Disabilities Administration/Employment Services — #18

Program Description

Developmental Disabilities Administration's (DDA) Employment Services unit provides ongoing support and training for eligible people to work in a variety of settings. It contracts with county offices to help people with developmental disabilities find a job, learn the job, and keep the job, based on their abilities and interests. Employment Services staff provide support when clients change jobs, or when job duties change and clients need help learning the new job requirements.

Program Administration

Federal program funds are matched by appropriated state funding. The DDA supports employment and day programs through contractual partnerships with Washington's 39 counties. Counties statewide collaborate with multiple local agencies both contractually and informally. Counties may also directly provide an array of services.

DDA determines client eligibility, performs client assessments, and authorizes services; contracts with, monitors, and performs on-site evaluation of program services at each county; and provides training and technical assistance. Counties solicit for, subcontract with, monitor, and perform on-site evaluations of roughly 200 service providers statewide, and are responsible for managing funding at the local level. Service providers work directly with eligible clients to develop employment plans, then support their efforts as they find and keep jobs.

Division of Vocational Rehabilitation — #19

Program Description

The Division of Vocational Rehabilitation (DVR) offers vocational rehabilitation and training services to help eligible people with disabilities gain employment. The priority is full-time employment, but depending on the individual's disability and functional limitations, other outcomes such as part-time employment, self-employment, or supported employment are also appropriate. To meet these objectives, DVR staff work with clients to develop individualized plans that identify services to be provided, such as assessment, rehabilitation counseling, vocational and other training services, physical and mental restoration services, assistive technology, and/or job search and placement.

DVR provides tailored employment services and counseling to people with disabilities, and technical assistance and training to employers to help them successfully employ people with disabilities.

Program Administration

DSHS must submit a state plan to receive funding from the U.S. Department of Education under the basic support grant. This is a formula grant distributed to each state based on a calculation of its share of the previous allotment and its population. The state provides matching funds. DSHS administers vocational rehabilitation programs through numerous offices around the state.

Limited English Proficient (LEP) Pathway — #20

Program Description

The LEP Pathway program helps refugees and parents receiving TANF benefits gain employment. The goal of the program is to assist in the resettlement of refugees in Washington and to promote economic self-sufficiency as quickly as possible. LEP Pathway provides financial and medical assistance, as well as social and employment services, including: public health screening, foster care, cultural adjustment and citizenship services, ESL instruction, bilingual support, workshops, job skills training, job search and employment placement assistance, and job retention services.

Program Administration

The Office of Refugee and Immigrant Assistance (ORIA) administers the LEP Pathway program for refugees and eligible immigrants residing in Washington State. ORIA uses funds from the federal Office of Refugee Resettlement for LEP Pathway services to refugees. Services are provided through contracts with community-based organizations, community and technical colleges, and other organizations that provide services to refugees and immigrants.

Senior Community Service Employment Program — #21

Program Description

The Senior Community Service Employment Program (SCSEP) is a community service and work-based training program for older workers. Participants work an average of 20 hours a week, and are paid minimum wage (federal, state or local, whichever is highest). They are placed in a wide variety of community service activities at non-profit and public facilities, including day-care centers, senior centers, schools and hospitals. It is intended that community service training serves as a bridge to unsubsidized employment opportunities.

Program Administration

SCSEP program services are delivered to eligible people in all Washington counties by two networks of community-based organizations.

1. The first network is made up of four National Grantees, which are responsible for administering their respective SCSEP programs (operated by other local organizations) through separate contracts with the U.S. Department of Labor.
2. The second is made up of 11 provider organizations as State Sub-grantees; their SCSEP programs are overseen and administered by the DSHS Aging and Long Term-Care Support Administration. These 11 organizations provide program services to participants in designated counties around the state through local Area Agencies on Aging, WorkSource/One stop Centers, and one college.

Aging and Long Term Support Administration (ALTSA) is the state's designated agency responsible for the development and oversight of the Title V SCSEP Four Year State Plan and any other DOL required State level planning and reports. Components of this responsibility include insuring that there is coordination of services between the national grantees and the state grantee, and the representation of the program entities with the state and local Workforce Investment Boards.

WorkFirst: Temporary Assistance for Needy Families (TANF) — #22

Program Description

TANF provides temporary cash and medical help for families in need. Some recipients participate in the WorkFirst Program, which offers services and activities to help people in low-income families find jobs, keep their jobs, find better jobs, and become self-sufficient. (Low-income families are those with income below 200 percent of the Federal Poverty Level.) The program links families to a variety of federal, state and community resources, including: child support collection; food; job search and retention services; Working Connections child care; medical assistance; tuition assistance from community and technical colleges; and WorkFirst support services.

Program Administration

The state receives a federal block grant to operate TANF programs, provided it complies with the state spending requirement known as "maintenance of effort" which must be used on programs for needy families. The Legislature appropriates the state and federal funds to DSHS. DSHS Community Service Office staff determine eligibility for families and refer them for appropriate services through local or state contracts and other community services. The state has contracts with Employment Security (ESD), Commerce, and the SBCTC to provide employment, education and training services to TANF adults.

Department of Transportation

On-the-Job Training Support Services — #23

Program Description

The core task of the On the Job Training Support Services program is to offer minorities and women paths to employment in the construction trades. Program participants receive training and support services while working on highway construction projects.

Program Administration

Federal funding for the program is received from the Federal Highway Administration. No matching funds are provided for the program; however, Transportation does fund the position which supports the program. Transportation works with community and trade based organizations (for example, the Seattle Vocational Institute, Apprenticeship and Non-Traditional Employment for Women, and the Tulalip Tribe) to help socially, economically and disadvantaged individuals, as well as veterans, gain meaningful employment in the heavy highway construction trades.

Employment Security Department

Disabled Veterans Outreach Program — #24

Program Description

The Disabled Veterans Outreach program serves veterans with special employment and training needs. WorkSource staff partner with the federal Department of Veterans Affairs' Vocational Rehabilitation & Employment Division to coordinate the right mix of services that each veteran needs to prepare for and find a job. For example, veterans have access to a range of skill-development opportunities (which might range from a one-day class or a vocational course to an apprenticeship or a college degree). Program specialists also provide job-search counseling, referrals to job openings, and labor-market information about local, in-demand jobs.

Program Administration

Federal funding for the program is allocated to the state by the U.S. Department of Labor (DOL) Veterans' Employment and Training Service (DOL/VETS), and is based on the number of veteran job seekers residing in the state. The program is administered by ESD in accordance with the Jobs for Veterans state grant and other DOL guidelines.

Program eligibility is based on a job seeker's status as a veteran or eligible spouse with significant barriers to employment. Program participants are case managed for the duration of their participation.

Local Veterans Employment Representative Program — #25

Program Description

Local Veterans Employment Representative program staff work directly with employers, federal contractors, apprenticeship and training programs, and business services to promote the hiring of veterans into meaningful jobs and careers. The program's seminars for employers offer advice on successfully recruiting veterans; those for veterans help them translate their military experience and skills into civilian occupations by assessing each veteran's interests and skills. Staff also conduct job search workshops and establish job search groups.

Program Administration

Funding and administration are the same as program #24, Disabled Veterans Outreach.

Reemployment Services for Claimants — #26

Program Description

Program staff identify and prioritize Unemployment Insurance claimants likely to exhaust benefits so they can provide reemployment services. Reemployment services include employability and skill assessments, labor market research, résumé assistance, interview skills training, and help finding a job. If more intensive services and retraining opportunities are required to help participants return to work, staff may refer them to other employment and training providers within WorkSource or outside the system.

Program Administration

Federal funding for the program is provided via a grant from DOL. ESD administers the program; services are provided to claimants by WorkSource staff across the state. ESD uses Reemployment Support Center (one stop) funding to provide labor market information and updates to technology.

Reemployment Support Centers — #27

Program Description

The intent of the program is to identify and prioritize Unemployment Insurance claimants likely to exhaust benefits and provide these claimants with re-employment services. The program provides coordinated services to reduce emotional, physical, medical, and financial barriers keeping clients from conducting an effective job search. A second purpose is to increase the local community's capability to help its unemployed by building the capacity of the existing service delivery network. Types of services include job search assistance and job referral, training referral, financial counseling, utility payment assistance, and other support services.

Program Administration

Funding and administration are the same as program #26, Reemployment Services for Claimants.

Trade Adjustment Assistance Program — #28

Program Description

The Trade Adjustment Assistance program helps workers who have lost their jobs as a consequence of increased imports or company relocations overseas return to employment. Depending on assessments, they may be eligible for job search allowances, relocation allowances, or training assistance. They may also be eligible for weekly income support benefits or Trade Readjustment Allowances if they exhaust their employment benefits.

Program Administration

Washington receives federal funds for this program through a formula distribution and Cooperative Services Agreement with DOL. ESD administers the program; eligible participants are served by WorkSource staff across the state. ESD Central Office staff help local staff provide program information to trade-affected workers, determine individual program eligibility, issue weekly Trade Readjustment Allowance income support payments to qualified participants, and coordinate payment priorities and issues with other ESD divisions.

Training Benefits Program — #29

Program Description

The Training Benefits program offers additional weeks of unemployment benefits so eligible claimants can train for careers in a high-demand field. These benefits are available to eligible dislocated workers enrolled in and making satisfactory progress in a full-time training program approved by the Unemployment Insurance program. Training benefits are paid after a participant receives all regular (and federally extended) benefits they are due to receive. It does not pay for books, tuition or school-related fees.

Program Administration

The Training Benefits program is funded through the regular Unemployment Insurance (UI) program. If approved for Training Benefits, the work search requirements associated with UI benefits are waived.

Wagner-Peyser Act — #30

Program Description

Washington's WorkSource, the state's delivery system for services mandated by the federal Wagner-Peyser Act (and later the Workforce Investment Act), serves both job seekers and employers. Services are available through a network of more than 30 WorkSource offices in communities across the state, and online through www.go2worksource.com.

Job seekers have access to a wide range of job-related services including skill assessments, career counseling, job-matching assistance and free skill development workshops or online course modules aimed at improving employability. All interested job seekers may receive guidance and counseling to assist toward a productive work search. Another responsibility under the program is to ensure UI claimants are actively seeking work.

Employers receive a range of services, including job posting, applicant screening, job fairs, free bonding for some employees, access to on-the-job training reimbursement, tax credits for hiring certain types of workers and assistance to avoid or minimize layoffs. The system also offers extensive labor market information products to help employers and job seekers make informed decisions.

Program Administration

Federal funding for this program is allocated to ESD by the DOL's Employment and Training Administration (DOL-ETA) through a formula based on the state's relative share of individuals in the civilian labor force and unemployed job seekers among all states. ESD is responsible for all funds authorized under the Wagner-Peyser Act.

Ninety percent of Wagner-Peyser funds to the state are designated to provide employment services to employers and job seekers. With the remaining 10 percent, the Governor may approve projects that provide federally authorized services to targeted groups of customers, provided that federal funds are not use to supplant state funds.

Washington Service Corps/AmeriCorps — #31

Program Description

Washington Service Corps, a part of the national AmeriCorps network since 1994, engages people across the state in full-time service projects benefiting their local communities. In partnership with local sponsors, such as school districts, local governments and chambers of commerce, the Service Corps promotes work ethic and the satisfaction and skills learned by "getting things done." Although members receive some job and work maturity skills training, it is primarily a service program.

Program Administration

ESD receives federal funding through a competitive federal grant process from the Corporation for National and Community Service, part of the U.S. Department of Health and Human Services. Washington Service Corps conducts a competitive process to award AmeriCorps member positions to local organizations. The process and program are overseen by the Washington Commission for National and Community Service, now known as Serve Washington, housed within OFM.

WorkFirst: Employment Services — #32

Program Description

WorkFirst is Washington's welfare reform program, a multi-agency effort intended to help people in low-income families find jobs, keep their jobs, find better jobs, and become self-sufficient. ESD is the WorkFirst partner responsible for providing intensive employment services (Job Search) to WorkFirst job seekers. These services are provided through local WorkSource offices and some Community Services offices. ESD also provides contracted employment services to Limited English Proficient parents in Eastern Washington. What separates WorkFirst employment services from general labor exchange services is the intensive case management, job coaching and in-depth assessment participants receive.

Employment services include:

- In-depth assessment of work skills and education.
- Intensive one-on-one case management, employment counseling and job coaching.
- Employment assets workshops (resume completion, interviewing, master application completion).
- Quality job matches and job referrals.
- Job development and on-the-job training opportunities.
- Ongoing job retention and wage progression career planning services

Program Administration

DSHS contracts with ESD, SBCTC and Commerce through interagency agreements for various elements of WorkFirst program services. ESD's contract calls for provision of employment services through the Career Scope model. The contract specifies that ESD will be reimbursed for each qualifying service provided to a client in each month, though there is both a revenue floor and ceiling. The contract also provides ESD with a dedicated amount of funding to expend on support services for clients.

Workforce Investment Act (WIA): Adult Program — #33

Program Description

The Workforce Investment Act (WIA) Adult Program prepares individuals 18 years and older to participate in the labor force by providing core services and access to job training and other services. Services are coordinated through WorkSource offices statewide.

Core services include skills assessment, labor market information, consumer reports on training programs, and job search and placement assistance. Second-tier "intensive" services, such as career counseling and short-term pre-vocational training, are available for eligible adults unable to obtain jobs through core services. The third tier consists of formal occupational skills training. This sequence of services is individualized and may include more intensive assessments, individual counseling, employment planning, and prevocational and vocational training. Priority is given to welfare and low-income WIA-eligible clients.

Program Administration

ESD receives funding from DOL-ETA by formula. ESD subsequently allocates funds to local WDCs by formula. Money is spent locally on eligible participants and allowable activities, with a requirement that at least 80 percent of the funds be obligated by the end of the program year.

WIA: 5% Administrative Fund — #34

Program Description and Administration

Federal funding and spending requirements are the same as program #33, WIA: Adults.

Up to 5 percent of the total state allotment is reserved at the state level, primarily for state administration of the program by the ESD and Workforce Training and Education Coordinating Board (Workforce Board).

WIA: 10% Governor's Reserve — #35

Program Description and Administration

Federal funding is the same as program #33, WIA: Adults.

Up to a named share (10 percent previously, but currently 3.75 percent) of the total state allotment is reserved at the state level for discretionary investment by the Governor on allowable (both required and non-required) activities serving WIA-eligible participants identified in consultation with the Workforce Board.

WIA: Dislocated Worker Program — #36

Program Description

The WIA Dislocated Worker program tailors employment and training services to meet dislocated workers' needs; establishes early intervention for workers and firms facing substantial layoffs; and fosters labor, management, and community partnerships with government to address worker dislocation. Dislocated workers are eligible for "core services" available through WorkSource (described above in WIA: Adults).

Program Administration

Federal funding and spending requirements are the same as program #33, WIA: Adults.

The formula allows the state to reserve up to 25 percent of the Dislocated Worker state allocation for statewide rapid response activities (see program #37).

WIA: Dislocated Worker Rapid Response — #37

Program Description and Administration

Federal funding and spending requirements are the same as program #33, WIA: Adults.

Funding for this program is derived from the statute allowing the state to reserve up to 25 percent of the Dislocated Worker state allocation for statewide rapid response activities. Those activities include funding a state-level rapid response operation as well as funding local requests for rapid response additional assistance.

WIA: National Emergency Grants — #38

Program Description

WIA National Emergency Grants provide supplemental dislocated worker funds to state and local boards in order to respond to the needs of dislocated workers and communities affected by major economic dislocations and other worker dislocation events, including disasters, which cannot be met with formula allotments.

Program Administration

ESD or WDCs, based on which entity is the applicant, receive federal funds on a discretionary basis from DOL-ETA for significant layoff events and disaster events. As noted, either a state or local area can apply in the case of layoff-driven events, but only a state can apply in the case of a disaster event. Funding is typically provided for a two-year period for layoff events, though a much shorter period for disaster events. The funds are expended both at the state and local levels on Dislocated Worker eligible participants and allowable activities.

WIA: Youth Activities Program — #39

Program Description

The WIA Youth Activities program prepares both in-school and out-of-school low-income youth, ages 14 to 21, for academic and employment success. Eligible youth may receive counseling, tutoring, job training, mentoring, or work experience. Other service options include summer employment, study skills training, or instruction in obtaining a GED or equivalent. Youth may access information services through WorkSource.

Program Administration

Federal funding and spending requirements are the same as program #33, WIA: Adults.

Office of Superintendent of Public Instruction

Secondary Career and Technical Education (CTE) — #40

Program Description

Secondary Career and Technical Education (CTE) gives students the chance to sample instructional programs within career pathways, including agriculture, business, technology, cosmetology, health and more. These programs teach occupational and technical skills and a solid work ethic. Students also gain leadership skills as they prepare for jobs or further career training and education after high school. The Perkins Act component of career and technical education is aimed at more fully developing the academic, career and technical skills of secondary and postsecondary students who enroll in career and technical programs.

Program Administration

Federal Perkins funds flow to the state through the Workforce Board. The Board distributes federal dollars to OSPI, which in turn distributes funding to the local districts based on a funding formula. All local districts complete an application to receive funds. The Workforce Board monitors Perkins funds through yearly review of OSPI.

State funding is distributed through OSPI financial services based on enrollment in qualified career and technical education courses. The OSPI CTE division approves district-level courses.

State Board for Community and Technical Colleges

Basic Education for Adults — #41

Program Description

Basic Education for Adults develops skills in reading, writing, math, speaking/listening in English, GED and Adult High School preparation, and basic computer literacy. Washington's Basic Education for Adults programs include: adult literacy, family learning, workplace skills enhancement, English language instruction, citizenship classes integrated with English literacy, basic skills education, I-BEST, high school equivalency preparation, and similar programs. These activities help adults practice and master the skills and strategies required for responsible citizenship, productive employment and family self-sufficiency.

Program Administration

Federal funds for the program are matched by a biennial appropriation from the state legislature. SBCTC administers the program statewide by working with the local community-based organizations and community and technical colleges that provide the courses.

Aerospace 1000 FTEs Funding — #42

Program Description

This program's purpose is to increase enrollment in high-demand aerospace courses by an additional 1,000 full-time equivalent (FTE) students for the 2014-2015 academic year.

Program Administration

The Aerospace 1000 FTEs funding was available for the first time as of July 1, 2014, as a result of Engrossed House Bill 2088; it is intended that the state funds will be allocated annually to the awardees to ensure the capacity can be sustained. Twenty-one community and technical colleges were awarded funding through a competitive proposal process. SBCTC monitors the progress towards the full time equivalent target through a quarterly data report it provides to the colleges.

Aerospace Machinists Joint Training Committee — #43

Program Description

This program serves an apprenticeship program directed at aerospace workers. Funds allocated by the Aerospace Machinists Joint Training Committee may be used for program development, curriculum development and equipment, training, and related expenses; and to support 130 enrollment slots at community and technical colleges, with at least one college being located east of the Cascade mountains.

Program Administration

The program is funded with general fund state appropriations. The SBCTC selects the colleges that receive funding using a joint selection process between the SBCTC and Joint Training Committee (comprising labor andmanagement) apprenticeship program. The Joint Training Committee oversees state funding provided solely for the design, development, training, and related expenses associated with a joint labor/management apprenticeship program established under the auspices of an international union representing aerospace workers.

Aerospace Special Projects Funding — #44

Program Description

Aerospace Special Projects are intended to support the extraordinary costs associated with the startup or improvement of high-demand programs. Funds may be used for system resources, curriculum development and delivery, facility preparation, equipment, and/or the implementation of industry-defined skill standards credentials or certifications.

Program Administration

State general funds are awarded annually to colleges by the SBCTC through a competitive proposal process.

Centers of Excellence — #45

Program Description

Centers of Excellence focus their activities in support of four areas:

- Economic Development: Serve as partners to organizations and agencies working to support economic vitality and competitiveness in Washington's driver industries.
- Industry Sector Strategy: Collaboratively build, expand and leverage industry, labor and community and technical college partnerships to promote responsive, rigorous and relevant workforce training and education.
- Education, Innovation and Efficiency: Leverage resources and partnership to create efficiencies and support development of curriculum and innovative education delivery strategies to build a diverse and competitive workforce.
- Workforce Supply/Demand: Research, analyze and disseminate information related to training capacity, skill gaps, trends and best practices within each industry sector to support a viable new and incumbent workforce.

The state's Centers of Excellence include:

- Aerospace and Advanced Materials Manufacturing at Everett Community College
- Agriculture at Walla Walla Community College
- Allied Health at Yakima Valley Community College
- Careers in Education at Green River College
- Construction at Renton Technical College
- Clean Energy at Centralia College
- Homeland Security-Emergency Management at Pierce College
- Information and Computing Technology at Bellevue College
- Global Trade and Supply Chain Management at Highline College
- Marine Manufacturing and Technology at Skagit Valley College

Program Administration

State general funds are allocated annually by the SBCTC to the 10 host colleges. Center staff submit work plans and budgets to SBCTC staff every year; they currently undergo site reviews every other year.

Customized Training Program — #46

Program Description

The Customized Training Program funds the upfront costs of developing or delivering customized training for businesses that provide employment opportunities in Washington. The level of customization ranges from existing training curriculum delivered at the job site to fully customized training curriculum developed exclusively for the business. Training is provided by community, technical or private career colleges.

Program Administration

The program is a revolving loan fund. A three-party contract is signed by the participating business, the training institution, and the SBCTC. Funds are drawn by SBCTC from the Employment Training Finance Account and provided to the training institution as expenses are incurred. Upon completion of the training, the business is invoiced by SBCTC for repayment, and all repayments are deposited back into the account. Businesses repay the funds interest-free over an 18-month period and claim a Business & Occupation tax credit equal to 50 percent of the amount they repay.

Hospital Employee Education and Training (HEET) Grants — #47

Program Description

Hospital Employee Education and Training (HEET) grants are used to develop or expand and evaluate innovative training programs that help incumbent health care workers advance their careers in the health care field while meeting the rapidly changing workforce needs of the state's healthcare system. Programs must:

1. Enhance the accessibility of college education for hospital and outpatient health care workers
2. Lead to increased capacity of the college system in nursing and other high-demand health care fields
3. Bring greater diversity to the health care workforce
4. Build a stronger industry–college partnership in order to leverage public and private investment

Program Administration

State general funds are awarded annually by the SBCTC to colleges through a competitive proposal process. The projects funded are intended to generate an aggregate of 50 full-time equivalent students annually. Colleges that receive funding are required to submit narrative reports to SBCTC staff through the fiscal year. In addition, SBCTC monitors the progress toward the full-time equivalent target through a quarterly data report it provides to the colleges.

Integrated Basic Education and Skills Training (I-BEST) — #48

Program Description

Integrated Basic Education and Skills Training (I-BEST) pairs two instructors in the classroom – one to teach professional/technical or academic content and one to teach basic skills in reading, math, writing or English as a second language —so students can move through school and into jobs faster. As students progress through the program, they learn basic skills in real-world scenarios offered by the job-training part of the curriculum.

Program Administration

Federal, state and local funds are braided together to fund I-BEST programming in 34 community and technical colleges across the state. Most funding for I-BEST programming is drawn from the colleges' general fund state appropriation and thus not tracked separately.

Job Skills Program — #49

Program Description

The Job Skills Program (JSP) brings together employers and educational institutions to provide customized employee training. State JSP funds, combined with employer match [dollar for dollar], support four types of training:

- New employee training for prospective employees before a new plant opens or when a company expands
- Current employee retraining when retraining is required to prevent the dislocation of those employees
- Current employee upgrading, to enhance productivity for advancement opportunities with greater skills and responsibilities
- Industry initiatives supporting development of customized training programs for several companies within an industry.

Program Administration

JSP is funded from the state general fund. The SBCTC works with the Workforce Training Customer Advisory Committee (made up of representatives from business, labor, and public and private educational institutions) to guide program decisions. A Job Skills sub-committee meets via conference calls to review, provide input, and recommend applications for Job Skills grants. A representative from Commerce also participates in the review process.

Opportunity Grants — #50

Program Description

The goal of the Opportunity Grant program is to help low-income adults train for high-wage, high-demand careers. Grants help the least prepared individuals to reach the "tipping point" of 45 credits, which research has shown improves the chances of a successful outcome. Participants also receive a credential, and increase job skills and knowledge through career pathways. The approved high-wage, high-demand career pathways provide a minimum beginning wage of $13.00 an hour in Washington ($15.00 in King County).

Program Administration

State funding for the program is allocated to each college from the biennial appropriation from the state Legislature, and earmarked by SBCTC for exclusive use for student aid and support services by the Opportunity Grant program. SBCTC administers the program by working with community and technical colleges and eligible private colleges, and a partnership with the Workforce Board. Each college determines participant eligibility and monitors student progress. The colleges provide training and instruction to participants in line with the goals set forth in the program statutes and policies.

Postsecondary Professional Technical Education — #51

Program Description

Washington's community and technical colleges offer professional-technical education for employment; upgraded skills training and retraining to improve or supplement workers' knowledge and abilities in order to remain competitively employed; supplemental classroom apprenticeship training for apprentices; and developmental education to enhance reading, writing, and math skills for entry or success in a professional-technical program.

Program Administration

The Workforce Board oversees federal Perkins funds, including the portion allocated to the SBCTC. Postsecondary Professional Technical Education is also supported by state general funds that are meant for vocational (as opposed to more academic or pre-college) expenditures.

State general fund and Perkins funding are granted annually to all 34 community and technical colleges based on a formula allocation methodology. Each college submits an annual plan detailing how funds will be used to support career and technical education programs and students. Upon SBCTC approval, the colleges receive funding, carry out approved activities and provide a final report each July. The programs are monitored by a SBCTC program administrator.

Tech Prep — #52

Program Description and Administration

Tech Prep is a cooperative effort between K-12 schools, community and technical colleges, and the business and labor community to develop applied integrated academic and technical programs. Tech Prep serves students in grades 9-12. All Tech Prep dual-credit classes are taken on the high school campus and are identified as CTE classes.

The program was funded under Perkins Title II legislation, but new federal funding ceased in 2011. The state's 18 current Tech Prep consortia continue to operate without designated federal or state funding. The consortia have developed competency-based articulation agreements between high schools and colleges that help students transition from high school into post-secondary professional-technical programs. Through Tech Prep articulation agreements, colleges award credit to students who successfully complete college-equivalent courses and programs with a "B" or better while still in high school. Articulation agreements between the individual college and school define the criteria for equivalency and the granting of credit.

Worker Retraining Program — #53

Program Description

The Worker Retraining program provides funding for training programs and related support services that serve dislocated and unemployed workers. Support services can include financial aid, career advising, educational planning, referral to training resources, job referral and job development. The program serves the unemployed or those facing imminent layoffs. Community and technical colleges provide training in basic skills and literacy, occupational skills, vocational education, and related or supplemental instruction for apprentices. Qualified students may receive financial assistance to help with tuition, as well as the costs of child care and transportation. Private career schools and colleges enroll a small number of Worker Retraining students as well.

Program Administration

State general funds are allocated to each community and technical college on an annual basis. These funds support workforce education programming as well as financial aid for eligible students. A portion of worker retraining funds are set aside for private career schools and colleges, awarded through a competitive annual process. These funds can only be used as financial aid for eligible students. In addition, SBCTC monitors the progress toward the full-time equivalent target through a quarterly data report it provides to the colleges.

WorkFirst: Education and Training — #54

Program Description

WorkFirst enables participants to gain the skills necessary for higher wages, better jobs, and further advancement. WorkFirst Education and Training services may be provided by any of Washington's community or technical colleges as well as some private career schools and community-based organizations. WorkFirst education and training providers may use the block grant funds in one or more of the following activities:

- Vocational education
- Work-based learning/WorkFirst work study
- WorkFirst financial aid/tuition assistance
- Other basic skills and/or job skills training
- Customized job skills training

Program Administration

DSHS administers the TANF/WorkFirst program for Washington. When an individual is deemed eligible for TANF/WorkFirst services, a DSHS employee completes an Individual Responsibility Plan with each participant, setting out his or her specific activities, timeframes and expectations. If job training or education is identified as a necessary support service, DSHS may refer a participant to a partner agency, such as the SBCTC, for those services.

Annually, DSHS and SBCTC enter into a contractual agreement that outlines expectations, guidelines and allocated funding. Utilizing a funding formula, the SBCTC provides grants to community and technical colleges and existing WorkFirst training providers throughout the state to deliver education and training services to participants.

Workforce Training and Education Coordinating Board

Carl D. Perkins Career and Technical Education Grants — #55

Program Description

Grants made through the federal Carl D. Perkins Career and Technical Education Act help educators better prepare students for the workplace through career-focused vocational education, innovative teaching techniques and other strategies. The Act contains three categories of funding available in the budget:

- Basic grants for local school and community and technical college district programs and services
- State leadership activities, including, policy and planning, nontraditional training and employment preparation and services to individuals in state institutions
- Administration

Program Administration

As the federally designated state administrator of Perkins funds, the Workforce Board partners with OSPI and the SBCTC to design programs that enable the state to provide quality career and technical education to meet performance measures. The Board works with secondary and post-secondary educators to administer career and technical educational programs of study that give people the knowledge and skills they need to prepare for careers in current or emerging employment sectors.

Appendix J: Services Offered by Program

This appendix contains information about the types of services offered by each program. Based on our research, we devised nine service categories, defined in Appendix C, to provide context about the types of services that are being offered by the specific program.

Key	Description
P	Service is provided directly by the program to the participant
R	Service is funded by the program, but referred to another state agency or contracted entity to provide the service to the participant
A blank field indicates that the program does not address that service category.	

Program information			Service category								
#	Name	Who is served	Employment counseling & assessment	Basic Education for Adults; English literacy	Job readiness skills training	Occupational & vocational training	Job search or placement activities	Work experience	On-the-job training	Job retention services	Support services
Department of Commerce											
1	Community Services Block Grant Program	Adult, Senior, Youth - At or below 125% of FPL	R	R	R	R	R	R	R	R	R
2	WorkFirst: Career Development	Adult - TANF	R		R			R	R		R
3	WorkFirst: Community Jobs	Adult - TANF - Barriers to Employment	R		R		R	R	R		R
4	WorkFirst: Job Connection / Career Jump	Adult - TANF	R		R		R	R	R		R
5	WorkFirst LEP: Career Development	Adult - TANF - LEP	R		R			R	R		R
6	WorkFirst LEP: Community Jobs	Adult - TANF - LEP	R		R		R	R	R		R
7	WorkFirst LEP: Job Connection / Career Jump	Adult - TANF - LEP	R		R		R	R	R		R
8	WorkFirst: Community Works	Adult - TANF			P			R			
Department of Corrections											
9	Correctional Industries	Adult - Offender				P		P			
10	Offender Education Program	Adult - Offender		P	P	P					P

Program information			Service category								
#	Name	Who is served	Employment counseling & assessment	Basic Education for Adults; English literacy	Job readiness skills training	Occupational & vocational training	Job search or placement activities	Work experience	On-the-job training	Job retention services	Support services
Department of Ecology											
11	Washington Conservation Corps	Youth - Unemployed/ Under-employed			P	P		P	P		
Department of Labor and Industries											
12	Apprenticeship	Adult -Apprenticeship				P			P		
13	Return-To-Work Services Program	Adult - Injured Workers	R			R	P, R		R	P	P
Department of Natural Resources											
14	Special Employment Services for Offenders Program (Correction Camps)	Adult and Youth - Offender						P	P		
Department of Services for the Blind											
15	Business Enterprise for the Blind	Adult - Disabled			P	P		P	P	P	P
16	Vocational Rehabilitation for the Blind	Adult - Disabled	P	P, R	P	P	P	P, R	P, R	P, R	P
Department of Social and Health Services											
17	Basic Food Employment and Training	Adult - Non TANF Client Eligible for SNAP	P	P	P	P	P			P	P
18	Developmental Disabilities Administration /Employment Services	Adult - Disabled	P, R		R	R	R	R	R	R	R
19	Division of Vocational Rehabilitation	Adult and Youth - Disabled	P		P, R	P, R	P, R	P, R	P	P, R	P, R
20	Limited English Proficient Pathway	Adult - LEP	R	R	R	R	R	R		R	P
21	Senior Community Service Employment Program	Adult - Senior	R		R		R	R	R		R
22	WorkFirst: TANF	Adult - TANF	P	R	R	R	R	R	R	R	P

Program information			Service category								
#	Name	Who is served	Employment counseling & assessment	Basic Education for Adults; English literacy	Job readiness skills training	Occupational & vocational training	Job search or placement activities	Work experience	On-the-job training	Job retention services	Support services
Department of Transportation											
23	On the Job Training Support Services	Adult			P	P			P		P
Employment Security Department											
24	Disabled Veterans Outreach Program	Adult - Veterans	P		P	R	P		R		
25	Local Veterans Employment Representative Program	Adult - Veterans	P		P	R	P		R		
26	Reemployment Services for Claimants	Adult - UI Claimants	P				P				
27	Reemployment Support Centers	Adult - Dislocated Worker					P				P
28	Trade Adjustment Assistance Program	Adult - Dislocated Worker	P	R	P	R	P		R		
29	Training Benefits Program (TRA)	Adult - UI Claimants									P
30	Wagner-Peyser Act	Adult	P		P		P				
31	Washington Service Corps/ AmeriCorps	Youth - Unemployed			P	P		P			
32	WorkFirst: Employment Services	Adult - TANF	P		P		P		R	P	P
33	Workforce Investment Act (WIA), Title I-B: Adult Program	Adult	P		P	R	P				
34	WIA: DW 5 % Administrative Fund	Adult - Special Funds	Program is a strategic funding source that did not actually provide services to participants, but rather provided financial support to help further develop and support programs that do provide participants with services.								
35	WIA: DW 10% Governors Reserve	Adult - Special Funds	R		R	R	R	R	R	R	R

Program information			Service category								
#	Name	Who is served	Employment counseling & assessment	Basic Education for Adults; English literacy	Job readiness skills training	Occupational & vocational training	Job search or placement activities	Work experience	On-the-job training	Job retention services	Support services
Employment Security Department, continued											
36	WIA: Dislocated Worker Program	Adult - Dislocated Worker	P		P	R	P				
37	WIA: Dislocated Worker Program Rapid Response	Adult - Dislocated Worker	R		R	R	R	R	R	R	R
38	WIA: National Emergency Grants	Adult - Dislocated Worker	R		R	R	R	R	R	R	R
39	WIA: Youth Activities Program	Youth	P	R		R	P	R			P
Office of Superintendent of Public Instruction											
40	Secondary Career and Technical Education	Youth	P		P	P	P	P	P		P
State Board for Community and Technical Colleges											
41	Basic Education for Adults	Adult		P	P						P
42	Aerospace 1000 FTEs funding	Adult - Special Sector Training	Programs are strategic funding sources that do not actually provide services to participants, but rather provide financial support to help further develop and support programs that do provide participants with services.								
43	Aerospace Machinists Joint Training Committee (AMJTC)	Adult - Other									
44	Aerospace Special Projects Funding	Adult - Other									
45	Centers of Excellence	Adult - Other									
46	Customized Training Program	Adult				P					
47	HEET Grants	Adult - Special Sector Training	Program is a strategic funding source that did not actually provide services to participants, but rather provided financial support to help further develop and support programs that actually do provide participants with services.								
48	Integrated Basic Education and Skills Training (I-BEST)	Adult - Students		P	P	P					P

Program information			Service category								
#	Name	Who is served	Employment counseling & assessment	Basic Education for Adults; English literacy	Job readiness skills training	Occupational & vocational training	Job search or placement activities	Work experience	On-the-job training	Job retention services	Support services
State Board for Community and Technical Colleges, continued											
49	Job Skills Program	Adult				P					
50	Opportunity Grants	Adult - Students	P			P					P
51	Postsecondary Professional Technical Education	Adult - Students	P		P	P	P	P	P		
52	Tech Prep	Youth				P					
53	Worker Retraining Program	Adult - Dislocated Worker	P	P		P	P				P
54	WorkFirst: Education and Training	Adult - TANF		P	P	P		P			P
Workforce Training and Education Coordinating Board											
55	Carl D. Perkins Career & Technical Education	Adult - Students				P					P

Appendix K: Examples of Five Possible Paths Through Washington's Workforce Development System

One important challenge that faces all contributors to the state's workforce development system is ensuring that those who come to them for help getting and keeping a good job are served by the right program or combination of programs. As we developed our understanding of the system during this audit, we found it helpful to envision the many types of workers the system serves and how they might successfully navigate such a complex system.

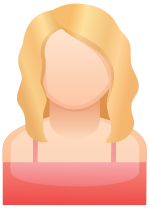
The five "characters" presented in this appendix are not based on any real individual. Rather, they show typical paths that might be recommended to similar people following the assessments and evaluations performed by the counselors they encounter at their first contact with the system. (While some people might actually be referred from their first contact to a more appropriate assessor in another program, we did not attempt to illustrate this.)

The illustrations show:

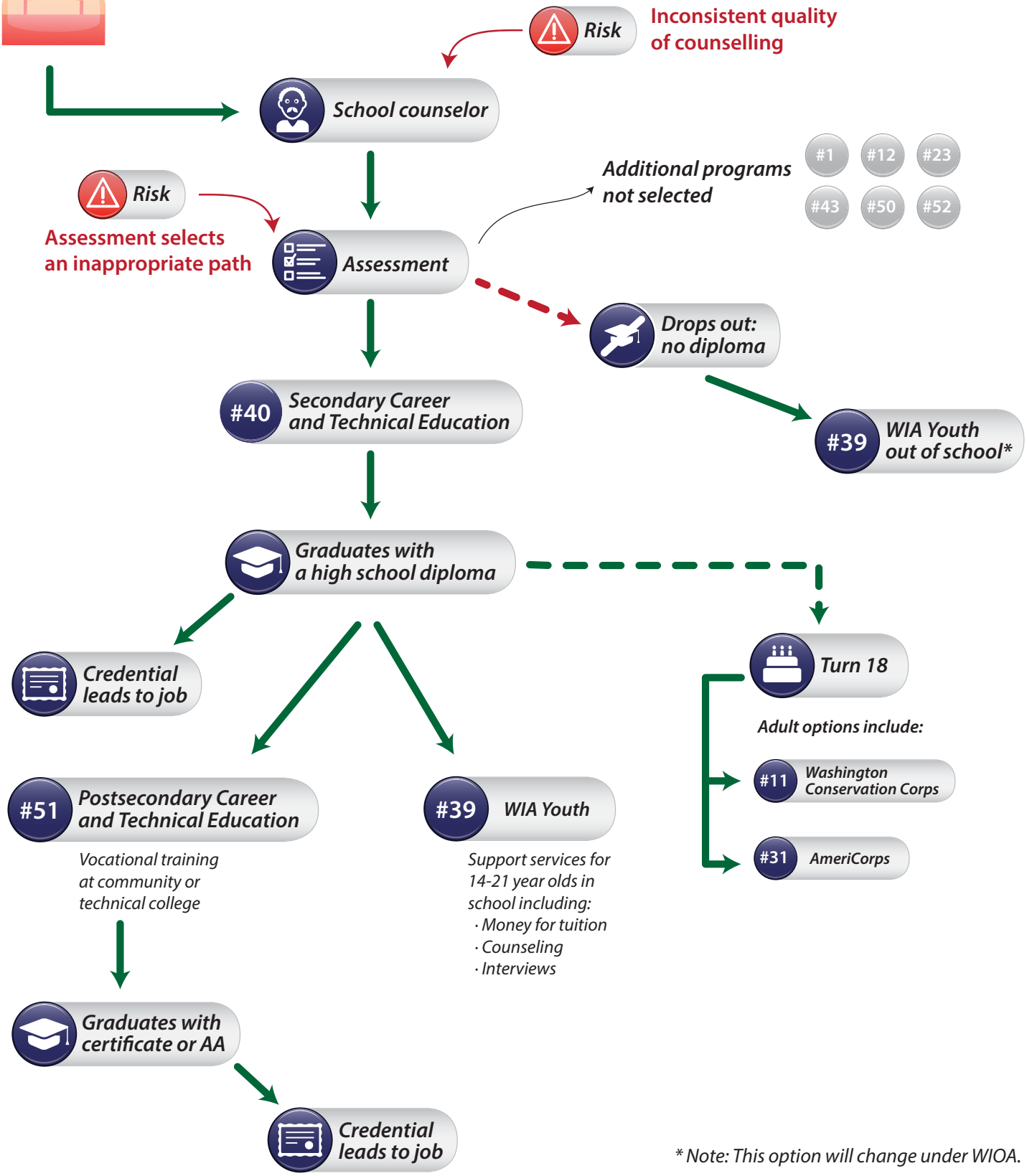
- The range of programs considered but deemed unsuitable and so not mapped
- The programs touched as the character progresses through the path
- Additional services or considerations that might support or change the character's course
- The risk points we believe might exist at various points on the path

It is important to remember that each program or step in the path might have additional internal steps or requirements. We did not include or consider any programs or training that might also be provided by private businesses or non-profit groups without government funding.

Youth



Brianna is 17 and attends a high school in Snohomish County. Her family is low income, but they do not receive TANF or SNAP benefits. A native English speaker, without a criminal record or disability, Brianna enters the workforce development system by meeting a school guidance counselor, though she isn't sure what she wants to do after school.



** Note: This option will change under WIOA.*

Dislocated Worker

Frank is a healthy 45-year-old; his wife works at a minimum-wage job, and his two kids are in school in Quincy. The food processing factory where he has worked as a skilled laborer and supervisor for 11 years is closing, and there are no other plants nearby hiring workers with his skill set. The factory's management team has directed all employees to the WorkSource Center in Moses Lake, 37 miles away.

Business sends to → ***WorkSource center***

Risk — **Assessment may not fully identify needs**

Assessment

Additional programs not selected

#26 #27 #28 #29
#30 #38 #37 #46
#49 #53

Eligible for other support benefits

#36 WIA Dislocated Worker program

Childcare Support

***Tier 1:** Core services*

- *Basic skills assessment*
- *Labor market information*
- *Job search assisstance*

Unemployment Insurance

Unemployment benefits expire

***Tier 2:** Intensive services*

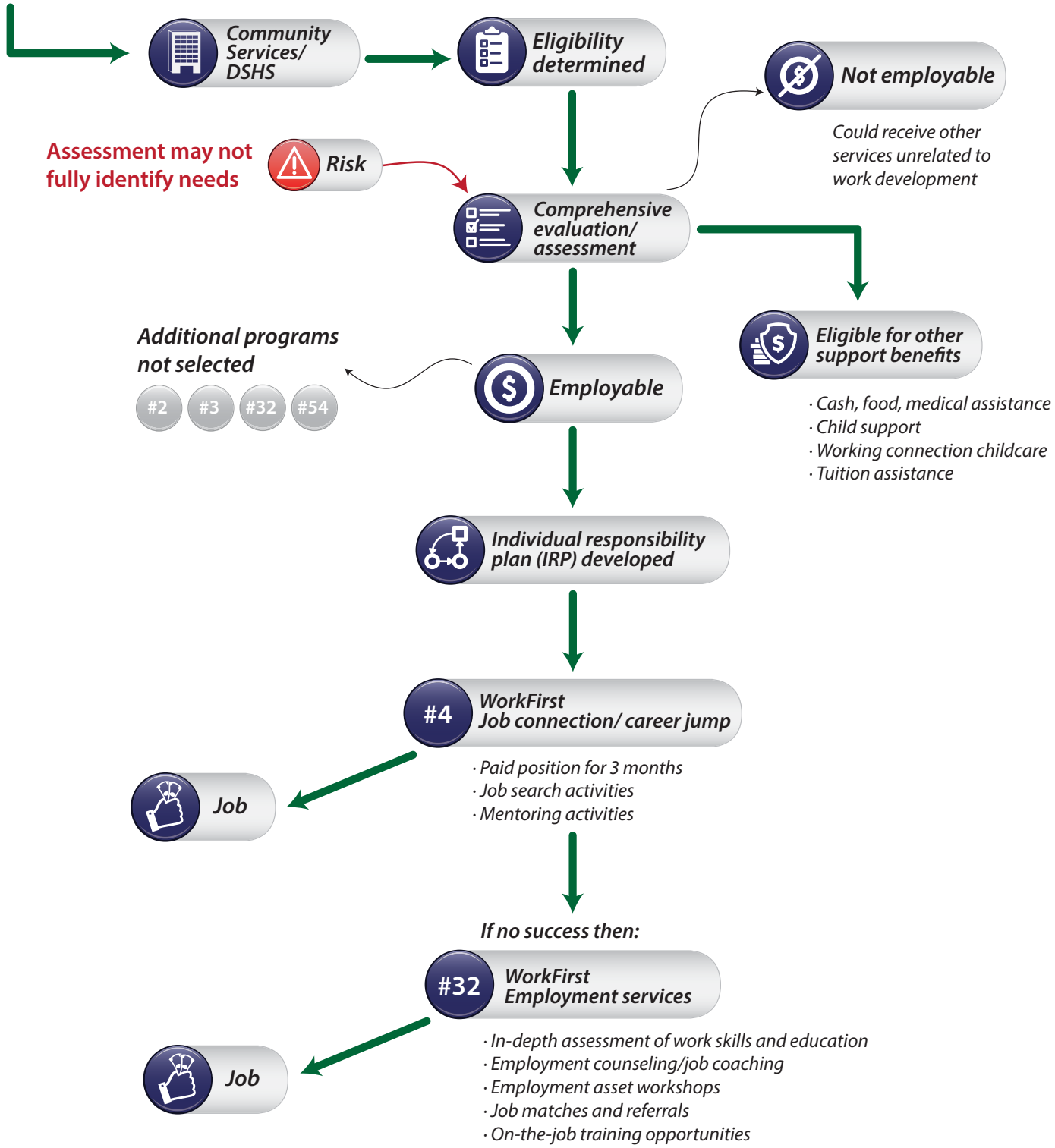
- *Specialized skills assessments*
- *Career counceling,*
- *Pre-vocational skill building*
- *Adult education, ESL, some support services*

***Tier 3:** Training services*

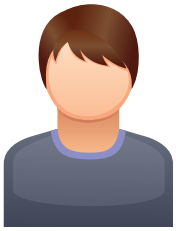
- *Vocational education*
- *Skills upgrading/retraining services*
- *Support services*

TANF/WorkFirst

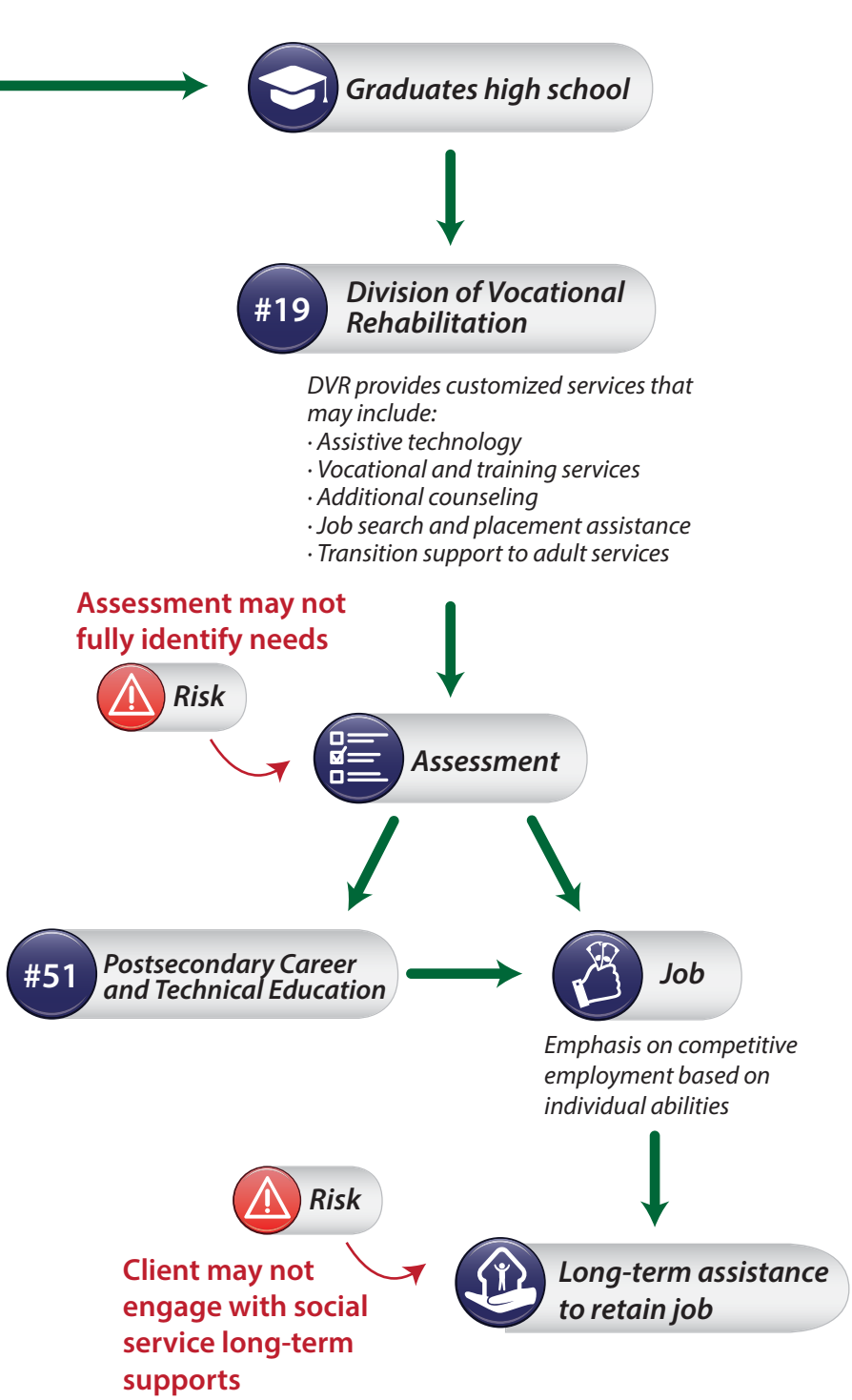
Sylvia, 26, is a single mom with a toddler who lives with her grandmother in Spokane. She is a native Spanish speaker but speaks English fairly well, and completed high school. But since her grandmother passed away, Sylvia is at risk of losing the apartment they all shared. She enters the workforce development system by going to the nearest DSHS Community Services office seeking help and advice.



New worker with physical disability

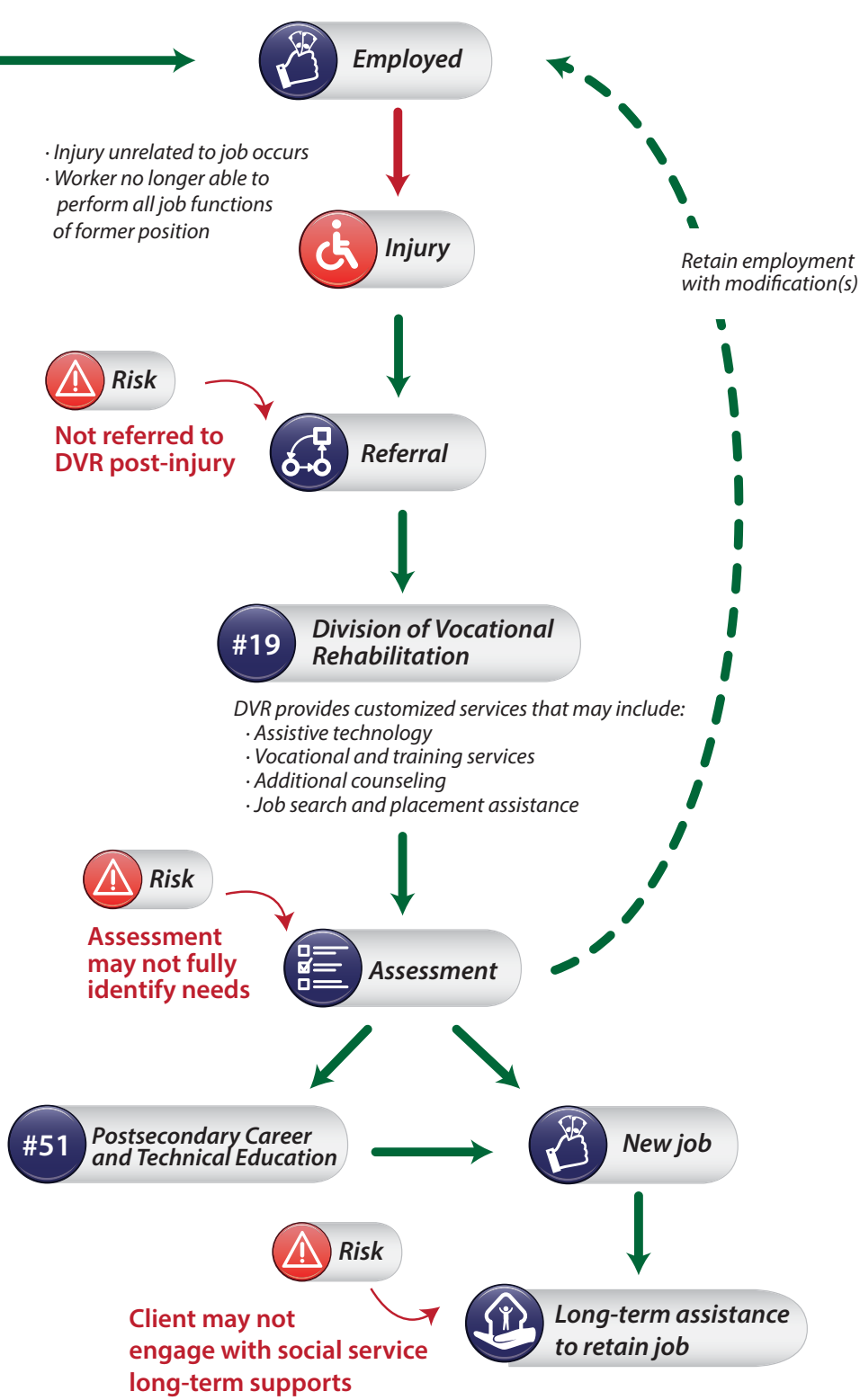


Nick is 19 years old, living with his parents in the Yakima Valley. He has cerebral palsy, with limited gross motor skills; he graduated from high school thanks to a power wheelchair and a dedicated school aide. He thinks he might like to work with computers.

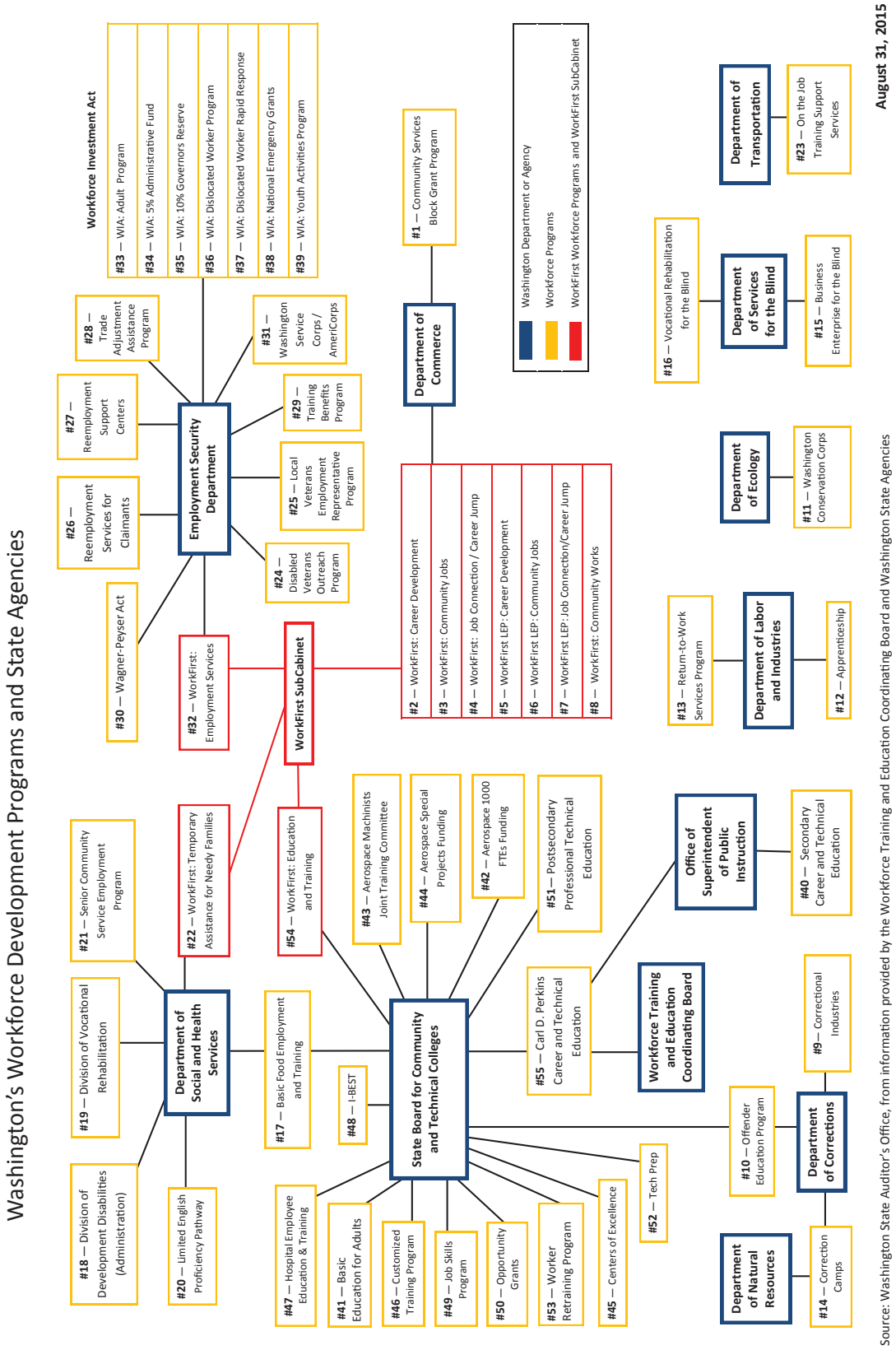


Older worker with injury/physical disability

Joan is 48 years old and married; she holds a certificate in cosmetology. She works as a hairdresser in Tacoma, but a recent accident has left her with weakness on her left side and unable to stand for long periods of time. She is keen to stay in the workforce.



Appendix L: Map of Washington's Workforce Development System



Source: Washington State Auditor's Office, from information provided by the Workforce Training and Education Coordinating Board and Washington State Agencies