



Washington State Auditor's Office

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Workforce Development System: Identifying Overlap, Duplication and Fragmentation

The workforce development system in Washington is a complex network of 55 programs, managed by 12 state agencies and multiple service providers. It serves hundreds of thousands of job seekers and employers at a cost of more than \$1 billion a year in federal and state funds. Four state agencies manage or coordinate 84 percent of these funds.

A complex system, serving many needs

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, as well as 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.

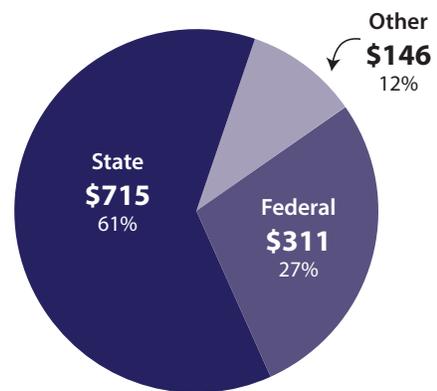
Highly regarded, but still room for improvement

Washington's approach to coordinated service delivery is highly regarded at the federal and state levels, and recent 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.

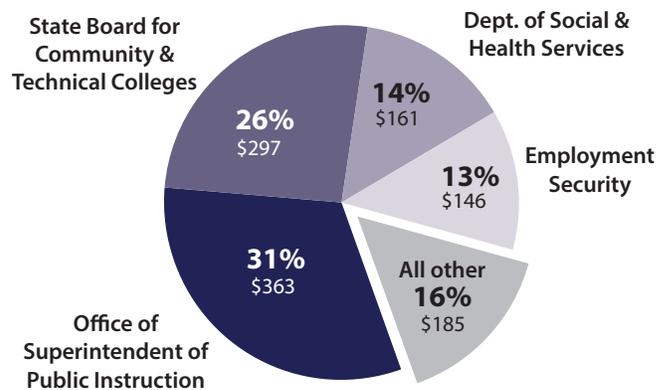
Given the significant amount of money invested and the complexity of the system, we set out to inventory the system, gain an understanding of funding and identify where overlap, duplication or fragmentation may exist. The questions we set out to answer were:

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?

The state provides more than 60% of Washington's workforce development funding
Fiscal year 2013, dollars in millions



Four agencies managed or coordinated 84% of the \$1.1 billion spent on workforce development programs
Fiscal year 2013, dollars in millions



Mapping the system

Faced with a system as complex as workforce development, we mapped the 55 programs to illustrate the high-level relationships that exist between the different state agencies and programs. This visual tool allowed us to see where connections exist and potential risks can arise in system. To view the full map, see [Appendix L](#) in the report.

Strong local partnerships are critical

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 the Workforce Investment Act (WIA), be managed at the local level because local government officials and businesses best understand local needs.

The Workforce Training and Education Coordinating Board (Workforce Board) is the lead state agency responsible for coordinating system partners statewide. It works with them, as well as the Governor and Legislature, to develop the strategic vision and policies for workforce development in Washington.

Changes are coming with the Workforce Innovation and Opportunity Act

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:

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

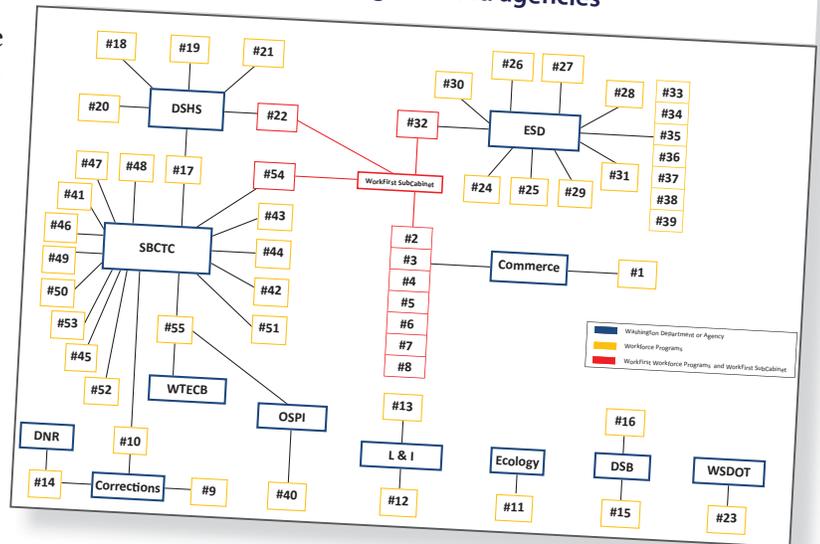
Although Washington has already implemented many of the WIOA-required changes, service providers will still have challenges to overcome, and some provisions of WIOA remain to be codified in federal regulations and clarified by federal guidance.

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

Entry to some programs is open to all, without restrictions or special requirements, but participation in other programs is restricted by specific eligibility requirements. The overlap and duplication we found was mostly in the programs that serve specialized populations. 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 levels for its coordinated, holistic approach to workforce development, we identified four areas of potential risk within the system that may warrant further analysis.

Workforce development programs and agencies



Risks we identified

- 🔍 Variations in local service delivery
- 🔍 Variable degrees of engagement between employers and educators
- 🔍 Inconsistent quality of counseling to help students transfer into training and employment
- 🔍 Federal restrictions on services, particularly in TANF