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 Ron Thalheimer  
 James Walker  
 Blaine Wolfe

**WDC One-Stop Operator & Partners Committee Meeting**

**Agenda**

**August 4, 2015**

**8:00-10:30 a.m.**

**Ron Thalheimer, Chair**

**Location:**

**Worksource Pierce Career Development Center  
 1305 Tacoma Avenue South #201  
 Tacoma, WA**

- |   |                 |        |
|---|-----------------|--------|
| 1. Hello / Introductions  | Ron Thalheimer  | 5 min  |
| 2. Review Prior Meeting Notes   | Ron Thalheimer  | 5 min  |
| 3. Earn-Ability Group Update  | Brian Humphreys | 10 min |
| 4. One Stop Assessment  | Cheri Loiland   | 60 min |
| • WIOA Action Plan<br>(Questions #5 thru #10 below)*  |                 |        |
| 5. State One Stop Task Force Update   | Cheri Loiland   | 5 min  |
| 6. Local Plan Development   | Cheri Loiland   | 10 min |
| • Economic Outlook Report   |                 |        |
| 7. Other Business   |                 |        |
| • 8/24/2015 WDC Business Services Meeting Invite<br>for Economic Development Board Presentation |                 |        |
| 8. Next Meeting Location & Agenda Items   |                 |        |
| 9. Thank You/Adjourn  |                 |        |

WorkForce Central Staff  
 Linda Nguyen, CEO  
[lnguyen@workforce-central.org](mailto:lnguyen@workforce-central.org)

Deborah, Howell, CAO  
[dhowell@workforce-central.org](mailto:dhowell@workforce-central.org)

Jan Adams, Executive Assistant  
[jadams@workforce-central.org](mailto:jadams@workforce-central.org)

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 Tacoma, WA 98409  
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Future Meetings

September 1, 2015 8:30-10:00am  
 October 6, 2015 8:30-10:00 am  
 November 3, 2015 8:30-10:00 am  
 December 1, 2015 8:30-10:00 am.

**Workforce Development Council (WDC) of Tacoma Pierce County  
WIOA Committee Membership Planning Document**

7-20-15

<b>WDC One-Stop System Operator(s) &amp; Partners Committee</b>			
<ul style="list-style-type: none"> <li>• Committee Chair is member of WDC and appointed.</li> <li>✓ Since all of WDC members are required to serve on a WDC Committee, approximately 4-6 members of the committee will be WDC members.</li> <li>• Vice Chair selected from Committee and must be willing to also serve on Coordinating Committee.</li> </ul>			
<b>Activities/Partners</b>	<b>Partners</b>	<b>Representative(s)</b>	<b>WDC or Partner</b>
Chair of Committee	Niagara Water	Ron Thalheimer, Tacoma Plant Director rthalheimer@niagarawater.com	WDC
Vice Chair of Committee	Pierce College District	Susan Cable, Director scable@pierce.ctc.edu	Partner
<b>CORE PARTNERS</b> (Resource Sharing Agreement Partners)			
One-Stop Career Center Infrastructure	WorkForce Central/Youth Provider	MaryEllen Laird, Chief Operations Officer mlaird@workforce-central.org	Partner
	Pierce County Library System	Jaime Prothro, Customer Experience Manager JProthro@piercecountylibrary.org	Partner
Title 1-B Youth, Adults and Dislocated Worker Training and Employment (Core Program)			
Title III Wagner-Peyser Act of 1933 Employment Services (Core Program)	WA State Employment Security Department	Anne Goranson, Regional Director agoranson@esd.wa.gov  James Walker, Director jawalker@esd.wa.gov	WDC Partner
<b>REQUIRED PARTNERS</b> (Memorandum of Understanding Partners)			
Title II Adult Education and Literacy (Core Program)	Bates Technical College	Blake Ingram, Dean bingram@bates.ctc.edu	Partner
	Clover Park Technical College	Mabel Edmonds, Dean mabel.edmonds@cptc.edu	Partner
	Pierce College District	Susan Cable, Director scable@pierce.ctc.edu	Partner
	Tacoma Community College	Sheila Ruhland, President sruhland@tacomacc.edu  Krista Fox, Dean kkfox@tacomacc.edu	Partner
	Tacoma Community House	Tracy Larson, Case Manager tlarson@tacomacommunityhouse.org	Partner
	Rescue Mission		Partner
Title IV Rehabilitation Act of 1973 Vocational Rehabilitation Training and Services (Core Program)	WA State Division of Vocational Rehabilitation (DVR)	Mary Matusiak, Supervisor matusmk@dshs.wa.gov	
	WA State Department of Services for the Blind		
Title V Older Americans Act of 1965 (Community Service Employment for Seniors)	Goodwill of the Olympics and Rainier Region	Kurt Simmons, Assistant Workforce Dev. Director kurts@goodwillwa.org	Partner
Carl D. Perkins Career and Technical Education (non core program)	Bates Technical College	Blake Ingram, Dean bingram@bates.ctc.edu	
	Clover Park Technical College	Mabel Edmonds, Dean mabel.edmonds@cptc.edu	
	Pierce College	Susan Cable, Director scable@pierce.ctc.edu	
	Tacoma Community College	Sheila Ruhland, President sruhland@tacomacc.edu  Krista Fox, Dean kkfox@tacomacc.edu	

**Workforce Development Council (WDC) of Tacoma Pierce County**

**WIOA Committee Membership Planning Document**

7-20-15

Chapter 2 of Title II of the Trade Act of 1974 (Trade Adjustment Assistance)	WA State Employment Security Department	Anne Goranson, Regional Director <a href="mailto:agoranson@esd.wa.gov">agoranson@esd.wa.gov</a>  James Walker, Director <a href="mailto:jawalker@esd.wa.gov">jawalker@esd.wa.gov</a>	
Chapter 41 of Title 38, United States Code (Veterans Assistance)	WA State Employment Security Department	Anne Goranson, Regional Director <a href="mailto:agoranson@esd.wa.gov">agoranson@esd.wa.gov</a>  James Walker, Director <a href="mailto:jawalker@esd.wa.gov">jawalker@esd.wa.gov</a>	
Community Services Block Grant Act (Assistance to Low Income Individuals & Families)	Possible Community Member Appointed by WDC		
Community Development Block Grant (Employment and training by Dept. of Housing & Urban Development)	Tacoma Housing Authority		
	Job Corps		
Programs under State Unemployment Compensations Laws	WA State Employment Security Department	Anne Goranson, Regional Director <a href="mailto:agoranson@esd.wa.gov">agoranson@esd.wa.gov</a>  James Walker, Director <a href="mailto:jawalker@esd.wa.gov">jawalker@esd.wa.gov</a>	
Programs under Second Chance Act of 2007 (Reintegration of Ex-Offenders)	Department of Corrections	Nanette Borders <a href="mailto:nanette.borders@doc.wa.gov">nanette.borders@doc.wa.gov</a>	
Programs under Part A of Title I of the Social Security Act (Assistance to the Aged)			
<b>GOVERNOR APPOINTED</b>			
Others Determined by the Governor			
<b>OPTIONAL - LOCAL</b>			
Other	WA State Department of Labor & Industries	Keith Johnson, Regional Program Manager <a href="mailto:jkei235@LNI.WA.GOV">jkei235@LNI.WA.GOV</a>	
Other	WA State Department of Social and Health Services (DSHS) Region 3 – Community Services Division	Kendrick Stewart, Region 3 Administrator <a href="mailto:stewak@dshs.wa.gov">stewak@dshs.wa.gov</a>	
Other	Metropolitan Development Council's Educational Opportunity Center		
Other	Pierce County Juvenile Court	TJ Bohl <a href="mailto:tbohl@co.pierce.wa.us">tbohl@co.pierce.wa.us</a>	
Workforce Development Council/WorkForce Central Staff	MaryEllen Laird, Chief Operations Officer 253.593.7305; <a href="mailto:mlaird@workforce-central.org">mlaird@workforce-central.org</a>  Deborah Howell, Chief Administrative Officer 253.254.7618; <a href="mailto:dhowell@workforce-central.org">dhowell@workforce-central.org</a>  Cheri Loiland, Chief WIOA Transition Officer 253.254.7908; <a href="mailto:cloiland@workforce-central.org">cloiland@workforce-central.org</a>  Debbie Lean Executive Assistant 253.414.0141; <a href="mailto:dlean@workforce-central.org">dlean@workforce-central.org</a>		



WDC One-Stop Operator & Partners Committee Meeting

NOTES

July 7, 2015

8:00 – 10:30 a.m.

WorkForce Central

3650 S. Cedar St, Tacoma

Classroom 1

Committee Member Attendees: Ron Thalheimer, Susan Cable, James Walker, Kelli Johnston, Jaime Prothro, Kurt Simmons, Anne Goranson, Mabel Edmonds, Tracy Larson, Kendrick Stewart

WDC Staff Attendees: Deborah Howell, MaryEllen Laird, Cheri Lolland and Debbie Lean

AGENDA	NOTES	ACTION ITEMS
<p>1. Hello/Introductions (Ron Thalheimer)</p>	<ul style="list-style-type: none"> <li>Chair Ron Thalheimer called the meeting at 8:10 a.m.</li> <li>Roundtable introductions were made.</li> <li>New members unable to make the meeting: TJ Bohl, Pierce County Juvenile Court Nanette Borders, Department of Corrections</li> </ul>	
<p>2. Review Prior Meeting Notes (Ron Thalheimer)</p>	<ul style="list-style-type: none"> <li>Prior meeting notes were accepted as prepared with minor change to the membership list: Kendrick Stewart is with Region 3, Community Services Division</li> </ul>	<p>Debbie made change to membership list</p>
<p>3. One Stop Assessment</p>	<ul style="list-style-type: none"> <li>Cheri passed out the Assessment document that has been recommended by the WTECB and will work with the WIOA Action Plan that was provided by WorkforceOne. We can always do more but she believes we should try to follow the process as designed because in the long run it is going to be important.</li> <li>The committee is going to start with the first 4 questions of the Questionnaire - Section 1, Partnership and Program Alignment. The idea is to have a discussion about where we are now and the strategies of moving forward. We will go back to step 3 after all of 1 and 2 are complete as some could be combined.</li> <li>Anne likes the approach we are taking with this Action Plan without using the ranking. Others are ranking and are not having any discussion around the content of the question.</li> </ul> <p><b>Question 1:</b> Our workforce system has all core and required one-stop partners</p>	



at the table supporting development and implementation of the area's one-stop policies and processes, service delivery design, and infrastructure and certification criteria.

- Ron asked MaryEllen who served on the original committee to lead the discussion to help determine the gaps and who we need to reach out to.
- Committee went through the new document "WIOA Core Programs, Core Partners and Required Programs" and made additions/changes and identified who was missing at the table and potential organizations to reach out to. Cheri will reach out to:
  - Rescue Mission
  - WA Department of Services for the Blind
  - Community Services Block Grant for Low Income – reach out to the City of Tacoma or Commerce (Diane Klontz)
  - Assistance to the Aged - reach out to the City of Tacoma
  - Employment and training programs carried out by the Small Business Administration - reach out to Small Business Administration Regional Office in Seattle.
- Mabel questioned whether we need a youth/adult representation like REACH. Cheri shared that we have committees that are representing those entities and MaryEllen said that we have a voice from REACH (Nick Bayard) on the Youth and Young Adult Services Committee.
- Ron shared that before we get too wide we need to keep our scope on the one stop system. If we have something that needs to be addressed we have a separate committee that we could divert it to.
- A joint meeting on a specific topic could take place once content for a meeting is derived.
- **Question #1 complete and the following added to Assessment matrix:**
  - Opportunity for Improvement: Identify missing members
  - Certification will come after the state information is public
  - Goals: Reach out to core/required partners
- Deborah noted that the second part of #1 talks about infrastructure and certification requirements and is assuming once we get all of the partners together we will then need to go back and talk about that process. All agreed.
- Anne stated that the certification requirements is going to be driven somewhat by what the state decides because there is a subcommittee that is working on the requirements that will impact all of us and suggested

Cheri will reach out to additional partners missing from the table

	<p>that we may not want to get to far ahead of that.</p> <ul style="list-style-type: none"> <li>• Cheri anticipates that to certify our Workforce Development Council and certify our one stop we are going to have to have done this kind of exercise so that when the information comes out from the state we have already done all of this.</li> <li>• Susan asked about the affiliates and their role. Anne shared that WIOA doesn't speak to affiliates like WIA did but it doesn't mean they are not part of the system but the certification may be for one stop centers. Want to be inclusive but if there aren't requirements for certifications it might be more flexible than WIA.</li> <li>• Ron asked if there is a timeline when this gets finalized. Cheri stated that WIOA kicked in July 1<sup>st</sup> but the first year has some overlap with WIA. The state has not given directions for the local plan yet but one of the major responsibilities of this committee is the MOU which puts all of us together in providing these services in Pierce County. The MOU and RSA have to be in place by July 1, 2016.</li> <li>• The June 11<sup>th</sup> from the Workforce Board guiding us highlights the things that are coming down but it said the one stop process needs to be in place by 2017. Cheri will check to see if it is 2016 or 2017 but due to the fact that we are working with an expired MOU, we should still look at the 2016 date for completion.</li> </ul> <p><b>Question #2:</b> Core and required one-stop partners are invested in supporting development and implementation of our state/local area's one-stop policies and processes and a customer-centered service delivery design.</p> <ul style="list-style-type: none"> <li>○ How do you demonstrate you are invested?</li> <li>○ The MOU will capture what the partners are doing. The how and the specifics in addition to what is required is what we will figure out together.</li> <li>○ Once the MOU is established and we decide what the group is going to be working on a regular basis we could have a dashboard that shows the investment level and also show progression and movement.</li> <li>○ Partners have to prove what they are going to do and what it is going to look like.</li> <li>○ Anne sees this question as really focusing on intent of the act more than compliance. If we look at how we are going to prove it we might get tied up in discussions that aren't going to necessarily take us where we want to go which is being customer focused and inclusive.</li> </ul>
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Cheri will check to see if the MOU has to be in place by July 2016 or July 2017 as set out in June 11<sup>th</sup> letter

	<p>Those are two big pieces that we have to keep front and center throughout the entire process. As long as we are doing that we shouldn't worry so much about the compliance part and how we prove (demonstrate) it.</p> <ul style="list-style-type: none"> <li>○ Focus on the customer should be driving the discussions.</li> <li>○ This is a different conversation but we need to think about what does it take to have a system that has a continuous improvement model and how do we have outcomes that are measurable.</li> <li>○ Visual works well for Deborah, Ron and others. Something like a system dashboard that maps it out would be helpful.</li> <li>○ MOU should be much more sophisticated than the prior one.</li> <li>● <b>Question #2 complete and the following added to Assessment matrix:</b> <ul style="list-style-type: none"> <li>○ Opportunity for Improvement: Explore the customer focused inclusive system / Create a more sophisticated Memorandum of Understanding (MOU) than the prior one</li> <li>○ Goals: System that is customer focused and inclusive to develop and implement a system that is customer centered (facilitator for this discussion) / Update the Memorandum of Understanding (MOU)</li> </ul> </li> </ul> <p><b>Question #3:</b> Our workforce system actively connects entities receiving DOL-funded discretionary grants with the one-stops to ensure customers can take advantage of the grant opportunities provided. <i>Workforce Central added:</i> Our workforce system actively connects entities receiving HUD, DOD, DOJ, etc. funded discretionary grants with the one-stops to ensure customers can take advantage of the grant opportunities provided.</p> <ul style="list-style-type: none"> <li>○ Knowing what the qualifications are for receiving assistance under these programs is really important and knowing whether persons can be co-enrolled or concurrently enrolled in those programs. There are a lot of technicalities that go along with that.</li> <li>○ Anne doesn't believe that there is an inventory of who in this community has been funded by the Department of Labor or others to know what is out there. She reached out to one of her contacts at DOL in San Francisco and asked if there is a website or someplace that has an inventory that we can access. She will let us know what she finds out.</li> <li>○ Earn Ability Group/Growth Partnership. This group is comprised of grant writers from various agencies. Deborah shared that this group still gets together to write grants and that Brian Humphries has a list of grants written, in process, denied or awarded.</li> <li>○ There are a number of grant resources out there. How do we know</li> </ul>	<p>Anne will let us know what she finds out from DOL about an inventory of who in our area has received funding.</p> <p>Deborah will check Brian's availability for the August 4<sup>th</sup> meeting to give us an update.</p>
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	<p>who is applying and receiving. Foundation grants could be an option. Deborah will have Brian add Foundation grants that have been applied for to this list.</p> <ul style="list-style-type: none"> <li>● <b>Question #3 complete and the following added to Assessment matrix:</b> <ul style="list-style-type: none"> <li>○ Opportunity for Improvement: Update opportunities and add foundation to it</li> <li>○ Goals: Connection to Earn Ability Group / data and tracking</li> </ul> </li> </ul> <p><b>Question #4:</b> Our workforce system has identified existing efforts in the state and local areas that have established emerging career pathways and is working to expand those efforts in a non-duplicative manner.</p> <ul style="list-style-type: none"> <li>○ Anne believes there is a lot of potential for improvement in this area.</li> <li>○ Susan can ask someone from Washington Careers Pathway for a presentation. This would be a good piece for WIOA – self sufficiency piece. Anne would like to take information provided at the presentation and figure out how to communicate it to the staff that is sitting down with customers in the one stop offices so they always have the most current information.</li> <li>○ Cheri said the presentation could be the first agenda item and invite other committees to the meetings.</li> <li>○ MaryEllen shared that for recruiting we are posting flyers, attending events and going out to community organizations. Cohorts that we have are: <ul style="list-style-type: none"> <li>▪ Iron Workers</li> <li>▪ Manufacturing Academy</li> <li>▪ Pierce NAC</li> <li>▪ ToolCenter</li> <li>▪ Sheet Metal</li> <li>▪ Cabinet Making</li> <li>▪ Commercial Truck Driving</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>● <b>Question #4 complete and the following added to Assessment matrix:</b> <ul style="list-style-type: none"> <li>○ Opportunity for Improvement: Washington Career Pathways</li> <li>○ Goals: Presentation at an upcoming meeting</li> </ul> </li> </ul>	<p>Susan will contact Washington Careers Pathways regarding availability for the Sept 1<sup>st</sup> meeting for a presentation</p>
<p><b>4. Local Plan Development (Cheri Loiland)</b></p>	<ul style="list-style-type: none"> <li>● Cheri is developing what we need to get done on a monthly basis. She is doing timelines for each committee and will be able to share each timeline at respective committee meetings at the next scheduled meeting time.</li> <li>● Keep in mind when reviewing the timelines she shares next month where we want speakers to come in.</li> <li>● Linda has been meeting with core partners (Anne, Jamie and others).</li> </ul>	<p>Cheri to complete timeline for next meeting discussion</p>

<p><b>5. Other Business Budget (Deborah Howell)</b></p>	<ul style="list-style-type: none"> <li>The State made one minor adjustment to the budget. There is a reduction of \$2,000 in both the Adult and Youth budgets and Linda recommended the monies be taken from the WIOA Mandated area. Both the Adult and Youth Committees concurred.</li> </ul>	
<p><b>6. Next Meeting Location and Agenda Items</b></p>	<ul style="list-style-type: none"> <li>Anne suggested we might want to have conversation around how we prioritize the presentations we have to educate ourselves rather than putting them in the cue. Some may be more important than others. Ideas for presentations <ul style="list-style-type: none"> <li>Earn Ability Group (Deborah Howell)</li> <li>Washington Career Pathways (Susan Cable to check)</li> <li>ResCare (Deborah Howell will check to see if their technology speaks to pathways)</li> </ul> </li> <li>Next meeting questions: #5 thru #10 <ul style="list-style-type: none"> <li>Anne and MaryEllen will bring business services people in for the discussion. Suggestions: Andy and Luke</li> <li>Labor market: Cheri said that another committee will be having this presentation (copy of his presentation/report or this committee can be invited).</li> </ul> </li> <li>August 4<sup>th</sup> meeting will be at CDC (8:00 a.m. – 10:30 am.) <ul style="list-style-type: none"> <li>Free parking in front (parking garage has a number of spots available too)</li> </ul> </li> </ul>	<p>Cheri will check on when the presentation will be scheduled for Business Committee.</p>
<p><b>7. Thank You/Adjourn</b></p>	<p>10:28 am.</p>	

# WIOA Core Programs, Core Partners and Required Programs

<p><b>WIOA</b></p> <p><b>SEC. 3 DEFINITIONS</b></p> <p>(12) <b>CORE PROGRAM.</b>—The term “core programs” means a program authorized under a core program provision.</p> <p>(13) <b>CORE PROGRAM PROVISION.</b>—The term “core program provision” means—</p> <p>(A) chapters 2 and 3 of subtitle B of title I (relating to youth workforce investment activities and adult and dislocated worker employment and training activities);</p> <p>(B) title II (relating to adult education and literacy activities);</p> <p>(C) section 1 through 13 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.) (relating to employment services); and</p> <p>(D) title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741) (relating to vocational rehabilitation services).</p>	<p style="text-align: center;"><b><u>Core Program Partners / Representative</u></b></p> <p>(A) Workforce Central (MaryEllen Laird)</p> <p>(B) <i>ABE/Adult Literacy Operators:</i>            Bates Technical College (Blake Ingram)            Clover Park Technical College (Mabel Edmonds)            Pierce College (Susan Cable)            Tacoma Community College (Sheila Ruhland/Krista Fox)            Tacoma Community House (Tracy Larson)            Rescue Mission (Representative Open)</p> <p>(C) WA State Employment Security Department (Anne Goranson/James Walker)</p> <p>(D) WA State Division of Vocational Rehabilitation (Mary Matusiak)            WA State Department of Services for the Blind (Representative Open)</p>
<p><b>Subtitle B—Workforce Investment Activities and Providers</b></p> <p><b>CHAPTER 1—WORKFORCE INVESTMENT ACTIVITIES AND PROVIDERS</b></p> <p><b>SEC. 121. ESTABLISHMENT OF ONE-STOP DELIVERY SYSTEMS.</b></p> <p><b>(a) IN GENERAL.</b>—Consistent with an approved State plan, the local board for a local area, with the agreement of the chief elected official for the local area, shall—</p> <p>\ understanding described in subsection (c) with one-stop partners; (2) designate or certify one-stop operators under subsection (d); and (3) conduct oversight with respect to the one-stop delivery system in the local area.</p>	



# WIOA Core Programs, Core Partners and Required Programs

**(b) ONE-STOP PARTNERS.—**

**(1) REQUIRED ONE-STOP DELIVERY SYSTEM PROGRAMS.—**  
**(A) ROLES AND RESPONSIBILITIES OF ONE-STOP PARTNERS.—**

Each entity that carries out a program or activities described in subparagraph (B) in a local area shall—

- (i) provide access through the one-stop delivery system to such program or activities carried out by the entity, including making the career services described in section 134(c)(2) that are applicable to the program or activities available at the one-stop centers (in addition to any other appropriate locations);
- (ii) use a portion of the funds available for the program and activities to maintain the one-stop delivery system, including payment of the infrastructure costs of one-stop centers in accordance with subsection (h);
- (iii) enter into a local memorandum of understanding with the local board, relating to the operation of the one-stop system, that meets the requirements of subsection (c);
- (iv) participate in the operation of the one-stop system consistent with the terms of the memorandum of understanding, the requirements of this title, and the requirements of the Federal laws authorizing the program or activities; and
- (v) provide representation on the State board to the extent provided under section 101.

**(B) PROGRAMS AND ACTIVITIES.—**The programs and activities referred to in subparagraph (A) consist of—

- (i) programs authorized under this title;
- (ii) programs authorized under the Wagner-Peyser Act (29 U.S.C. 49 et seq.);
- (iii) adult education and literacy activities authorized under title II;
- (iv) programs authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.) (other than section 112 or part C of title I of such Act (29 U.S.C. 732, 741);

**REQUIRED**

**Required Program Partners / Representatives**

- (i) Title I-B Youth Adults and Dislocated Worker Training & Employment:  
Workforce Central (MaryEllen Laird)
- (ii) Title III Wagner-Peyser Act of 1933 – Employment Services:  
WA State Employment Security Department (Anne Goranson/James Walker)
- (iii) Title II Adult Education & Literacy:  
Bates Technical College (Blake Ingram)  
Clover Park Technical College (Mabel Edmonds)  
Pierce College (Susan Cable)  
Tacoma Community College (Sheila Ruhland / Krista Fox)  
Tacoma Community House (Tracy Larson)  
Rescue Mission (Representative Open)
- (iv) Title IV Rehabilitation Act of 1973 – Vocational Rehabilitation Training & Services:  
Division of Vocational Rehabilitation (Mary Matusiak)  
WA State Department of Services for the Blind (Representative Open)
- (v) Title V Older Americans Act of 1965 – Community Service Employment for Seniors:

## WIOA Core Programs, Core Partners and Required Programs

<b>REQUIRED</b>	<p>(v) activities authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 et seq.);</p> <p>(vi) career and technical education programs at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.);</p> <p>(vii) activities authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);</p> <p>(viii) activities authorized under chapter 41 of title 38, United States Code;</p> <p>(ix) employment H. R. 803—59</p> <p>(x) employment and training activities carried out by the Department of Housing and Urban Development;</p> <p>(xi) programs authorized under State unemployment compensation laws (in accordance with applicable Federal law);</p> <p>(xii) programs authorized under section 212 of the Second Chance Act of 2007 (42 U.S.C. 17532); and</p> <p>(xiii) programs authorized under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), subject to subparagraph (C).</p>	<p>Goodwill of the Olympics and Raimier Region (Kurt Simmons)</p> <p>(vi) <u>Carl D. Perkins Career and Technical Education:</u>            Bates Technical College (Blake Ingram)            Clover Park Technical College (Mabel Edmonds)            Pierce College (Susan Cable)            Tacoma Community College (Krista Fox)</p> <p>(vii) <u>Chapter 2 of Title II of the Trade Act of 1974 – Trade Adjustment Assistance:</u>            WA State Employment Security Department (Anne Goranson/James Walker)</p> <p>(viii) <u>Chapter 41 of Title 38, United States Code – Veterans Assistance:</u>            WA State Employment Security Department (Anne Goranson/James Walker)</p> <p>(ix) <u>Community Services Block Grant Act – Assistance to Low Income Individuals &amp; Families:</u>            Partner/Representative Open</p> <p>(x) <u>Community Development Block Grant – Employment and Training by Dept. of Housing &amp; Urban Development:</u>            Tacoma Housing Authority (Representative Open)            Job Corp (Representative Open)</p> <p>(xi) <u>Programs under State Unemployment Compensation Law:</u>            WA State Employment Security Department (Anne Goranson/James Walker)</p> <p>(xii) <u>Programs under Second Chance Act of 2007 – Reintegration of Ex-Offenders:</u>            WA State Department of Corrections (Nanette Borders)</p> <p>(xiii) <u>Programs under Part A of Title I of the Social Security Act – Assistance to the Aged:</u>            Partner/Representative Open</p>
<b>GOVERNOR</b>	<p><b>(C) DETERMINATION BY THE GOVERNOR.—</b></p> <p>(i) <b>IN GENERAL.</b>—An entity that carries out a program referred to in subparagraph (B)(xiii) shall be included in the one-stop partners for the local area, as a required partner, for purposes of this Act and the other core program provisions that are not part of this Act, unless the Governor provides the notification described in clause (ii).</p> <p>(ii) <b>NOTIFICATION.</b>—The notification referred to in clause (i) is a notification that—</p> <p>(I) is made in writing of a determination by the Governor not to include such entity in the one-stop partners described in clause (i); and</p> <p>(II) is provided to the Secretary of Labor (referred to in this subtitle, and subtitles C through E, as the “Secretary”) and the Secretary of Health and Human Services.</p>	<p><b>To be determined. Most likely TANF will be included.</b></p>

## WIOA Core Programs, Core Partners and Required Programs

<p><b>(2) ADDITIONAL PARTNERS.—</b></p> <p>(A) <b>IN GENERAL.</b>—With the approval of the local board and chief elected official, in addition to the entities described in paragraph (1), other entities that carry out workforce development programs described in subparagraph (B) may be one-stop partners for the local area and carry out the responsibilities described in paragraph (1)(A).</p> <p>(B) <b>PROGRAMS.</b>—The programs referred to in subparagraph (A) may include—</p> <ul style="list-style-type: none"> <li>(i) employment and training programs administered by the Social Security Administration, including the Ticket to Work and Self-Sufficiency Program established under section 1148 of the Social Security Act (42 U.S.C. 1320b–19);</li> <li>(ii) employment and training programs carried out by the Small Business Administration;</li> <li>(iii) programs authorized under section 6(d)(4) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(d)(4));</li> <li>(iv) work programs authorized under section 6(o) of the Food and Nutrition Act of 2008 (7 U.S.C. 2015(o));</li> <li>(v) programs carried out under section 112 of the Rehabilitation Act of 1973 (29 U.S.C. 732);</li> <li>(vi) programs authorized under the National and Community Service Act of 1990 (42 U.S.C. 12501 et seq.); and</li> <li>(vii) other appropriate Federal, State, or local programs, including employment, education, and training programs provided by public libraries or in the private sector.</li> </ul>	<p style="text-align: center;"><b><u>Additional Program Partners / Representatives</u></b></p> <ul style="list-style-type: none"> <li>(i) Goodwill Of the Olympics and Rainier Region (Kurt Simmons)</li> <li>(ii) Partner/Representative Open</li> <li>(iii) WA State Department of Social and Health Services (Kendrick Stewart)</li> <li>(iv) WA State Department of Social and Health Services (Kendrick Stewart)</li> <li>(v) WA State Division of Vocational Rehabilitation (Mary Matusiak)</li> <li>(vi) WA State Employment Security Department (Anne Goranson/James Walker)</li> <li>(vii) WA State Department of Labor &amp; Industries (Keith Johnson)              Goodwill Of the Olympics and Rainier Region (Kurt Simmons)              Pierce County Library System (Jaime Prothro)              Pierce County Juvenile Court (TJ Bohl)              Metropolitan Development Council's Educational Opportunity Center (Rep Open)              Bates Technical College (Blake Ingram)              Clover Park Technical College (Mabel Edmonds)              Pierce College (Susan Cable)              Tacoma Community College (Sheila Ruhland / Krista Fox)</li> </ul>
<p><b>OPTIONAL -- LOCAL</b></p>	<p><b>CHAPTER 4—PERFORMANCE ACCOUNTABILITY</b></p> <p><b>SEC. 116. PERFORMANCE ACCOUNTABILITY SYSTEM.</b></p> <p>(a) <b>PURPOSE.</b>—The purpose of this section is to establish performance accountability measures that apply across the core programs to assess the effectiveness of States and local areas (for core programs described in subtitle B) in achieving positive outcomes for</p>



# WIOA Core Programs, Core Partners and Required Programs

individuals served by those programs.

## (b) STATE PERFORMANCE ACCOUNTABILITY MEASURES.—

- (1) IN GENERAL.—For each State, the performance accountability measures for the core programs shall consist of—
  - (A) (i) the primary indicators of performance described in paragraph (2)(A); and
  - (ii) the additional indicators of performance (if any) identified by the State under paragraph (2)(B); and
  - (B) a State adjusted level of performance for each indicator described in subparagraph (A).

## (2) INDICATORS OF PERFORMANCE.—

### (A) PRIMARY INDICATORS OF PERFORMANCE.—

(i) IN GENERAL.—The State primary indicators of performance for activities provided under the adult and dislocated worker programs authorized under chapter 3 of subtitle B, the program of adult education and literacy activities authorized under title II, the employment services program authorized under sections 1 through 13 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.) (except that subclauses (IV) and (V) shall not apply to such program), and the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), shall consist of—

- (I) the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program;
- (II) the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program;
- (III) the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;
- (IV) the percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent (subject to clause (iii)), during participation in or within 1 year after exit from the program;
- (V) the percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
- (VI) the indicators of effectiveness in serving employers established pursuant

## WIOA Core Programs, Core Partners and Required Programs

to clause (iv).

**(ii) PRIMARY INDICATORS FOR ELIGIBLE YOUTH.—**

The primary indicators of performance for the youth program authorized under chapter 2 of subtitle B shall consist of—

- (I) the percentage of program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from the program;
  - (II) the percentage of program participants who are in education or training activities, or in unsubsidized employment, during the fourth quarter after exit from the program; and
  - (III) the primary indicators of performance described in subclauses (III) through (VI) of subparagraph (A)(i).
- (iii) INDICATOR RELATING TO CREDENTIAL.—**For purposes of clause (i)(IV), or clause (ii)(III) with respect to clause (i)(IV), program participants who obtain a secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause only if such participants, in addition to obtaining such diploma or its recognized equivalent, have obtained or retained employment or are in an education or training program leading to a recognized postsecondary credential within 1 year after exit from the program. H. R. 803—49
- (iv) INDICATOR FOR SERVICES TO EMPLOYERS.—**Prior to the commencement of the second full program year after the date of enactment of this Act, for purposes of clauses (i)(VI), or clause (ii)(III) with respect to clause (i)(IV), the Secretary of Labor and the Secretary of Education, after consultation with the representatives described in paragraph (4)(B), shall jointly develop and establish, for purposes of this subparagraph, 1 or more primary indicators of performance that indicate the effectiveness of the core programs in serving employers.

## ASSESSMENT

1. Our workforce system has all core and required one-stop partners at the table supporting development and implementation of the area's one-stop policies and processes, service delivery design, and infrastructure and certification criteria.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:						
<p>Identify missing members</p> <p>Certification will come after the state information is public (Wagner Peyser cannot stand alone)</p>	<p>Reach out to core/required partners</p> <ul style="list-style-type: none"> <li>➤ Rescue Mission</li> <li>➤ WA Department of Services for the Blind</li> <li>➤ Community Services Block Grant for Low Income – reach out to the City of Tacoma or Commerce (Diane Klontz)</li> <li>➤ Assistance to the Aged - reach out to the City of Tacoma</li> <li>➤ Employment and training programs carried out by the Small Business Administration - reach out to Small Business Administration Regional Office in Seattle.</li> </ul>						
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>							
Step 3: Follow the template below for each GOAL:							
Key Strategies	Activities/Steps	Responsible Party	Timeframe/ Milestone	Resources Needed	Desired Outcomes	Status	

When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.

## ASSESSMENT

2. Core and required one-stop partners are invested in supporting development and implementation of our state/local area's one-stop policies and processes and a customer-centered service delivery design.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>Explore the customer focused inclusive system</p> <p>Create a more sophisticated Memorandum of Understanding (MOU) than the prior one</p>	<p>System that is customer focused and inclusive to develop and implement a system that is customer centered (facilitator for this discussion)</p> <p>Update the Memorandum of Understanding (MOU)</p>					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>	<p>When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.</p>					
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/Milestone	Resources Needed	Desired Outcomes	Status

## ASSESSMENT

3. Our workforce system actively connects entities receiving DOL-funded discretionary grants with the one-stops to ensure customers can take advantage of the grant opportunities provided.  
*Workforce Central added:*  
 Our workforce system actively connects entities receiving HUD, DOD, DOJ, etc. funded discretionary grants with the one-stops to ensure customers can take advantage of the grant opportunities provided.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>Update opportunities and add foundation to it</p> <p>Upcoming Grants</p>	<p>Connection with Earnability Group (Brian Humphries)</p> <p>Data and tracking</p>					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>						
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/ Milestone	Resources Needed	Desired Outcomes	Status

When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.



## ASSESSMENT

4. Our workforce system has identified existing efforts in the state and local areas that have established emerging career pathways and is working to expand those efforts in a non-duplicative manner.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>Washington Career Pathways</p>	<p>Presentation at an upcoming meeting</p>					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>	<p>When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.</p>					
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/Milestone	Resources Needed	Desired Outcomes	Status

## ASSESSMENT

5. Our workforce system has a structure in place to ensure input from area business and industry about the skill needs of the workforce is captured and addressed.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>	<p>When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.</p>					
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/ Milestone	Resources Needed	Desired Outcomes	Status



## ASSESSMENT

6. Business services representatives work collaboratively with one-stop partners and have an impactful role in one-stop service delivery, such as identifying industry-recognized credentials appropriate to regional economies.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>	<p>When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.</p>					
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/ Milestone	Resources Needed	Desired Outcomes	Status

## ASSESSMENT

7. Business services representatives have a comprehensive understanding of labor market conditions, economic development activities, skill needs of the workforce and are fully connected to regional and local business partnership activities and sector strategies.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>	<p>When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.</p>					
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/ Milestone	Resources Needed	Desired Outcomes	Status

## ASSESSMENT

8. A service strategy is in place for providing career services to Unemployment Insurance (UI) claimants. One-stop center staff are trained and knowledgeable in available UI services.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>	<p>When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.</p>					
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/Milestone	Resources Needed	Desired Outcomes	Status

## ASSESSMENT

9. The role of all required partners in the one-stop has been defined, introduced, and integrated into service delivery.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>	<p>When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.</p>					
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/Milestone	Resources Needed	Desired Outcomes	Status



## ASSESSMENT

10. The role of TANF in the one-stop has been defined in consultation with local TANF program administrators and TANF-specific services have been integrated into overall service delivery structures.

Step 1: List areas of opportunity for improvement (from QSAP):	Step 2: List goals in terms of attaining an idea/fully acceptable state relative to the areas of opportunity for improvement:					
<p>When these lists are complete, see if areas for improvement can be combined, eliminated, etc. to produce a manageable number.</p>	<p>When these lists are complete, see if goals can be combined, eliminated, etc. to produce a manageable number, and align items to the left-hand column.</p>					
Step 3: Follow the template below for each GOAL:						
Key Strategies	Activities/Steps	Responsible Party	Timeframe/Milestone	Resources Needed	Desired Outcomes	Status



## Workforce Innovation and Opportunity Act (WIOA) Task Force Charter

### STEERING COMMITTEE

#### One-Stop Certification and One-Stop Assessment Criteria Task Force

##### **Purpose and Mission**

Complete the deliverables within given timelines and develop recommendations to present to the WIOA Steering Committee.

This task force will provide advice to the Steering Committee to advance Governor Inslee's charge to the Workforce Board to focus on achieving three fundamental goals for the state's 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 together as a single, seamless team to make this happen.*

##### **Time Commitment**

Currently, 6 to 12 meetings are anticipated between May and July 29, 2015, with deliverables presented at each Steering Committee meeting.

##### **Task Force Responsibilities**

- **Responsibilities:**
  - Establish One-Stop Certification procedures and One-Stop Assessment Criteria
  - Inform guidelines for development of Memoranda of Understanding for One-Stop Partners, including infrastructure cost sharing
  - Outline competitive process for Procurement of One-Stop Operator where Local Boards seek to apply

##### **Task Force Governance and Membership**

The task force will be convened by Mark Mattke (Spokane Area Workforce Development Council with staff support from Eric Wolf ([eric.wolf@wtb.wa.gov](mailto:eric.wolf@wtb.wa.gov)) at the Workforce Board. The members are as follows:

## Members Roster

Name	Representing	Phone	Email
Pam Grindstaff	PacMtn WDC	360-570-4249	<a href="mailto:pam@pacmtn.org">pam@pacmtn.org</a>
Kathy Cooper	ABE-SBCTC	360-704-4322	<a href="mailto:kcooper@sbctc.edu">kcooper@sbctc.edu</a>
Beth Blanchard	Sea-King WDC	206-448-0474	<a href="mailto:bblanchard@seakingwdc.org">bblanchard@seakingwdc.org</a>
Mark Adreon/ Michael MacKillop	DSB	206-906-5502 206-906-5500	<a href="mailto:Mark.Adreon@dsb.wa.gov">Mark.Adreon@dsb.wa.gov</a> <a href="mailto:Michael.MacKillop@dsb.wa.gov">Michael.MacKillop@dsb.wa.gov</a>
Del DelaBarre	Business	360-460-5565	<a href="mailto:del@dbamlg.com">del@dbamlg.com</a>
Jodi Novotny	Renton Technical College	360-567-1070	<a href="mailto:jnovotny@rtc.edu">jnovotny@rtc.edu</a>
Theresa Stalick	Lower Columbia College	360-442-2583	<a href="mailto:tstalick@lowercolumbia.edu">tstalick@lowercolumbia.edu</a>
Kevin McCarthy	Lake Washington Technical	425-739-8383	<a href="mailto:kevin.mccarthy@lwtech.edu">kevin.mccarthy@lwtech.edu</a>
Tammie O'Dell	NW WDC	360-570-5578	<a href="mailto:todell@wavecable.com">todell@wavecable.com</a>
Ginny Jackson/ Mary Houston	Workforce Snohomish	425-921-3445 425-921-3432	<a href="mailto:ginny.jackson@workforcesnohomish.org">ginny.jackson@workforcesnohomish.org</a> <a href="mailto:Mary.houston@workforcesnohomish.org">Mary.houston@workforcesnohomish.org</a>
Eva Larrauri	NW ADA Center	800-949-4232	<a href="mailto:elarr@uw.edu">elarr@uw.edu</a>
Katie Mirkovich	DVR	509 225-4466	<a href="mailto:mirkokr@dshs.wa.gov">mirkokr@dshs.wa.gov</a>
Agnes Balassa	ESD	360.902.9571	<a href="mailto:abalassa@esd.wa.gov">abalassa@esd.wa.gov</a>

### **Task Force Operating Functions**

The Task Force meetings will be conducted in an open and transparent environment, allowing opportunity for input from stakeholders and interested participants. This task force is empowered to meet as-needed to meet due dates and to develop recommendations. The task force is committed to the same operating principles as the Steering Committee:

- An open and inclusive process of gathering input and recommendations from key stakeholders.
- To be good listeners, be respectful of all points of view and have robust discussions on the key issues.
- If consensus is not reached, the minority viewpoint will be fairly presented to the Steering Committee.
- Public notification of meeting dates, meeting minutes and key documents will be posted on the Workforce Board WIOA webpages: [www.wtb.wa.gov/WIOAmeetings.asp](http://www.wtb.wa.gov/WIOAmeetings.asp). This will enable open communications.

### **Initial Committee Deliverables and Timeline** *(This list may be revised to include additional decision-making milestones.)*

<b><i>Deliverables</i></b>	<b><i>Timeline</i></b>
Establish One-Stop Certification procedures and One-Stop Assessment Criteria	May-June 15
Inform guidelines for development of Memoranda of Understanding for One-Stop Partners, including infrastructure cost sharing	June 15-July 17
Outline competitive process for Procurement of One-Stop Operator where Local Boards seek to apply	July 17-29





## Steering Committee Task Force Issue:

### One Stop Certification and One Stop Assessment Criteria

The goal of this structure is to take each issue and task to be addressed by the Workforce Innovation and Opportunity Act (WIOA) Steering Committee and prepare it for presentation to the Steering Committee so that they are able to effectively develop a recommendation to the state's Workforce Board.

#### ISSUE/TASK:

- **Establish One Stop Certification and One Stop Assessment Criteria**
  - Establish objective criteria and procedures for use by local boards in assessing at least once every three years the effectiveness, physical and programmatic accessibility, and continuous improvement of One Stop centers and the One Stop delivery system, consistent with the requirements of Section 101(d)(6).

#### **Section 101(d)(6)**

(6) The development and review of statewide policies affecting the coordinated provision of services through the State's one-stop delivery system described in section 121(e), including the development of—

- (A) Objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers described in such section;
- (B) Guidance for the allocation of one-stop center infrastructure funds under section 121(h); and
- (C) Policies relating to the appropriate roles and contributions of entities carrying out one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in such system;

#### **CURRENT STRUCTURE UNDER THE WORKFORCE INVESTMENT ACT (WIA):**

- There is currently no single One Stop certification and assessment process, as this has been under the purview of each Workforce Development Council with guidance from the Employment Security Department (ESD). The task force will examine those in place through consultation with ESD and the Washington Workforce Association.

## **POTENTIAL/PERCEIVED CHANGES UNDER WIOA:**

- The criteria and procedures developed shall include standards relating to service coordination achieved by the One Stop delivery system with respect to the programs administered by the One Stop partners at the One Stop centers. Such criteria and procedures shall:
  - Be developed in a manner that is consistent with the guidelines, guidance, and policies provided by the Governor and by the state Workforce Board, in consultation with the chief elected officials and local boards, for partners' participation
  - Include factors relating to the effectiveness, accessibility, and improvement of the One Stop delivery system as the state's Workforce Board determines to be appropriate, including at a minimum, how well the One Stop center –
    - Supports the achievement of the negotiated local levels of performance for the indicators of performance for the local area;
    - Integrates available services; and
    - Meets the workforce development and employment needs of local employers and participants.

## **MINORITY POSITION(S):**

*If there is no consensus on recommendations, this section will be completed by the Task Force to ensure that minority opinion/positions has been considered.*

## **STAKEHOLDERS ENGAGED:**

*The Task Force will list the stakeholders that participate in this work.*

## **ADDITIONAL STAKEHOLDERS TO BE CONSULTED:**

*If there are additional stakeholders who are consulted while completing this work, they should be listed here.*

## **ANY ISSUES, QUESTIONS, GUIDANCE NEEDED FROM THE STEERING COMMITTEE:**

*During the work of this Task Force, if issues have arisen that need to be addressed by the Steering Committee, they should be included here.*

# Tomorrow's Economy

## Recovery: Light at the End of the Tunnel?

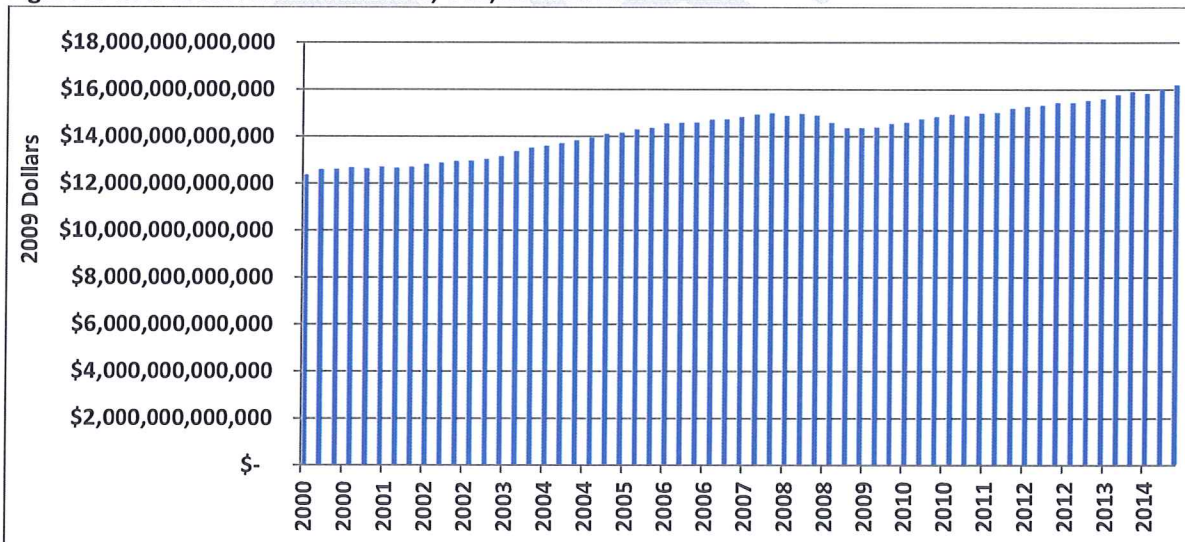
### Economic growth versus employment and wages

At the beginning of 2015, the Bureau of Economic Analysis announced that the national economy grew by 2.5 percent in the fourth quarter of 2014. That followed 5 percent growth in the third quarter and 4.6 percent growth the quarter before that—or around 12 percent growth over a nine-month period. As for employment, 2014 turned out to be the best year of job gains since 1999. This data along with other positive economic indicators have led to a growing sense that the nation was moving out of the shadow of the Great Recession and weak recovery.

While this is good news, it masks deeper, lingering issues. One is that while the gross domestic product (GDP) measure gives a good sense of economic activity from period to period, it is limited in that it only measures the value of goods and services produced. So, for example, during the recession, many firms cut back on employment and balanced this with efficiency gains and more use of capital and technology.

As is clear in the following chart, overall productivity has been rising in the U.S. as the economy recovers.

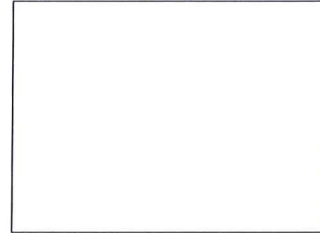
Figure 1. Real Gross National Product, U.S., 2000-2014



Source: U.S. Bureau of Economic Analysis

\*This chart uses 2009 dollars to express real prices. Real prices are those that have been adjusted to remove the effect of changes in purchasing power (inflation).

As productivity rose, GDP peaked in the fourth quarter of 2007 at \$14.9 trillion; a high-water mark that wasn't surpassed until the third quarter of 2011 (nearly four years later). By contrast, the nation experienced 23 months of job declines from January 2008 to December 2009, and the pre-recession peak employment level was not reached until May of 2014.<sup>1</sup>



### **Productivity quicker to rebound than hiring**

Even so, it's clear that the output of goods and services was far quicker to rebound than hiring. Beyond that, as this report will show, job growth wasn't accompanied by higher wages for most workers. Instead, the post-recession economy in Washington and the nation reflects job growth and higher wages for the highly skilled, and slow growth and little movement on wages, for those with low skills and education levels. Mid-level occupations, the sweet spot of the economy and the focus of statewide workforce efforts to move people into living-wage occupations, have yet to rebound fully from the Great Recession.

A Seattle Times analysis of Washington State Employment Security Department data highlighted the uneven recovery. For jobs paying between \$18 and \$36 per hour, more jobs were lost in Washington during the downturn than were gained during the recovery. Meanwhile, higher wage jobs paying more than \$36 per hour outpaced declines during that same time period. In particular, jobs paying over \$54 per hour increased far more quickly than jobs lost at that wage rate, especially in King County.<sup>2</sup>

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<sup>1</sup> Washington passed its pre-recession employment peak a few months earlier than the nation, in December 2013.

<sup>2</sup> Seattle Times, June 28, 2015 <http://www.seattletimes.com/business/economy/the-recovery-gap-economic-expansion-is-favoring-the-wealthy/>.



### Uneven recovery strands some workers as labor force participation falls

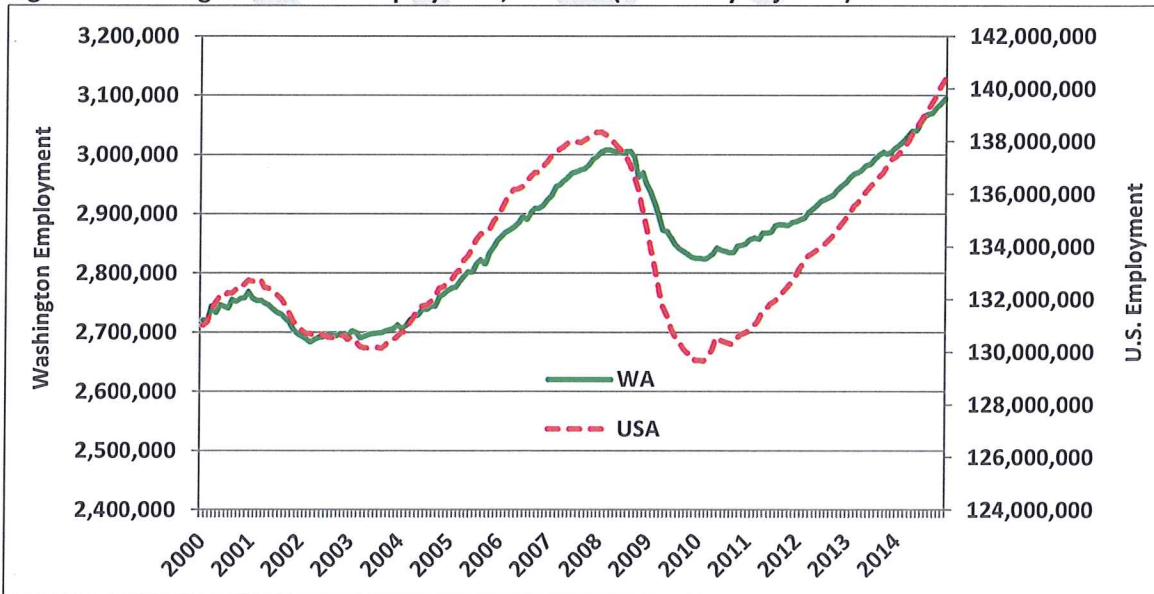
Although the economic recovery has spurred more jobs and spending, an improving economy hasn't helped all workers. In fact, it's left a substantial number of workers behind. Labor force participation is down significantly in Washington and the nation. The percentage of Washingtonians in the labor force fell by more than 5 percentage points, from 68.3 percent to 63.1 percent, between 2008 and 2014. This mirrors the national experience which saw labor force participation rates falling from 66 percent in 2008 to 62.9 percent in 2014.<sup>3</sup> Some of this may be due to an aging workforce, but much is also because young people are unable to find a foothold in the labor force and discouraged workers are dropping out.

In July of 2015, the U.S. unemployment rate fell to 5.3 percent, a low point from April 2008. But economists cautioned that this was not a sign of economic strength but an indicator of potential weakness, as the lower unemployment rate reflected 432,000 people leaving the labor force. A shrinking labor force was behind the labor force participation rate, or the share of Americans who are working age who have a job or are looking for one. Labor force participation was down to 62.6 percent, the lowest point since 1977.

### Unemployment stubborn problem even as rates fall

While the national unemployment rate has dropped steadily since April 2010 and stood at 5.5 percent in May 2015, it is still well above the low of 4.4 percent recorded in 2007.<sup>4</sup> As of May 2015, Washington's unemployment rate was 5.4 percent (but over the most recent 12-month period averaged 6.1 percent), significantly above the 4.4 percent rate in mid-2007. There was an average of 208,600 unemployed persons through the first five months of 2015, compared to an average of 218,170 unemployed in 2014.

Figure 2. Washington and U.S. Employment, 2000-14 (seasonally adjusted)



Source: U.S. Bureau of Labor Statistics

<sup>3</sup> U.S. Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment*.

<sup>4</sup> Unemployment began dropping in Washington in February of 2010 and stood at 5.4 percent in May of 2015.

### Standard unemployment rate doesn't provide full picture

The unemployment rate is often viewed as a leading indicator for the overall health of the labor market. Lower unemployment means a stronger economy. However, the way unemployment is measured has a large impact on the numbers.

The standard unemployment rate includes:

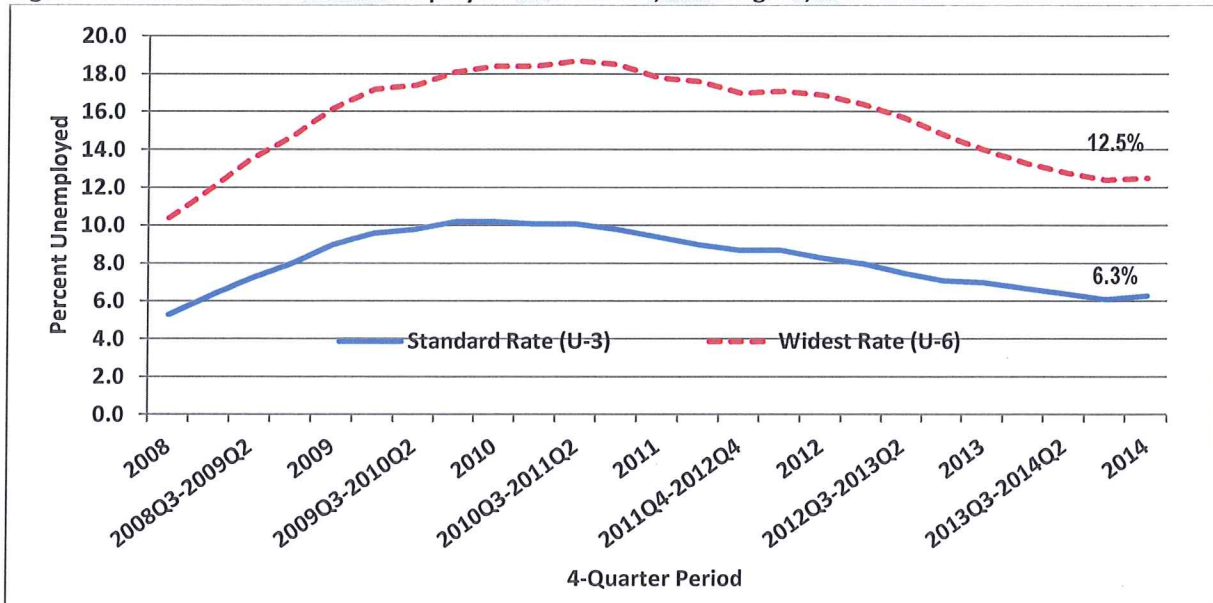
- Those who do not have a job.
- Those who have looked for work in the past month.
- Those who are currently available for work.

The following chart illustrates the “standard” unemployment rate (U-3) and compares it to the “widest” unemployment rate (U-6). The U-6 rate is a broader measure of joblessness and takes into account:

- Discouraged workers who have dropped out of the labor market.
- Those involuntarily working part-time.
- Those unable to find work because of barriers such as lack of child care or transportation.

As mentioned earlier in this report, labor force participation is down significantly. This can make the unemployment rate look far lower than it actually is.

Figure 3. Standard and Widest Unemployment Measures, Washington, 2008-2014



Source: U.S. Bureau of Labor Statistics

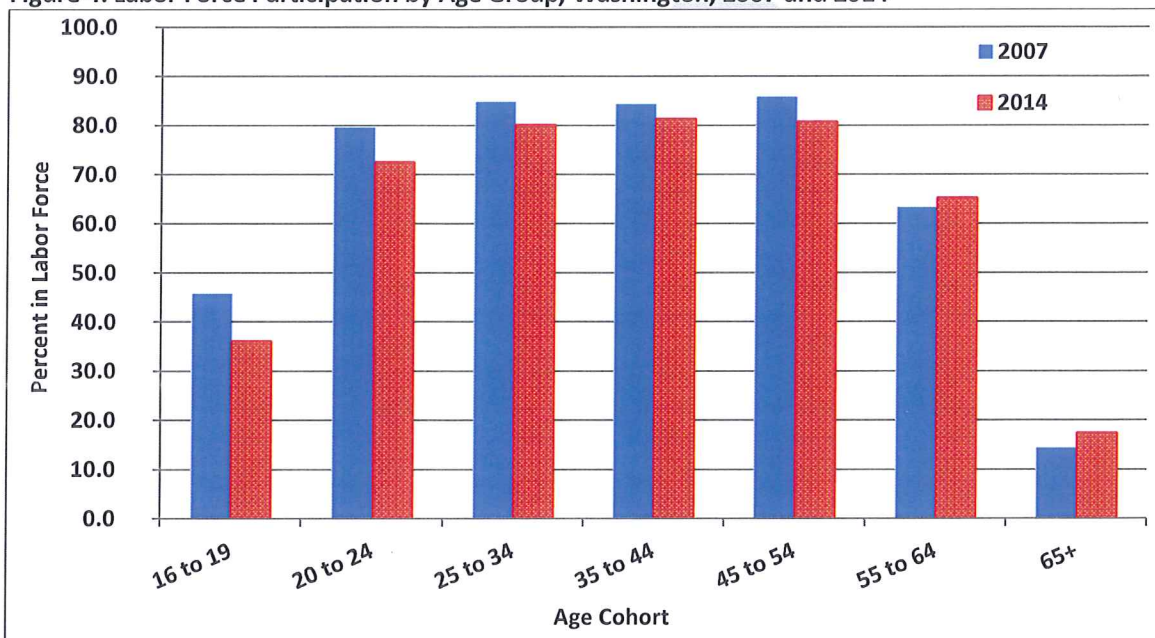
The “widest” unemployment rate was over 8 percentage points higher than the “standard” rate for most of 2010-12. While both measures have come down, the wider rate is still about twice the size of the standard rate. This discrepancy reveals that a substantial number of Washingtonians are working less

and earning less than they'd like, facing challenges in getting to work or balancing work with family obligations, or are so discouraged by their employment prospects they've stopped looking for a job entirely.

### Young workers left behind

Younger workers are among those left behind since the Great Recession. Labor force participation for 16-19 year olds fell by nearly 10 percentage points, from 45.8 to 36.1 percent from 2007 to 2014. For those aged 20-24, it fell by over 7 percentage points (79.6 to 72.5 percent) and for 25-34 year olds by 4.7 percentage points (from 84.8 to 80.1 percent). Workers aged 55 and older (see following chart) were the only ones to see an increase in labor force participation over this time period.

**Figure 4. Labor Force Participation by Age Group, Washington, 2007 and 2014**



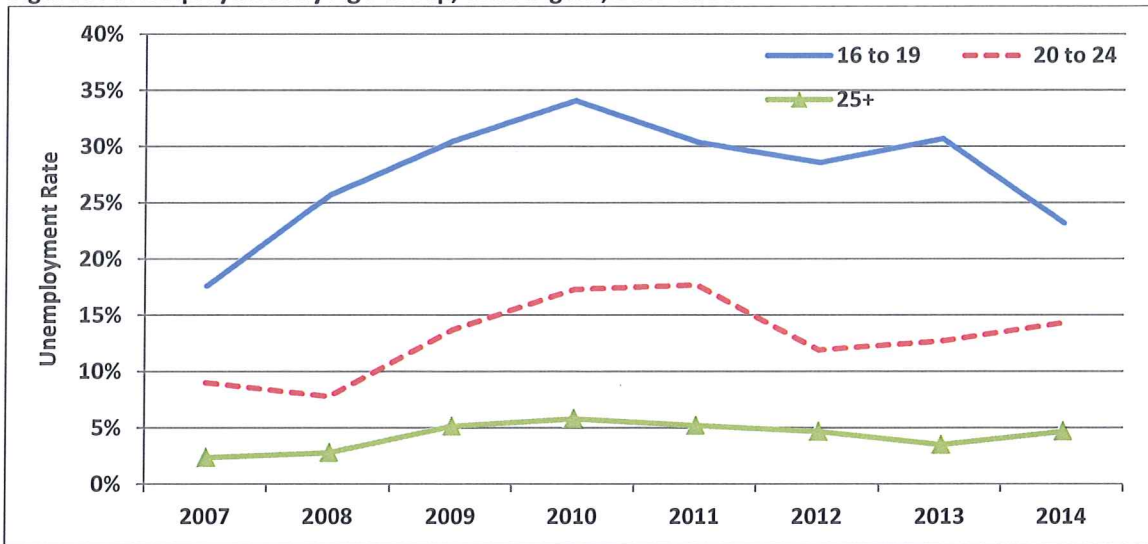
Source: U.S. Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment*

Youth who dropped out of high school faced the biggest employment challenges. Although high school graduation rates have risen in recent years in Washington, 14,000 students dropped out of high school in the 2013-14 school year, or about one out of five students.<sup>5</sup> Education matters when it comes to landing a job. In 2013, those without a high school diploma or equivalent faced an unemployment rate four times higher than those with a bachelor's degree (or higher).

<sup>5</sup> Multiple Pathways for Young Adults: A Report to the Washington Legislature on Young Adult Unemployment, Workforce Board, 2014. <http://wtb.wa.gov/Documents/YouthEmploymentReport2014.pdf>



Figure 5. Unemployment by Age Group, Washington, 2007-2014



Source: Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment*

### Disconnected youth or lost opportunity?

Nearly 15 percent, or approximately one in six youth in Washington, aged 16-24, are not in school and are not working.<sup>6</sup> Persistent unemployment and disconnection from the world of work places our state's youth at a competitive disadvantage. This struggle to connect to the economy erodes confidence and optimism, replacing it with doubt regarding their preparation for entering the job market.

Research shows that the length of disconnection matters to young adult success. For instance, of those who were disconnected from employment for between one and two years, 61 percent of men and 48 percent of women were employed full time between the ages of 25-28. Yet of those who were disconnected from the workforce or education for three years or more, only 41 percent of men and 21 percent of women were employed full time between the ages of 25-28. For individuals who stayed connected to school or employment, 75 percent of men and 62 percent of women were employed full time at the same age in their lives.

Older workers face barriers as well: research has found that older workers tend to require more flexibility in work hours, limiting the types of firms or industries they can work in.<sup>7</sup> Also, when firms adopt new technology they sometimes reduce the number of older workers they hire.<sup>8</sup>

### Industry Patterns

In 2014, 82 percent of Washington workers were working in the private sector compared to 18 percent in the public sector. Within the private sector, education and health was the largest employer,

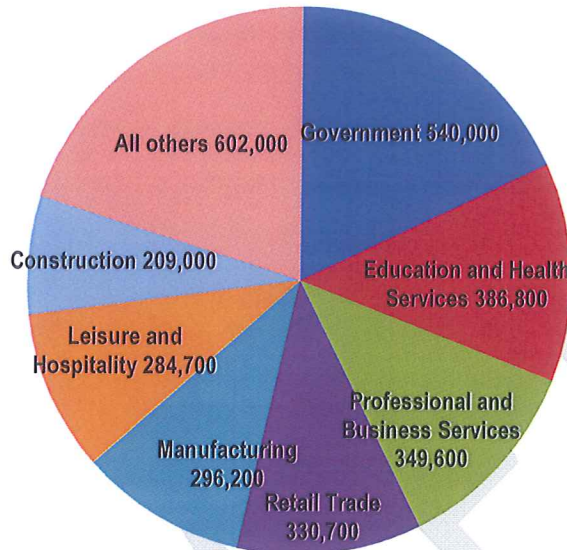
<sup>6</sup> Nation, O. (2013), Opportunity Index, Washington <http://opportunityindex.org/#5.00/45.635/-93.089/>

<sup>7</sup> Blau, David M. & Shvydko, Tetyana (2007). Labor Market Rigidities and the Employment Behavior of Older Workers.

<sup>8</sup> Aubert, Patrick, Caroli, Eve, & Roger, Muriel. New Technologies, organization and age: firm-level evidence.

accounting for about 13 percent of all jobs. Professional and business services provided about 12 percent of all jobs, followed by retail trade with 11 percent of jobs.

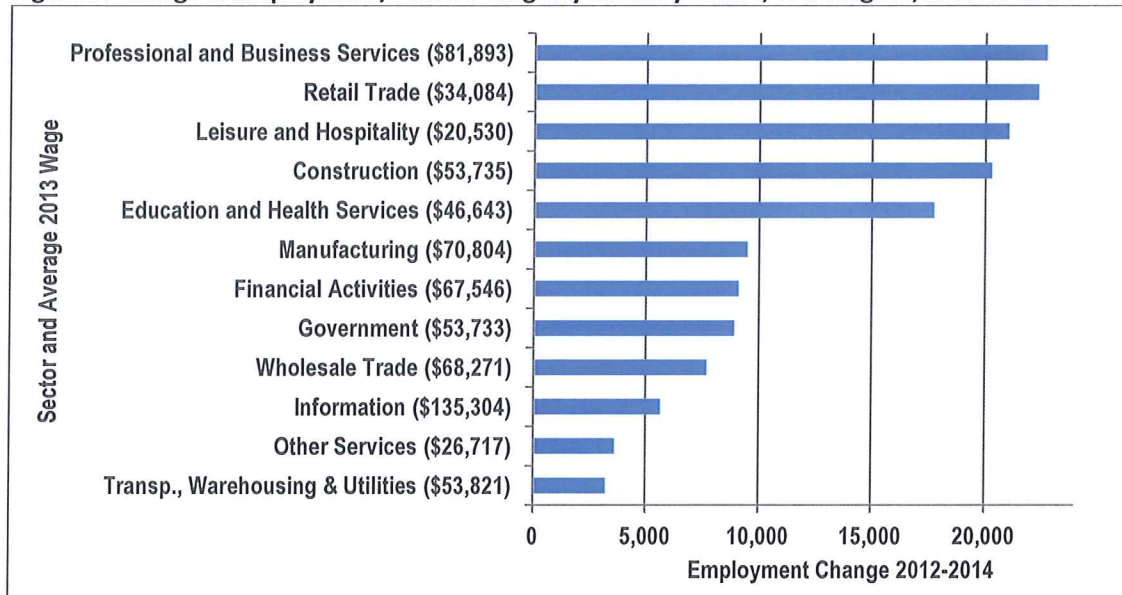
**Figure 6. Employment by Industry, Washington, 2014**



*Source: Washington Employment Security Department, Quarterly Benchmarked Employment*

While public sector employment remained solid, it has lagged other sectors both in terms of job growth and average wages in recent years. The professional & business services led all sectors in job growth the last few years, adding 22,700 jobs between 2012 and 2014. The sector had an average wage of \$81,893, higher than all except information (\$135,304). Retail trade, and leisure and hospitality, had the second and third highest growth, but had relatively low wages. The average retail wage was \$34,084, while those in the leisure and hospitality field, earned an average of \$20,530. Transportation, warehousing, and utilities sector added the fewest jobs during the 2012-14 period. However, the average annual wage sat at \$53,821—more than double what those in the growing leisure and hospitality field earned.

**Figure 7. Change in Employment/ Annual Wage by Industry Sector, Washington, 2012 to 2014**



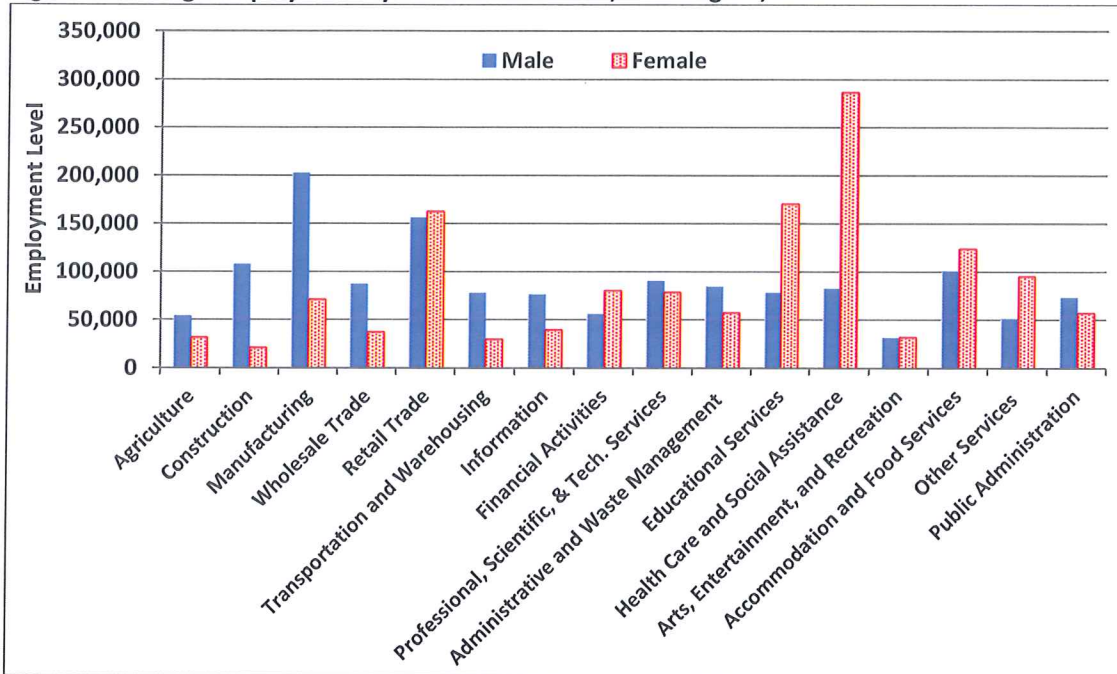
Source: U.S. Bureau of Labor Statistics, *Geographic Profile of Employment and Unemployment*

Washingtonians of different ethnicities are impacted by shifting sector trends in different ways. For example Asians work in disproportionately high numbers in the information and manufacturing sectors, African Americans in transportation & warehousing and administrative & waste management.<sup>9</sup> The sector one works in has a strong influence on continued employment opportunities and wage gains.

<sup>9</sup> U.S. Census Bureau, Longitudinal Employer Household Dynamics.



Figure 8. Average Employment by Sector and Gender, Washington, 2002 to 2013



Source: U.S. Census Bureau, Longitudinal Employer Household Dynamics.

\*This chart measures 2002 (Quarter 4) through 2013 (Quarter 3).

During the recession, men were particularly hard hit because the downturn centered on construction and manufacturing – sectors with high concentrations of male workers. The highest paying sector, information, is also a male-dominated industry.

Sectors such as education and healthcare (both with large numbers of female workers) weathered the recession well, but have since tapered off. Other sectors with a high percentage of female workers, accommodation & food services and other services have had strong employment growth, but very low wages.

### Sector Strategy

The Washington State Office of Economic Development and Competitiveness within the state’s Department of Commerce focuses on seven sectors: aerospace; agriculture; clean technology; information and communication technology; life science and global health; maritime, and military.<sup>10</sup> These sectors were chosen for the opportunities they offered to support existing employers and develop new ones.

The table below shows gross business income (GBI) and employment levels for the sectors. Gross business income is similar to gross domestic product (GDP) and is indicative of economic impact. Taken

<sup>10</sup> <http://www.commerce.wa.gov/Economic-Development/Industry-Sectors/Pages/default.aspx>

together, the six sectors in the table below account for 17 percent of statewide employment and 21 percent of statewide gross business income.<sup>11</sup>

**Figure 9. Employment and Gross Business Income (GBI) for Strategic Sectors, Washington, 2009-2013**

Sector	Metric	2009	2010	2011	2012	2013
State as a whole	GBI (billions)	\$566	\$582	\$614	\$646	\$683
	Employment	2,863,967	2,836,892	2,873,417	2,921,667	2,990,442
Agriculture	GBI	\$9,122,413,902	\$9,820,711,782	\$11,303,791,362	\$11,497,229,617	\$12,970,409,158
	Employment	115,829	113,787	116,913	123,508	123,817
Aerospace	GBI	\$37,708,587,444	\$35,673,428,287	\$39,451,484,524	\$51,580,207,722	\$57,077,906,362
	Employment	82,918	80,760	86,574	94,218	96,012
Information and Communications Technology	GBI	\$38,109,436,684	\$43,836,019,607	\$34,062,394,478	\$33,776,170,169	\$36,376,147,078
	Employment	137,838	139,991	146,339	154,522	163,528
Life Sciences	GBI	\$8,499,749,407	\$8,020,591,619	\$7,795,590,384	\$7,267,424,110	\$7,197,807,027
	Employment	35,107	35,587	36,118	35,328	34,292
Maritime	GBI	\$11,544,144,335	\$12,834,056,927	\$14,130,047,938	\$14,465,239,113	\$14,570,677,332
	Employment	45,481	44,945	45,824	46,658	46,725
Clean Technology	GBI	\$14,994,071,455	\$15,519,195,028	\$16,425,637,591	\$16,359,563,859	\$16,798,101,238
	Employment	55,678	55,992	56,568	55,562	56,456
Total (6 sectors)	GBI	\$119,978,403,227	\$125,704,003,250	\$123,168,946,277	\$134,945,834,590	\$144,991,048,195
	Employment	472,851	471,062	488,336	509,796	520,830

Sources: Washington Department of Commerce, Employment Security Department, and Department of Revenue

## Wage Trends

In 2013, Washington's per capita income reached \$47,717, up 38 percent from 10 years earlier.<sup>12</sup> This amounts to a seemingly decent average annual increase of 3.3 percent, but it doesn't take into account inflation. The Bureau of Economic Analysis publishes inflation adjusted per capita income from 2008 to 2012, and during this time the figure fell slightly for Washington. This indicates that in real terms average income has been falling in recent years instead of climbing.

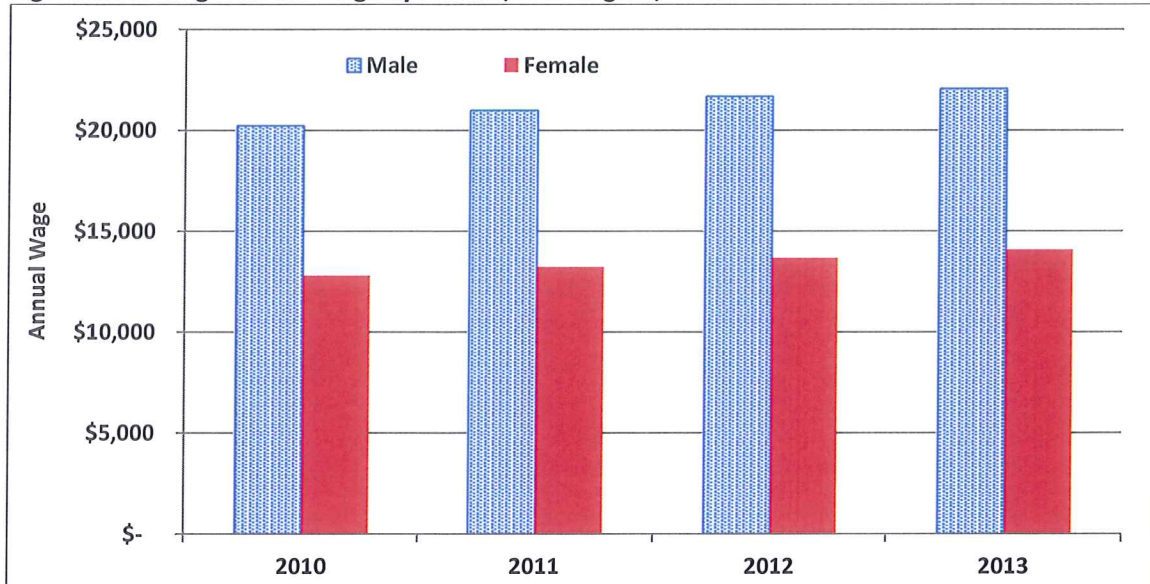
Earnings, of course, vary based on the industry people work in, along with the skills and experience they bring. There are also demographic differences. For example, women have consistently earned less than men. This divergence has grown recently, perhaps driven by the recovery in male-dominated industries such as construction, causing a rise in men's wages.

<sup>11</sup> Military is not shown given difficulty in deriving comparative data.

<sup>12</sup> This figure reflects all income sources, not just wages.



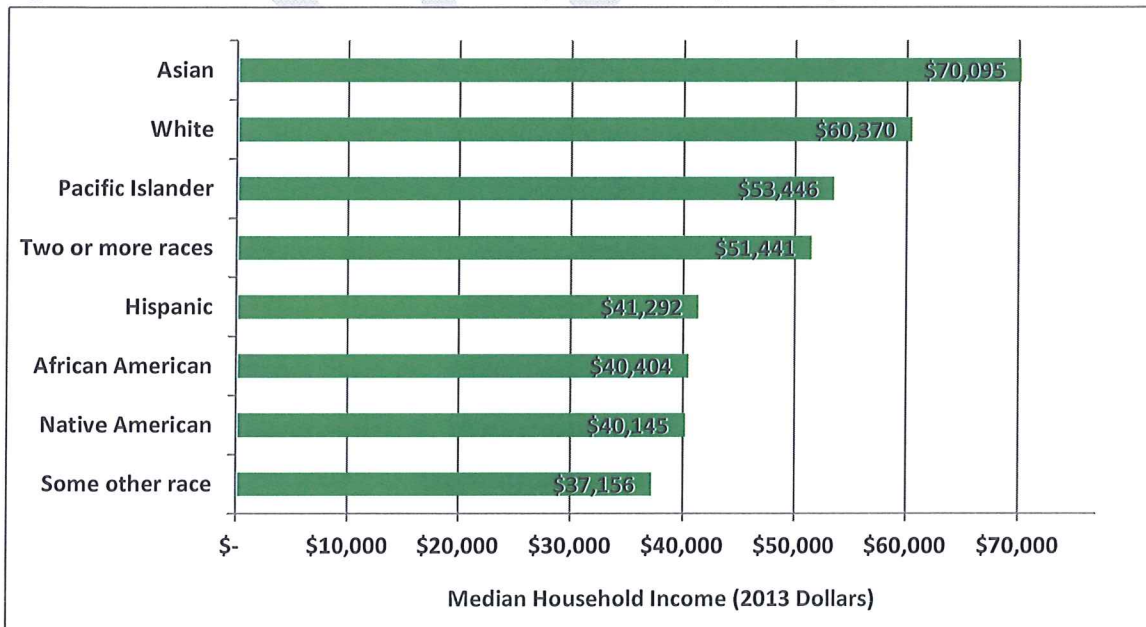
**Figure 10. Average Annual Wage by Gender, Washington, 2010-2013**



Source: U.S. Census Bureau, Longitudinal Employer Household Dynamics

There are also wage and income disparities by race and ethnicity. Asians had the highest median household income (\$70,095) in 2013 (see chart below), followed by whites (\$60,370). Thereafter median income drops to \$53,446 for Pacific Islander households and then falls further to the \$40,000 range for Hispanics, African Americans, and Native Americans.

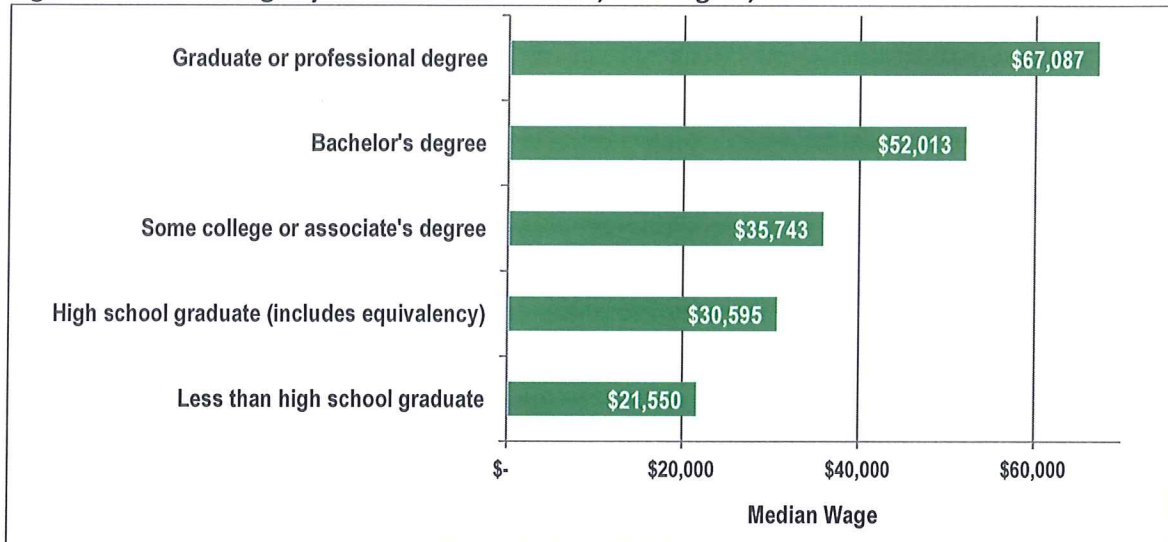
**Figure 11. Median Household Annual Income by Race/Ethnicity, Washington, 2011-2013**



Source: U.S. Census Bureau, American Community Survey, three-year average

Higher wages are associated with higher educational attainment. The median wage for Washington residents with a graduate or professional degree was \$67,087 in 2013. This was more than three times the median earnings of those without a high school diploma.

**Figure 12. Median Wage by Educational Attainment, Washington, 2013**



Source: U.S. Census Bureau, American Community Survey

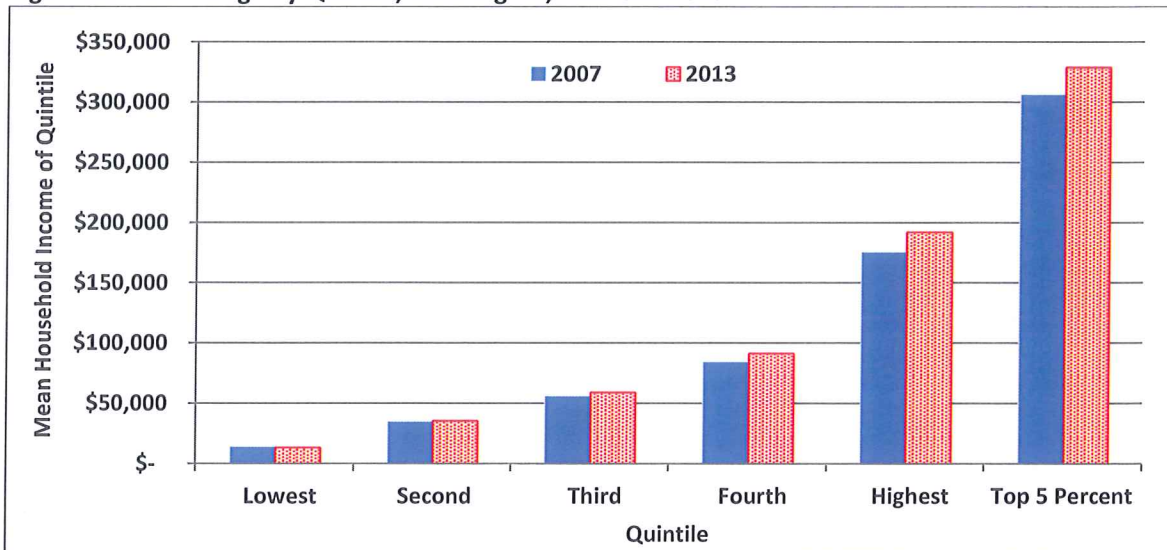
### Equality in the age of Piketty

The issue of income inequality and wealth distribution has become a hot topic in recent years. In 2013, French economist Thomas Piketty authored "Capital in the 21<sup>st</sup> Century," which quickly became a New York Times best seller, despite being a fairly dry treatise that attempts to explain rising income inequality worldwide.

A traditional index for measuring income equality is the Gini coefficient. Gini measures how equal or unequal income is distributed in a region, with zero representing complete equality and one representing complete inequality. Washington's coefficient in 2013 was 0.4811 making it the 18<sup>th</sup> "most equal" state in the country. Despite the relatively high rating, income inequality in Washington appears to be rising, moving up from 0.444 in 2007. This distribution can also be seen in the following chart, showing the most income growth in the top five and 20 percent of households. The poorest 20 percent (quintile) saw a decrease in average wages, while the middle quintiles saw very small increases.



Figure 13. Mean Wage by Quintile, Washington, 2007 and 2013



Source: U.S. Census Bureau, American Community Survey

## Looking Ahead

### Forecasts

Most forecasts including the one by the state's Economic and Revenue Forecast Council (ERFC),<sup>13</sup> project the national economy to continue expanding at a little over 3 percent per year for 2015 and 2016 before slowing down to just over 2 percent a year by 2019. Employment growth is expected to stay somewhat below GDP growth – ranging from 2.0 percent to 0.6 percent per year.

Washington's employment growth is expected to follow the same trajectory, but at a little higher rate (ranging from 2.2 percent to 1.1 percent). Unemployment is forecast to continue to fall through 2019. The construction and professional & business services industries are expected to account for much of the growth, whereas aerospace and financial activities have projected net job losses.

Average annual wage growth is predicted to rise through the next several years, reaching over 4 percent by 2014 (ERFC). For all of Washington's residents to benefit from rising incomes, the hope is that this wage growth is driven by widespread wage gains, and not simply increases at the top end, which has been the story as of late.

### Factors behind the forecast

So far, construction growth is primarily a rebound from the contraction that occurred during the recession. Housing and real estate prices have rebounded strongly in the Seattle area and it will be interesting to see if this pushes housing demand elsewhere in the state.

<sup>13</sup> <http://www.erfc.wa.gov/>

Firms that provide accounting, computer and engineering services, as well as physical and biological research, have all shown strong recent growth as well as good potential going forward. Aerospace, which is projected to lose jobs, is likely to do so because of efficiency gains and not to loss of job orders.

When it comes to health care, several factors are likely to boost growth in this sector. Across the nation, and here in Washington, the population of older people is rising. By 2030, one in five Americans will be a senior citizen (65 years or older). That's nearly double the 12 percent in 2000.<sup>14</sup> The state's aging population will require more health care, both among primary care providers and specialists. Expanded medical coverage under the Affordable Care Act is also expected to increase demand for health care as previously uninsured people gain access through the national health care law. At the same time, efforts to lower costs may shift how health care workers are deployed, for example, by replacing highly paid, higher educated registered nurses with lower-wage LPNs and health aides or increasing the reliance on physician's assistants in place of doctors.

A second impact of the aging population will be on the workforce participation rate. As earlier noted, it has been falling – a trend that could speed up as baby boomers age out of the workforce. To counter this it will be necessary to better engage younger workers and to some extent encourage older workers to remain in the workforce. If labor force participation rates continue to fall, it is likely to be a significant drag on economic growth.

Another recent trend which could be a drag on the economy is rising income inequality. International Monetary Fund researchers found that decreased social mobility and stagnating incomes associated with inequality are likely to hurt an economy's long-term growth potential.<sup>15</sup>

Macroeconomic conditions like currency and inflation fluctuations will directly and indirectly affect economic growth and labor market outcomes. As of early 2015, the dollar surged in value, which puts Washington's exports at a competitive disadvantage and by extension those working in export industries. Washington is an export-dependent state and was the third highest exporting state in 2014. Washington's number one trade partner, China, is experiencing economic instability and that may decrease exports.

Inflation and interest rates have remained relatively low since the 1980s, and since the Great Recession, the Federal Reserve, (the U.S. central banking system), has kept interest rates low in an effort to stimulate the economy. But should inflation begin rising, the Federal Reserve would be forced to raise interest rates to push down inflation. These policies could be detrimental to construction and other industries, which have benefited from low inflation and interest rates.

### **Occupational demand**

The following table shows occupations projected to have the most openings due to growth – openings that are not due to turnover, as is often the case in high-churn occupations such as retail or restaurant work. These growth occupations reflect some of the trends previously discussed.

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<sup>14</sup> "The State of Aging and Health in America," a 2013 report, U.S. Centers for Disease Control and Prevention.

<sup>15</sup> Redistribution, inequality, and growth, Ostry, J.D, Berg, A, & Tsangarides, C.G. IMF Staff Discussion Note, SDN/14/02, 2014.



The top growth occupation, software developers, illustrates the increasing demand for technical skills as well as the important role that software and IT play in Washington. The expected continued growth in the construction and healthcare industries is mirrored on the occupation side with increased demand for carpenters, construction laborers, registered nurses, and personal care aides. Most of the rest of the growth occupations are service jobs which share the characteristic of not being easily outsourced.

**Figure 14. Growth Occupations, Washington, 2012-2022**

Occupational title	Estimated employment 2012	Estimated employment 2017	Estimated employment 2022	Average annual growth rate 2012-2022	Average annual opening due to growth 2012-2017	Average annual opening due to growth 2017-2022
Construction Laborers	22,744	28,293	30,725	3.1%	1,110	486
Carpenters	36,638	45,432	49,229	3.0%	1,759	759
Software Developers, Applications	53,197	61,284	67,375	2.4%	1,617	1,218
Landscaping and Groundskeeping Workers	29,103	33,170	36,376	2.3%	813	641
Personal Care Aides	29,964	33,494	37,369	2.2%	706	775
Janitors and Cleaners	43,095	48,074	52,042	1.9%	996	794
Registered Nurses	54,547	60,063	65,211	1.8%	1,103	1,030
Secretaries and Administrative Assistants	42,097	46,682	50,211	1.8%	917	706
Bookkeeping, Accounting, & Auditing Clerks	44,947	50,195	53,479	1.8%	1,050	657
Sales Representatives, Wholesale & Mfg.	36,942	41,346	43,889	1.7%	881	509
Waiters and Waitresses	42,247	47,113	50,133	1.7%	973	604
Food Preparation and Serving Workers	56,702	63,174	67,246	1.7%	1,294	814
Customer Service Representatives	41,128	45,744	48,759	1.7%	923	603
Retail Salespersons	104,059	112,087	118,020	1.3%	1,606	1,187
Maids and Housekeeping Cleaners	53,484	56,537	60,604	1.3%	611	813

Source: Washington Employment Security Department

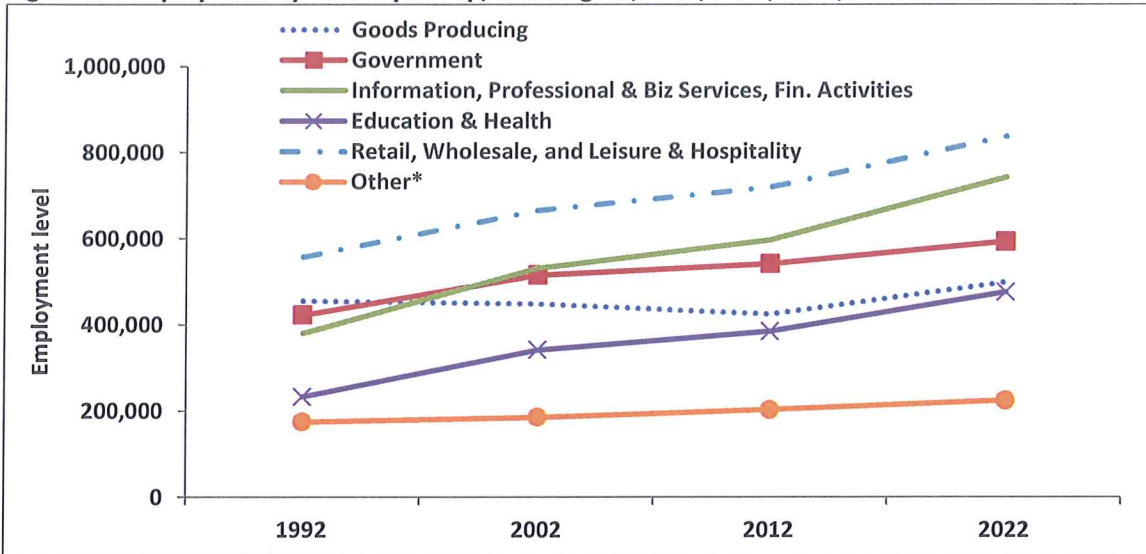
### Industry changes

Early on, Washingtonians were more likely to find work in resource extraction industries like timber and fishing than any other industry. From World War II on, with the emergence of ship and airplane building, manufacturing became the state's largest industry and biggest employing sector. In the late 1940s manufacturing accounted for nearly half of the state's employment, but its share has fallen steadily over the years and now accounts for less than 10 percent of employment. A variety of service industries have taken up most of the share, a trend which is likely to accelerate in the coming years.

Industries can be grouped into two major sets: 1) the goods producing industries (manufacturing, construction, and natural resources); and 2) service industries (wholesale trade, retail trade, transportation, warehousing, utilities, information, financial services, professional & business services, education, health, and government). The following chart tracks employment in the combined goods

producing industries against several of the combined service industries. What is clear is that the goods producing industries have lost ground against service industries in general, but in particular against the “Retail, Wholesale, and Leisure & Hospitality”, the “Information, Professional & Business Service, and Financial Activities”, and the “Education & Health” groups.

**Figure 15. Employment by Industry Group, Washington, 1992, 2002, 2012, and 2022**



Source: Washington Employment Security Department

\*Other consists of transportation, warehousing and utilities as well as “other services.”

Overall for the 30-year period (and assuming the 10-year forecast period), education and health would have the fastest annual average growth at 2.4 percent, followed by the professional services with 2.3 percent. The slowest growing is goods producers (0.3 percent), followed by other industries (0.8 percent). In short, the forecast anticipates high-turnover, low-wage industries to grow enough to remain the largest in terms of employment, while professional services and education & health become increasingly more important economic drivers, primarily at the expense of goods-producers.

### Skill shortages

#### Employer perspective

Despite large numbers of jobseekers, companies still have difficulties finding workers with specific skills. To better measure the needs of industry, the Workforce Board every two years administers and publishes an Employer Needs and Practices Survey.<sup>16</sup> The most recent survey, conducted in 2012, featured responses from 2,800 employers.

According to survey results, over half of firms hired new employees, but among those attempting to hire about one-fifth experienced difficulties. Just over half of high-tech industries reported hiring difficulties,

<sup>16</sup> <http://wtb.wa.gov/Documents/Employersurvey2012-Summary.pdf>

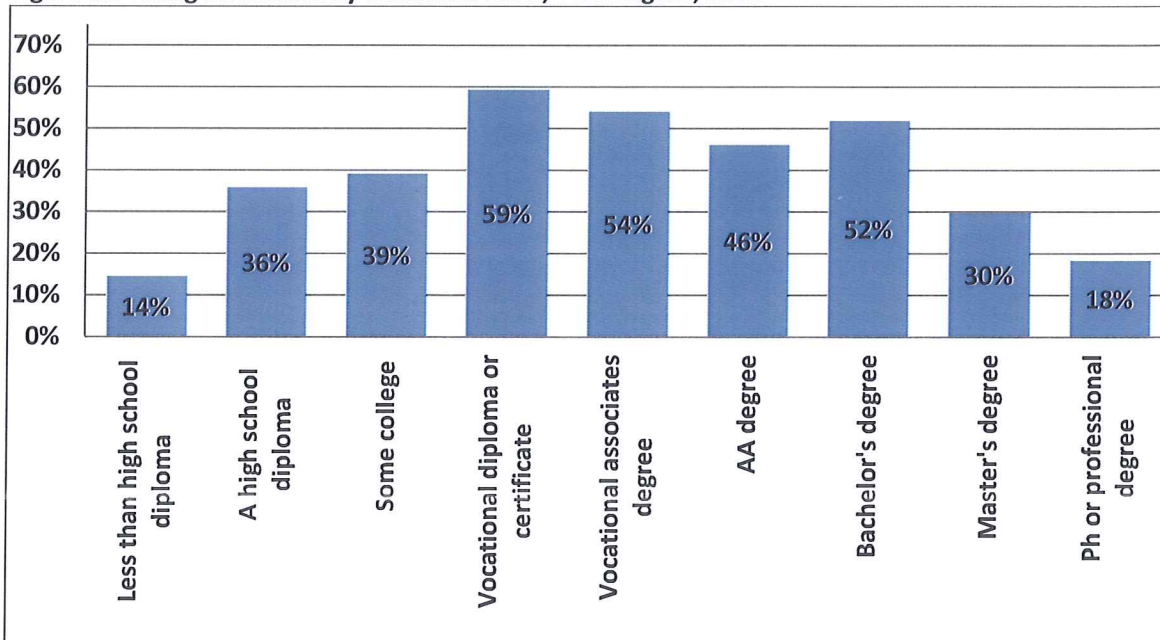


more than any other industry. Construction and agriculture also reported a high degree of hiring challenges.

### *Education level impacts hiring*

Firms had the hardest time filling jobs that required vocational diplomas or certificates – 59 percent of those that hired from this educational category had difficulties. Jobs requiring less than a high school diploma were the easiest to fill.

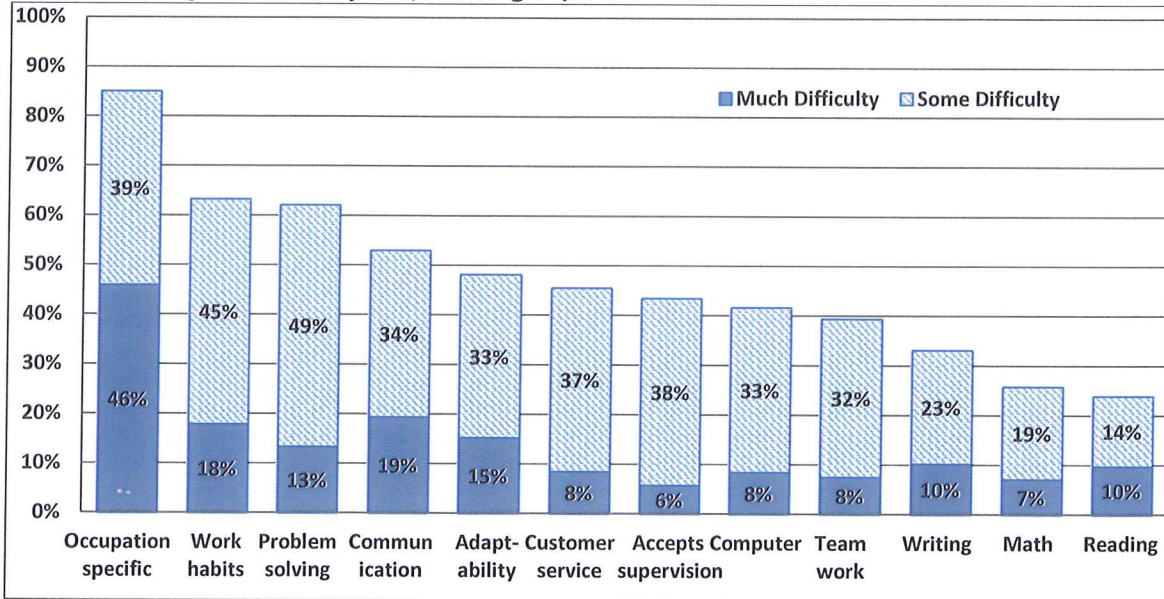
**Figure 16. Hiring Difficulties by Education Level, Washington, 2012**



*Source: Workforce Board, 2012 Employer Needs and Practices Survey*

Firms encountered the most difficulty in hiring for occupation-specific skills. Only 15 percent of firms had no trouble hiring employees with occupation specific skills. Hiring employees with solid work habits and problem-solving skills proved difficult. Firms had the least difficulty hiring employees with sufficient math and writing skills.

**Figure 17. Hiring Difficulties by Skill, Washington, 2012**



Source: Workforce Board, 2012 Employer Needs and Practices Survey

### Projected skill gaps

Aligning the state’s degree production with projected job openings can be difficult. Students begin education programs that can take several years to complete. In the meantime, demand for occupations can change from the time students begin their training. Assessing future demand against supply can help residents make good choices about what to study. It also can help education institutions determine which programs to beef up, and which ones to scale back.

To help match the output of degrees with future openings, education agencies focus on three different education levels—“mid-level” education that requires more than a year of post-high school training or education, but less than a bachelor’s degree, a bachelor’s degree, and a graduate degree.

By breaking down labor market demand for these three broad education categories, policymakers, workforce professionals, educators, legislators and others can help boost supply in key areas, and reduce capacity in areas expected to shrink.

In the following table the current output of completers by education level is compared against the demand expected over the next six years (2016-2021). While demand for mid-level training occupations is expected to be highest among the three education levels, so is the current level of completions. However, the mid-level skill gap becomes more troubling when comparing completions with the education level needed to be competitive in the job market.

When assessed this way, the number of projected mid-level openings is estimated at nearly 6,000 more per year than the number of completions, if they continue at their current rate.<sup>17</sup> The skill gap for bachelor's degrees is anticipated to be even steeper--as much as 13,000 annually.

**Figure 18. Projected Skill Gaps by Education Level, Washington, 2016-2021**

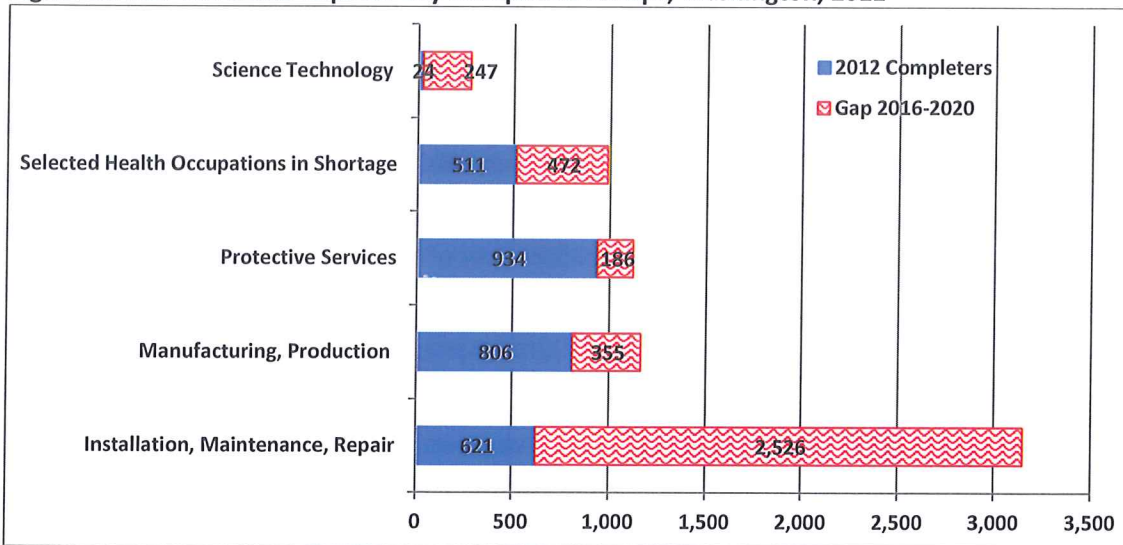
Education/Training Level	Current Completions	Total Annual Completions Needed 2016-21	
		Entry Education Level*	Competitive Education Level**
Mid-Level	59,472	55,532	66,049
Baccalaureate	32,376	37,614	45,259
Graduate	12,155	7,710	18,218

*Source: A Skilled and Educated Workforce, 2013 update, a joint report from the Workforce Board, the State Board for Community and Technical Colleges and the Washington Student Achievement Council. \*Entry level as defined by U.S. Bureau of Labor Statistics, defined as the most typical education level required for a particular occupation. \*\*Actual levels of training/education held by employed workers (Source: American Community Survey)*

<sup>17</sup> The "competitive education level" is considered to be more accurate because it doesn't rely on one education qualification and tie it to the job. Instead it looks at the actual continuum of training levels found within a given occupation.

Among mid-level training occupations, the installation, maintenance, and repair group faces the largest skills gap through 2020. Some key occupations in this group are HVAC repairers, welders, and machinists. For science and technology occupations the gap is small (in overall numbers), but when compared with the number of completers is proportionately high.<sup>18</sup> Healthcare is also facing a sizeable skill gap, with mid-level demand about twice the size of the supply.

**Figure 19. Mid-Level Skill Gaps for Key Occupation Groups, Washington, 2012**



Source: *A Skilled and Educated Workforce, 2013 update*, a joint report from the Workforce Board, the State Board for Community and Technical Colleges and the Washington Student Achievement Council.

### Changing nature of work

Some estimates put one third of the nation's workforce as being contingent (working on a non-permanent basis), possibly rising above 40 percent by 2020.<sup>19</sup> This trend toward a more freelance workforce promises increased flexibility for employers. The downside is that it will make finding a traditional full-time job with benefits and job security harder to find. However, it is likely to lower costs for firms and increase their potential pool of workers.

Changing technology has lowered the start-up costs for certain types of business, particularly IT-related, which should increase the overall amount of new business creation. This is also likely to lead to whole new lines of goods and services produced.

As seen in Figure 14, which outlines high-growth occupations, a substantial number of jobs will require no education beyond high school. In fact, the Bureau of Labor Statistics predicts jobs requiring a high school diploma will have the most openings by 2022, accounting for nearly a third of the total. However,

<sup>18</sup> Science technology occupations tend to be filled by those with four-year degrees and above. Relatively few jobs in this occupation group are targeted at the mid-level.

<sup>19</sup> [http://http-download.intuit.com/http.intuit/CMO/intuit/futureofsmallbusiness/intuit\\_2020\\_report.pdf](http://http-download.intuit.com/http.intuit/CMO/intuit/futureofsmallbusiness/intuit_2020_report.pdf)



the Bureau projects a higher growth rate among occupations requiring postsecondary education and training. In particular, occupations requiring an associate's degree are expected to have the second highest growth rate (17.6 percent) of any educational category.<sup>20</sup>

"Skills upgrading will be an on-going necessity for all economies as changing skill requirements are accelerated by changing patterns of production, trade, international competition and technological innovation. These changes can be beneficial but require policies and institutions to help individuals and enterprises adapt and to help offset the risks and costs, particularly for low-income and vulnerable workers. Availability of quality, relevant training for in-demand skills and occupations is a key factor, along with accessible and timely labour market information."

- *Organisation for Economic Co-operation and Development (OECD), & World Bank Group*<sup>21</sup>

## Summary and Implications

By 2011 the nation's economic output surpassed the pre-recession level and by early 2014 it surpassed the pre-recession employment level. However, certain groups such as youth and those without postsecondary training have not recovered to their pre-recession employment and wage outcomes. Labor force participation rates have continued downward, reflecting increasing numbers of discouraged workers opting out altogether.

Average wages have been rising, mostly due to rising incomes at the top while there has been stagnation among low-income earners. There are also significant and enduring earning disparities between age groups, males and females, and different races.

All of this is important to our economy and labor markets going forward as Washington's workforce grows older, more female, and increasingly diverse. Education and training are now more important than ever, along with identifying which skills will be in demand in the future.

Economic growth is forecasted to be moderate in the near-term. Industries such as construction, health, and professional and technical services should be doing much of the hiring. At the same time, the state's Department of Commerce has identified seven strategic sectors based on their importance in the current economy as well as opportunities for growth.

Occupations projected to be in demand in the future are a mix of information technology, construction, healthcare, and various service jobs. Information technology, construction, and healthcare occupations generally require postsecondary training and are relatively well compensated. Service sector jobs projected to be in-demand tend to be those that are difficult to outsource and largely unaffected by global competition, but pay relatively low wages.

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<sup>20</sup> <http://www.bls.gov/opub/mlr/2013/article/overview-of-projections-to-2022-1.htm>

<sup>21</sup> G20 Labour Markets: outlook, key challenges and policy responses. International Labour Organization, Organization for Economic Co-operation and Development, & World Bank Group, September 2014, Page 17.

Despite economic stagnation in Europe and Japan, as well as slowing growth in China, globalism will remain a force to be reckoned with. Washington is well positioned for foreign trade, selling everything from airplanes to medical devices and information services. However, these items can and will be produced elsewhere unless the state remains competitive in terms of education, infrastructure, and worker productivity.

Macroeconomic conditions such as currency and inflation fluctuations will directly and indirectly affect economic growth and labor market outcomes. As of early 2015, the dollar surged in value, putting Washington's exports at a competitive disadvantage and by extension those working in export industries. Inflation and interest rates have remained low, but should that change it could set off policies that could be detrimental to construction and other industries.

Changing technology will also influence and challenge state labor markets. So far, the rise of new technology (composites) and new services (Internet retailers) have been a boon to Washington. But unless the state can continue to innovate and develop new products and services, it will fall behind. Investing in education, encouraging partnerships between training providers and employers, and fostering a strong entrepreneurial environment are key ingredients to maintaining a thriving economy and a comfortable standard of living for the citizens who live and work here.