

HOUSE BILL ANALYSIS

ESSB 5533

Brief Description: Creating a state work force investment board.

Sponsors: Senators Fairley and Kline

Hearing: March 31, 1999

Brief Summary of Bill

- Changes the name of the Workforce Training and Education Coordinating Board to the Workforce Development Board, changes the makeup and increases the number of members from nine voting members to 18 voting members.
- Defines the workforce development system to include a broader array of programs than the current workforce training system.
- Refocuses the board's activity emphasizing increased accountability and performance measurement throughout the workforce development system including the training and work-related components of the Temporary Assistance to Needy Families program (TANF).
- Establishes local workforce development councils and facilitates access to services through a One-Stop delivery system and allows for data-sharing arrangements among the partner agencies.

BACKGROUND:

In August of 1998, Congress enacted the Workforce Investment Act (WIA). The federal act repeals the Joint Training Partnership Act (JTPA) effective July 1, 2000, and amends other federal workforce development programs. The federal act encourages coordination but does not take the full step of consolidating funding of federal workforce development programs.

The Federal Workforce Investment Act

The act requires states to establish a state Workforce Investment Board (WIB). Board membership must include a majority of business representatives. An existing state board may be designated as the new WIB if it was in existence as of December 30, 1997.

The act also requires states to develop a five-year plan for the state's workforce investment system. The plan must cover certain federal programs. However, states have the option of including additional state and federal programs into a unified state plan.

The act requires appointment of local workforce investment boards by local elected officials based on criteria set by the Governor and the state board. The local board is responsible for developing local plans and overseeing the local programs. The board recommends local providers of training services who must meet minimum criteria established by the Governor to be placed on an approved list of service providers. Training providers must meet certain performance criteria to maintain their eligibility as training providers.

The act directs establishment of a One-Stop delivery system of training and related services at the local level. Certain core services must be provided through this delivery system to anyone seeking services. The delivery system must also provide access to more intensive services and training services.

Both state and local boards are accountable for meeting negotiated performance measures. Sanctions may include technical assistance to those entities that fail to meet performance standards. If the failure continues at the state level, grant money can be withheld from the state. At the local level, the board may be reorganized or replaced. Incentive grants may be awarded to states that exceed their performance measures. States may develop similar incentive grants for high-performing local boards.

The Workforce Training and Education Coordinating Board (WTECB)

The WTECB was created in 1991. Its purpose is to provide planning, coordination, evaluation, monitoring, and policy analysis for the state's training system. Several agencies are involved in implementing the programs that make up the state training system.

The WTECB includes 11 representatives; three from business, three from labor, three from state government including the Superintendent of Public Instruction, the executive director of the State Board for Community and Technical Colleges, the commissioner of the ESD, a member representing under-served individuals, and a chairperson appointed by the Governor.

The WTECB is charged with 27 duties to be performed in cooperation with the agencies involved in the state's workforce training system. These duties include developing and maintaining a comprehensive plan for workforce training, establishing minimum standards to

be used by agencies in evaluating programs they implement, requiring standards for collecting data and setting a minimum of core data to be collected by each reporting agency, and performing an outcome-based evaluation of the workforce training and education system using net-impact and cost-benefit analysis.

Employment Security Department (ESD)

The ESD oversees implementation of the federal JTPA programs through twelve service delivery areas administered by local private industry councils in partnership with local elected officials. Members of the private industry councils are appointed by local elected officials.

The ESD acts as the lead agency to administer the state's implementation grant for the development of One-Stop service delivery. The department also maintains labor market information and the public labor exchange under the Wagner-Peyser Act.

With certain exceptions, the ESD is obligated to keep records regarding individuals and employers confidential. Information and employment records collected by ESD regarding individuals and employers are an integral component of new federal initiatives and the continued development of One-Stop career development centers. New federal and state legislation also encourages evaluation of employment and training programs for which employment data collected by ESD is necessary.

Primary Training Provider

The state's community and technical college systems serve as the primary training provider along with private career schools and colleges.

SUMMARY OF BILL:

A number of changes are made to the state's current workforce training system. Some changes address the new requirements under the federal WIA.

Workforce Development Board

The WTECB is renamed the Workforce Development Board (WDB). The WDB serves as the state WIB required under the federal act. The state's workforce development system is defined as several programs that use state or federal funds to prepare and retrain workers or provide employment services. This definition expands the list of programs included in the state's workforce development system such as the training and work-related components of the TANF program.

The WDB consists of 18 voting members; five business members, five labor members, five state agency representatives, one representative of private career schools, one representative of community-based organizations, and one representative of local elected officials. The Department of Social and Health Services (DSHS) and the Department of Community, Trade, and Economic Development (DCTED) are added as two of the five state agency representatives. The chair of the board will rotate between a member representing business and a member representing labor. The director of the board is to be appointed by the Governor and confirmed by the Senate.

Board Duties

The board must develop a state unified plan for the workforce development system, keep an inventory of programs, assess employer and worker needs for workforce training, work with local workforce development councils, work in partnership with those programs not specifically included as workforce development programs, measure performance, make recommendations to the Governor and the Legislature, and assist in implementing a One-Stop delivery system for workforce development.

Rewards and sanctions must be developed and implemented by the operating agencies and results must be reported to the board. The board reports to the Governor and the Legislature on the those programs rewarded and those that fail to meet performance standards. An incentive fund is established using federal funds to reward exemplary local workforce development councils and programs.

In working with local workforce development councils, the board must also work with the state operating agencies to identify resources available to assist in development of local unified plans.

The WDB is to perform the role of the Job Training Coordinating Council until the expiration of the JTPA on July 1, 2000.

Local Workforce Development Councils

Local workforce development councils, required under the federal WIA, are created to develop local unified plans including the identification of resources available, oversee local One-Stop systems, and coordinate workforce development activities at the local level. The unified plan must include local workforce development moneys available and a spending plan for carrying out a unified plan.

Employment Security Department

Obligations of the ESD regarding the programs under the federal act are specified. The department must provide labor market information to the WDB and provide elements of the state plan for the state's public labor exchange (Wagner-Peyser), youth activities, and adult employment and training activities (former JTPA programs). The department receives the funding for these federal programs and must recommend allocations to the Governor. The department must also describe how its resources are used to implement planning by the Workforce Development Board and local unified plans.

The department must work out data-sharing arrangements necessary to implement the One-Stop career development system but individual records and confidential information are protected.

Provisions relating to the comprehensive plan, evaluations and assessments by the WTECB are repealed. Provisions relating to the Job Training Coordinating Council are repealed.

RULES AUTHORITY: The bill does not contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: This bill contains an emergency clause and takes effect immediately.