



# FINANCE & ADMINISTRATION COMMITTEE

## AGENDA

June 9<sup>th</sup>, 2023, 9:00 a.m. to 10:30 a.m.

Zoom Link: <https://us06web.zoom.us/j/5591065175>

### I. INTRODUCTIONS

### II. ACTION ITEMS

- A. Audit Report
- B. Approve Minutes (2/10/2023)
- C. WorkSource Certification
- D. One-Stop Operator Procurement
- E. PY-23 Budget
- F. WIOA Contract Extensions, Modifications & Non-Renewals
- G. Incumbent Worker Training
- H. Policy updates:
  - Trade Adjustment Assistance & Dislocated Worker Co-Enrollment
  - Youth Incentives
  - Adult & Dislocated Worker Incentive Policy

### III. REPORT-OUT

- A. CEO
  - Board Leadership Nomination Committee
  - WIOA Formula Allocation
  - State Funding
  - Board Excellence Dashboard
  - ESD Monitoring PY-22
  - Lookahead Calendar

### IV. ADJOURNMENT



# Workforce Development Council of Seattle-King County

## Audit Presentation to Governance

June 9, 2023

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

# Deliverables

Report on the  
Financial  
Statements

Single Audit  
reports

Governance  
Communication



# Required Communications

| Topic  | Communication   |
|--|---|
| Our Responsibility Under Generally Accepted Auditing Standards | <ul style="list-style-type: none"> <li>Express an opinion on the fair presentation of the consolidated financial statements in conformity with GAAP</li> <li>Plan and perform the audit to obtain reasonable, but not absolute, assurance that the consolidated financial statements as a whole are free from material misstatement</li> <li>Obtain an understanding of internal control over financial reporting</li> <li>Utilize a risk-based audit approach</li> <li>Evaluate accounting policies and significant accounting estimates</li> <li>Conclude whether there is substantial doubt about the entity's ability to continue as a going concern</li> <li>Communicate significant matters to appropriate parties</li> </ul> |
| Planned Scope and Timing of the Audit                          | <ul style="list-style-type: none"> <li>Performed the audit according to the planned scope.</li> <li>Timing of the audit began as planned in mid-April and into May.</li> </ul>  |
| Other Information Included in Annual Reports                   | <ul style="list-style-type: none"> <li>Consolidated financial statements may only be used in their entirety</li> <li>Our approval is required to use our audit report in a client prepared document</li> <li>We are required to read other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements</li> </ul>  |



# Required Communications

| Topic                                       | Communication   |
|---|---|
| Significant Accounting Policies             | <ul style="list-style-type: none"><li>• Management is responsible for the accounting policies of the organization</li><li>• Accounting policies are outlined in Note 2 to the financial statements</li><li>• No new accounting standards adopted during the year</li><li>• Accounting policies deemed appropriate</li></ul> |
| Significant Accounting Estimates            | <ul style="list-style-type: none"><li>• An area of focus under a risk-based audit approach</li><li>• No significant estimates identified</li></ul>  |
| Significant Financial Statement Disclosures | <ul style="list-style-type: none"><li>• Correction of error Note 7</li></ul>  |
| Significant Unusual Transactions            | <ul style="list-style-type: none"><li>• None identified</li></ul>   |



# Required Communications

| Topic                            | Communication   |
|----------------------------------|---|
| Corrected misstatements          | <ul style="list-style-type: none"> <li>• None.</li> </ul>   |
| Management Representation Letter | <ul style="list-style-type: none"> <li>• Management provided the representation letter and our final audit was issued</li> </ul>  |
| Other                            | <ul style="list-style-type: none"> <li>• No difficulties encountered in performing the audit. Management was easy to work with and very responsive to our requests. Delay in issuance of the audit mostly related to staffing issues at CLA and working through prior period adjustment issues</li> <li>• No issues discussed prior to retention as independent auditors</li> <li>• No disagreements with management regarding accounting, reporting, or other matters</li> <li>• No management consultations with other independent auditors</li> <li>• No difficult or contentious matters requiring consultations outside of the engagement team</li> <li>• Internal control letter was not required.</li> </ul> |
|                                  |   |



# Results of Professional Services

## Financial Statement Audit

- Two significant audit adjustments

## Material weaknesses identified in Single Audit report.

- Material weakness related to revenue recognition and related audit adjustments

## Other

- No new standards implemented for FY 2022.



# Financial statement highlights

## Statement of financial position:

- \$992,746 increase in cash
- \$673,139 decrease in grants receivable
- \$288,607 decrease in total assets
- \$1.198million decrease in total liabilities

## Statement of Activities

- Total grants and contributions (unrestricted + restricted) up by \$2.943 million
- Total expenses increased by \$1.634 million. Program increase of \$2.290M and Admin decrease of \$656k
- Correction of error resulting in \$1.556 M decrease in beginning net assets as of 6/30/21 and \$600k as of 6/30/20 (Note 7)

## Statement of Cash flows

- Cash used in operating activities totaled \$997,358
- No cash used in investing or financing activities





# Single Audit highlights

## Schedule of Expenditures of Federal Award

- Major programs tested:
  - WIOA Cluster
  - National Dislocated Workers Program

## Financial Reporting Findings

- Material weakness related to revenue recognition and related audit adjustments

## Compliance Findings

- None

Corrective Action Plan provided



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WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

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**February 10<sup>th</sup>, 2023**

## **WDC FINANCE & ADMINISTRATION COMMITTEE**

**Board Members Present (virtual):** Jane Broom, Caroline Chan, Angela Dunleavy (Chair), Jon Holden, Jiquanda Nelson

**CLEO's Representatives Present (virtual):** Ashton Allison, John Lederer

**Guests Present (virtual):** Nicole Trimble

**Staff Present (virtual):** Beth Blanchard, Sheena Clarke, Ericka Cox, Michael Davie, Ana Gaeta, Marie Kurose (CEO), Avi Laudon, Bryan Pannell, Jeff Sikora, Marisol Tapia-Hopper, Joe Taylor

### **Materials Distributed:**

- [WorkSource Certification](#)
- [November 4th, 2022 Minutes](#)
- [EcSA Expansion One-Pager](#)

### **I. INTRODUCTIONS**

Chair Angela Dunleavy welcomed the Committee, staff members and guests with an introduction and let the group know there was a quorum of the Committee in attendance. Additionally, Chair Dunleavy welcomed Board Member, Mr. Jon Holden with an invitation to join the FAC as a member, and he accepted. All attendees provided an opening introduction.

Chair Dunleavy reviewed the February 10<sup>th</sup>, 2023, Draft Agenda and passed the meeting to Ms. Nicole Trimble, WDC Consultant, Principal and Founder at Braided Rivers to present on the Strategic Framework initiative.

### **II. STRATEGIC FRAMEWORK**

Ms. Trimble began by sharing the WDC's vision, mission, and regional strategic plan as a reminder that the Strategic Framework and Dashboard are crafted directly from those existing documents. Ms. Marie Kurose, CEO, outlined the strategic framework highlighting the pillars of innovation, job quality, advocacy, and community partnerships. These pillars filter down the plan's foundation to include racial equity, systems change, culture & people, and operational excellence. The final level highlights the WDC values: integrity, support, adaptability, inclusion, trust, and courage.

Next, Ms. Trimble previewed the draft version of the Dashboard to measure: Youth and Adult Programs, Business Services, People & Culture, and Operational Excellence. The in-progress draft of the Dashboard measures funding, activities, goal attainment, and the pillars

of the strategic framework. The group discussed risks and barriers, WDC Racial Equity Consultant engagement (ensuring alignment with the WDC's racial equity commitments), tool highlights, including innovative programming, partnership, co-funded programs, succinct and tangible data, and job quality measurement definitions.

### III. Action Items

#### A. Approve November 4<sup>th</sup>, 2022 -FAC Minutes

Chair Dunleavy reviewed the November 4<sup>th</sup>, 2022, Minutes and requested additions or clarifications from the attendees, of which there were none. Chair Dunleavy opened the floor for a motion to approve the Minutes. Ms. Nelson made a motion to approve. Ms. Chan seconded. The November 4<sup>th</sup>, 2022, Minutes were unanimously approved.

#### B. Mid-Year Budget & Funding Update

Mr. Jeff Sikora, Director of Finance and Contracts, briefly summarized the Mid-Year Budget & Funding Update. Mr. Sikora provided the following updates and highlights:

1. June 2022 Approved Budget
2. January 2023 Revised Budget
3. Adjustments to Actual Carry in & Planned Carry Forward
4. New Grant Awards

Chair Dunleavy opened the floor for a motion to approve the Mid-Year Budget and Funding to the Full Board Consent Agenda. Mr. Holden made a motion to approve. Ms. Chan seconded. The FAC unanimously approved the Mid-Year Budget and Funding to Full Board Consent Agenda.

### IV. Report-Out

#### A. Workforce Innovation Opportunity Act (WIOA)

- PY-22 Worksource Certification & Tukwila Provisional

Chair Dunleavy introduced Ms. Beth Blanchard, Strategic Consultant, to report on WIOA. Ms. Blanchard outlined The WorkSource Certification including:

1. Three Year WIOA certification requirements for WorkSource sites
  - Areas of Certification
  - 2023 Certification Process & Timeline
2. Mandated processes and tools Federally directed by Employment Security Department (ESD)
  - State and local One-Stop partners
  - Mandated to collaborate in developing and implementing a One-Stop delivery system
  - One comprehensive center to represent all mandatory partners
  - WorkSource Seattle-King County
    - 2 Centers
    - 5 Affiliates
    - 39 Connection Sites
3. Worksource Tukwila/YouthSource
  - Department of Labor Compliance Issue (September 2022)
  - Provisional Status Determination

- Awaiting Affiliate Status Proposal

Ms. Blanchard informed the group of the formation of the Site Certification Committee, including WDC Staff & Board members. Ms. Kurose acknowledged Mr. Holden's participation in the Tukwila Affiliate site monitoring. Mr. Holden shared appreciation with the group on the process and handling of the monitoring. Additionally, Ms. Blanchard announced that the certification status and recommendations would be presented to the FAC for approval to the Full Board's consent agenda during scheduled June meetings.

## B. CEO

- **2023 Lookahead**

Ms. Kurose provided an overview and 2023 calendar lookahead. The calendar and presentation included Annual WIOA Planning & Compliance Activities for the Finance and Administration Committee (FAC), City and County Local Elected Officials (CLEO), and Local Workforce Development Board (LWDB).

- **State Funding Request**

Ms. Kurose reviewed the State Funding Request and included the following information:

1. Initial Request: Workforce Impact Fund Request 2023 Budget
  - Dedicated state funding to support local and regional priorities
  - Leverage LWDB's infrastructure and funding
  - Predictable, flexible, and consistent funding
2. Revised Request: Economic Security for All (EcSA) Expansion
  - Partnership with Workforce Training & Education Coordinating Board & ESD
  - Requested \$13.8M; Governor's Budgeted \$8.1M

- **Staffing Update**

Ms. Kurose provided a staffing update, including the following:

1. New Hires
2. Recent Promotions
3. Open & Pending Positions

- **WDC Lease**

Ms. Kurose engaged the group in discussing the current WDC Office Lease. Ms. Kurose highlighted the current lease specifications and options a local real estate broker proposed and requested expertise consultation with Board and CLEO members.

- **Board Retreat Agenda & Planning**

Ms. Kurose provided the group with details on the upcoming planning efforts for the Board Retreat, scheduled for Thursday, March 23, 2023, from 9 a.m. to 5 p.m. at the Pacific Tower.

### **C. Board Chair**

- **CEO Evaluation**

Chair Dunleavy announced the upcoming CEO Evaluation process and survey, alerting the FAC members to complete it via Survey Monkey once received.

- **New Board Officers**

Chair Dunleavy reminded the FAC members of the need to nominate three upcoming Board Leadership roles at the June Board meeting elections.

### **V. Adjournment**

Chair Dunleavy adjourned the meeting at 10:30 a.m.

## WorkSource Site Certification

### WorkSource Site Certification Summary

WIOA requires Local boards recertify WorkSource sites every three years using criteria written by the state Workforce Development Board that covers effectiveness, programmatic and physical accessibility, and continuous improvement. The WDC's Current WorkSource (WS) site certification expired during the pandemic while sites were closed. The Workforce Training and Education Coordinating Board, which directs site certification through ESD waived this requirement during the pandemic. ESD has directed all WDCs to complete those site certifications in 2023.

### Background

WIOA requires at least one physical one-stop career center in each local area. Additional locations may provide access to workforce system services and may include specialized centers serving targeted populations, such as youth or dislocated workers, or industry-specific centers. To achieve the goal of increased access, Washington State recognizes three levels of sites that can be certified within the one-stop service delivery system: Comprehensive Center, Affiliate and Connection site. [WorkSource Seattle-King County](#) currently has two (2) Centers: Auburn and North Seattle and four (4) Affiliate sites: Downtown Seattle, Rainier, Redmond and South Seattle. There are now 39 Connection sites operated by 29 partner agencies, providing online access to WorkSource.

### Certification Process

The need to recertify WorkSource sites in Seattle-King County has been driven by implementation of federal guidelines resulting from the passage of WIOA and the adoption of ESD's statewide One-Stop (WorkSource) Evaluation and Certification policy. Under WIOA, state and local partners share common performance goals and are mandated to collaborate in developing and implementing a one-stop delivery system where services are designed with the customer in the center, resources are leveraged for maximum efficiency, and continuous improvement is the hallmark.

#### *Areas of Review in Certification (ESD's One Stop Evaluation and Certification Policy):*

1. Functional and programmatic integration including ISO and the use of functional teams
2. Performance and accountability including use of data, incorporating staff feedback
3. Service Provision, including Services, Universal Access, and Outreach to 14 WIOA focus populations
4. Customer satisfaction and incorporating customer feedback
5. Staff competence and staff training participation
6. Partnership
7. Employer engagement
8. Site-specific continuous quality improvement (CQI) goal - locally added criteria

Because certification lasts for three years, the WDC uses the certification process as an opportunity for each site, including all partners, to complete a self-assessment of their current site, and also to address how changes will impact the future of the local workforce system, such as maintaining a hybrid services system and lowering square footage at sites. A WDC Certification Team was formed of WDC Staff, Operators, Board members and other partners, which coordinated, reviewed and completed the required process between February and June of 2023. Both Centers, four Affiliate sites and the 29 Connection site partner agencies participated in the certification process.

The WorkSource Tukwila/YouthSource site certification review was completed in March, in response to the Department of Labor monitoring findings. Following the February 10, 2023 Certification report out at the FAC, the WDC Certification Team and WDC Leadership reviewed King County’s response to team recommendations. The Certification Team recommended that WS Tukwila not be recertified and WDC Leadership also agreed. King County Dept of Community and Human Services, Children, Youth and Young Adult Division was notified of the decision and agreed. King County DCHS continues to serve youth through their WIOA Youth contract.

The WDC Certification Team recommends the following site level certifications for WorkSource Seattle-King County’s six Center and Affiliate sites and the 39 Connection sites:

**WorkSource Seattle-King County Center and Affiliate sites**

| 2023 Recommended Site Certification Levels |                      | Operated by           |
|--|----------------------|-----------------------|
| Auburn                                     | WorkSource Center    | ESD                   |
| North Seattle                              | WorkSource Center    | ESD                   |
| Downtown Seattle                           | WorkSource Affiliate | YWCA                  |
| Rainier                                    | WorkSource Affiliate | ESD                   |
| Redmond                                    | WorkSource Affiliate | ESD                   |
| South Seattle                              | WorkSource Affiliate | South Seattle College |
| Tukwila                                    | Not certified        | King County DCHS      |

**WorkSource Seattle-King County Connection sites**

| Partner                               | Approved |
|---------------------------------------|----------|
| Bellevue College, Workforce Education | (2)      |
| Cascadia College                      | x        |
| Children's Home Society of Washington | x        |
| Downtown Emergency Service Center     | x        |
| Evergreen Goodwill                    | x        |
| Green River College                   | x        |
| Highline College                      | x        |



|  |     |
|--|-----|
| Hopelink                                   | (5) |
| International Rescue Committee             | x   |
| King County Community Corrections Division | x   |
| King County Library System                 | (4) |
| Lake Washington Institute of Technology    | x   |
| Lifelong                                   | x   |
| Multi-Service Center                       | x   |
| National Asian Pacific Center on Aging     | x   |
| Neighborhood House                         | (2) |
| Pioneer Human Services                     | x   |
| Puget Sound Training Center                | x   |
| Refugee Women's Alliance                   | (2) |
| Renton Technical College                   | x   |
| Seattle Central College                    | x   |
| Seattle Housing Authority                  | x   |
| Seattle Public Library                     | (2) |
| Shoreline Community College                | x   |
| Uplift Northwest                           | x   |
| YWCA Greenbridge                           | x   |

## ACTION REQUESTED

The Finance and Administration Committee (FAC) is asked to consider and approve the above recommendations for WorkSource Site Certification levels. If approved, the site status will continue for the next three years, through June 30, 2026.

# WorkSource System One-Stop Operator

## BACKGROUND

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The Workforce Innovation and Opportunity Act (WIOA) requires local Workforce Investment Boards to select a One-Stop Operator (Operator) to administer the area's American Job Center Network system, known as "WorkSource" in Washington State.

The Operator oversees WorkSource operations across the Centers, Affiliates, and Connection Sites. The Operator works in partnership with the WDC to provide guidance and leadership to the WorkSource system and align with, oversee, standardize, and systematize around the following principles:

1. **Realizing the one-stop vision:** upholding the principles of universal access, integration, customer choice, accountability, continuous improvement, partnership, and promoting a regional strategy.
2. **Guiding integration of service delivery within local WorkSource sites:** maintaining standards and accountability, promoting consistent, coordinated and quality services, supporting communication within and across sites, and delivering staff training across all WorkSourcepartner agencies.
3. **Assuring efficient, lean, and effective job seeker services by coordinating regional partnerships and measuring results:** assessing program outcomes and the efficiency of service delivery. Identifying and eliminating duplicative services and delays in customer service. Gathering customer satisfaction surveys and incorporating feedback.
4. **Increasing equitable opportunities to serve individuals with barriers to employment:** creating strategies and mechanisms that help the WorkSource system prioritize racial equity practices as well as engage and serve a diverse customer population that is representative of the eligiblepopulations in King County. This includes working with WorkSource sites to break down barriers to job driven training and hiring for any customer who is willing to work.
5. **Endorsing sector driven strategies:** working in tandem with the Business Services team to assure WorkSource staff are knowledgeable about sectors, industry demand, and training pathways that lead to quality jobs with career pathways.

To ensure that the applicants had the experience and qualifications needed to execute this work, the WDC required applicants to have experience administering WIOA contracts, or prior experience as a one-stop operator.

The RFQ was announced on March 24 via the WDC website, social media channels, at WorkSource Leadership meetings, WIOA peer to peer meetings, and at WIOA youth provider meetings. In addition, the RFQ announcement was sent via email to current recipients of WIOA funding from the WDC. Potential applicants were given the opportunity to submit questions until April 14. Letters of intent were due April 14. Applications were due April 24.

**THE RFQ RATING PROCESS & ANALYSIS**

The WDC received four letters of intent and received three proposals and all proposals were certified as compliant. A 5-person evaluation panel was established to review and rate the proposals, consisting of: A WDC board member, and individuals from four of our WorkSource connection sites who have prior experience receiving support from the WorkSource operator role or administering workforce programs. The WDC used Cognito Forms, an online software platform, to release the RFQ, receive the submissions of proposals from the bidders, share proposals with the evaluators and receive scorecards.

An initial orientation meeting on April 20<sup>th</sup> to provide an overview of the one-stop operator role, explain the rating process, and provide an overview of the scorecard and rating tools. The panelists reviewed and independently rated the proposals. A final evaluation conference was held on May 1, 2023, where panel members reviewed cumulative proposal scores, discussed the strengths and weaknesses of the proposals, assessed budget proposals, and consulted with one another to reach a consensus recommendation. The panel recommended that the WDC interview the applicant with the highest score. The WorkSource system director and Director of Performance and Sector Partnerships conducted an interview on May 10, 2023, with the top applicant and debriefed with the rating panel on May 12, 2023. Following the panel’s recommendation to move forward with the top applicant, the procurement process was reviewed and certified by the WDC’s Chief of Staff and Strategy.

The evaluation panel would like to highlight the following strengths of the proposals.

| NAME OF THE ORGANIZATION              | SCORE   |
|---------------------------------------|---|
| <p><b>1. Career Path Services</b></p> | <p>84.80</p> <p>Strengths:</p> <ul style="list-style-type: none"> <li>• The organization has over 50 years’ experience in Workforce and Social Services.</li> <li>• Application emphasized multiple strategies deployed to improve customer service in different regions.</li> <li>• Integrated service delivery and customer service is incorporated throughout the application with a clear process to evaluate their work and include system partners.</li> <li>• Strong references from Chief Executive Officers from Workforce Development Areas.</li> </ul> |

|                            |  |
|----------------------------|--|
|                            | <ul style="list-style-type: none"> <li>• Experience as the current One-Stop-Operator in four different regions in Washington State and have extensive experience with WIOA guidance and policies.</li> </ul> <p>Weaknesses</p> <ul style="list-style-type: none"> <li>• The areas they operate in are more rural and have far less complex than the Seattle King County region.</li> <li>• Staff to implement the contract will have to be hired, and they have limited knowledge of current system partners.</li> </ul>   |
| 2. Seattle Jobs Initiative | 80.40  |
|                            | <p>Strengths:</p> <ul style="list-style-type: none"> <li>• Application emphasizes introduction of new technology and tools to the WorkSource System, including online learning platforms such as Coursera, and the promotion of existing tools.</li> <li>• The existing team is in place and knowledgeable of system partners and has established relationships with the organizations.</li> </ul> <p>Weaknesses</p> <ul style="list-style-type: none"> <li>• The narrative section on “improving customer service” focused on tools that were provided to the system and job seekers but did not emphasize how the customer voice or experience would be incorporated into future continuous improvement of the system.</li> <li>• Application did not provide sufficient detail on integrated service delivery or how those furthest from opportunity would have a seamless and supportive experience engaging with the WorkSource system. This is a central component of the role.</li> </ul> |

| NAME OF THE ORGANIZATION | SCORE   |
|--------------------------|---|
| 3. Career Team           | 80.10   |
|                          | <p>Strengths:</p> <ul style="list-style-type: none"> <li>• National organization with experience administering One-Stop-Operator contracts in other states.</li> </ul> <p>Weaknesses</p> <ul style="list-style-type: none"> <li>• The applicant lacked knowledge of the population and needs of King County and did not provide sufficient detail indicating they understood the unique diversity or barriers of the region.</li> </ul> |

|  |  |
|--|--|
|  | <ul style="list-style-type: none"> <li>• The organization did not have a strong focus on customer service or detailed procedures for continuous improvement.</li> <li>• Applicant emphasized bringing in external tools to replace existing ones without providing a process for evaluating the effectiveness of current tools and systems.</li> </ul> |
|--|--|

## RECOMMENDATION

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The evaluation panel recommends funding Career Path Services from July 1, 2023, to June 30, 2024, with continued renewable funding for up to three years contingent upon successful execution of the contract deliverables. The WDC also recommends extending the current One Stop Operator’s contract to up to one quarter to onboard the new provider and guarantee a smooth transition.

| Organization         | 12-month recommended funding |
|----------------------|------------------------------|
| Career Path Services | \$533, 082                   |

| Organization            | 3-month recommended transition contract funding |
|-------------------------|---|
| Seattle Jobs Initiative | \$113,539                                       |

## ACTION REQUESTED

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The committee is asked to consider and approve the above recommendations for contract awards. If approved, the WDC will have authority to extend Seattle Jobs Initiative contract to support the transition for up to three months through September 30, 2023. The new contract for Career Path Services will begin on July 1, 2023 and end on June 30, 2024.



**WORKFORCE**  
**DEVELOPMENT COUNCIL**  
OF SEATTLE - KING COUNTY

Finance & Administration Committee  
June 9, 2023  
Action Item E

# Program Year 2023 Annual Budget July 2023 – June 2024

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# Program Year 2022 Highlights



- Grants Awarded

- Dept of Commerce Digital Navigator 10/22-6/23 \$988,505
- State Funded EcSA 7/22-6/23 \$1,039,448
- NDWG QUEST Disaster Recovery 10/22-9/24 \$3,189,231

- Subcontractors

- 118 Active Contracts
- 59 Unique providers

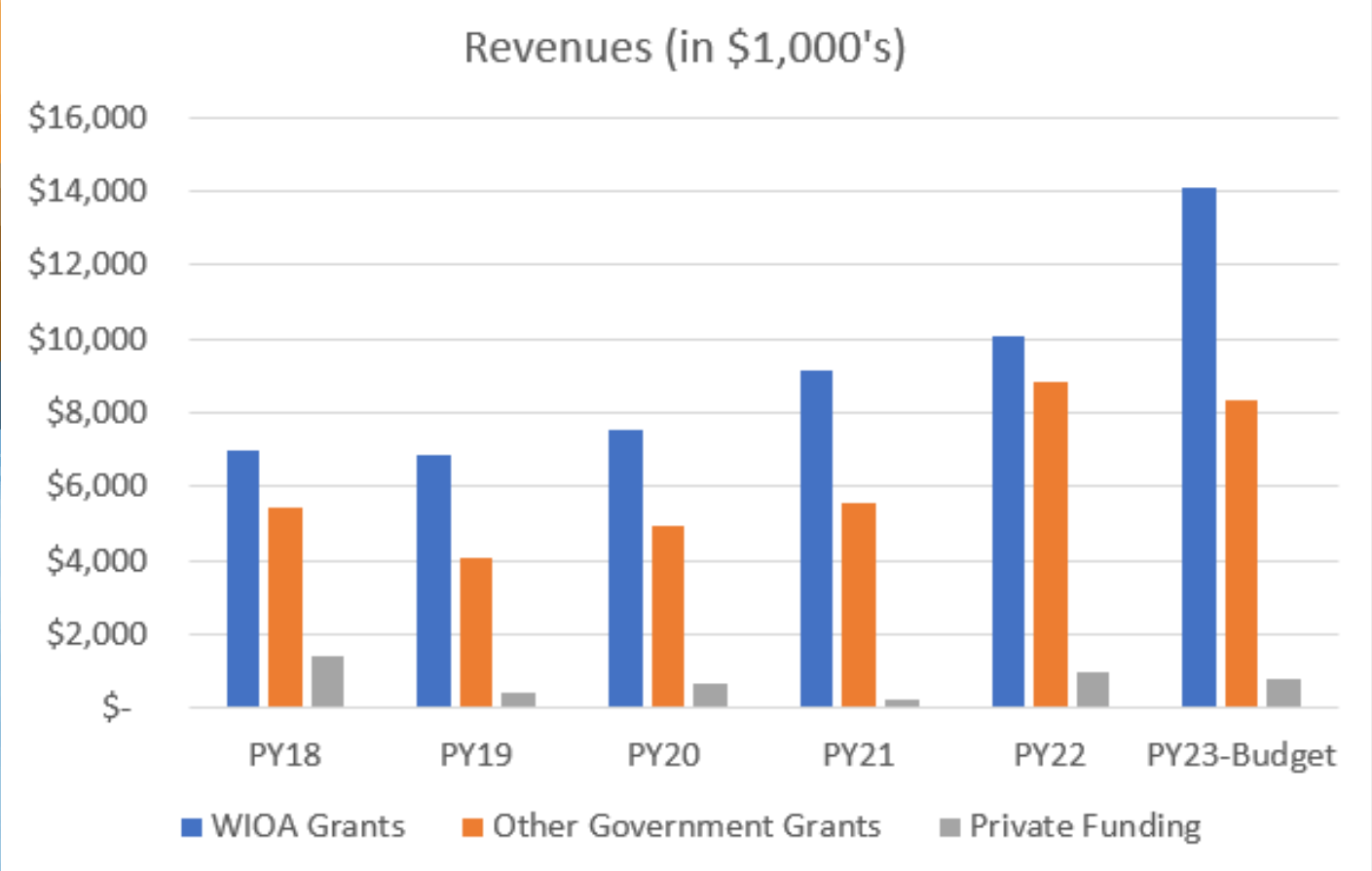
- Promotions

- Director of Strategic Partnerships & Funding
- Operations Manager

- Personnel Hired

- Contracts and Compliance Manager
- Three Project Managers
- Communications Specialist
- Policy Specialist
- Data Analyst
- Director of Industry Strategies
- Executive Assistant
- Project Manager (projected hire)

# Program Year 2023 Revenue





# Program Year 2023 Revenue



- **WIOA**

- \$8,685,709 Budgeted Carry-in from PY22 (compared to \$7.07mil carry-in from PY21 in to PY22)
- \$8,633,947 Budgeted PY23 award (compared to \$11.68mil award in PY22)
- (\$3,236,119) Carry-forward into PY24, 38% of PY23 award

- **Other Government Funding**

- Carry-in from Federal EcSA, KC Homeless Project, KC JIA, KC Recovery/Career Corps, QUEST
- Budgeted for renewal of KC Grants (JIA and VSHSL) and State Funded EcSA
- Added \$500,000 funding from City/County for operational expenses

- **Private Funding**

- Carry-in from Gates Foundation and Chase grants
- Budgeted \$150,000 from Bank of America based on previous year annual awards

# Program Year 2023 Staffing



- **Budgeted Replacements**

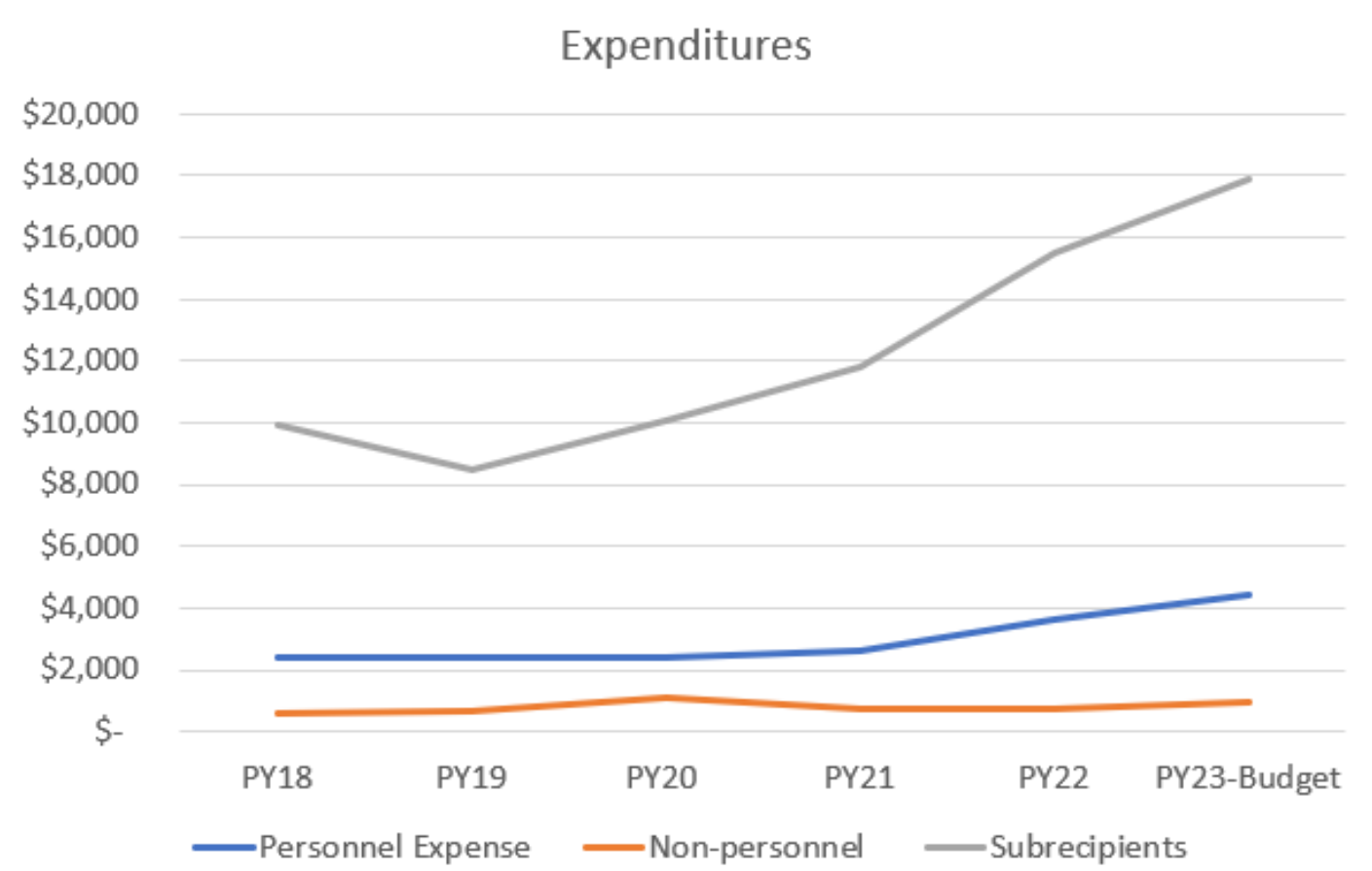
- Director of Industry Strategies June 2023

- **Budgeted New Positions**

- ETO Lead September 2023
- Director of Impact October 2023
- Monitor October 2023
- Grants Manager January 2024
- Project Manager January 2024
- Project Manager If NIH Grant is awarded

- **Total PY23 Headcount (excluding potential Project Manager): 29**

# Program Year 2023 Expenditures



# Program Year 2023 Expenditures



|   | 7/1/2018 -<br>6/30/2019 | 7/1/2019 -<br>6/30/2020 | 7/1/2020 -<br>6/30/2021 | 7/1/2021 -<br>6/30/2022 | 7/1/2022 -<br>6/30/2023<br>(Projected) | PY23 Budget       |
|---|-------------------------|-------------------------|-------------------------|-------------------------|--|-------------------|
| <b>Total Revenue</b>                              | <b>13,889,783</b>       | <b>11,398,884</b>       | <b>12,590,458</b>       | <b>16,132,139</b>       | <b>19,940,743</b>                      | <b>23,221,144</b> |
| <b>Expenses</b>                                   |                         |                         |                         |                         |  |                   |
| <b>Total Salaries and Benefits</b>                | <b>2,452,543</b>        | <b>2,451,311</b>        | <b>2,419,029</b>        | <b>2,635,089</b>        | <b>3,655,575</b>                       | <b>4,388,987</b>  |
| <b>Total Subcontractors</b>                       | <b>9,939,829</b>        | <b>8,484,635</b>        | <b>10,070,166</b>       | <b>11,826,517</b>       | <b>15,531,886</b>                      | <b>17,886,547</b> |
| <b>Total Occupancy (Rent, Utilities, Telecom)</b> | <b>240,652</b>          | <b>254,931</b>          | <b>315,786</b>          | <b>273,142</b>          | <b>269,199</b>                         | <b>282,000</b>    |
| <b>Total Equipment/Supplies/Furniture</b>         | <b>54,980</b>           | <b>68,045</b>           | <b>86,546</b>           | <b>54,482</b>           | <b>62,665</b>                          | <b>66,900</b>     |
| <b>Total Professional Services/A133 Audit</b>     | <b>49,602</b>           | <b>172,163</b>          | <b>577,405</b>          | <b>269,414</b>          | <b>186,217</b>                         | <b>228,200</b>    |
| <b>Total Travel/Professional Development</b>      | <b>95,795</b>           | <b>66,794</b>           | <b>47,356</b>           | <b>56,752</b>           | <b>110,426</b>                         | <b>228,755</b>    |
| <b>Total Printing/Publications</b>                | <b>-</b>                | <b>-</b>                | <b>3,380</b>            | <b>4,788</b>            | <b>1,768</b>                           | <b>4,500</b>      |
| <b>Total Insurance</b>                            | <b>27,032</b>           | <b>27,565</b>           | <b>29,769</b>           | <b>36,543</b>           | <b>43,504</b>                          | <b>45,000</b>     |
| <b>Total Dues/Memberships</b>                     | <b>49,515</b>           | <b>46,096</b>           | <b>39,046</b>           | <b>66,135</b>           | <b>78,414</b>                          | <b>90,000</b>     |
| <b>Total Expenses</b>                             | <b>12,909,948</b>       | <b>11,571,540</b>       | <b>13,588,483</b>       | <b>15,222,862</b>       | <b>19,939,653</b>                      | <b>23,220,889</b> |
| <b>Revenue over (under) Expenses</b>              | <b>979,835</b>          | <b>(172,656)</b>        | <b>(998,025)</b>        | <b>909,277</b>          | <b>1,089</b>                           | <b>255</b>        |

# Program Year 2023 Expenditures



- Increase in Salaries & Benefits due to assumed 5% COLA and five added positions
- Increase in Subcontractor expense in line with increased revenue
- Professional Services, budgeting to continue using All Things HR (\$5.4k/month) and ISOutsource (\$25k annually)
- Increase in Travel/Professional Development due to increasing Professional Development from \$2k/year per employee to \$5k and low expenditure for Council Travel/Meetings in PY22.
- Increasing Printing/Publications to expand marketing and outreach projects

**WORKFORCE DEVELOPMENT COUNCIL OF SEATTLE-KING COUNTY**  
**MEMORANDUM**

**ACTION ITEM:**

**DATE:** June 9, 2023  
**TO:** Finance and Administration Committee  
**FROM:** Michael Davie, Director of Programs  
**SUBJECT:** Contract Updates

The WDC staff has reviewed and recommends the following contract extensions, modifications and non-renewal of WIOA Adult, Dislocated Worker and Youth Programs to Finance and Administration Committee for approval on June 9, 2023.

**BACKGROUND:**

**Adult and Dislocated Worker Programs** - On March 11, 2019, the Workforce Development Council of Seattle-King County (WDC) released Request for Proposals (RFP) No. 18-02 for Workforce Innovation and Opportunity Act (WIOA) program services for Program Year 2019 (PY19) in the categories of Adult and Dislocated Worker braided with resources from the King County Veterans, Seniors and Human Services Levy (VSHSL).

**Program Summary:**

The Adult and Dislocated Worker programs provide employment services for residents in Seattle-King County who are farthest from opportunity - individuals who are overrepresented among low income and unemployed residents and historically underrepresented in terms of access to services. Services are offered as part of the WorkSource Seattle-King County System.

**Goals:** To strengthen the region's workforce development system by:

- Expanding racial equity and community-driven goals within the region's unified workforce development system and strategy;
- Identifying specific marginalized communities currently underserved by the workforce system and explicitly targeting funding for culturally competent and linguistically appropriate services to reach those communities;
- Coordinating resources to close system gaps, eliminate redundancies and increase efficiencies;
- Expanding access to training programs and navigation services along career pathways; and
- Creating a unified regional, coordinated and efficient system for engaging industry.

**RFP Awards:**

Five agencies were selected and awarded contracts beginning July 1, 2019. Contracts awards have the option for annual contract renewals, based on funding available, performance and Board approval.

**Youth Programs** - On January 11, 2021, the Workforce Development Council of Seattle-King County released Request for Proposals (RFP) No. 20-01 and on February 22, 2022, the WDC released Request for Proposals (RFP) No. 21-04, "Population Based Strategies-Youth Programs," for Workforce Innovation and

Opportunity Act Program services in the categories of In-School Youth (ISY) and Out-of-School Youth (OSY).

This RFP represents a key strategy and investment aligned with the WDC’s Regional Strategic Plan. The overarching goal is to strengthen the region’s workforce development system by:

- Expanding racial equity and community-driven goals within the region’s unified workforce development system and strategy.
- Identifying specific marginalized communities currently underserved by the workforce system and explicitly targeting funding for culturally competent and linguistically appropriate services to reach those communities, including targeted outreach and services for BIPOC (Black, Indigenous, people of color) young people, justice-involved, homeless, foster system-involved.
- Pooling and coordinating resources to close system gaps, eliminate redundancies and increase efficiencies.
- Expanding access to training programs and navigation services along career pathways.
- Creating a unified regional, coordinated, and efficient system for engaging industry.
- Leveraging public and private funding streams to ensure holistic, flexible services.

Proposals were required to demonstrate how services will be provided to demographic groups that are traditionally underfunded and overrepresented among individuals impacted by the COVID-19 pandemic relative to the total King County population, including but not limited to BIPOC, immigrants, refugees, individuals who lack basic skills including English Language proficiency, individuals who are homeless, and those with disabilities.

RFP Awards:

Youth Programs In-School and Out of School: Organizations were selected and awarded new contracts beginning July 1, 2021, with an option for In-School Youth and Out-of-school youth contract renewals of up to three additional years, based on performance, funding and Board approval.

Population Based Strategies: Organizations selected through this RFP were awarded contracts beginning June 1, 2022.

Contracts have the option to be renewed annually, based on funding available, performance and Board approval.

**Contract Extension Recommendations**

Based on funding available the following contract extensions and non-renewals are recommended:

**Adult Program Renewals: for the period of July 1, 2023 to June 30, 2024**

|                                    |                    |
|------------------------------------|--------------------|
| Asian Counseling Referral Service: | <b>\$350,000 t</b> |
| Neighborhood House:                | <b>\$450,000</b>   |
| TRAC Associates:                   | <b>\$1,000,000</b> |
| YWCA:                              | <b>\$600,000</b>   |

**Dislocated Worker Program Renewals: for the period of July 1, 2023 to June 30, 2024**

|                                    |               |
|------------------------------------|---------------|
| Asian Counseling Referral Service: | \$350,000     |
| Pacific Associates:                | \$1,000,000   |
| TRAC Associates:                   | \$1,250,000 t |

**Youth Program Renewals for the period of July 1, 2023 to June 30, 2024**

|   |             |
|---|-------------|
| Boys and Girls Club                               | \$500,000   |
| King County Children Youth and Young Adult (CYYA) | \$1,500,000 |
| Urban League                                      | \$300,000   |
| Evergreen Goodwill                                | \$300,000   |

The following two are being recommended under Sole Source needed to meet delivery schedule and achieve work within time requirements.

|                             |           |
|-----------------------------|-----------|
| El Centro de la Raza        | \$300,000 |
| Partner in Employment (PIE) | \$300,000 |

**Non-renewal**

Safe Futures is not recommended for renewal of its Youth Program contract due to performance challenges. Safe Futures will closeout contract and submit the final invoice in August 2023.

**ACTION REQUESTED:**

The action requested to the committee is to approve the above contract renewals to provide WIOA Adult, Dislocated Worker, and Youth Program Services in PY23 beginning on July 1, 2023 and ending June 30, 2024.





## WORKFORCE DEVELOPMENT COUNCIL OF SEATTLE-KING COUNTY

### MEMORANDUM

#### ACTION ITEM:

DATE: June 9, 2023  
TO: Finance and Administration Committee  
FROM: Michael Davie, Director of Programs  
SUBJECT: Policy Updates

The WDC staff has reviewed and recommends the following policy updates to the Finance and Administration Committee for review and approval on June 9, 2023.

#### SYNOPSIS:

Policy summary and modifications are as follows:

1. **TAA and Dislocated Worker Co-enrollment** – Update and streamline process for DW programs to accept referrals of TAA participants from TAA program.
2. **Youth Incentive Policy** – Update language and allowance of incentives in Youth Programs to address persistence, retention and achievement in work experience, education and training. Minor edits include removal of job readiness training as allowable incentive activity and data entry requirements to be entered into ETO.
3. **Adult and Dislocated Worker Incentive Policy** – Update language and allowance of cash assistance in Adult and Dislocated Worker programs to address persistence and retention in training and employment. Minor edits include removal of justification that included stating the business case and how the incentive was calculated. Adding required case note documentation in ETO to reflect the WEX or Training milestone achieved and incentive amount.

#### BACKGROUND:

The Workforce Development Council (WDC) of Seattle-King County proposed three (3) updated policies to address programmatic and administrative components of programming funded by the Workforce Innovation and Opportunity Act (WIOA). These policies align with WIOA Final Rules, as well as the Washington State Employment Security Department (ESD) WIOA Title I and WorkSource System policies. The revised policies are in “final draft” format and included in Finance and Administration Committee package on June 9, 2023.

## **APPROACH AND PROCESS:**

The following policies (TAA and Dislocated Worker Co-enrollment, Adult and Dislocated Worker Incentive Policy, and Youth Incentive Policy) were researched by staff and incorporated feedback from ESD monitoring review into final policy draft for FAC review and approval.

## **EQUITY IMPLICATIONS:**

The WDC launched a review of local policies in alignment with the Regional Strategic Plan strategies for an equitable economic recovery. In order to mitigate disparities in underserved populations and communities of color, the updated policies emphasize access and opportunity with the explicit intent to support Black, Indigenous, People of Color (BIPOC) and immigrant and refugee communities, who have historically experienced economic marginalization, with an intentional and concerted effort to center their needs and ensure equitable participation in the region's workforce system.

## **ACTION REQUESTED:**

Recommendation: WDC staff recommends the updated policies be accepted for final approval and immediate release of the TAA and Dislocated Worker Co-enrollment, Adult and Dislocated Worker Incentive Policy, and Youth Incentive Policy effective on June 9, 2023.

## INCUMBENT WORKER TRAINING

### Workforce Innovation and Opportunity Act Policies and Procedures

EFFECTIVE DATE: June 9, 2023

POLICY #: P206, v4

#### I. PURPOSE:

This policy addresses eligibility criteria for incumbent workers and employers, requirements for incumbent worker training programs, and cost sharing requirements for incumbent worker training projects when utilizing Workforce Innovation and Opportunity Act (WIOA) Title I formula funds.

#### II. BACKGROUND:

For businesses to remain competitive in Seattle-King County's thriving economy, a well-trained workforce that is up to date on industry-recognized skills is necessary. The Workforce Innovation and Opportunity Act's (WIOA) Incumbent Worker Training (IWT) program provides funding for continuing education, training, and upskilling of incumbent, or existing employees. It is designed to increase local businesses' competitiveness, avert potential layoffs, and/or upskill/backfill workers for existing Seattle King County businesses. It is primarily intended for workers who (i) have experienced a change in the necessary skills required to remain in their position, (ii) wish to advance in the company, or (iii) to avoid layoff.

Under WIOA Section 134 (d) (4), local boards may reserve/expend up to 20% of the combined adult and dislocated adult and dislocated worker formula funds, for incumbent worker training.

Per WIOA Section 134 (a)(3)(A)(i), the State may use state Rapid Response funds for layoff aversion and WIOA Governor's discretionary funds for statewide incumbent worker training activities.

#### III. DEFINITIONS:

- A. **Incumbent Worker** – An individual who is employed, meets Fair Labor Standards Act requirements for an employer-employee relationship, and has an established employment history with the employer for 6 months or more. 20 CFR § 680.780
- B. **Incumbent Worker Training** – Training designed to meet the special requirements of an employer (or group of employers) to retain a skilled workforce or avert the need to lay off employees by assisting workers in obtaining the skills necessary to retain employment and conducted with a commitment by the employer to retain or avert laying off incumbent worker(s) that are trained in order to increase the competitiveness of the employee and/or employer.
- C. **In-Demand Industry Sector or Occupation** – In general,
  - i. An industry sector that has a substantial current or potential impact (including through jobs that lead to economic self-sufficiency and opportunities for

advancement) on the state, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors; or

- ii. An occupation that currently has or is projected to have a number of positions (including positions that lead to economic self-sufficiency, based on the Self-Sufficiency Calculator and opportunities for advancement) in an industry sector so as to have a significant impact on the state, regional, or local economy, as appropriate.
  - a. A substantial/significant current or potential impact relates to the relative size and importance of the industry or occupation in terms of the number of jobs it maintains/produces, its role in supply chains, its financial impact on the local economy, and/or the quality of jobs related to the industry including opportunities to advancement.
- iii. The determination of whether an industry sector or occupation is in-demand shall be made by the state board or local board, as appropriate, using state and regional business and labor market projections, including the use of labor market information. [WIOA Section 3(23)]

#### **D. Layoff Aversion –**

A layoff is averted when: 1) a worker's job is saved with an existing employer that is at risk of downsizing or closing; or 2) a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer and experiences no time or a minimal time on unemployment.

#### **E. Incumbent Worker Training Outcome**

Incumbent Worker Training is a shared investment in workforce development which benefits employees and employers within key industries. To ensure training quality, training outcomes are defined as but are not limited to: increased productivity, reduced waste, earnings gains, job retention, layoff aversion, certification/licensing, close skill gaps, job advancements, return on investment, cost savings, increased profits, progress toward skill standards, new skill transferable across industries, introduction of new technologies, and new job creation (upskill/backfill).

#### **F. Individuals with Barriers to Employment**

WIOA Sec.3(24) and 20 CFR 680.320(b)

- Displaced Homemaker
- Low-Income Individuals
- Indians, Alaska Natives and Native Hawaiians
- Individuals with disabilities
- Older Individuals
- Individuals who have exited the criminal justice system
- Homeless Individuals
- Youth who are in or have aged out of the foster care system
- Individuals who are English language learners, low levels of literacy or facing substantial cultural barriers
- Eligible migrant and seasonal farm workers
- Individuals within 2 years of exhausting lifetime eligibility under Part A Title IV of the Social Security Act
- Single parents (including pregnant women)

- Long-term unemployed

#### IV. POLICY:

- A. Allocation:** The WDC will not reserve or expend more than 20% of combined WIOA Title I adult and dislocated worker formula allotments for incumbent worker training, not including any WIOA resources provided to the Seattle-King County region for incumbent worker training through state Rapid Response funds or Governor's discretionary funds.
- B. Applicability:** The requirements of this policy apply to all incumbent worker training supported with the sources identified in section IV. A, unless otherwise directed by the funder.
- C. Cohorts:** Incumbent worker training may be offered to a single incumbent worker, a cohort of incumbents working for the same employer, or a cohort of incumbents working for multiple employers as long as the worker and employer eligibility criteria and cost sharing requirements in this policy are met.
- D. Employer Share of Training Costs:** Employers who wish to participate in incumbent worker training are required to pay the non-WIOA (non-federal) cost of providing training to their incumbent workers. The employer share is based on the size of the workforce at the location(s) where incumbent worker training has been deemed necessary. When incumbent worker training is being provided for a group of employers, each employer's size and share of the training costs is determined separately.
1. Each employer's share is determined as follows:
    - At least 10 percent of the cost for employers with 50 or fewer employees.
    - At least 25 percent of the cost for employers with 51 – 100 employees.
    - At least 50 percent of the cost for employers with more than 100 employees.
  2. Wages paid to incumbent workers by their employer while in training can be included as part of their share and their share can be provided as cash or in-kind contribution that is fairly evaluated based on the rules for matching funds in the Uniform Guidance regulations at 2 CFR 200.306 and 2 CFR 2900.8.
  3. Per WIOA Section 181 (b)(1) and 20 CFR 683.250(a), WIOA Title I fund cannot be spent on the wages of incumbent employees during their participation in IWT. Incumbent worker wages paid by the employer during IWT cannot be included in the cost of training.

The Provider and WDC will track and document employer cost share contributions.

- E. Training:** Training can be provided through community and technical colleges, vocational technical centers, state colleges and universities, licensed and certified private entities/institutions, industry specific consulting or training organizations, professional associations, or credentialing entities, or the business itself (through in-house trainers). If inhouse training is provided, it must be for training to support new skills that will make the employer more competitive or avert layoffs.
1. **Procurement of Training:** The WDC will utilize procurement rules for contracts with training vendors for the purposes of incumbent worker training, as defined in [WDC Policy – Purchasing and Procurement](#). This criterion cannot be designated to a service provider.

## 2. Employer Secured Training:

- i. When in-house training is provided by an employee of the employer, the reimbursement amount is based on the employer share calculation. For example, the employer purchases new machinery, but now must train staff in its use. One employee has been trained to use it, and has the capacity and skill to train others, but calculations indicate it will be costly to devote that employee to the task because they would not be able to perform their own job while training staff. That employee's wages when providing the training would be included in the cost of training, and therefore, part of the cost share calculation.
- ii. When the training provider is secured by the employer, procurement is not required. The Provider enters into an agreement with the employer to reimburse for the WIOA federal share cost of the training. The agreement with the employer must document at a minimum:
  - a. The training being provided.
  - b. That the cost is reasonable for what is being provided; and
  - c. The approximate dollar amounts, both paid by the employer and paid by the WDC for the federal share.

## F. Incumbent Worker Training with Local Formula Funds –

1. **Incumbent Worker Eligibility Criteria:** Unlike with other training services, incumbent workers do not have to meet the eligibility criteria for adults or dislocated workers to receive incumbent worker training. The following are eligibility criteria an employee must meet to be considered an incumbent worker and receive incumbent worker training services:
  - i. Must be Employed (be an individual on the employer's payroll); and
  - ii. Meet the Fair Labor Standards Act requirements for an employer-employee relationship; and
  - iii. Must have an established employment history with the employer for six (6) months or more. If incumbent worker training is provided to a cohort of employees, not every employee in the cohort must have an established employment history with the employer for six months or more as long as a majority (51 percent or more) of the employees being trained meet the employment history requirement.
  - iv. Per 20 CFR 680.780, incumbent workers do not have to meet the eligibility requirements for career and training services for adults and dislocated workers unless they also are enrolled as participants in the WIOA Title I Adult or Dislocated Worker programs.
    - a. Individuals enrolled in IWT program are not participants and their services do not trigger participation for reporting on federal measures.
    - b. Individuals enrolled in IWT programs are not eligible to receive support services unless they meet eligibility for and are co-enrolled in either the

WIOA Title I adult or dislocated worker programs and receive a qualifying career service or training service.

2. **Employer Eligibility Criteria:** The following factors are specific eligibility requirements the employer must meet to participate in the Incumbent Worker Training Program.

The employer must document:

- i. **Need for Training:** Incumbent Worker Training will increase the employers' ability to create and/or retain jobs or fill critical job openings.
- ii. **Quality of the training/opportunities for advancement:** Training that will lead to or provide industry-recognized credentials and/or advancement opportunities.
- iii. **Quality of Occupations:** Training is for occupation(s) that are in demand as defined by WIOA Section 3(23) and as determined by workforce area-specific labor market information produced by ESD (listed on the [Occupations in Demand Listing](#).)
- iv. **Types of Trainees:** Trainees are individuals with barriers to employment as defined in WIOA Section 3(24) and/or low income/underemployed who will benefit from retention or advancement.
- v. **Number of Trainees:** The number of participants the employer plans to train or retrain.
- vi. The wage and benefit levels of participants (before and after training).

The employer:

- a. Is in an in-demand industry as defined by WIOA Section 3(23) as determined by ESD labor market information; or
- b. Is in an in-balance industry as determined by ESD labor market information. Or
- c. Is in a declining industry, but presents compelling reasons (e.g., evidence of long-term viability of the employer) justifying investment in incumbent worker training.
- d. Must not have laid off workers within 120 days to relocate to Washington from another state.
- e. Must be current in unemployment insurance and workers' compensation taxes, penalties, and/or interest or related payment plan.

The WDC will document the factors that were considered in approving an incumbent worker training project with an employer.

## V. PROCEDURE

### A. Key Operating Standards:

- i. Each Program Year, the Workforce Development Council of Seattle King County shall determine an amount of adult/dislocated worker formula funds to be reserved/ expended for incumbent worker training.
- ii. Incumbent Worker Training Applications will be open and competitive each Program Year, or until all funding is exhausted. Applications will be reviewed and awarded as the applications are submitted. Employers can only be awarded once during the program year.

- iii. Incumbent worker training will be prioritized for business and employees from key Industry Sectors identified in the WDC's Regional Strategic Plan. However, the WDC will consider other opportunities with industries/companies to avert layoffs, address skill shortages or to assist emerging industries.
- iv. The WDC's incumbent worker training dollars are best leveraged when working with industry partnerships, associations, consortiums, round tables and where training projects benefit more than one company. The WDC will give priority to projects working with industry partnerships for multi-company training.
- v. WIOA requires a minimum company match from participating employers of 10%-50% depending on the size of the company. Whenever possible, the WDC will capture 100% company match (cash or in-kind or a combination). Company match can be satisfied with the cost of wages/benefits paid to the employee/trainee while in training. See Section B. Employer Share of Training Costs.
- vi. A tagline for WDC funded incumbent worker project material (written or electronic) indicating "This training project was sponsored by the Workforce Development Council of Seattle King County" will be required.
- vii. The WDC will review and determine funding reserved for incumbent worker training each Program Year.

## B. Application Process

WDC staff and Provider will review applications as they are submitted.

Forms required at submission are the

- i. Incumbent Worker Training Application,
- ii. Incumbent Worker Training Budget and Match Worksheet
- iii. Course description and/or curriculum.

## C. Review Process

Incumbent Worker Training Applications will be reviewed and awarded as they are submitted.

The process will include the following:

- a. Incumbent Worker Training Applications submitted to BST Provider.
- b. If the request for funds is over \$10,000, see Section IV E. Training.
- c. WDC Staff and Provider will review applications and determine alignment with Regional Strategic Plan and Sector Strategies priorities until funds are exhausted.
- d. Provider will notify the applicant of the determination and complete Incumbent Worker Training Agreement.

## D. Incumbent Worker Training Agreement

The WDC's Incumbent Worker Training program requires multiple forms of documentation to comply with our funding source which includes the release of personal identifying information, including social security number and date of birth. All personal identifying information will be kept secure. If these items are not received the WDC will withhold reimbursement of the training.

An Incumbent Worker Training Agreement must be executed with the entity who submitted the Incumbent Worker Training Application.



Once the Incumbent Worker Training Agreement is executed the Employer will need to complete:

1. Incumbent Worker Training Before and After Training Trainee List
2. Incumbent Worker Match Report

Furthermore, each employee participating in the training must complete the following **before training begins**:

1. Incumbent Worker Training Employee Application, includes the employee's date of birth
2. Release of Information, includes the employee's social security number
3. Create a WorkSource WA account at [www.worksourcewa.com](http://www.worksourcewa.com)

#### **E. At the Conclusion of Training**

The Employer is required to provide for each training a class roster and all certifications, licenses, certificates of completion, expenses, employer match worksheet, etc... If these are not received reimbursement will be withheld until received.

## **VI. DOCUMENTATION AND DATA ENTRY REQUIREMENTS**

The Provider in partnership with the WDC is responsible for ensuring that the data entry and documentation requirements below are met. Incumbent workers being served through an IWT strategy are not required to meet WIOA Adult or Dislocated Worker eligibility requirements, unless they are co-enrolled as participants in one of these programs. Unless they are enrolled in the Adult or Dislocated Worker program, they are not participants for the purpose of inclusion in WIOA performance indicator calculations for state outcomes. However, states and local areas are still required to report certain data elements on all individuals who receive only incumbent worker training.

**A. Incumbent Worker Training Agreement:** Incumbent worker training requires an agreement between the designated service provider and the employer. Incumbent worker training funds may not be expended, and incumbent worker training may not start until a completed agreement is in place and signed by all relevant parties. The training agreement must document the following information:

1. The date the agreement is entered into and names and signatures of authorized representatives from the WDC, each employer, and each service provider (when designated);
2. Contact information for the WDC, each training provider, each employer, and each service provider (when designated);
3. Information regarding the type of training, total training hours, start date, estimated completion date, and outcome.
4. All incumbent worker eligibility requirements described above;
5. All employer considerations and eligibility requirements described above;
6. Summary of costs associated with the training, including but not limited to: tuition, registration fees, books, and educational supplies;
7. Summary of funding sources to be used to fund the training and each employer's share of the training costs, including any fairly evaluated in-kind contributions;
8. Assurances for the WDC, each employer, and each service provider (when designated), which must include at a minimum:

- a. Each entity shall ensure its agents and employees and any members of its governing body avoid any actual, potential, or appearance of conflict of interest with involved parties;
- b. Each entity shall ensure none of its activities discriminate against, deny benefits to, deny employment to, or exclude from participation any persons on the grounds of race, color, national origin, sex, disability, or political affiliation or belief; and
- c. Each entity will ensure grievances and/or discrimination complaints are referred to the appropriate entity for resolution.

**B. Assessment:** The designated service provider must determine a need for incumbent worker training services through an assessment with the employer (see Employer Considerations above):

1. This determination must be documented and stored physically or electronically in the employer's file.
2. Accompanying labor market information demonstrating that the employer or group of employers represent in-demand industry sectors or occupations in the local area is required.

**C. WIOA Registration:** The WDC or designated service provider must ensure:

1. Basic WIOA registration in WST is completed for an individual to receive incumbent worker training services. Additionally, any relevant documentation must be collected and stored physically or electronically in the individual's file.
2. Basic WIOA registration in WST is completed for an employer to receive incumbent worker training services; any relevant documentation must be collected and stored physically or electronically in the employer's file.

**D. Additional Data Entry Requirements:** The WDC or designated service provider must ensure:

1. The employer and the start date of the incumbent worker training is entered into WST. This is entered in place of the employer of dislocation and the date of dislocation.
2. Each incumbent worker is enrolled in the program representing the fund source of the training.
3. An incumbent worker training service is entered into WST to represent the training for each incumbent worker and the employer. For incumbent workers, this service will not begin or extend participation unless the seeker is also enrolled in a program subject to participation requirements. As a stand-alone service, incumbent worker training is exempt from participation and performance.
4. This service documents the start and estimated end date of the training as appropriate. When the training ends and a credential is obtained (if applicable), this is to be used as the end date of this service.

## VII. REFERENCES:

- State ESD WIOA Policy 5607, Rev 3
- Federal Register - 20 CFR 680.200, 680.780, 680.790, 680.800, 680.810, and 680.820
- Federal Register – 29 CFR Part 38 et al
- Federal Register – 2 CFR 200 et al

- WIOA Sections 134(c)(3) and 134(d)(4)
- WIOA Sections 3(23) and 3(24)
- Fair Labor Standards Act of 1938, as amended
- Americans with Disabilities Act of 1990

## TAA and WIOA DISLOCATED WORKER CO-ENROLLMENT

### Workforce Innovation and Opportunity Act Policies and Procedures

EFFECTIVE DATE: 06/09/23

POLICY #: P213 v.3

#### I. PURPOSE:

To communicate the requirement to co-enroll Trade Adjustment Assistance (TAA) participants into the Workforce Innovation and Opportunity Act (WIOA) Title I-B Dislocated Worker program if they are eligible, unless they decline.

Though there is no equivalent Workforce Innovation and Opportunity Act (WIOA) Final Rule or WIOA operating guidance, DOL commented on page 51913 of the TAA Final Rule that States, under their Governor-Secretary Agreements, are required to implement the Final Rule. The Agreements bind state governments to the terms and conditions of the Agreement and implementation of the TAA program, including the co-enrollment requirement, and the ability to enforce the co-enrollment requirement at the state and local levels.

#### II. POLICY:

TAA participants must be co-enrolled in the WIOA Title I-B DW program if they are determined eligible, unless the participant declines. For TAA participants being served under the TAARA of 2015, co-enrollment would include Adversely Affected Incumbent Workers (AAIW) (see definition below). However, AAIW do not qualify under TAA Reversion 2021 (see [WIOA Title I Policy 5617, Revision 1](#)).

##### A. Notice to TAA Participants and Documenting Declination

1. TAA case managers will inform TAA participants about the benefit and option of co-enrolling into WIOA Dislocated Worker program services (WIOA DW) and that declining to co-enroll in WIOA DW will have no adverse impact on their services from TAA.
2. TAA case managers should inform the individual that co-enrollment into WIOA DW is dependent upon meeting eligibility criteria.
3. If a TAA participant declines co-enrollment, the individual may change their mind and request a referral to the WIOA DW program at a later date.

##### B. Referral Process

1. TAA staff will refer participants for enrollment into WIOA DW by sending an email to the WIOA email: [info@seakingwdc.org](mailto:info@seakingwdc.org)
  - a) Referral information will indicate that this is a co-enrollment referral from TAA on the subject line. The body of the email will include the individual's first name and the MIS number associated with the participant, as well as the individual's preferred language and zip code/city. If there is an assigned TAA case manager for the referred individual, this should also be included.

2. TAA staff sending the referral will receive confirmation from WIOA DW staff that the referral was received.
3. WIOA DW staff will follow up via email to inform TAA staff regarding the outcome of the referral, including a determination of WIOA DW eligibility and whether the referred individual successfully enrolled or declined to participate in the WIOA DW program, or if enrollment may be delayed until a later date.

### C. Enrollment into the WIOA DW Program Services

1. WIOA DW staff will conduct outreach to the participant for an eligibility determination within ten business days of receiving the referral. WIOA DW staff will inform TAA staff via email of enrollment or the decline of services.
2. DW enrollment should occur within ten days of a completed eligibility determination or upon the delivery of a service that initiates participation into WIOA DW. Staff may conduct a basic assessment of barriers and determine prospective support service needs as the service that initiates participation.
3. Participant may decline to participate in a service that initiates participation, enrollment may be delayed until a service that initiates participation occurs.
  - a) Once WIOA DW eligibility determination has been completed, the TAA participant retains their eligibility status for WIOA DW through the duration of TAA program participation unless the TAA participant obtains permanent employment at 80% of their job of dislocation.
4. Services are dependent upon availability of funds.

## III. DEFINITIONS

Adversely Affected Incumbent Workers (AAIW) - A worker who: (1) Is a member of a worker group certified as eligible to apply for the TAA program under subpart B of the TAA Final Rule; (2) has not been totally or partially separated from adversely affected employment; and (3) DOL determines, on an individual basis, is threatened with total or partial separation.

## IV. REFERENCES:

- 20 CFR 618.325
- Washington WorkSource System Policy 5617 Co-enrollment of Trade Adjustment Assistance participants into the WIOA Title I-B Dislocated Worker program.
- TEGL 4-20 – Guidance on Integrating Services for Trade-Affected Workers under the Trade Adjustment Assistance Program (TAA Program) with the Workforce Innovation and Opportunity Act (WIOA) Title I Dislocated Worker (DW) Program
- [WIOA Title I Policy 5617, Revision 1](#)- Co-enrollment of Trade Adjustment Assistance (TAA) participants into the Workforce Innovation and Opportunity Act (WIOA) Title I-B Dislocated Worker program

## YOUTH INCENTIVES

### Workforce Innovation and Opportunity Act Policies and Procedures

EFFECTIVE DATE: 06/09/23

POLICY #: P202 v2

#### **I. PURPOSE:**

The purpose of this policy is to address the use of Workforce Innovation and Opportunity Act (WIOA) Title I-B Youth funds for incentive payments.

#### **II. BACKGROUND:**

The Workforce Innovation and Opportunity Act (WIOA) final rules specifically reference incentive payments to youth, although the WIOA final rules and WIOA operating guidance state that guidance in this area is forthcoming. The Washington State Employment Security Department (ESD) has issued WIOA policy 5621 in the interim to eliminate confusion and support comprehensive service delivery while the one-stop system awaits such guidance. The following policy addresses local requirements for providing incentive payments to WIOA Title I participants. If and when additional federal and/or state guidance is issued, the Workforce Development Council of Seattle-King County will review this policy and make revisions as appropriate.

#### **III. POLICY:**

Incentive payments to WIOA Title I youth participants are permitted for recognition and achievement milestones directly tied to training or education activities and work experiences. Service providers must ensure that the incentive payments are:

- a) Awarded in recognition and achievement directly tied to youth program elements, which can include training activities, work experiences.
- b) Tied to the goals of the WIOA Title I youth program,
- c) Outlined in a written, local policy prior to the start date of training programs or work experiences that might provide incentive payments,
- d) Aligned with other WIOA Title I youth program policies, and
- e) Provided in accordance with the requirements and cost principles in 20 CFR part 200.

Incentive payments must be in compliance with the Cost Principles in 2 CFR part 200 and as such incentive payments cannot be spent on entertainment costs, such as movie or sporting event tickets, gift cards to movie theaters, or other venues whose sole purpose is entertainment. Additionally, internal controls must be established to safeguard any cash or other forms of payments used to award incentive payments, such as gift cards or gift certificates.

Per 20 CFR 681.640 and TEGL 21-16, incentive payments with WIOA funds must be connected to recognition of achievement of milestones in the program tied to work experience, education, or training. Such incentives for achievement could include improvements marked by acquisition of a credential or other successful outcomes.

Incentives may not be used for recruitment purposes or returning eligibility documentation to the case manager. Providers are responsible for maintaining equitable distribution of incentives based on the outlined milestones achieved while participating in the WIOA youth program. Providers will be required to follow the fixed amounts below. However, the following is not an exhaustive list of allowable incentive achievements. If providers want to expand beyond the categories below, they will utilize the exception request form to propose other allowable milestones.

|         |                         |       |
|---------|-------------------------|-------|
| Tier I  | Skills Acquisition      | \$100 |
| Tier II | Completion/ Credentials | \$250 |

|    | Milestone:   | Amount: |
|----|--|---------|
| 1  | Passing Individual GED test  | \$100   |
| 2  | Completion of GED Credential or High School Diploma                                | \$250   |
| 3  | Earned an industry-recognized credential   | \$250   |
| 4  | Earned basic certificate (CPR, First Aid, etc..)                                   | \$100   |
| 5  | Completed quarter of post-secondary education                                      | \$250   |
| 6  | Obtained unsubsidized employment   | \$250   |
| 7  | Retention in unsubsidized employment (at least 3 months)                           | \$250   |
| 8  | Completed successful work experience (WEX)   | \$250   |
| 9  | <a href="#">Measurable Skills Gain (see link for types of MSG and definitions)</a> | \$100   |
| 10 | Tutoring and Study Skills  | \$100   |
| 11 | EFL Gains and Achievement of Basic Skills Improvement                              | \$100   |
| 12 | Credit Recovery  | \$100   |
| 13 | Post-secondary preparation and transition activities                               | \$100   |
| 14 | Post-secondary persistence and success   | \$250   |
| 15 | Financial literacy education   | \$100   |
| 16 | Entrepreneurial skills training  | \$100   |

#### IV. DOCUMENTATION AND JUSTIFICATION:

- a) Full WIOA registration – A full WIOA Title I eligibility determination and enrollment into a WIOA Title I youth program is required to receive an incentive payment. Additionally, incentive payments may only be awarded for recognition of success in an educational program or work experience.
- b) Data entry requirements – information regarding the incentive payment must be entered into ETO as follows:
  - Incentive payments are not services but, rather, financial transactions. Youth service providers must document incentive payments to youth by recording in case notes and document in participant files. Documentation should include the youth program element from Attachment A of ESD Policy 5621 and milestone, including attainment and retention of unsubsidized employment, achieved along with the incentive amount paid for the

achievement.

- Expenditure records of incentive payments must be stored locally and uploaded into ETO.
- Service Providers must obtain documentation of achievement prior to dispensing the incentive to the youth participant. Documentation could include a copy of the GED, High School Diploma, a recognized credential, quarter grade print out, pay stubs, timesheets, or supervisor letter to document attendance. All documentation including signed supportive service/incentive form must be kept in participant file and uploaded to ETO.

## REFERENCES:

### Incentives

- TEGL 21-16 - Third Workforce Innovation and Opportunity Act (WIOA) Title I Youth Formula Program Guidance
  - 20 CFR part 200 - Cost principles and allowable activities funded under WIOA Title I
  - 20 CFR 681.640
  - Washington Employment Security Department Policy 5621 Revision 4 - Incentive Payments to WIOA Title I Participants
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## ADULT AND DISLOCATED WORKER INCENTIVE PAYMENTS POLICY

### Workforce Innovation and Opportunity Act Policies and Procedures

EFFECTIVE DATE: 06/09/2023

POLICY #: P214 v2

#### I. PURPOSE:

To provide clarification and guidance on incentive payments to eligible Adult, Dislocated Worker and Statewide Activity funded program participants under Title I of the Workforce Innovation and Opportunity Act (WIOA).

#### II. BACKGROUND:

There is no specific reference in the WIOA final rules regarding incentive payments to adults and dislocated workers in 20 CFR 681.640. Furthermore, although the WIOA final rules and WIOA operating guidance state that guidance in this area is forthcoming, the one-stop system is still awaiting such guidance. Therefore, to provide additional clarification to Washington's WorkSource (one-stop) system, the WDC is issuing this policy to support comprehensive service delivery. If and when federal guidance is issued, ESD will review the state policy and make necessary and appropriate revisions and the WDC will update this policy, accordingly.

#### III. POLICY

##### Incentive Payments to Adult and Dislocated Workers Policy and Procedures

- A. Incentives may be provided to WIOA Title I-B Adult, Dislocated Worker and Statewide Activity funded program participants in the manner outlined in the Incentive Policy P214.
  1. Incentives must be directly related to WIOA training services or work experience (WEX), as defined in the WorkSource Services catalogue
  2. Incentives must not be paid to maintain employment in the second and fourth quarters after exit.
  3. Incentives payments with WIOA and statewide activities funds must be connected to recognition of achievement of milestones in the program tied to work experience or training. Such incentives for achievement include improvements marked by credential attainment or other successful outcomes.

The following is the exclusive list of allowable incentive achievements allowed:

- WEX and Training Progress based upon achievements and milestones
- Attainment of credential related to a training service
- Progress or completion of work experience or training services including obtainment of job skills as specified in the training plan, or specific training or WEX attendance or task completion as documented on IEP or WEX contracts.
- Positive Measurable Skills Gain

4. All incentives must be in compliance with 2 CFR part 200 (e.g., federal funds must not be spent on entertainment costs, such as movie or sporting event tickets, gift cards to movie theaters, or other venues whose sole purpose is entertainment) and found in local Support Service policy P201.
5. The WDC must request and receive approval from the state annually prior to expending any new WIOA Title I-B formula grants or statewide activities funds on incentives to WIOA Title I-B Adult, Dislocated Worker, or Statewide Activity funded program participants.
6. Providers must also internally maintain appropriate and identifiable expenditure records of incentive payments for the purposes of local, state, and federal monitoring/audits.
7. Provider agencies must safeguard cash and other similar items (e.g., gift cards) with internal controls.
8. The WDC does not limit the total amount of incentives payments an enrolled WIOA Title I-B Adult, Dislocated Worker, or Statewide Activity funded program participant may receive in a program year (July 1 through June 30).
9. Providers must document (case note) the following in the case management system for each participant that receives an incentive payment(s):
  - Incentive payments are not services but, rather, financial transactions. Adult and Dislocated Worker program service providers must document (case note) in the case management system for each participant that receives an incentive payment(s) the WEX or training milestone achieved along with the incentive amount paid for the achievement.
  - Service providers must also internally maintain appropriate and identifiable expenditure records of incentive payments for the purpose of local, state, and federal monitoring and audits.

| Training Milestone Calculation:  | Amount: |
|--|---------|
| Documented progress in training service                                    | \$ 250  |
| Credential Attainment, Completed Training Service and/or Pass Exam         | \$ 500  |
| Increased Job Skills specified in IEP in combination with training service | \$ 250  |

| Work Experience Milestone Calculation: |        |
|--|--------|
| Documented Progress in WEX             | \$ 250 |
| Completion of WEX                      | \$ 500 |

#### IV. REFERENCES:

- WIOA Final Regulations, 20 CFR 681.640 – Are incentive payments to youth permitted?
- WIOA Final Regulations, 20 CFR 683.200(b)(2) – Allowable Costs and Cost Principles

- OMB Uniform Guidance, 2 CFR 200.456 – Participant Support Costs
- OMB Uniform Guidance, 2 CFR 200.75 – Participant Support Costs
- OMB Uniform Guidance, 2 CFR 200.407(t) – Prior Written Approval
- Training and Employment Guidance Letter (TEGL) 21-16
- Training and Employment Guidance Letter (TEGL) 19-16