



STATE OF WASHINGTON

**Workforce Training and Education
Coordinating Board**

PO Box 43105, Olympia, Washington 98504-3105

Employment Security Department

PO Box 9046, Olympia, Washington 98507-9046

June 14, 2007

Ms. Emily Stover DeRocco, Assistant Secretary
Employment and Training Administration
U.S. Department of Labor
200 Constitution Avenue, NW, Room S-5206
Washington, D.C. 20210
Attn: Karen Staha

Dear Ms. DeRocco:

Please accept this Washington State application for the Section 503 Incentive Grant funds. The Workforce Training and Education Coordinating Board, along with the Employment Security Department, submit this application on behalf of Governor Christine Gregoire, the Washington State's workforce development operating agencies, and the local area Workforce Development Councils.

Washington is eligible for \$1,850,193 in Section 503 Grant funds for exceeding Program Year 2005 performance for programs authorized under Title I-B of the Workforce Investment Act, The Adult Education and Family Literacy Act (AEFLA), and the Carl D. Perkins Career and Technical Education Act.

Washington State's application includes four parts:

- Assurances and Grant Information
- Project description, local application process, and protocols for determining local area eligibility and size of award
- Application For Federal Assistance Standard Form 424
- Budget Information Standard Form 424A

Our State will expend Section 503 Grant funds for activities authorized under WIA Title I-B, AEFLA, and Perkins Act. Activities will: (1) be targeted to the needs of those served under the Acts, (2) be structured to promote collaboration among the state and local agencies administering the three federal programs, and (3) be innovative, comprehensive, coordinated, and targeted to improving system performance.

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Please feel free to contact us if you have any questions or would like additional information.

Sincerely,



Eleni Papadakis, Executive Director
Workforce Training and Education
Coordinating Board



Karen T. Lee, Commissioner
Employment Security Department

Enclosures

cc: Office of the Governor
Charlie Earl, Executive Director,
State Board for Community and Technical Colleges
Israel Mendoza, Director of the Office of Adult Literacy and
Basic Skills Programs
Tim Probst, Director, Washington Workforce Association
Jon Lampman, Workforce Development Specialist, DOL Region 6

**Washington State
2007
Draft Section 503 Incentive Grant Application**

A. Assurances

1. Consultation with the state legislature.

The Washington State Legislature has been consulted. The Executive Director of the Workforce Training and Education Coordinating Board (Workforce Board) has contacted the chairs of the relevant State House and Senate committees with respect to the development of the application.

2. Approval by Governor, the eligible agency for adult education, and the Perkins sole state agency.

The Governor has approved the application. The State Board for Community and Technical Colleges (SBCTC), the eligible agency for adult education as defined in section 203(4) of Workforce Investment Act (WIA), has approved the application. The Workforce Board, the agency responsible for vocational and technical education programs as defined in section 3(9) of the Carl D. Perkins Career and Technical Education Act has approved the application.

3. Exceeding PY 2005 Performance.

Washington State exceeded PY 2005 state adjusted levels of performance for WIA Title I-B, the state adjusted levels of performance for the Adult Education and Family Literacy Act (AEFLA), and the performance levels established for Perkins Act programs.

B. Additional Grant Information

1. **Responsible Agencies**

High Skills, High Wages 2006: Washington's Strategic Plan for Workforce Development describes the general process for Section 503 awards.

When Washington receives such an incentive award, it allocates the funds to local areas that exceeded their expected level of performance in these programs, including performance on the state core measures, as well as the federal core indicators. The Workforce Board identifies the size of the award for each year, and ESD allocates the funds. Funds must be used for system building and not activities that pertain only to a particular program, i.e., WIA Title I-B, Adult Education and Family Literacy, or CTE.

The state plan, therefore, sets certain parameters for the allocation process and use of the funds. The Workforce Board is to be the agency that determines the allocation of

the funds and the local Workforce Development Areas that have exceeded their performance targets may receive the funds.

As the State Administrative Agency for WIA Title I-B, the Employment Security Department (ESD), will serve as the fiscal agent and will administer the funds based upon the allocations identified by the Workforce Board. ESD will fulfill federal reporting requirements on the use of all Section 503 funds.

At this time, the Workforce Board is still collecting and analyzing data to determine the Workforce Development Areas that exceeded the performance targets for the three programs (WIA Title I-B, AEFLA, and the Perkins Act). The Workforce Board is also still analyzing options for determining the amount of funds to be allocated to each of the eligible areas. The Workforce Board will establish the exact formula for determining area eligibility and size of award no later than the first quarter of PY 2007.

Local Application Process

The Workforce Development Council (WDC) (the local Workforce Investment Board authorized under WIA) will serve as the fiscal agent for eligible Workforce Development Areas and submit the area application for an award to the Workforce Board.

The area application must demonstrate the involvement and broad support of Community and Technical College Presidents, Common School Superintendents, and the WDC in the area. Presidents, superintendents, and the WDC—or their designees—must be involved in the development of the application and presidents, superintendents, and the WDC must review, discuss, and approve the application. (This language does not, however, require unanimity within each of these categories of stakeholders.) The exact number of each type of stakeholder is left to local discretion. A state review committee will approve the local application by a favorable vote of the majority of the committee members. The state review committee will consist of:

- 1 – Workforce Training and Education Coordinating Board (Chair of Committee)
- 1 – Employment Security Department
- 1 – Postsecondary Vocational-Technical Education
- 1 – Secondary Vocational-Technical Education
- 1 – Office of Adult Literacy and Basic Skills Programs
- 1 - Washington Workforce Association
- 1 – Business
- 1 – Labor

2. Planned Activities

Washington State will use the Section 503 Grant funds for activities that are authorized under WIA Title I-B, AEFLA, and the Perkins Act. The services will build on, rather than duplicate, services offered under the three federal acts.

The State will encourage Workforce Development Areas to use the funds for activities that are:

Innovative: Services and activities beyond those the state conducts with its regular funds from these programs, particularly activities that are authorized through more than one program.

Comprehensive and coordinated: Combined activities and services that are authorized by different programs and sustainable partnerships that extend across programs.

Targeted to the needs of those served under the Acts: Activities designed for individuals who have a variety of education and training needs and may be hard to serve.

Targeted to improving system performance: Activities that serve needs and populations that are likely to result in improving state systems of employment, training, and education.

In addition, the state will encourage Workforce Development Areas to plan activities that promote cooperation and collaboration among the local agencies administering WIA Title I-B, AEFLA, and Perkins Act programs. The state will also encourage applications from multiple Workforce Development Areas.

Based on public discussions organized by the Workforce Board, the Board has identified two priorities for use of the funds: (1) Serving adults and out-of-school youth with limited basic skills and (2) serving people (youth and adults) with disabilities. In many cases, these two populations overlap. In serving these two populations, the Workforce Board is interested in innovative methods that extend across programs and leverage other funding sources.

In serving adults and out-of-school youth with limited basic skills, of particular interest is the provision of support services to participants in basic skills programs that combine basic skills instruction with occupational skills training such as in Integrated Adult Basic Education and Skills Training (I-BEST), although funding is not limited to participants in I-BEST programs.

If a local area determines based upon data and the WDC Strategic Plan that there is a more compelling case for serving a different hard-to-serve population than adults and out-of-school youth with limited basic skills or people with disabilities, then the area may submit an application addressing another population that requires systemic and innovative attention.

Legislative authority for the planned activities described above include:

Adult Education and Family Literacy Act (WIA Title II). Sec. 212, Sec. 225, and Sec. 231.

Carl D. Perkins Career and Technical Education Act. Sec.135(b)(1); Sec.135(b)(2), Sec. 135(b)(6), Sec. 135(b)(7), Sec. 135(c)(1), Sec. 135(c)(2), Sec. 135(c)(4), Sec. 135(c)(7), Sec. 135(c)(12), and Sec. 135(c)(13).

WIA Title I-B. Sec. 112, Sec. 118, Sec. 129, and Sec. 134.

3. Improving Performance

By focusing the planned activities on addressing adults and out-of-school youth with limited basic skills and/or people with disabilities, Washington expects to improve performance as measured by the core performance measures for the three acts.

Workforce Board and national research has demonstrated that a primary obstacle to individuals with limited basic skills enrolling in and completing education and training is the lack of support services. Many of these individuals face challenges that can be met through such support services as child care, transportation assistance, and counseling. As participants stay in programs longer, outcomes will be better—particularly labor market outcomes. Workforce Board and national research has also shown that individuals have much better results when they enroll in programs that combine occupational skills training with basic skills instruction. By enabling more individuals to enter into and complete such programs, performance will rise. This will also enable local areas to form partnerships with postsecondary institutions around the state's Opportunity Grant program that provides enhanced assistance to local income individuals in postsecondary training. It is expected that many of the individuals with limited basic skills will co-enroll in WIA Title I, Adult Education, and Perkins, increasing the performance outcomes for all three programs.

Program outcomes for people with disabilities, unfortunately, tend to be lower than for other populations. Workforce Board research has shown this to be the case across all three of these workforce development programs. By focusing on improving results for people with disabilities, Washington will be working on one the major aspects of our system that is most in need of improvement.

Finally, local areas will be required to flag participants receiving section 503 funds in their administrative records so that the outcomes may be measured.

4. Consultation with Stakeholders

Following the notification of Section 503 Grant funds in May 8, 2007, the Workforce Board organized a special meeting of the Board's Interagency Committee (IC) on May 11, 2007, to discuss innovative and collaborative uses of the incentive funds. The IC includes business and labor representatives and representatives of the Workforce Board (Perkins sole state agency), Superintendent of Public Instruction (Perkins state sub-recipient), SBCTC (Perkins state sub-recipient and state AEFLA grant recipient), the ESD (state WIA grant recipient), the Division of Vocational Rehabilitation, and the Washington Workforce Association (association of the 12 local area WDCs). The IC formulated a draft plan for developing the state application that was reviewed by the Workforce Board at its public meeting on May 15, 2007. The Workforce Board posted

information on its website about the Section 503 Grant and proposed process for developing the state application.

On May 18, 2007, the IC continued the work of reaching agreement on the proposed use of the funds and the local application process. On June 8, 2007, the Workforce Board took action to approve the state application. The Workforce Board membership includes the Superintendent of Public Instruction, the Executive Director of the SBCTC, the Commissioner of ESD, as well as business and labor representatives.

**APPLICATION FOR
FEDERAL ASSISTANCE**

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		Pre-application <input type="checkbox"/> Construction <input type="checkbox"/> Non-Construction	2. DATE SUBMITTED June 14, 2007	Applicant Identifier	
3. DATE RECEIVED BY STATE		State Application Identifier		4. DATE RECEIVED BY FEDERAL AGENCY	
5. APPLICANT INFORMATION		Legal Name: Washington State Employment Security Department		Organizational Unit: Department: Employment Security	
Organizational DUNS: 80-888-29-14		Division: Employment and Training Division		Name and telephone number of person to be contacted on matters involving this application (give area code)	
Address: Street: 605 Woodland Square Loop SE		Prefix: Ms.	First Name: Holly	Middle Name N/A	
City: Olympia		Last Name Watson		Suffix:	
County: Thurston		Email: hwatson@esd.wa.gov		Phone Number (give area code) (360) 438-4187	
State: WA		Zip Code 98507		Fax Number (give area code) (360) 438-3174	
Country: USA		6. EMPLOYER IDENTIFICATION NUMBER (EIN): 91-6001099		7. TYPE OF APPLICANT: (See back of form for Application Types) A Other (specify)	
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify)		9. NAME OF FEDERAL AGENCY: U. S. Department of Labor		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: To support WIA Section 503 grant activities demonstrating innovative workforce development and education activities authorized under Title I (WIA) or Title II AEFLA of WIA or under the Carl D. Perkins Act. This federal WIA Section 503 IB Incentive Project is fully described in the application attached.	
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): 17-267		12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Washington State		13. PROPOSED PROJECT Start Date: 7-1-07	
Ending Date: 6-30-09		14. CONGRESSIONAL DISTRICTS OF: a. Applicant Washington State		b. Project Federal Incentive Grants	
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?	
a. Federal	\$	1,850,193	00	a. Yes <input type="checkbox"/>	THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON
b. Applicant	\$		00	DATE:	
c. State	\$		00	b. No <input checked="" type="checkbox"/>	PROGRAM IS NOT COVERED BY E. O. 12372
d. Local	\$		00	<input type="checkbox"/>	OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
e. Other	\$		00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT? <input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No	
f. Program Income	\$		00	18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.	
g. TOTAL	\$	1,850,193	00	a. Authorized Representative	
Prefix Ms.		First Name Karen		Middle Name T.	
Last Name Lee		b. Title Commissioner		Suffix	
c. Telephone Number (give area code) (360) 902-9302		d. Signature of Authorized Representative		e. Date Signed June 11, 2007	

Budget Information - Non Construction Programs

Section A - Budget Summary		Estimated Unobligated Funds		New or Revised Budget		Total (g)
		Federal (c)	Non-Federal (d)	Federal (e)	Non-Federal (f)	
Grant Program Function or Activity (a)	Catalog of Federal Domestic Assistance Number (b)					
1. See Sections D and E	17.267					\$0
2.						\$0
3.						\$0
4.						\$0
5. Totals		\$0	\$0	\$0	\$0	\$0
Section B - Budget Categories						
6. Object Class Categories	Grant Program, Function or Activity					
	(1) See Sections D and E	(2)	(3)	(4)	Total (5)	
a. Personnel						\$0
b. Fringe Benefits						\$0
c. Travel						\$0
d. Equipment						\$0
e. Supplies						\$0
f. Contractual						\$0
g. Construction						\$0
h. Other						\$0
i. Total Direct Charges (sum of 6a-6h)	\$0	\$0	\$0	\$0	\$0	\$0
j. Indirect Charges						\$0
k. Totals (sum of 6i-6j)	\$0	\$0	\$0	\$0	\$0	\$0
7. Program Income						\$0

Section C - Non-Federal Resources						
(a) Grant Program	(b) Applicant	(c) State	(d) Other Sources	(e) Totals		
8. See Sections D and E						\$0
9.						\$0
10.						\$0
11.						\$0
12. Total (sum of lines 8 - 11)	\$0	\$0	\$0			\$0
Section D - Forecasted Cash Needs						
Total for 1st Year	1st Quarter	2nd Quarter	3rd Quarter	4th quarter		
13. Federal	\$700,193	\$50,000	\$250,000			\$400,193
14. Non-Federal	\$0					
15. Total (sum of lines 13 and 14)	\$700,193	\$50,000	\$250,000			\$400,193
Section E - Budget Estimates of Federal Funds Needed for Balance of the Project						
(a) Grant Program	Future Funding Periods (Years)					
	(b) First	(c) Second	(d) Third	(e) Fourth		
16. Federal Incentives	\$287,500	\$287,500	\$287,500			\$287,500
17.						
18.						
19.						
20. Total (sum of lines 16-19)	\$287,500	\$287,500	\$287,500			\$287,500
Section F - Other Budget Information						
21. Direct Charges						
22. Indirect Charges						
23. Remarks						