



Employment Security Department
 2021-23 First Supplemental Budget Session
 Policy Level - WS - WorkSource System Replacement

Agency Recommendation Summary

The Employment Security Department (ESD) requests additional appropriation authority to replace the existing WorkSource Integrated Technology (WIT) contract. The WIT platform currently serves as the state’s case management and labor exchange for employers and job seekers. The replacement system will support the workforce administration statewide to ensure adoption of the United States Department of Labor (USDOL) integrated service delivery model and program performance reporting requirements for the state’s Workforce Innovation and Opportunity Act (WIOA) and other federal grants.

Fiscal Summary

Fiscal Summary <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Staffing						
FTEs	0.0	6.0	3.0	6.0	6.0	6.0
Operating Expenditures						
Fund 134 - 1	\$0	\$4,843	\$4,843	\$7,510	\$5,827	\$13,337
Total Expenditures	\$0	\$4,843	\$4,843	\$7,510	\$5,827	\$13,337

Decision Package Description

System background and solution deficiency

In May 2016, ESD went live with technology provided by Monster Government Solutions (MGS) that provided two main business functions: a job-matching public portal to connect job seekers and employers and a case management system to track re-employment services and outcomes. The case management functionality of the system implemented in May 2016 has not met either the case management needs of WorkSource offices or federal reporting requirements.

The following list identifies the primary issues that ESD has with the current system that would ideally be resolved with a new system.

- Insufficient data validation and normalization
- No employer management capabilities
- No grant management functionality including contract management
- Lack of interoperability with other required systems (e.g., limited API functions)
- Limited workflow automation for complex programs (e.g., participant verification)

In 2020, the State Auditor (SAO) found that Employment Security Department did not have adequate internal controls over and did not comply with requirements to ensure quarterly performance reports for the Workforce Innovation and Opportunity Act (WIOA) grant were submitted completely and accurately. Additionally, the US Department of Labor (DOL) identified that the state does not have a data validation policy and procedure in place and had not conducted annual data validation during program year 2019, as required under WIOA and Employment and Training Administration (ETA) guidance. This leaves the state at risk of reporting erroneous data and undermines confidence in the accuracy of performance reporting. The SAO has identified that this year’s audit will again look at whether the finding has been resolved.

Due to the lack of functionality, integrity, and modernization of the system, ESD will competitively procure for a solution that meets all functionality needs. ESD procured the current solution in 2015 for a five-year contract term with two, one-year extensions for a maximum term of seven years. Based on DES policy guidance, ESD is required to competitively re-procure the solution if the solicitation did not allow for additional extensions.

The contract with MGS has been extended through May 2023, elements of which may be extended further depending on scope and implementation of the new system. ESD will partner with Local Workforce Development Boards (LWDBs) in a procurement process designed to meet local and state case management and reporting requirements for WIOA and other federal grants. This proposal is for funding the procurement, implementation, and staffing required to implement and sustain the transition to a new system.

WIOA programs require an electronic system that supports an integrated service delivery model so that opportunities for job seekers and employers are maximized across the workforce system. The workforce system is made up of ESD’s employment connections, twelve LWDBs, community colleges, and other partnerships with employers and programs to promote education, training, and employment. The system must follow Training and Employment Guidance Letters (TEGLs) published by the US DOL Employment and Training administration. TEGLs align

and streamline performance indicators and requirements across WIOA programs. The system must be flexible enough to apply this guidance and configure programs to meet the market challenges and program needs at the local level. In addition, there are several other grant programs that serve clients in WorkSource Offices with unique requirements, such as Reemployment Services and Eligibility Assessment Grants (RESEA), Trade Assistance Act (TAA), Basic Food Employment & Training (BFET), WorkFirst, Migrant and Seasonal Farmworker (MSFW), and Veterans (VETS).

Prioritization of vulnerable populations

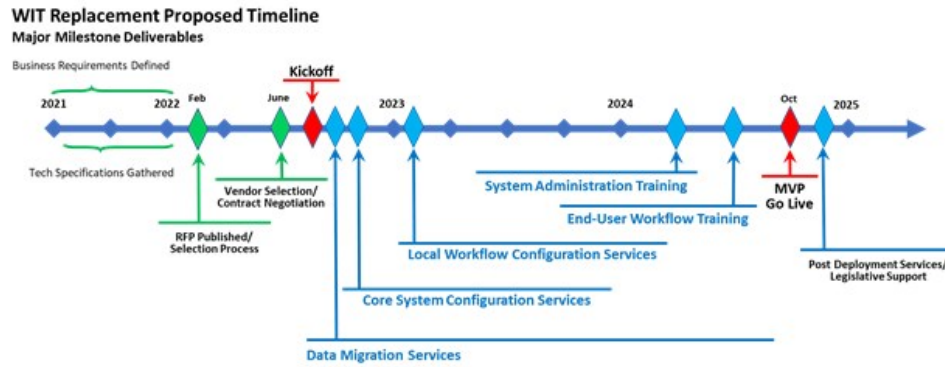
The new system will facilitate tracking of required activities for those receiving unemployment assistance and provide services to employers to link potential job applicants with opportunities. For those receiving unemployment, a system that supports removal of barriers to finding employment will link customers to employment, reduce the cost to employers, and improve the solvency of the Unemployment Insurance trust fund. Vulnerable populations are prioritized, consistent with the Governor’s and legislature’s interest in improving equity. Below is the specific list of WIOA service priorities. However, services are available for all Washington state residents. ESD receives additional funding for specific populations and aggressively pursues federal grant funding opportunities.

Title I WIOA Service Priorities		
Displaced homemakers	Low-income individuals	Indians, Alaska Natives, and Native Hawaiians
Individuals with disabilities, including youth who are individuals with disabilities	Older individuals (55 and older)	Ex-offenders
Homeless individuals or homeless children and youth	Youth who are in or have aged out of the foster care system	Individuals who are English language learners; individuals who have low levels of literacy, and individuals facing substantial cultural barriers
Eligible migrant and seasonal farmworkers	Individuals within two years of exhausting lifetime TANF eligibility	Single parents (including single pregnant women)
Long-term unemployed individuals (unemployed for 27 or more consecutive weeks)	Such other groups as the Governor determines to have barriers to employment: Veterans	

The labor exchange process and case management programs are designed to address, specifically, populations that are more vulnerable and lack access to employment connection services. ESD will be working to supplement this system by providing digital literacy training and assistance to support customers who are not able to access virtual services.

New solution schedule and requirements

ESD expects to issue a Request for Proposal (RFP) by the end of February 2022. The procurement process is expected to conclude by the end of June 2022. Once expenditure authority is known, ESD will be able to contract with the successful vendor and begin work, no later than September of 2022. The timeline below provides an estimated schedule for the procurement and implementation of a minimal viable product for the new system.



The RFP will solicit industry leaders with proven solutions. The goal of the RFP is to acquire a commercial off the shelf platform offered as a cloud-based subscription service. The RFP will also solicit implementation services, data migration services, comprehensive training delivery, and post-implementation services and legislative support. The following elements of the RFP outline the scope of the solution and implementation:

System Features and Solutions:

- Program and grant management
- Employer management and customer relationship management
- Labor exchange and external sites
- Intake and referral process
- Self-service channels and channel management
- Case load management and workflow automation
- Performance management and contact tracking
- Contract management and fund tracking; fiscal management
- Operational/Ad-hoc reporting and dashboarding

System Management and Technology:

- System administration tools
- User management and system security
- APIs and web services (interoperability and interfaces)
- System architecture and data management
- Delivery environments and update/release management
- Disaster recovery and migration

Professional Services and Delivery:

Implementation services

Configuration testing

Training materials and delivery

Technical support and Post implementation services

Legislative change management

Data Migration Services:

Extraction, Translation, and Load logic and scoping

Migration script development

Migration testing and script modification

Production data migration, monitoring, and troubleshooting

A new system will allow ESD and the LWDBs to focus on service delivery within the WIOA programs more effectively and efficiently. The current system does not meet the program and grant management needs of ESD or LWDB needs and has resulted in the use of work around processes and shadow systems. The system replacement is expected to improve outcomes for customers, staff and provide essential performance information for the USDOL, operational reporting for ESD and LWDB leadership. Local systems may no longer be needed based on the additional functionality and business process areas defined in the RFP such as intake and referral processing, employer management, self-service channels, contract management, and fund/voucher tracking.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

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Detailed Assumptions and Calculations:

Workforce assumptions

There are five positions that do not exist in the current WorkSource IT Systems group that will be necessary for system implementation and knowledge transfer to ensure sustainability. Since the new system will provide additional functionality, these resources will be needed on an ongoing basis. The positions needed are as follows:

Database Administrator (DBA). This position will play a key role in data migration and using the data APIs of the system to support interoperability between the core system and other workforce systems of records, as well as movement of data to central repositories for Participant Individual Record Layout (PIRL) production and longitudinal reporting and analytics. An existing position could not be repurposed for this.

Web Services Developer. This position will play a key role in web service development and API management to support interoperability and workflow management between the core system and other workforce systems of records and service applications. An existing position could not be repurposed for this.

External Program Trainer. Trainer dedicated to working with LWDBs on local program and system education for LWDB and local partner (sub-recipient) staff training. An existing position could not be repurposed for this.

Staging/Testing System Administrator. System Administrator dedicated to ensuring staging environment is maintained and ready for testing prior to production push. This person would manage testing process and QA.

Local Workflow System Administrator. System Administrator dedicated to workflow configuration to support local program management and workflow automation at the LWDBs.

Workforce Assumptions:

The following table provide the job classification information related to the positions described above.

IT Staffing Classifications		
Working Title	Job Class Title	Class Code/Salary Range
WorkSource System DBA	IT Data Management – Expert	485AD / 09IT
WorkSource System Developer	IT APP Development – Senior/Specialist	484AD / 08IT
WorkSource Programs Trainer	IT Policy & Planning – Journey	483PP / 03IT
Staging/Testing System Administrator	IT System Administration – Senior/Specialist	484SA / 07IT
WorkSource Workflow System Administrator	IT System Administration – Senior/Specialist	484SA / 07IT

The additional resources defined above, as well as existing resources in the WorkSource IT Systems group will ensure the new systems viability by employing a scrum team, incremental delivery, approach to system administration and configuration to meet the needs of the Statewide programs. Delivering requested and committed system configuration changes using an incremental approach will be further supported by the WorkSource Governance committee structure which is a joint-governance framework between ESD and the LWDBs.

How is your proposal impacting equity in the state?

This decision package supports equity in service delivery by providing the necessary staff resources to process claims and provide essential benefits to those most in need, included those with language or other barriers.

Strategic and Performance Outcomes

Strategic Framework:

This system will better engage job seekers and employers. Consistent with Results Washington economic resiliency goal discussed in the June 2021 Public Performance Review:

Full employment is achieved; Wages and income rise to support wealth-building.

ESD's vision: The nation's best and most future ready workforce with opportunities for all

ESD's Mission: We provide our communities with inclusive workforce solutions that promote economic resilience and prosperity

Performance Outcomes:

Performance outcomes

- Enhanced tools for customer self-service
- Increased rates of intake
- Increased program participation
- Improved case closure rates
- Enhanced ability to match job seeker and employers
- Improved workflow and data management
- Improved data integrity

Note: Lean processes will be utilized to improve workflow

Other Collateral Connections

Puget Sound Recovery:

N/A

State Workforce Impacts:

State employees will be able to perform their job functions without substantial workarounds.

Intergovernmental:

None

Legal or Administrative Mandates:

Compliance with USDOL requirements for receipt of Title I WIOA funding.

Stakeholder Response:

ESD will partner with Local Workforce Development Councils (LWDC's) to define system-wide business outcomes and local configuration for program management. that need to be met by design collaborate with its Workforce Development Council partners in the procurement process. ESD Employment Connections staff and Local Workforce Development Councils will be affected by this proposal.

Changes from Current Law:

None.

State Facilities Impacts:

None.

Reference Documents

[ITaddendum2021-23 - WIT Replacementrch.docx](#)
[WIT IT Addendum Worksheet - v3.xlsx](#)

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

Yes

Objects of Expenditure

Objects of Expenditure <i>Dollars in Thousands</i>	Fiscal Years		Biennial	Fiscal Years		Biennial
	2022	2023	2021-23	2024	2025	2023-25
Obj. A	\$0	\$459	\$459	\$459	\$459	\$918
Obj. B	\$0	\$184	\$184	\$184	\$184	\$368
Obj. C	\$0	\$1,700	\$1,700	\$4,367	\$2,183	\$6,550
Obj. E	\$0	\$2,376	\$2,376	\$2,376	\$2,877	\$5,253
Obj. T	\$0	\$124	\$124	\$124	\$124	\$248

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