

Washington Lifelong Learning Account Pilot Project

Current Accomplishments, Opportunities for Expansion

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Washington has long been a leader in helping low-wage, low-skilled workers “skill-up” to move ahead and into family-wage jobs. Cutting edge programs that blend job skills, academics and wraparound services, such as I-BEST, the Student Success Initiative and the Opportunity Grant, got there start here.

Even so, the state’s key players, including community and four-year colleges, social service agencies, business groups and labor knew they had to find a better way to target low-income workers to achieve better results. The cost of living was continuing to rise, and wages weren’t. Too many frontline workers started programs but didn’t reach the finish line. One state study showed a substantial number of people lacked any post-high school credentials and appeared unlikely to get ahead, or reconnected to education. Then a Seattle United Way study revealed just how many Washington residents were a paycheck away from homelessness.

Something had to be done to reach workers where they were—and help them get where they needed to be.

Then along came LiLA—the right program, at the right time in the right state to make it happen. Washington’s education, government, business and labor organizations readily signed on to the Lifelong Learning Account program as partners. Building on that existing environment of support, sense of purpose and passion, the Workforce Board and its partners leveraged the \$75,000 CAEL/Lumina “Taking it to the States” grant with state funding of \$213,000, and transformed Washington’s LiLA program into a tangible workplace benefit in just 18 months.

Here’s how we’ve made the most of those start-up dollars through partnerships, fresh strategies and a focus on helping *all* of Washington workers—so that no one gets left behind.

A. Building a system of success

1. **Recruited respected partners**: A diverse set of partners were recruited to ensure success at each stage of the LiLA pilot, with an eye towards a statewide roll-out in the years ahead. A core Leadership Team was built, and includes the Association of Washington Business, which has helped the program gain credibility and momentum with the business community. Representatives from labor, education and government help ensure the needs of workers and employers are addressed. Key partners include:

- Governor’s Office
- Workforce Training and Education Coordinating Board

- Pacific Mountain Workforce Development Council
- Association of Washington Business Institute
- Health Workforce Institute
- Higher Education Coordinating Board
- Department of Commerce
- State Board for Community and Technical Colleges
- Washington Labor Council
- Northwest Career College Federation
- Council for Adult and Experiential Learning (CAEL)
- Service Employees International Union (SEIU 775)

2. **Laying the groundwork:** From the very beginning, Washington has been committed to LiLA as a long-term, statewide program that reaches self-sufficiency through a broad mix of employers and employees. Reaching that statewide scale required a feasibility analysis and infrastructure design work, including:

- Establishing program guidelines
- Creating a marketing package
- Building a banking/payment system
- Linking LiLA participants to counselors at state one-stop centers
- Arriving at success indicators
- Evaluating the program
- Setting up financial parameters

Washington also wanted to focus the state’s LiLA program on low-wage, low-skill workers. Rather than requiring a pre-determined financial investment that could put LiLA beyond the reach of some low-income workers, Washington’s LiLA has an “open door eligibility” policy that allows employees to invest even small amounts that fit their family budget.

3. **Established a successful pilot management team:** Leaders from several organizations were tapped to help design and implement the pilot project in the five-county region served by the Pacific Mountain Workforce Consortium.

- Mike Hudson, Grant Gilmore—Association of Washington Business Institute
- Jamie Krause—Pacific Mountain Workforce Consortium
- Carol Melby—State Board for Community and Technical Colleges
- Martin McCallum, Yvonne Chase, Mike Brennan and Patrick Woods—Workforce Board

This team, along with other partners, meets every week to update one another on progress, identify challenges and opportunities, and focus resources as needed.

4. **Marketing, banking and more:** The Leadership Team set up a financial management system to handle LiLA funds, and refined the marketing materials

to actively reach members of the region's business community and their employees. These steps included:

- Set up financial management system—West Coast Bank, AWB Institute
 - Launched Washington state LiLA web site—(www.Lila.wa.gov)
 - Designed and produced LiLA marketing materials—Brochures, flyers, more
 - Wrote and published a LiLA guest editorial—The Olympian newspaper <http://www.wtb.wa.gov/Documents/opinion090309.pdf>
 - Participated in radio show—Showcased LiLA on KGY local morning radio show
 - Created LiLA podcast with assistance from Association of Washington Business
5. **Scholarship money motivates:** A third-party match that boosts employee savings and moves LiLA participants more quickly into the classroom makes the pilot project even more appealing to employers and employees. The Leadership Team, after talking with the business community, helped redirect \$20,000 of existing funding earmarked for administrative oversight into \$350 scholarships. This additional money is available to every LiLA participant who starts saving, completes a career plan and enrolls in classes by June 30, 2010.
6. **Limited resources, targeted outreach to business community:** With limited marketing resources and a commitment to CAEL to recruit five employers and 35 employees, the Leadership Team needed to be strategic. The result was a tight focus on key players, including:
- Area Chambers of Commerce
 - Economic Development Councils
 - Workforce Development Councils
 - Service Clubs and Associations, such as Rotary
 - Public Ports
 - Community Groups, such as “Work on the Willapa”

By partnering with the Association of Washington Business, the state's Chamber of Commerce, the Leadership Team was rewarded with instant credibility and significant momentum on a new program. Within a short time frame the team met the goal of signing up five businesses and now is committed to reaching 10—a significant step toward increasing the diversity of businesses and in reaching eventual state rollout.

7. **Closing the deal: signing up new LiLA participants:** By partnering with WorkSource Centers and community college professionals, many LiLA presentations were well received by employees considering the program. But, ultimately, not enough signed up. CAEL's Sherrie Hoy provided advice. An aggressive schedule of employee outreach meetings is now a standard practice worked out with employers when they sign up for LiLA. Each employee is also

encouraged to complete a career development plan with a trained counselor provided by the local WorkSource Center. From the information provided by employers and employees, 40-60 participants are expected from the initial five companies in the pilot. It's important to note that the program has streamlined its process and is reducing paperwork to support a more user-friendly experience for employees and employers.

8. **Managing program to success:** Washington's LiLA program has entered a critical stage, where employees sign up, put money in savings accounts, develop career plans, take classes and move forward with their careers. By studying other sites around the country, it's clear that LiLA requires a rigorous management system to assist workers in navigating their training paths to achieve career goals. In addition, it is vitally important to support employers as they dedicate time and resources to promote the growth and development of their employees. One idea under current consideration: monthly check-ins with employers and employees, with focused attention on participants who are experiencing challenges. In addition, work is underway on improving communication and reducing unnecessary regulation in the accounts process.

8. **Monitor, measure & adjust:** The Management Team is working on a series of measures to determine the success of LiLA in meeting the goal of moving low-wage workers to higher skilled, higher paid positions. This process involves regular review and program modifications to ensure the program's success with an eye towards scaling up to a statewide program in the coming year. Measures include:
 - Number of participants
 - Investment level
 - Career plan completion
 - Completion of education and training classes
 - Career development, with rate of income growth

9. **Constant communication with core partners:** At every stage of the program, the need for ongoing communication has become evident. This emphasis on communication started with the core partners and has been built around weekly team meetings that provide updates on recent developments and helps focus resources on challenges or opportunities that need to be addressed for the program to move forward. The Leadership Team is looking into ways to further enhance communication—from website updates to newsletters to social networks to face-to-face meetings. Ongoing communication not only helps LiLA participants, but also benefits stakeholders and policy makers at the local, state and national levels.

B. A model for expansion: Key characteristics of Washington's LiLA

Washington's Lifelong Learning Account (LiLA) program has several features that make this state's program especially attractive to policy makers and stakeholders at both the state and national level.

1. **Washington LiLA partners include key players**: Washington's LiLA program partners make up the majority of senior workforce leaders in the state and represent key constituencies: business, labor, education, nonprofits, associations and government. Many of the partners have offices or members across the state which will greatly assist in education and outreach efforts as the program is considered for statewide rollout. In particular, having the state's Workforce Board spearhead the LiLA initiative has added to the credibility of the program as the agency and its 12-member board play a key role in workforce policy and program evaluation for all workforce activities in Washington.
2. **Active support from business leaders**: At each stage of the Washington LiLA five-county pilot, the Association of Washington Business Institute has actively supported the goal of developing employee growth and development and initiated outreach efforts through business forums ranging from breakfast meetings to podcasts to personal one-on-one meetings with business leaders. It is important to note that AWB was formed in 1904 and is Washington's oldest and largest statewide business association and includes more than 6,600 members with over 650,000 employees. AWB serves as both the state's Chamber of Commerce and manufacturing and technology association and is one of just two chambers in the country accredited with distinction by the U.S. Chamber of Commerce.
3. **Free career counseling provided at area WorkSource Centers**: Career counseling is important in helping workers get the most out of their LiLA savings and make wise education choices. But it is also an expensive part of the LiLA program. In Washington, the Pacific Mountain Workforce Consortium is providing free counseling services for LiLA participants through its one-stop career centers, WorkSource. These centers are located throughout the five-county area, and across the state, and help unemployed, underemployed and dislocated workers throughout Washington. They are often run by either a Workforce Development Council in one of the state's 12 workforce development areas, or by the state's Employment Security Department. This cooperative model may be beneficial at a state and national level, provided sufficient funding is made available.
4. **Variety of businesses involved in Washington's LiLA pilot**: The first five companies that decided to participate in Washington's LiLA program run the gamut when it comes to what they produce, the customers they serve and the people they employ. What they share is a commitment to their employees and a philosophy that by helping their employees reach their educational goals, they help their company through better morale, higher productivity and increased retention of their most motivated workers.

- **Hanner Enterprises:** This company operates five McDonald's restaurants in Grays Harbor and Pacific counties. Their CEO and owner Julianne Hanner is invested in the policies behind LiLA and has taken an active role in meeting with media representatives to "get the message out" on the program's potential. In addition, she has indicated a willingness to actively outreach to other McDonald franchise owners in the Northwest (approximately 300 members) if the program continues its momentum and moves ahead. Already, she has raised the idea of LiLA portability between restaurants for employees that move from her restaurant in Aberdeen (along Washington's coast) to Pullman (on the eastern side of the state) to attend Washington State University. Julianne is also vocal about the need to ensure workers succeed even if they decide to leave her company to pursue their career goals. She has not set limits on the number of participants from among her more than 200 workers and is willing to provide a monthly match of \$30 per worker.
- **Halosource:** This company develops and operates cutting-edge technology that purifies water from swimming pool systems and provides environmental protection to drinking water systems. It is headquartered in the Seattle area but also has a plant in rural Pacific County along the Willapa waterway, near Raymond. This company is gearing up for long-term growth after expanding into India and China markets. Personnel from the rural Raymond facility now routinely travel to the Asia and the lifelong learning concept is very appealing to both management and employees. Halosource's participation in LiLA is having a significant impact on other local business leaders and, as a result, the LiLA team was asked provide an in-depth presentation to members of "Willapa Works." This association is primarily comprised of local business tenants at the Port of Willapa Harbor. The port's director is working with the association and LiLA program staff to determine the feasibility of establishing a LiLA consortium made up of business from across the community. Many community leaders view this concept as having tremendous potential in building homegrown skills, while also serving as an incentive to other companies considering the Willapa Bay area as a possible location to start-up or relocate a business. Halosource is an active member of the Northwest Manufacturer's Alliance.
- **Paneltech:** This company manufactures high quality panels from recycled and natural resins that are used in high-end countertops and other indoor and outdoor surfaces. They are a homegrown, successful company that provides needed jobs in one of the most economically depressed parts of the state: Aberdeen in Grays Harbor County. This company of approximately 60 people is positioning itself for growth and sees LiLA as a potential asset in preparing the people and organization to meet the challenges related to development, production and sales of a commodity product in rapidly changing consumer and commercial marketplace. Paneltech is also an active member of the

Northwest Manufacturer's Alliance and the company's president is involved in numerous community development projects.

- **STECK Medical:** This medical provider has four clinics in two counties and one combination retirement/nursing home. In addition, they provide emergency medical services to the community of Chehalis and at two local detention facilities. They view LiLA as key in attracting and retaining qualified personnel. They currently do not have a tuition reimbursement program so LiLA is a significant increase in benefits for those personnel that participate in the program. STECK is also an active member of community and their CEO is a member of the Rotary Club.
 - **Vaughan Chopper Pumps:** This company is a long standing pillar of the manufacturing community in Grays Harbor and produces a unique pump that has had significant success in national and international markets. Vaughan's participation in LiLA is a new venture for the company, which has support from members of their management team.
 - **Buds and Blades:** A small landscape company in Thurston county that has recently been profiled in the Northwest Professional Landscape magazine who is "committed to seeing their employees blossom".
5. **Statewide associations are monitoring progress:** From the initial establishment of Washington's LiLA pilot project, the LiLA team has received inquiries and verbal support from a number of important associations indicating a significant interest in the pilot. While no commitments have been made there is a clear indication that should the pilot be successful there is the potential for support for the program in moving it across the state. The groups in particular include: Association of Washington Business; McDonald's franchise owners; Washington Restaurant Association; Washington Ports Association; Economic Development Councils; Washington Wine Commission; and Workforce Development Councils.
6. **LiLA is aligned with priorities in Legislature and executive branch:** The Lifelong Learning Account initiative has received considerable attention in the Washington state Legislature, both prior and during the 2009 session. Two bills (SB 5555 & HB 1129) called for establishing a LiLA Steering Committee were introduced and actively considered by both the House and Senate. The legislation passed out of committee and reached the stage of final consideration. However, it did not receive a final vote due to time considerations. Sponsoring members from both houses have signaled strong support for passage of the bill in 2010. In addition, it is important to recognize that LiLA has been identified as a potentially valuable tool by existing members of the state's training community in meeting their own organization goals ranging from completion of a two- or four-year degree to reaching a recognized career development threshold of one year of college or completion of a certificate. The existing LiLA partners see it as

a significant asset that complements their efforts to reach out and educate employees and employers on the importance of training while building their financial capacity to pay for the educational services. Washington has a long history of innovation on a wide array of education related issues ranging from Early Childhood Education, Welfare to Work, I-Best, Apprenticeship and 529 College Savings (GET) programs , which could also prove to contain a rich environment for future innovation and systematic collaboration with LiLA.

7. **LiLA is aligned with Washington's Congressional delegation priorities:**

Many members of Washington's Congressional delegation have actively supported worker training as a key part of economic development. Senator Maria Cantwell has introduced LiLA legislation in Congress and Senator Patty Murray recently included \$850,000 in the budget bill to support a pilot project to build distance learning systems in the workplace. The ability of Washington's LiLA project to build results and connections with other workplace education systems hold tremendous potential for Washington and the nation.

8. **Future financing from state and federal groups and nonprofits:** Due to the early successes and unique characteristics of Washington's LiLA program, the Leadership Team is optimistic funding will be made available during the coming year to expand the project statewide. Washington's LiLA has the momentum to move past the "tipping point," creating a universal employee benefit that has the ability to serve all the state's workers and employers. If the LiLA team is successful in this proof of concept, Washington will continue its leadership role and promote an active migration of LiLA across the nation through numerous avenues including National Conference of State Legislatures (NCSL), Council of State Government (CSG), U.S. Chamber of Commerce and the National Governors Association. This will also include reaching out to nonprofits and foundations through bi-monthly meetings of the Adult Worker Interagency Workgroup and direct contacts in Washington, and at a national level with foundations and the U.S. Department of Labor, with meetings slated for November in Washington, D.C.