

CHRISTINE O. GREGOIRE
Governor



STATE OF WASHINGTON
OFFICE OF THE GOVERNOR

P.O. Box 40002 • Olympia, Washington 98504-0002 • (360) 753-6780 • www.governor.wa.gov

RECEIVED

JAN 23 2012

EMPLOYMENT SECURITY DEPARTMENT
COMMISSIONER'S OFFICE

January 12, 2012

TO: Paul Trause, Commissioner
Washington State Employment Security Department (ESD)

FROM: Christine O. Gregoire, Governor

SUBJECT: Allocation of Discretionary Workforce Investment Act (WIA) Funds to Support Youth and Veterans through On-the-Job Training

As you are aware, I am concerned about the lingering effects the Great Recession is having on our state. Although the recession was officially declared over in 2009, Washington's unemployment continues to be an issue. While the rate has dropped from a high of 10.2 percent in 2010, it still remains uncomfortably high at 8.7 percent for November 2011. This decrease shows an improvement, but certain segments of our population continue to struggle to find work, in particular youths and veterans.

The annual unemployment rate for youths, ages 16 to 19, was at 17.6 percent in 2007. That number nearly doubled to a high of 34.1 percent in 2010, with a slight decrease to 31 percent in the past 12 months. Deep and long-lasting unemployment among our youth, such as this, robs them of the chance to begin developing basic job skills they will need for long-term success. It may also limit their long-term earnings.

In addition, I believe we have an obligation to assist our veterans in obtaining employment following their service to our country. The overall unemployment rate for veterans in our state in 2010 was 10.6 percent. For post-9/11 veterans, the rate was 11.8 percent. These numbers are significant since Washington is one of the few states where the number of veterans is increasing.

It is imperative that we assist our young citizens and our veterans in finding and securing permanent jobs with wages sufficient to support their families. I believe that few employment models are as effective as On-the-Job Training to accomplish this.

I am instructing ESD to redirect \$325,000, made available under the WIA, to On-the-Job Training programs, which assist individuals in finding a job, earning a paycheck and learning new skills. Approximately 80 percent of individuals served in this program obtain employment following the completion of training.

This funding, which is intended to create a minimum of 60 jobs for our unemployed veterans and youths, is to be used efficiently and effectively pursuant to all applicable WIA rules and regulations.

Paul Trause, Commissioner

January 12, 2012

Page 2

I am also directing ESD to provide me with semi-annual reports through December 31, 2013. These reports should provide the following information:

- A narrative description of project activities, including the names of participating companies and types of training being provided.
- Project successes.
- Project challenges and mitigation strategies.
- A description of any activities that resulted in cost savings and/or leveraging of other resources to support trainees.
- A description of the participants served during the reporting period and the participant outcomes achieved, including the number of participants trained, the number of participants hired and the average wage level of participants who successfully obtain employment.

Thank you for your agency's continued efforts at helping Washingtonians find jobs during these difficult economic times.