PY26 BUDGET PLANNING PACKET

This document prepares you for the budget workshop and outlines the proposed investment strategy for the upcoming program year.

You are not being asked to approve a budget at this stage. You are being asked to review the direction, react to the proposed investments, and help set priorities. Your input will be used to build the final budget for approval in June.

As you review each section, consider whether you support the direction, where you see risk, and what should be prioritized if resources are limited.

GROUNDING IN THE PLAN

This budget advances PacMtn's four-year plan. The work is organized around three objectives:

1. Credentialing and Training. Increase participation in industry-recognized credentials tied to employment.
2. Job Quality. Engage employers and job seekers in the development and access to quality jobs.
3. System Integration and Delivery. Expand access through coordinated services, partnerships, and shared resources.

Every investment in this document connects to these objectives.

PACMTN OPPORTUNITY MODEL OVERVIEW

PacMtn organizes its workforce system around a single goal: move individuals into employment that leads to long-term economic success. The Opportunity Model aligns partners, funding, and services into a coordinated system designed to achieve that outcome.

This model connects employer demand, career pathway development, and participant support into one structure. It is the foundation for how resources are invested and how results are measured.

How the model works

At the center of the model is a team-based approach to service delivery. Each participant is supported by a coordinated group of staff, referred to as the Career Success Team.

This team brings together employer engagement, career navigation, and financial coaching to support participants from entry through employment and retention.

The model is supported by functional leadership from PacMtn. While some roles are subcontracted, PacMtn sets expectations, defines service delivery, and holds performance accountability across the system.

Career success team structure

Each Career Success Team includes the following core roles:

- The **Industry Talent Partner** leads employer engagement and works directly with businesses to identify hiring needs, develop training plans, and align opportunities within priority sectors. These positions are staffed by PacMtn and functionally report to the Senior Director of Sector Strategies.
- The **Career Pathways Coach** works directly with participants to assess skills, develop career plans, and guide them through training and placement. These roles are subcontracted and functionally report to the Director of Workforce Programs.
- The **Financial Coach** supports participants in building financial stability and long-term economic mobility. This includes budgeting, credit building, and participation in asset-building strategies such as MISA. These positions are staffed by PacMtn and functionally report to the Director of Financial Empowerment.
- **Eligibility Specialists** support the team by ensuring accurate eligibility determination, documentation, and data integrity. These roles will be co-located with PacMtn staff and functionally report to the Director of QA and Compliance.

Key elements of the model

This team-based approach is reinforced by several core strategies.

Sector Strategies and Career Pathways focus services on priority industries and a defined set of career pathways. This ensures training and placement align with real employer demand and support wage growth.

High Road Employers and Quality Jobs define the standard for the types of employment outcomes the system is working toward. This includes jobs that provide stability, wages, and opportunities for advancement.

One Workforce aligns funding across programs to support each participant with the full set of available resources. This allows for more effective use of funds and reduces fragmentation across services.

Opportunity Begins Here serves as the entry point into the system. It connects job seekers and employers to services and provides a clear, consistent way to engage with the workforce system.

Why this model matters

This model allows PacMtn to:

- Align training with employer demand
- Provide coordinated support to participants
- Improve employment, wage, and retention outcomes
- Strengthen accountability across partners
- Use resources more effectively across programs

The budget being developed for the upcoming program year is designed to strengthen this model, improve execution, and expand its impact across the region.

PROPOSED INVESTMENT AREAS FOR DISCUSSION

The following twelve items outline the proposed investment strategy for the upcoming program year. They reflect survey input, what we are seeing in performance, and where we need to strengthen execution. Some areas maintain our current approach, others adjust how we are investing, and a few introduce new work. These are here to guide discussion. As you review them, focus on whether the direction is right and what should be prioritized if we need to make tradeoffs. Your input will shape the final budget that comes forward in June.

1). CLUSTER STUDY (SECTOR AND LABOR MARKET ANALYSIS)

Survey results and feedback

Survey feedback shows strong support for investing in an updated cluster study. Respondents consistently noted the need for current, region-specific data to guide sector strategies, career pathway development, and employer engagement.

PacMtn recommendations

PacMtn recommends a **$50,000** investment to support a comprehensive cluster and labor market analysis, with a target deliverable in Q3. This timing aligns with upcoming local and regional planning efforts and ensures the data can inform both program design and future funding decisions.

We also anticipate a joint funding opportunity with regional Economic Development District (EDD) partners. Given the alignment between sector strategy work and the development of the Comprehensive Economic Development Strategy (CEDS), a shared investment would reduce duplication and produce a single, coordinated data set to guide both workforce and economic development priorities.

This investment strengthens decision-making, aligns regional partners, and ensures resources are targeted toward sectors with the highest impact.

Board member comments

2. OPPORTUNITY BEGINS HERE (COMMUNICATIONS AND OUTREACH)

Survey results and feedback

Survey results show solid support for continued investment in Opportunity Begins Here, with 67 percent of respondents indicating support or strong support and 33 percent neutral. Feedback does not indicate a need to pivot strategy. It supports continued investment with stronger execution.

Respondents noted:

- Increased visibility of PacMtn services in the community
- Value in a clear, unified message for job seekers and employers
- A need for more direct, on-the-ground outreach rather than continued strategy development
- Interest in stronger connections between messaging and actual service access

Respondents also expressed support for building internal capacity and reducing reliance on external strategy consulting. Feedback pointed to the importance of sustaining this work long term and investing in staff who can drive direct engagement in the community. Taken together, the survey results point to a clear next phase. The strategy is in place. The need now is execution, reach, and consistency.

PacMtn recommendations

PacMtn has invested in this work through a full-time Communications Director and a $230,000 contract with Point North Consulting. The contract has focused on strategy and key development efforts. Since joining in fall 2025, the Communications Director has taken clear ownership of strategy and is leading this work effectively. PacMtn recommends transitioning away from the Point North contract and bringing the work largely in-house. This includes adding a Communications Manager position to expand direct outreach efforts under the leadership of the Communications Director. The salary range for this role is **$70,000 to $85,000**. External support would be limited to web hosting.

This approach will:

- Maintain strategic continuity
- Increase internal control and responsiveness
- Expand direct outreach capacity through added staff
- Respond directly to feedback calling for more community-level engagement
- Reduce overall communications costs by an estimated $50,000 to $75,000

Board member comments

3. FINANCIAL COACHING AND MISA (ECONOMIC MOBILITY AND ASSET BUILDING)

Survey results and feedback

Survey results from Questions 5, 6, and 7 show support for continued and increased investment in financial coaching and MISA. Respondents recognize the value of financial coaching in supporting participant success and long-term stability. Feedback leans toward maintaining a subcontracted model.

PacMtn recommendations

PacMtn's experience points to a different approach to achieve the intended outcomes.

Under Economic Security for All (EcSA) and the Community Reinvestment Program (CRP), financial coaching is required for all EcSA participants and for anyone enrolled in a Matched Investment Savings Account (MISA). In our first year, PacMtn was one of the top performing regions in the state, supported by a dedicated, full-time financial coach embedded in our system.

Since transitioning to a statewide provider model, combined with changes to the incentive structure and a reduction of the MISA match from 2:1 to 1:1, we have seen a decline in participant engagement and MISA enrollment. Coaching quality has declined and participant motivation to save has weakened.

This is a concern given the intent of EcSA and CRP. Both were shaped by the Poverty Reduction Work Group and Commerce research, with strong alignment to the Annie E. Casey Foundation model. Financial coaching is a core strategy tied directly to:

- Achieving self-sufficiency
- Employment retention
- Long-term economic mobility

These outcomes are also central to WIOA performance. While PacMtn continues to meet wage and retention targets, those targets have been lowered over time. This trend needs to be reversed.

There are also operational challenges. MISA requires strong controls, consistent engagement, and close coordination with workforce services. PacMtn already manages the savings accounts, while coaching is subcontracted. This split has created coordination issues and has not produced expected enrollment results. Recent performance issues with our EcSA and CRP contractor reinforce this concern. At the same time, MISA funds are underutilized, which creates risk of losing available resources.

Based on this experience, PacMtn recommends shifting to a direct hire model for financial coaching.

PacMtn will hire three Financial Coaches, creating three full Career Success Teams. Funding for these positions will come from adjustments to the primary sub-recipient contract currently out for RFP.

This approach will:

- Improve coaching quality through direct supervision and training
- Align financial coaching with employment and training services
- Strengthen MISA enrollment and fund utilization
- Improve retention and long-term economic mobility outcomes
- Build internal expertise aligned with the Annie E. Casey model

While this increases administrative cost, it is expected to drive stronger use of MISA funds and improve participant outcomes.

This is not a permanent structure. PacMtn is not required to deliver these services through a sub-recipient and has flexibility in how the model is delivered. If a qualified provider emerges that can demonstrate strong performance, PacMtn may transition this function back to a subcontracted model in the future.

We recognize this recommendation differs from survey feedback that leans toward subcontracting. Based on performance data, operational risk, and the importance of these outcomes, direct staffing is the best path to stabilize and strengthen this work.

This investment is intended to reverse current trends and ensure financial coaching and MISA function as designed to support long-term economic mobility.

Board member comments

4. PRIORITY SECTORS AND CAREER PATHWAYS (TARGETED INDUSTRY FOCUS)

Survey results and feedback

Survey results from Question 8 show strong support for maintaining a focused approach on priority sectors and defined career pathways. Respondents indicated that concentrating efforts on high-demand industries and occupations improves alignment with employer needs and strengthens outcomes for participants.

PacMtn recommendations

PacMtn has refined its strategy to focus on priority sectors and a defined set of career pathways, covering approximately 260 occupations across 30 pathways. This approach is employer-centered and designed to support economic growth by aligning workforce investments with real-time labor market demand.

This strategy connects directly with Opportunity Begins Here by guiding job seekers toward occupations that offer strong wages, advancement opportunities, and long-term stability. The focus is on connecting local talent to local demand in a structured and intentional way.

After nearly two years of implementation, PacMtn is seeing clear results:

- Measurable increases in wages across priority sectors
- Positive trends at both the county and regional level
- Stronger alignment between training investments and employer demand
- Positive feedback from employers and county officials on local impact

This approach allows PacMtn to concentrate resources where they have the greatest effect, rather than spreading investments across a broad and less targeted set of occupations.

There is no recommended budget adjustment for this area. PacMtn will continue to prioritize occupational skills investments within this defined set of sectors and career pathways.

This sustained focus is central to driving improved wage outcomes, meeting employer demand, and supporting long-term regional economic growth.

Board member comments

5. INDUSTRY TALENT PARTNERS (EMPLOYER ENGAGEMENT AND SECTOR ALIGNMENT)

Survey results and feedback

Survey results from Question 9 show strong support for maintaining current levels of Industry Talent Partners, with some interest in expanding capacity as resources allow. Respondents continue to value the role these positions play in building employer relationships, aligning workforce efforts with industry needs, and driving sector-based strategies.

PacMtn recommendations

PacMtn is refining this role to better align with the Career Success Team model. Industry Talent Partners will continue to build deep expertise in priority sectors, while operating within a defined geographic area. This allows them to maintain strong sector knowledge while improving responsiveness to local employer needs.

Each Career Success Team will include:

- Industry Talent Partner
- Career Pathway Coach
- Financial Coach

This structure strengthens coordination at the local level and improves alignment between employer engagement, participant support, and financial coaching. It ensures services are responsive to each county while maintaining consistency in approach.

At this time, PacMtn is not recommending an increase in the number of Industry Talent Partners. Current budget constraints require a focus on building out complete Career Success Teams rather than expanding individual roles.

This recommendation aligns with survey feedback, which supports maintaining current staffing levels while recognizing the value of future expansion. As additional resources become available, PacMtn will revisit this discussion with the board.

Board member comments

6. ONE WORKFORCE (INTEGRATED FUNDING AND SERVICE DELIVERY MODEL)

Survey results and feedback

Survey results from Questions 11 and 12 show strong support for the One Workforce model and its continued use as a core strategy. Respondents recognize the value of aligning resources and reducing fragmentation across programs.

One Workforce brings all programmatic resources within the One-Stop system into a single, coordinated funding approach. Partners and subrecipients determine eligibility across all available funding streams for each participant. This allows PacMtn to blend resources to maximize impact, reduce duplication, and provide participants with the full range of support needed to reach outcomes.

This model is a key efficiency strategy. It ensures:

- More resources available to each participant
- Better alignment across programs and partners
- Increased flexibility in service delivery
- Stronger outcomes through coordinated support

Survey feedback also introduced the concept of “flexible use based on emerging needs.” This input will require further discussion. As currently understood, this may suggest a shift away from the existing focus on occupational skills training.

PacMtn recommendations

At this time, PacMtn recommends maintaining a strong focus on occupational skills training as the primary investment strategy. This approach has produced consistent results and aligns with employer demand and wage outcomes. At the same time, there is value in remaining open to emerging needs. This should be viewed as a potential evolution of the model, not a shift away from core strategy. Any adjustments should be intentional, clearly defined, and aligned with outcome goals.

As part of this model, eligibility determination is a critical function. The upcoming Adult, Dislocated Worker, Youth, and EcSA RFP includes two Eligibility Specialist positions. These roles are essential to maximizing the effectiveness of One Workforce by ensuring participants are accurately enrolled across all available funding streams.

While these positions will remain within a subrecipient contract, PacMtn will provide functional leadership through the Director of QA and Compliance, and the positions will be located within PacMtn offices. This structure is intended to strengthen oversight, improve consistency, and address ongoing challenges with compliance and execution under prior subcontracted models.

There is no recommended structural change to the One Workforce model at this time.

This approach maintains a proven strategy, strengthens key operational functions, and allows space for future refinement based on data, performance, and board direction.

Funding for the One Workforce model is expected to remain at a similar level in the PY26 budget. To ensure continued alignment with our core strategy, PacMtn will require that at least 60 percent of participants leveraging One Workforce funds receive training services, with a focus on occupational skill development. This reinforces our commitment to connecting participants to high-demand careers while maintaining flexibility within the mode

Board member comments

7. DATA SYSTEMS AND REPORTING (LAUNCHPAD AND INTERNAL TOOLS)

Survey results and feedback

Survey results from Questions 13 and 14 show support for continued investment in internal data systems and reporting tools. Respondents recognize the value of strong data in driving decision-making, improving performance, and supporting clear communication with partners and stakeholders.

PacMtn recommendations

PacMtn recommends continuing to invest in the development and maintenance of internal data management tools, including the Launchpad system. While the state is planning to release a new statewide data system, it is expected to have limitations, particularly in areas such as partner coordination and employer engagement. In addition, use of the statewide system will be constrained by strict PPI and data sharing requirements.

Launchpad fills these gaps and remains a critical tool for:

- Tracking partner and employer engagement
- Supporting the One Workforce model
- Driving internal performance management
- Producing quarterly and annual reports
- Supporting storytelling and communication with stakeholders

PacMtn will continue to evaluate how the new statewide system can be integrated into operations. Adjustments to Launchpad may occur as capabilities become clearer. At this time, there is no plan to move away from Launchpad.

Funding for this area is expected to remain at a similar level in the PY26 budget, with a potential reduction in development costs as the system matures. All development work will continue to be subcontracted.

Maintaining this investment ensures PacMtn retains the ability to manage performance, support partners, and communicate impact effectively, even as statewide systems evolve.

Board member comments

8. FACILITIES PLANNING AND SPACE CAPACITY (OLYMPIA OFFICE)

Survey results and feedback

Survey results from Question 15 indicate general awareness of space constraints, with support for addressing capacity as part of future planning. Feedback reflects the need to ensure staff have functional, effective workspaces as the organization continues to evolve.

PacMtn recommendations

PacMtn is currently at capacity in the Olympia office. As part of the transition to a functional leadership model, several positions will be relocated into the field. This will provide some near-term relief, but does not fully address underlying design and space limitations.

There are also functional challenges with the current layout that impact how teams operate and collaborate. Addressing these issues will require a more intentional plan for future space modifications.

PacMtn recommends setting aside up to **$15,000** for design services to develop a space plan.

This work would:

- Assess current space utilization
- Identify functional improvements aligned with the team-based model
- Prepare options for future renovation or reconfiguration

PacMtn is actively working with the building owner to reduce or offset these costs and believes this amount may be lowered or potentially covered.

Timing is an important factor. The organization is approaching a lease renewal, and having a clear renovation plan will strengthen PacMtn's position in negotiations. This creates an opportunity to incorporate improvements into lease terms rather than funding them independently.

This funding is included for planning purposes only. PacMtn will return to the board for approval before committing to any contract for design services.

This approach allows PacMtn to plan ahead, address operational challenges, and position the organization for long-term space needs without committing to immediate capital improvements.

Board member comments

9. WORKSOURCE THURSTON OPENING (OPERATIONAL CONTINGENCY)

Survey results and feedback

Survey results from Question 16 indicate general support for ensuring new and existing facilities are adequately resourced to operate effectively. Feedback reflects an understanding that new site openings often bring unplanned needs.

With the new Thurston County WorkSource office opening in May, PacMtn anticipates potential short-term operational needs associated with launching the site. While we will seek shared investment from co-located partners, it is prudent to plan for costs that may arise during initial operations.

PacMtn recommendations

PacMtn recommends setting aside **$10,000** as a contingency for operational support. These funds would be used only if needed to address items such as:

- Initial operational adjustments
- Minor equipment or supply needs
- Temporary support to stabilize day-to-day operations

This funding is not intended for capital improvements or major investments.

At this time, no specific expenses are identified. This is a proactive measure to ensure the site can respond quickly to operational needs without disruption.

This approach supports a smooth launch, protects service delivery, and ensures PacMtn is prepared for expected and unexpected operational demands during the transition period.

Board member comments

10. ENTREPRENEURSHIP AND SMALL BUSINESS SUPPORT (TITLE I-B ALIGNMENT WITH ECONOMIC DEVELOPMENT)

Survey results and feedback

Survey results from Questions 17 and 18 show interest in expanding investment in entrepreneurship and small business support. Board members and economic development partners see this as an opportunity to better align workforce investments with the realities of a small business economy and growing interest in self-employment pathways.

Feedback from Question 18 reinforces this direction. One respondent noted:

- "We need to better connect workforce investments with small business and entrepreneurship. This is where a lot of our local economic activity is happening."

PacMtn does not currently invest Title I-B funds in this area. Based on survey input and partner interest, PacMtn recommends a targeted pilot investment.

PacMtn recommendations

Recommended investment

- Set aside **$50,000** from the Dislocated Worker program
- Align strategy and delivery with Economic Development partners
- Use an open procurement process if administrative or service support is needed

This approach allows PacMtn to test the model while ensuring compliance and alignment with existing economic development efforts.

How Title I-B can support entrepreneurship

Title I-B cannot fund direct business start-up costs or grants. It can support:

- Entrepreneurship training, including business planning, financial management, licensing, and industry-specific skills
- Coaching and technical assistance tied to launch and early-stage business development
- Supportive services that enable participation
- Incumbent Worker Training when an existing business is expanding or upgrading skills

CRP and other state resources can continue to provide capital support, creating a complementary model:

- Title I-B supports the individual
- CRP supports the business

Role of Economic Development partners

This effort will rely on strong coordination with Economic Development partners to:

- Leverage existing entrepreneurship programs and expertise
- Identify viable sectors and business opportunities
- Design service strategies that align with WIOA requirements
- Ensure participants receive both workforce and business development support

Administrative structure

If PacMtn moves forward with a contracted model, the entity may need to operate as a subrecipient depending on scope. This will require:

- Clear performance expectations
- Strong compliance oversight
- Defined roles between workforce and economic development partners

Planning and coordination will be critical to success.

Outcomes and performance

Outcomes should align with Dislocated Worker expectations, including:

- Entry into employment or self-employment
- Earnings and progress toward self-sufficiency
- Retention in employment or sustained self-employment

Incumbent Worker Training outcomes may apply in cases where an existing business is improving skills or expanding operations.

Position moving forward

This is a new area of investment for Title I-B and should be approached as a pilot. The goal is to build a model that:

- Supports entrepreneurs in a compliant way
- Aligns workforce and economic development strategies
- Produces measurable outcomes tied to income and stability

This investment responds directly to survey feedback and positions PacMtn to expand impact in a key part of the regional economy.

Board member comments

11. PROFESSIONAL DEVELOPMENT AND PARTNER CAPACITY (SYSTEM TRAINING AND SUPPORT)

Survey results and feedback

Survey results from Questions 19, 20, and 21 show general support for continuing to offer professional development opportunities to system partners. Feedback indicates that partners value access to training and see it as important for maintaining quality and consistency across the system.

PacMtn has made professional development resources available in prior years. Uptake has improved recently, which suggests growing interest and relevance of these offerings.

PacMtn recommendations

At this time, PacMtn recommends continuing to provide professional development opportunities at a modest level. This includes maintaining access to training resources that support:

- Program delivery and case management
- Compliance and data quality
- Alignment with system strategies such as One Workforce and Career Pathways

Planned investment for PY26 is estimated at **$10,000**. This is a limited allocation intended to sustain access while monitoring participation and impact.

This approach allows PacMtn to:

- Continue supporting partner capacity
- Build on recent increases in participation
- Evaluate which training opportunities deliver the most value

As engagement and demand grow, PacMtn can revisit the level of investment in future budget cycles.

This is a targeted, low-cost investment that supports system quality without expanding scope beyond current needs.

Board member comments

12. ADDITIONAL SURVEY INPUT (QUESTION 25)

Additional comments from respondents reinforce the overall direction of the proposed budget. Feedback emphasizes maintaining focus on outcome-driven investments, balancing employer and participant strategies, and ensuring rural communities remain engaged. Respondents also highlight the importance of strong execution and consistent delivery across the system.

These comments align with earlier survey findings and do not suggest a need for additional investment areas beyond those already outlined.