

PERFORMANCE ACCOUNTABILITY

An overview of Washington’s workforce development accountability system—from the creation of the state’s Workforce Board to WIOA implementation.

To meet the combined challenges of a competitive economy and a changing labor force, and to make the best use of limited resources, Washington’s workforce development system must continuously improve its performance. What counts are results in meeting the needs of our customers—students, jobseekers, workers, and employers. The workforce development system must continuously measure results, identify areas to improve, and make the necessary improvements.

Prior to the creation of *High Skills, High Wages*, Washington did not have an accountability system for workforce development, but instead had separate accountability activities for many programs. The Workforce Board’s original authorizing legislation included clear direction to establish standardized performance measurement across multiple agencies and federal and state programs in the workforce system.

Core measures bring consistency

By using common methods and applying them across a wide range of workforce programs, the Workforce Board was able to evaluate the state’s workforce system through a comprehensive and consistent set of Core Measures that answered the following questions:

- Did participants of workforce programs get the skills they needed?
- After leaving the program, were participants employed?
- How much did they earn?
- Were program participants and their employers satisfied?
- Did the participant and public get a good return on investment?

This final question, about return on investment, was answered through a “net impact study” conducted every four years. This in-depth study compared earnings and employment of program participants with those of a control group with similar demographic characteristics. Through this study, Workforce Board research staff could analyze how helpful a workforce program was in moving a participant toward employment and higher wages, and whether they would have made these same gains if they had not participated in a workforce program at all. The net impact study also showed both short-term impacts on workforce participant wages and employment, and long-term impacts that stretch to age 65. A cost-benefit analysis is part of the net impact study and breaks out the financial returns to both participants and the public after investing in the workforce program.

These performance measures were all in place by 1996. Together, these activities constituted one of the broadest and most sophisticated ongoing state workforce assessment systems in the country.

At that time, in the mid-1990s, federal workforce programs and agencies were largely separate entities with little federal support and some structural barriers to service coordination or integration. However, within these programs, performance measurement was already established for the Workforce Investment Act's predecessor (Job Training Partnership Act) and enhanced in the 1998 reauthorization of the Carl Perkins Act (Perkins III). The Workforce Board's former deputy director, Bryan Wilson, was heavily involved in national efforts, starting in 2003, to bring interested states together to develop model measures for participant performance outcomes that could be applied across a wide range of programs. The resulting model measures were very similar to the ones adopted by Washington in 1996, and are known as the *Integrated Performance Information (IPI) measures*.

The passage of the Workforce Investment Act (WIA) in 1998 was a major step in moving toward service coordination and integration of federal programs. WIA revised the measures that had been used under the Job Training Partnership Act, and also included some additional direction to states in the area of performance measurement. In Washington, our state aggressively implemented a performance-based Eligible Training Provider List, with programs required to either meet certain completion, employment and earnings thresholds, or be removed from the list, making them ineligible for federal training dollars.

In 2009, the Workforce Board launched CareerBridge.wa.gov, a groundbreaking, public-facing website that provided performance results outside the walls of WorkSource and directly to the public. Not only could job counselors see whether an education program led to living-wage jobs, but so could jobseekers, students, and anyone else interested in the return on investment for thousands of Washington education programs. In 2010, Career Bridge won a national award from the Council of State Governments for providing this detailed "consumer report card" to Washington residents.¹

Despite these advances under WIA, the act did not fulfill all of its aims. In particular, it fell short in accomplishing two of its biggest goals: comprehensive service integration, and widespread implementation of a fully-developed performance measurement system.

¹ CareerBridge.wa.gov currently features over 6,300 education programs, from short-term certificates to two-year associate's degrees, to some four-year degrees, and even some master's level programs. The site also features registered apprenticeships. Currently, performance results are limited to programs that provide data to the Workforce Board for inclusion on the state's Eligible Training Provider List. However, the Career Bridge site also features thousands of programs that are not on the state's ETP, to provide the public with a more comprehensive overview of available education and training programs in Washington. In 2014, the site recorded over 4 million page views.

The Carl Perkins Act was again reauthorized in 2006, with improved performance measures, but without major steps toward common performance standards across federal workforce programs.

WIOA promises a better integrated, more coordinated system

It was against this backdrop that the Workforce Innovation and Opportunity Act (WIOA) passed with broad bipartisan support in 2014, the first federal reform of the workforce system in 15 years. The Workforce Board was tasked by the Governor with coordinating the planning and implementation in our state. Washington, fortunately, was at the forefront in measuring performance of workforce programs through the state's Core Measures.

Two of WIOA's key features touch on this consistent and comprehensive accountability system:

1. WIOA applies one set of accountability metrics to every workforce program under the bill.
2. It also strengthens evaluation and data reporting.

More broadly, WIOA represents an attempt to substantially advance the coordination and integration of service delivery, mandated under WIA, Wagner-Peyser, Adult Basic Education and Vocational Rehabilitation, with state options to include many other programs. It attempts to reduce barriers to service integration based on previous experience under WIA. Under WIOA, programs provided through the state's one-stop delivery system (WorkSource) are expected to function as part of an integrated whole, or at least as part of a better coordinated system. WIOA's goal is to serve customers at a variety of entry points and offer services as needed rather than requiring customers to move through increasingly "intensive" levels of assistance. In a high-functioning system, customers will be able to move into and across programs as needed, with the performance of those programs measured by how well they serve the individual, and target populations, in achieving their goals.

WIOA updated the federal performance measures to more closely parallel the State Core/IPI standards, with four of the six primary WIOA measures taken from the IPI recommendations. The WIOA performance language does not require assessing the collective performance of the WIOA partners, rather remaining tied to each of the six (or more) separate federal funding streams. Recent regulatory drafts from the federal departments reference creating an "average indicator score" by averaging each performance measure across all six programs. This may be seen as an initial step toward assessing system-level performance, but there are key unresolved questions about the details and effectiveness of this approach.

Washington's Workforce Board is committed to developing a true "system" of workforce delivery with service delivery integrated across programs and agencies. In May of 2015, the Board decided to pursue development of performance data appropriate to an integrated

system of service delivery by measuring how the components of that system collectively affect the outcomes of different types of clients, regardless of the mix of resources involved.

Performance Measures

Desired Outcomes

At a high level, the five desired outcomes identified nearly 20 years ago for the workforce development system as a whole remain the focus of most performance measurement efforts. These outcomes focus on the difference workforce development makes in the lives of program participants, their families, and their communities.

They are not static targets, but conditions that should be increasingly true for all people.

- Employment
- Earnings
- Skills
- Satisfaction of workforce program participants
- Satisfaction of employers

Results on indicators of these outcomes are measured for the population as a whole and separately for women and men, among different races and ethnicities, and among people with disabilities.

Desirable Qualities for Performance Measures

In general, performance measures are better to the extent they:

- Are outcome measures that quantify the results for customers rather than processes or the quantity of inputs.
- Promote behavior and results that are consistent with the longer-term objectives – and not incentivize actions that have unintended consequences that are contrary to the overall objectives of the workforce system.
- Are comprehensible to a lay audience.
- Create a level playing field among programs and service strategies.
- Are scalable and divisible such that they are applicable to local institutions, regional areas, and the state, and for subpopulations and service strategies.
- Are not easily “gamed” or manipulated.
- Are affordable and not a substantial diversion of resources from direct service to customers.

(See Appendix of the Current State Core Measures and performance levels)

Implementing WIOA

Many details of WIOA's impact on Washington's performance accountability system are yet to be defined in regulation and federal guidance. But parts of the emerging picture are becoming clear.

What we know

WIOA identifies six key performance measures:

- The first four are very similar to the PMCI/IPI measures for employment, earnings and credential achievement.
- A new measure of progress while in training has yet to be fully defined. This may pose some challenges as it involves data and sources not used in previous workforce performance measures.
- A new measure of effectiveness in serving employers will be developed over the next year or more by the federal agencies.

Which core programs are included in WIOA?

1. Employment and Training Programs

- Disadvantaged Youth Services
- Economically Disadvantaged Adult Services
- Dislocated Worker Programs

2. Basic Education for Adults under Title II

3. Wagner-Peyser Employment Services

4. Vocational Rehabilitation Services

Performance targets will be required for the new WIOA measures at the state and regional level, with the state targets set in negotiations with the federal departments, and the regional targets negotiated between the Workforce Development Councils (WDCs) and the Workforce Board. The current practice has been to develop the state proposal to the federal agencies through consultation with the WDCs.

Only the six core WIOA programs are required to use the WIOA performance measures. Participation of any other federal or state program in a combined or unified plan does not invoke the WIOA measures accountability.

Work to be Done

Many critical details have yet to be released. However, a substantial amount of policy, procedural, and technical development will be required (or advisable) in implementing this far-reaching federal act. This work is likely to continue for much of the next two years. A partial list includes the following:

- Sanctions and Incentives

The system of federal incentives under WIA was not retained under WIOA. New sanction procedures must be developed, and the option of state-designed incentives considered.

- Combining WIOA and State Core Measures

Because all three of the current State Core Measures for participant outcomes have very similar but not identical WIOA measures, it appears desirable to consolidate the number of measures calculated for the programs involved in WIOA. Because the State Core Measures have been in use for almost 20 years now and are applied to programs outside WIOA, there are significant issues to be considered.

- Eligible Training Processes

WIOA requires the establishment of some new procedures for the existing processes for eligibility of education and training programs for Adult and Dislocated Worker participants. The existing criteria must also be re-evaluated and modified. Further, systems for performance assessment and minimum criteria for programs providing several additional types of services to Youth, Adults, and Dislocated Workers must be developed.

- Data Collection

Data collection and processing procedures must be modified or expanded to support new WIOA requirements for performance measurement, statistical adjustment of performance measures, and mandatory reporting.

Carl Perkins

The separate federal performance measures system for Carl Perkins will remain unaffected by WIOA, regardless of the extent to which Perkins activities become formal or informal partners in One-Stop and WIOA. Under Perkins' rules, it may be feasible and appropriate to change the Perkins employment measure over to the WIOA definition. Carl Perkins Act reauthorization may also occur, which would likely include some changes in those federal measures.

Possible additions/appendices

- Relationship to Results Washington
- Surveys of Employers and Participants
- List of other federal programs required to use WIOA measures