

**WASHINGTON STATE  
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD  
MEETING NO. 176  
JANUARY 23, 2014**

**ELIGIBLE TRAINING PROVIDER POLICY**

The Board adopts the criteria used to determine which programs are eligible to provide training funded by Workforce Investment Act Title I-B Individual Training Accounts. The same criteria are used to determine eligibility to train dislocated workers receiving additional unemployment insurance benefits under the state's Training Benefits program. At the January meeting, the Board will discuss updating the criteria for programs on the state's Eligible Training Provider List (ETP). It is anticipated that the Board will act on the criteria at the March meeting.

The criteria consist of standards for program results as measured by student completion rates and the employment and earnings of former students. The attached draft shows what the criteria would be if the only changes were to raise the earnings criteria in order to maintain the policy of matching the poverty threshold and to raise the hourly wage criteria in order to adjust for inflation. (The minimum floor is equal to the poverty threshold for a family of two and the performance target is set to the poverty threshold for a family of three.)

The tab concludes with background information on the effects of the current performance criteria on program eligibility.

**Board Action Required:** For discussion only.

## Performance Criteria for Determining Training Provider Eligibility Draft Updating Earnings and Hourly Wage Criteria

(Changes from current criteria are underlined.)

### I. State Required Performance Levels

A program must meet or exceed each of the following minimum performance floors:

- A completion rate of 20 percent.
- An employment rate of 50 percent.
- An earnings level of \$3,878 in a calendar quarter or \$10.46 per hour.

If a program does not meet the minimum floor for completion rate or employment rate, that program will be ineligible. If a program fails to meet the eligibility floor for quarterly earnings only, the program may still qualify by meeting the floor for hourly wages. If the program also does not meet the floor for hourly wages, that program will be ineligible.

In addition to meeting the minimum floors for completion rate, employment rate and earnings, the program must achieve at least an average of 100 percent of the following performance targets:

- A completion rate of 30 percent.
- An employment rate of 65 percent.
- An earnings level of \$4,883 in a calendar quarter or \$11.57 per hour.

The average is calculated by dividing actual performance on each measure for which there is sufficient data by the target for that measure, adding the results together, and dividing by the number of measures for which there is sufficient data.

For example, a program with a 35 percent completion rate, 51 percent employment rate and median earnings of \$4,500 meets the minimum performance floors, but does not meet an average of 100 percent of the performance targets. The calculation of the average of the performance targets is shown below:

Completion rate:  $.35 / .30 = 1.16$   
Employment rate:  $.51 / .65 = .78$   
Median earnings:  $4,500 / 4,773 = .94$

$(1.16 + .78 + .94) / 3 = .96$

The program only meets an average of 96 percent of the performance targets and is, therefore, ineligible.

### **Analysis of Changes from Current Criteria**

An increase in earnings requirements would maintain the policy of matching the federal poverty guidelines issued annually by the Department of Health and Human Services. The minimum floor for earnings would increase from \$3,783 to \$3,878 in a calendar quarter to match the January 2013 poverty guideline for a family of two. The target for earnings would increase from \$4,773 to \$4,883 in a calendar quarter in order to match the new poverty guideline for a family of three.

The draft would also raise the hourly wage minimum floor from \$10.30 to \$10.46 in order to keep up with inflation (based on the average consumer price index for 2012). The performance target hourly wage would increase from \$11.40 to \$11.57. There are no other changes.

### **Impact of 2012 Standards on the ETP List**

The 2013 standards resulted in a total of 533 programs losing ETP eligibility. Table 1 shows the number of programs on the ETP List that did not meet performance standards, broken out by sector. Table 2 shows the impact of each measure by examining the proportion of programs that did not meet standards by the measure or combination of measures that were not met.

**Table 1: Effect of Current Performance Criteria on Eligibility: 2013 ETP Performance Analysis Results**

	Programs on the ETP List Total	Met performance standards: Eligible		Did not meet performance standards: Not Eligible		No data reported: Not Eligible		Interim Eligible <sup>1</sup>	
<b>Community and Technical College Programs</b>	3292	2508	76%	384	12%	NA	NA	400	12%
<b>Private Career School Programs<sup>2</sup></b>	913	254	28%	45	5%	22	2%	592	65%
<b>Public and Private Degree-granting University and College Programs</b>	1024	374	37%	6	1%	43	4%	601	59%
<b>Registered Apprenticeship Programs</b>	455	104	23%	33	7%	NA	NA	318	70%

<sup>1</sup> These programs are considered eligible but have not been included in the performance analysis due to one or more of the following reasons: the program is new or trains too few students and did not report enough exiters for analysis, there are problems with the data, or the program did not train any students during the reporting period. A minimum of 25 exiters is needed for analysis.

<sup>2</sup> Includes schools licensed by the Workforce Board or Department of Licensing, cosmetology schools and FAA-approved flight training and training programs approved by local Workforce Development Councils for inclusion on the ETP List.

**Table 2: 2013 ETP Performance Analysis:  
Programs that Did Not Meet Minimum Standards**

<b>Reason:</b>	<b>Community and Technical College Programs</b>	<b>Private Career School Programs</b>	<b>Public and Private Degree-granting University and College Programs</b>	<b>Registered Apprenticeship Programs</b>
<b>Average Ratio less than 1.0</b>	24.0%	7.7%	0.0%	3.0%
<b>Completion only</b>	25.3%	5.1%	50.0%	69.7%
<b>Employment only</b>	48.2%	87.2%	50.0%	9.1%
<b>Completion and Employment</b>	1.3%	0.0%	0.0%	18.2%
<b>Completion and Earnings/Wage</b>	0.3%	0.0%	0.0%	0.0%
<b>Earnings/Wage only</b>	0.8%	0.0%	0.0%	0.0%
<b>Emp and Earnings/Wage</b>	0.3%	0.0%	0.0%	0.0%
<b>Did Not Meet Standards</b>	100%	100%	100%	100%