

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 141
SEPTEMBER 24, 2009**

ELIGIBLE TRAINING PROVIDER POLICY

The Board adopts the criteria used to determine the eligibility of programs allowed to provide training funded by Workforce Investment Act Title I-B Individual Training Accounts. The same criteria is used to determine eligibility to train dislocated workers receiving additional unemployment insurance benefits under the state's Training Benefits Program and those who qualify for Trade Adjustment Assistance. At the September 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 November 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 tab concludes with background information on the effects of the current performance criteria on program eligibility.

Board Action Required: None. For discussion purposes 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 \$ 3,643 in a calendar quarter or \$ 9.67 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 \$ 4,578 in a calendar quarter or \$ 10.71 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: $4,500 / 4,578 = .98$

$(1.16 + .78 + .98) / 3 = .97$

The program only meets an average of 97 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 \$3,422 to \$3,643 in a calendar quarter to match the January 2009 poverty guideline for a family of two. The target for earnings would increase from \$ 4,292 to \$ 4,578 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 \$8.30 to \$9.67 in order to keep up with inflation (based on the average consumer price index for 2009). The performance target hourly wage would increase from \$10.30 to \$10.71. There are no other changes.

Effect of Current Performance Criteria on Provider and Program Eligibility

Results of Eligible Training Provider List Performance Analysis								
	Community and Technical College Programs		Private Career School Programs ¹		Public and Private Four-Year University and College Programs		Registered Apprenticeship Programs	
Results Category	N	Percent	N	Percent	N	Percent	N	Percent
Programs analyzed	1,361	100	597	100	437	100	54	100
Met performance standards-eligible	1,149	84.4	297	49.8	357	81.7	45	83.3
Did not meet performance standards-not eligible	50	3.7	30	5.0	3	0.7	3	5.6
Not enough exiters for analysis-interim eligible ²	119	8.7	227	38.0	57	13.0	2	3.7
No data/incomplete data-not eligible	43	3.2	43	7.2	20	4.6	4	7.4

Community and Technical Colleges

At the time of this analysis, some 56 percent of the programs on the ETP List were community and technical college (CTC) programs. Most of the programs (88 percent) had sufficient data to conduct the performance analysis. Of the CTC programs on the ETP List, 84 percent met or exceeded the minimum performance standards. Among the CTC programs that were found ineligible due to performance, 50 percent did not meet the employment rate standard, 38 percent had completion rates below 20 percent, 8 percent fell short on median earnings and hourly wage, and 8 percent did not meet the minimum on the average ratio of all three measures. The program categories with the highest ineligibility rates were Construction/Mechanical/Transportation-related, Administrative Support, and Health-related.

A small percentage of CTC programs did not have enough data for analysis. Most of these were new programs that had not yet exited any students as of the end of the data reporting period.

¹ Includes schools licensed by the Workforce Training and Education Coordinating Board (Workforce Board) or Department of Licensing, two-year degree granting schools, and FAA-approved flight training and training programs approved by local Workforce Development Councils for inclusion on the ETP List.

² These programs were either new programs, recently added to the ETP List, or small programs with very few or no exiters.

Private Career Schools

Nearly a quarter of the programs on the ETP List were offered by private career schools, including cosmetology schools, flight training schools, vocational schools licensed by the Workforce Board, and two-year degree granting schools.

Fifty percent of the private career school programs on the ETP List at the time of analysis met the performance standards and are fully eligible. Of all private career school programs that did not meet performance standards, 86 percent failed to meet the minimum for employment rate and 14 percent failed on completion rate. Cosmetology programs were by far the most affected sector, making up 52 percent of private career programs that failed to meet the minimum standards. The remainder includes primarily computer and business-related training.

We did not have enough data to analyze 38 percent of private career school programs. These programs can be divided into three categories:

1. Programs for which student data was reported, but the data did not include enough exiters for us to analyze due to the programs being too new, too small, or where most of the students' training is paid for by their employers.
2. Programs that did not have any training exiters at all during the time period of analysis, or very small training providers that train one or two students every few years.
3. Programs that recently came onto the ETP List. For most of these programs, data was reported for the first time last fall, and the programs will be included in the next analysis.

Public and Private Four-Year Universities and Colleges

Four-year institutions, which made up 18 percent of the programs on the ETP List at the time of this analysis, were minimally affected by the performance standards. Only three programs did not meet the standards.

Registered Apprenticeship Programs

Apprenticeship programs are a very small but growing part of the ETP List and are not often used by Workforce Investment Act recipients. The handful of apprenticeship programs that did not pass this analysis failed to meet the completion rate minimum.