

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 169
MARCH 14, 2013**

STATE CORE MEASURES

At the January meeting, Workforce Board staff gave a presentation on the history of the State Core Measures, the Integrated Performance Information (IPI) project, and the National Governors Association (NGA) recommended common performance measures. Martin Simon from the NGA Center for Best Practices spoke about the value of common measures across workforce development programs and the NGA recommended measures.

Among the key points covered were:

- The need for common evaluation standards across workforce development programs was one of the reasons business and labor recommended the creation of the Workforce Board.
- The Legislature's authorizing statutes for the Workforce Board direct the Board to establish common evaluation standards.
- The Board adopted the State Core Measures in 1996 after two years of discussion among representatives of the affected programs at the state and local levels, and has used the measures ever since.
- In 2002 the Bush administration attempted to develop common measures across workforce programs. The Department of Labor proposed a set of measures that the Department adopted, but these measures were not adopted by the other federal agencies.
- In 2004 the Department of Labor asked the Workforce Board to lead the states in designing the next generation performance measurement system. This project came to be known as the Integrated Performance Information (IPI) Project.
- The IPI performance measures were developed and vetted by state and local policy and technical staff from the affected programs from 16 states, as well as national evaluation experts, and stakeholder organizations.
- The National Governors Association (of all 50 Governors) considered the IPI measures and adopted a resolution endorsing them (with one change) for Workforce Investment Act (WIA) reauthorization. At the time, Governor Gregoire was chair of the relevant NGA committee. The National Association of State Workforce Agencies (the association of Employment Security counterparts) also adopted the NGA recommended measures.
- Board staff has briefed staff from three of the four Congressional conferences and the Office of Management and the Budget regarding the IPI/NGA measures. The measures were well received, and WIA reauthorization is expected to move in the direction of those measures.

At the March meeting, the Board will continue with its reconsideration of State Core Measures.

In reconsidering the State Core Measures, one option for the Board's consideration is transitioning from the current State Core Measures to the NGA recommended measures. In this tab is a paper with questions and some answers regarding such a possible transition. Many of these questions were asked at the last Board meeting. The paper is presented in order to facilitate continued discussion by the Board.

Board Action Required: None. For discussion only.

State Core and National Governors Association Recommended Performance Measures for Workforce Development

The chart below shows Washington’s core measures and the measures recommended by the National Governors Association (NGA). Differences between the measures are underlined.

Outcome	State Core	NGA
Skill Gain	Percent or <u>number</u> of program participants leaving the program who achieved <u>appropriate skill gains</u> or an education or training credential.	<u>Percent</u> of program participants leaving the program who obtain an education or training credential.
Employment	Percent of former participants with employment during the <u>third quarter</u> after exit. (For programs serving youth - employed or enrolled in education.)	Short-term: Percent of program participants who are employed during the <u>2nd quarter</u> after exit. (For youth, employed or enrolled in education.) Long-term: Percent of program participants employed during the <u>4th quarter after exit</u> . (For youth, employed or enrolled in education.)
Earnings	Median earnings of program participants during the <u>third quarter</u> after exit. Measured <i>only</i> among former participants not enrolled in education during the quarter.	Median earnings of program participants during the <u>2nd quarter</u> after exit. (For youth, earnings only among those not enrolled in education.)
Employer Satisfaction	Percent of employers who report satisfaction with new employees who are program completers as evidenced by survey responses.	<u>None</u>
Participant Satisfaction	Percent of former participants who report satisfaction with the program as evidenced by survey responses.	<u>None</u>

In addition, both Washington and NGA support formal measures of the net return on investment. These measures, however, are intended as general indicators of program performance, as opposed to accountability measures that are frequently measured against numeric targets—due to the expense and imprecision of these measures.

Questions About Possibly Transitioning to the NGA Recommended Measures

To examine the option of changing to the NGA recommended measures, there are questions that may be worth considering. The remainder of this paper poses those questions and provides at least some answers.

Why not adopt the Department of Labor (DOL) measures instead?

To use the DOL measures as the State Core Measures for workforce development programs would require new measures for the majority of our workforce programs. By state definition there are 16 programs in the workforce training system, of which only 4 are covered by the DOL measures. The largest programs that would have to change to the DOL measures are professional-technical education at the community and technical colleges and secondary career and technical education.

There would be certain gaps in performance information if the DOL measures were used as the State Core Measures. First, the DOL measure of employment rate only counts participants who were not employed at the time of registration. Only about 30 percent of professional-technical students are not employed at the time of registration; therefore, employment rates would be measured for only about 30 percent of the students. Second, the DOL measures do not include a measure of skill attainment or completion for adults. Third, the DOL measures do not include a measure of employment or postsecondary education for youth beyond the first quarter after exit. Fourth, the DOL measures for youth do not include a measure of earnings, thus there is no measure of the quality or value of the employment that youth obtain.

There are also significant technical questions regarding the validity and reliability of the DOL measures.

What is the impact on Workforce Development Councils (WDCs) of having State Core Measures?

A primary purpose of the State Core Measures for WDCs is to assist them in performing their strategic functions for the workforce development system in their area. The state requires WDCs to review annually the results on the State Core Measures for the workforce development system in their area and to use the results to inform their local planning efforts. The state's expectations for how WDCs will use the State Core Measures are described in WorkSource policy number 1017, adopted in August of 2011.

In order to assist the WDCs, Workforce Board staff annually provide the WDCs with the results on the State Core Measures for the major workforce development programs in their area. WDCs are not required to provide staff time or other resources to calculate these results. The results are provided for them. It does take time of WDC staff and Council members to consider the results and their implications for local strategic planning.

Another purpose of the State Core Measures is to assist WDCs with their responsibility for the effective administration of WIA Title I in their area. For this purpose, Workforce Board staff provide the WDCs with the results on the State Core Measures for WIA Title I each quarter. The Workforce Board also sets targets on each of the State Core Measures

for each WDC. The WDCs track their performance against the targets and WDC staff report to their Councils on the success in meeting the targets. Because of the importance attached to these reports, at least some WDCs spend staff time closely checking the numbers provided by the Workforce Board staff to determine if corrections/changes might be in order. In addition, local and state staff time is spent in negotiating and setting the performance targets on the State Core Measures.

What would be the cost of transitioning to the NGA measures?

There would be no significant cost difference between the current State Core Measures and the NGA measures. The NGA measures do not include participant and employer satisfaction measures based upon surveys, as do the State Core Measures. The Workforce Board, however, surveys participants and employers in any event as part of its broader assessment and evaluation responsibilities, so there would be no significant cost savings from dropping the satisfaction measures.

Are the State Core Measures of participant and employer satisfaction useful? Is this value lost if the state changed to the NGA measures?

The Workforce Board has consistently found high results for the State Core Measures of participant and employer satisfaction. The measures have, therefore, not been very useful in identifying changes in performance over time or identifying areas for improvement. The broader lists of participant and employer satisfaction survey questions have been useful for identifying particular areas needing improvement, but those are not performance measures.

Would the state no longer be able to compare new performance with past performance due to the change in measures?

Going forward, the Workforce Board staff would be able to calculate both sets of measures to identify the differences in the results they produce. The differences should be relatively small. It might make sense to calculate this difference just for the first year. Charts showing performance going back in time would need to note that in ___ year, there was a change in how performance was measured.

What effect would the NGA measures have on performance targets?

Performance targets would be set for the new measures just as they are now. Transitioning to the NGA measures would not change this process. The targets themselves would likely be slightly different.

What effect would the NGA measures have on how Washington compares to other states?

No comparison is made between Washington and other states using the State Core Measures. This would not change if Washington alone adopted the NGA measures. When federal agencies publish tables showing the performance results of the states, they use the federally mandated measures for that program, they do not publish state additional measures (as they are called). While Washington shares with DOL the WIA Title I results on the State Core Measures, DOL does not publish those results. Inter-state comparisons are not made for secondary or postsecondary CTE because states use a variety of

different measures. If Congress adopted the NGA measures as part of WIA reauthorization, the ability to compare across states would be greatly enhanced.

What would be the time lag on getting results?

Two of the NGA measures are based on the 2nd quarter after participants exit their program. We would be able to get these results three months earlier than we do now for the current State Core Measures. One of the NGA measures is based on the 4th quarter after exit. Those results would be available three months later than the current State Core Measures.

Would the NGA measures affect who programs enroll?

The IPI/NGA measures were purposely designed to minimize measurement impact on who is enrolled, for those programs that have such discretion. This is one of the reasons that the measures do not include a measure of pre-post change, since such measures are greatly affected by who is enrolled. As with the current State Core Measures, it still would be necessary to statistically adjust targets based on the characteristics of the participant population, so there would be no advantage in avoiding serving the hard to serve.

Would the NGA measures affect program service strategies?

There should be no significant difference between the current State Core Measures and the NGA measures in their effect on program service strategies. Both sets, however, have a different effect than do the DOL measures. The DOL measures create less of an incentive for training adults and dislocated workers in a program that offers some type of credential since the DOL measures do not include a measure of credential attainment. Also, it can be argued, that the importance of the 1st quarter after exit in the DOL measures, incentivizes a focus on short-term results that tend to dissipate over time.

What about adding system-wide measures?

Neither the current State Core Measures nor the NGA measures explicitly include measures of the results for the workforce development system as a whole. One option is to aggregate the results for the employment and earnings measures for the system as a whole; for example, among all program exiters the percentage with employment during the second quarter after exit. Another type of system-wide measure would be the skills gap—the percentage gap between the supply and demand for skilled workers. This later measure cannot be used to evaluate an individual program and, therefore, does not fulfill the Workforce Board's assignment of setting common evaluation standards, but it does provide useful information.