WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 139
JUNE 25, 2009

REQUEST FOR FEDERAL WAIVER: COMMON PERFORMANCE MEASURES

The Washington Workforce Association (WWA, the association of Workforce Development Councils) has asked that the state request a waiver from the U.S. Department of Labor (DOL) to use DOL's "Common Measures" in place of the regular Workforce Investment Act (WIA) Title I measures.

DOL indicates that if the state requests the waiver, DOL will automatically grant the waiver. The waiver may be requested at any time. When making the request the state would need to propose performance targets for the new measures.

At the June meeting the Board will consider whether or not to forward the request to DOL. The tab contains an analysis of the request. It is not clear to staff, based on the analysis, whether the benefits of a "Common Measures" waiver exceed the downside risks. The motion is forwarded to the Board without a staff recommendation.

Board Action Requested: Consideration of the Motion.

MOTION

WHEREAS, The U.S. Department of Labor offers an opportunity to states to waive the measures regularly used to measure the performance of Workforce Investment Act Title I and to use instead a smaller set of measures referred to as the "Common Measures"; and

WHEREAS, Such a waiver would cause a net reduction of eight performance measures, reducing the costs to the state and local areas of time and money expended on the measures; and

WHEREAS, Requesting such a waiver does not imply that Washington supports the use of the U.S. Department of Labor's "Common Measures" as common measures for the workforce development system; and

WHEREAS, Washington state's Core Measures will continue to provide for performance accountability for the important outcomes of credential attainment, long-term employment and earnings, and customer satisfaction;

NOW, THEREFORE BE IT RESOLVED, That the Workforce Training and Education Coordinating Board approves the submittal of a waiver request to the U.S. Department of Labor to use the Department's "Common Measures" to measure the performance of WIA Title I.

COMMON MEASURES WAIVER REQUEST

Background

Despite the name**,** the purpose of the proposed request is not to use common measures to measure performance across workforce development programs. The purpose is to save resources by reducing the number of performance measures used for Workforce Investment Act (WIA) Title I.

Stakeholders have long complained about the lack of common performance measures across workforce programs, that different programs use different measures to measure the same thing, such as the employment rate of program participants. One of the main reasons the Workforce Board was created was to establish a common set of performance measures across workforce programs. In 1996, the Board adopted five state core measures for the workforce system and continues to use them today. (See Appendix A).

In 2001, the Bush Administration also attempted to develop a list of common measures. The effort, however, fell short and the Department of Labor (DOL) was the only federal agency to adopt the measures.

In 2003, DOL asked the Workforce Board to lead the 50 states in the design of the next generation performance management system for workforce development. As part of that effort, named Integrated Performance Information (IPI), a new set of common measures was developed. DOL, for the most part, ignored the new measures, but a slight variation of the measures was endorsed by the National Governors Association (NGA) and the National Association of State Workforce Agencies. The Senate, in the report on their bill to reauthorize WIA, indicated support for these new NGA common measures. Washington state and the Workforce Board are on record supporting the NGA common measures.

Although the DOL “Common Measures” were never endorsed by other workforce agencies, some 34 states have adopted them for WIA Title I. The reason is DOL allows states that adopt their “Common Measures” to forego measuring a number of outcomes identified in WIA. This reduces the burden of tracking and analyzing a net difference of eight performance measures.

Below is an analysis of the arguments for and against a “Common Measures” waiver request.

Pro

The waiver would allow the state and local areas to report eight fewer performance measures. (Appendix A) Washington almost certainly requires the reporting of more measures than any other state among the WIA Title I federal measures (17), the State Core Measures (15), and WorkSource Management Indicators (5). Reducing the number of measures would ease the effort that Workforce Development Council (WDC) Board members, staff, and service providers spend on analyzing performance, as well as reduce the staff time at Employment Security Department and the Workforce Board. (The underlying data for five of the measures would still be collected since it is needed for the state core measures.)

The state would save about $30,000 in WIA 10 Percent Funds by no longer conducting the participant and employer customer satisfaction surveys for WIA Title I. The WDCs report that the cost of the surveys outweighs their value, and that customer satisfaction is better measured through their local efforts at the point of service. (Washington currently contracts with the University of Connecticut to administer the surveys.)

The WDCs would save resources by no longer administering the measure of youth skill attainment. This measure is staff intensive and the WDCs report that the cost outweighs the value of the measure.

Con
The DOL “Common Measures,” unlike the WIA Title I measures they would replace, do not attempt to measure some important outcomes:

- There is no employment measure for youth later than the first quarter after exit.
- There is no earnings measure for youth.
- There are no education measures of adults or dislocated workers.
- There are no employment or earnings measures of adults or dislocated workers who are not employed during the first quarter after exit.

The state core measures do measure these outcomes. Whether or not the absence of these outcomes in the federal measures would matter, would depend on the seriousness with which the WIA system uses the state core measures.

There would be some cost in state and local staff time to develop regression models and performance targets for three new measures.

Congress is expected to reauthorize WIA later this year. They may well adopt a new set of performance measures. If the state changes to the DOL Common Measures now, the state and local areas may have to adjust twice in a short period of time.

The more states that adopt the DOL “Common Measures” the more the Administration and Congress may believe that the DOL “Common Measures” should be placed into statute.

Other Considerations

Waivers can sometimes be seen as circumventing the will of Congress. Congress, however, did not include the performance measures among the sections of WIA that may not be waived.

If the state decides to request a waiver to use DOL “Common Measures,” then it would be important to communicate that this is done to save resources only. It should not be mistaken as an endorsement of the DOL “Common Measures.” The DOL “Common Measures” have numerous design flaws that severely limit their validity and reliability and the measures were not designed with education and other workforce development programs in mind (see Appendix B). Also, as noted above, the measures do not capture many important outcomes. The state is on record supporting instead the NGA measures that grew out of the national IPI project led by the Workforce Board. A wavier request should not be construed as changing this position, especially as WIA reauthorization is considered by Congress this year.

If the state requests the waiver, it would also be important to communicate throughout the WIA system the continued importance of the state core measures.

APPENDIX A

Federal and State Performance Measures for WIA Title I

Current Federal Measures	Federal Measures Under a "Common Measures" Waiver
Adults	**Adults**
Entered Employment	Entered Employment
Employment Retention	Employment Retention
Average Earnings	Average Earnings
Employment and Credential Rate	
Dislocated Workers	**Dislocated Workers**
Entered Employment	Entered Employment
Employment Retention	Employment Retention
Average Earnings	Average Earnings
Employment and Credential Rate	
Youth	**Youth**
Older Youth Entered Employment Rate	Youth Placement in Employment or Education[1]
Older Youth Employment Retention Rate	
Older Youth Earnings	
Older Youth Credential Rate	Youth Attainment of a Degree or Certificate
Younger Youth Skill Attainment	Youth Literacy and Numeracy Gains
Younger Youth Diploma or Equivalent Rate	
Younger Youth Employment or Education Retention Rate	
Customer Satisfaction	
Participant Customer Satisfaction	
Employer Customer Satisfaction	

Washington State Core Measures
(Measured Separately for Adults, Dislocated Workers, and Youth)

1. Credential Attainment
2. Employment Rate
3. Earnings
4. Participant Satisfaction
5. Employer Satisfaction with participants they have hired

[1] Data is already collected and reported to the Department of Labor for the three "Common Measures" for Youth. But the three measures are not used for performance targets, incentives, or sanction.

Appendix B
Design Flaws in the DOL "Common Measures"

- DOL's "Common Measures" are not designed to be appropriate for workforce development programs outside of DOL. For example, the entered employment measure is restricted to participants who are not employed when they start and about 70 percent of community and technical college students are employed when they start college. It does not make sense to have an employment rate measure that excludes 70 percent of the participants of the largest system of training providers.

- The population cohorts and the follow-up periods are each inconsistent across the measures making them overly complicated and not measures of any one group, or of any one period of time.

- The entered employment measures use the first quarter of exit which is subject to timing of exits and do not capture lasting results.

- The employment retention measure can be misleading about the percent of adults and dislocated workers who are employed in the long run. (For example, 80 percent of exiting participants may be employed in the first quarter after exit and of them, 80 percent may be employed in the third quarter after exit as measured by the DOL retention measure. This would seem a good result. Yet, it may be that only 64 percent of all exiting participants are employed in the third quarter after exit, a result that is masked by the DOL retention measure.)

- The earnings measure for adults and dislocated workers uses average earnings rather than median. This tends to over state the results since about two-thirds of participants make less than the average and the average tends to be substantially higher than the median.