

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 146
MARCH 15, 2010**

**WORKFORCE INVESTMENT ACT TITLE I-B:
PERFORMANCE TARGET FOR PROGRAM YEAR 2009**

The Workforce Board has the role of negotiating performance targets for the Workforce Investment Act (WIA) with the U.S. Department of Labor (DOL) and with local Workforce Development Councils (WDCs). In the Spring of 2009, the Board agreed to performance targets for Program Year (PY) 09 with both DOL and the WDCs. Under WIA, if economic conditions or participant characteristics change, the state may request changes to the state targets, and the state is to consider local economic conditions and participant characteristics in establishing local targets. In order to take economic conditions and participant characteristics into account, the Workforce Board uses mathematical regression models to adjust the state and local targets. The models include measures of the economy and participant characteristics that are associated with performance outcomes. Board staff develop the models in consultation with Employment Security and WDC staff.

The Board has until March 31 to submit to DOL proposed revisions to the state targets for PY 09. After DOL has finalized the state targets, the Board will then use the regression models to set local targets based on local conditions. WDCs may negotiate these targets based on hard data that the regression models do not capture. The proposed state targets will be distributed at the meeting.

A similar process was used for the new Youth Common Measures required to implement the Board's decision last June to request a waiver to use DOL's Common Measures. The waiver would discontinue nine federal measures while adopting three new "Common Youth Measures." The proposed targets for the three new youth measures were submitted as part of the waiver application. (The waiver request is attached. DOL unexpectedly urged the Workforce Board staff to submit the waiver request ahead of the previously announced deadline of March 31.)

In keeping with the procedure for other WIA measures, regression models for local economics and participant characteristics were developed for the three new youth measures, using the PY 08 participant records and performance as the baseline. Given the rising demand for services and the challenging economic environment, no increases above this baseline were assumed. However, the regression adjustments were applied, based on data for the first half of PY 09, in order to derive the proposed targets.

Board Action Required: Approval of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, The ongoing recession has resulted in substantially increased demand for employment and training services:

WHEREAS, The economic prospects for the 2009-2010 program year are not expected to represent significant improvement in economic and labor market conditions over the previous year;

WHEREAS, Analysis of the relationship between past program performance and differences in local economic conditions and participant characteristics has found that there is a statistically significant relationship among these factors; and,

WHEREAS, Changes in economic conditions and in participant characteristics since the previous year are large enough to affect the best estimates of expected program performance for the 2009-2010 program year;

THEREFORE, BE IT RESOLVED, That the Workforce Training and Education Coordinating Board, on behalf of the Governor, adopts the proposed adjusted Workforce Investment Act performance targets for adults and dislocated workers for the July 2009 to June 2010 program year.

WORKFORCE INVESTMENT ACT PERFORMANCE TARGETS FOR PY09

The Continuing WIA Measures

The deadline for submitting requests to the Department of Labor (DOL) for mid-year adjustment of targets is March 31. For those measures not affected by the Common Measures waiver discussed below, the regression models previously developed were used with data on changes during the last half of calendar 2009 in the characteristics of WIA participants and in local economic conditions. The resulting changes in performance targets are shown below.

Proposed performance target adjustments for the WIA adult and Dislocated Worker programs will be distributed at the board meeting.

Common Youth Measures Targets

As part of the state's waiver request to use the DOL common measures (attached), the state was required to include proposed performance targets for the three new youth measures.

The new Youth measures are:

- Youth Employment or Further Education Rate: The proportion of former participants who were employed, in the military, or enrolled in further education or training in the first quarter after program exit.
- Youth Credential Rate: The proportion of participants who received a diploma, GED, or certificate by the end of the third quarter after exit.
- Literacy and Numeracy Gains: The proportion of basic skills deficient participants who increased one or more educational functioning levels in the prior 12 months.

New Common Measures for Youth

The Employment Security Department (ESD) has been tracking state and regional performance on each of these measures. In consultation with ESD and Workforce Development Council (WDC) staff, Workforce Board staff have reviewed the initial PY 08 statewide and local performance outcomes in the national context of performance across states, as well as the regression models developed using the PY 08 data based on characteristics of youth being served and local economic conditions.

Washington’s performance for PY 08 is slightly above average for the nation and generally similar to or better than our neighboring states. Interstate rankings of performance should be interpreted with caution as states vary in how they implement the federal measures.

	Numerator PY08	Denominator PY08	Actual PY08	National Median	Performance Rank (#1 = highest)
Placement	1,209	1,922	63%	67% ¹	38 out of 53 ²
Credential Attainment	1,047	1,564	67%	60%	20 out of 53
Literacy/ Numeracy	319	835	38%	36%	25 out of 53

Regression Adjustment

As with the other federal WIA measures, the Workforce Board staff has constructed logistic regression models for the youth measures in order to adjust annual performance targets to reflect changes in participant characteristics and state economic conditions that can be identified during the first half of the program year. Board staff shared and discussed the models with ESD and WDC staff.

The models draw on demographic characteristics recorded in the Skills, Knowledge and Information Exchange System (SKIES) and county level economic information obtained from the Labor Market and Economic Analysis Branch (LMEA). Economic data included county unemployment rates, changes in the number of people in covered employment, and percent of county populations with college degrees (Census-based).

Because the economy does not affect all of the measures in the same way, and because of changes in participant characteristics, regression adjustments typically raise some targets and lower others. Poor economic conditions are not associated with lesser performance in all measures. For example, a difficult job market reduces employment, but increases enrollment and retention in training and education.

¹ Ranking includes 50 states plus the District of Columbia, Puerto Rico, and the Virgin Islands.

² Ranking includes 50 states plus the District of Columbia, Puerto Rico, and the Virgin Islands.

In the following table, “+” and”-“ indicate which variables is included in each model after all the variables were tested as to whether or not they were significantly correlated with the outcome, and whether each factor increases or decreases the expected performance level.

	Placement	Credential	Literacy-Numeracy
County unemployment rate	-	+	+
Offender	-	-	+
Youth with literacy deficiency	-	-	
Age at entry	+	+	
Disabled	-		+
Quarter of exit	mixed		mixed
HS diploma at entry		-	-
Employed prior to entry	+		
Homeless	-		
Foster child		-	
In school at entry		+	
Low income		+	
Hispanic			+
Single parent		-	
Pct of adults with college degree (census)		+	
Change In employment from prior year			+

In the absence of the regression models, given the great uncertainty about the effect of the deepening of the recession that continued into the PY 09 year, maintaining the PY 08 level of performance would have been the reasonable targets to propose.

However, using the regression models, economic and participant data for the first half of PY09 indicate revision of targets as shown below. These adjusted targets were proposed in the Common Measures Waiver application.

	Numerator PY 08	Denominator PY 08	Actual PY 08	Proposed PY 09
Placement	1,209	1,922	63%	60.0%
Credential Attainment	1,047	1,564	67%	70.5%
Literacy/Numeracy	319	835	38%	35.0%



STATE OF WASHINGTON
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

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February 18, 2010

Richard Trigg
Regional Administrator
U.S. Department of Labor/ETA
90 7th Street, Suite 17-300
San Francisco, CA 94103

Dear Mr. Trigg:

This letter transmits a request for a waiver in order for Washington State to adopt the United States Department of Labor's Common Measures beginning with Program Year 2009.

The Workforce Training and Education Coordinating Board (Workforce Board) makes this request on behalf of the Governor and the state following an open and transparent process that allowed for comments by all interested stakeholders. The request was initiated at the urging of the local Workforce Development Councils (WDCs), the local Workforce Investment Boards in Washington. The request is also supported by the Employment Security Department (ESD), the state administrator for the Workforce Investment Act. The Workforce Board adopted a motion endorsing the request at its June 25, 2009 meeting.

Both the WDCs and ESD are prepared to implement the common measures should the request be granted. ESD has provided technical assistance and data has been collected for PY 08 and the first two quarters of PY 09. The Workforce Board developed proposed levels of performance for the youth common measures based on this data and mathematical regression models that take into account changes in participant characteristics and economic conditions. The proposed levels of performance for the youth common measures and the regression models are enclosed.

In anticipation of the waiver request, at the beginning of PY 09 the state terminated its contract for the surveys for the Workforce Investment Act customer satisfaction measures. The request is being made at this time, instead of at the beginning of PY 09, in order for the request to contain proposed levels of performance based upon the state's regression models. This process eliminated a second step of later requesting adjustments of the youth performance levels based upon participant characteristics and economic conditions. Workforce Board staff were informed by regional Department of Labor staff that a common measures waiver request would be considered at anytime during the program year.



Mr. Richard Trigg
February 18, 2010
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The Workforce Board makes this request in order to ease administrative costs and the burdens of the performance accountability system, particularly for local board members and staff. The workforce system will continue to collect, analyze, and report the state additional indicators that are Washington state's core indicators. These core indicators are applied to all major workforce programs, not just Department of Labor programs, allowing for consistent measures across the entire workforce development system.

On a final note, the Workforce Board anticipates submitting proposed adjustments to the adult and dislocated measures for PY 09 prior to March 31, 2010 in order to take into account participant characteristics and economic conditions for those measures.

If you have any questions or need additional information, please do not hesitate to contact me at (360) 753-0891.

Sincerely,



Bryan D. Wilson
Deputy Director

Enclosure

cc: Eleni Papadakis, Workforce Training and Education Coordinating Board
Karen Lee, Employment Security Department
Kathy DiJulio, Employment Security Department
Colin Conant, Washington Workforce Association

State of Washington Waiver Request

Adoption of Common Measures

Statutory/Regulatory Provisions	Performance Measures for Workforce investment Act Title I
Citations	The Workforce Investment Act (WIA) and the Wagner-Peyser Act WIA Section 136(b); 20 CFR WIA Final Rules 652.3, 661.400, 661.410, 661.420, 666.100, and 666.120; and Training and Employment Guidance Letter (TEGL) 17-05 issued February 17, 2006; and Training and Employment Guidance Letter 29-05 issued May 12, 2006
Entity	State of Washington

Statutory and Regulatory Sections to be Waived

Washington state is seeking a waiver of Section 136(b) which defines the current WIA Title I performance measures. We are requesting that the State be allowed to replace the 17 measures (15 core and 2 customer satisfaction) with the Common Measures delineated in TEGL 17-05. Starting July 1, 2009, the state would be operating under nine (9) measures: Adult Entered Employment, Adult Employment Retention, Adult Average Earnings, Dislocated Worker Entered Employment, Dislocated Worker Employment Retention, Dislocated Worker Average Earnings, Youth Placement in Employment or Education, Youth Attainment of a Degree or Certificate, and Youth Literacy and Numeracy Gains.

State and Local Statutory or Regulatory Barriers

There are no Washington State Statutory or Regulatory barriers. The state-selected Core Measures are not affected and the state will continue to use these additional measures to assess performance across all workforce programs.

Goals to be Achieved by the Waiver

Provides for a simplified and streamlined performance measurement system.
Reduces costs associated with data collection.
Reduces confusion by eliminating similar but differently defined measures.
Promotes the use of common measures across all Department of Labor programs and an integrated, one-stop service delivery system.

Individuals Impacted by the Waiver

Workforce Development Councils (WDCs), the local Workforce Investment Boards in Washington).

Reduced expenditures for performance data collection will allow more resources to flow to direct services and other activities that benefit participants in this time of increased demand for labor force services and reduced state resources. Program administrators will have fewer measures for accountability purposes and can focus greater attention upon continuous improvement of outcomes.

Progress in Implementing the Waiver

The Workforce Training and Education Coordinating Board (Workforce Board) is responsible for performance accountability policy for the state's workforce development system. The Workforce Board also establishes and negotiates the levels of performance for all the WIA measures. The Workforce Board has developed regression models based on the PY 08 past performance to adjust for changes in participant demographics and local labor market conditions. These models were used in developing the appended targets for these measures for the PY 09 year, and for setting WDA-level targets within the state.

The Employment Security Department (ESD) has the responsibility for capturing performance outcomes through the Services, Knowledge and Information Exchange System (SKIES) and reporting this information to the Department of Labor on the WIA Quarterly Report (ETA 9090) and the WIA Annual Report (ETA 9091). ESD also monitors performance and provides technical assistance to the local WDCs on data quality and performance-related issues. ESD has provided technical assistance to the WDCs regarding the common measures. Data for the Youth Common Measures have been compiled for PY 08 and the first two quarters of PY 09, and the measures and the state and local results have been discussed with WDC and One Stop staff.

The Workforce Board previously contracted for the surveys for the WIA customer satisfaction indicators. In anticipation of the common measures waiver, the Workforce Board terminated the survey contract at the beginning of PY 09.

Process for Notice to Local Boards and Opportunity to Comment

The Washington Workforce Association (WWA), the association of the WDCs, first approached the Workforce Board seeking the waiver request. The Workforce Board placed the waiver request on its June 25, 2009 agenda. Board staff conducted two meetings with interested stakeholders, including the WDCs, to consider their comments. The Board's agenda and meeting materials were widely distributed. At the Board meeting, the Board heard additional comments. The Board then adopted the motion endorsing the waiver request.

In January 2010, after ESD had completed data collection for PY 2008 and the first two quarters of PY 2009, the Workforce Board staff used this data to develop the regression models for the youth common measures and then applied the models to develop proposed levels of performance. Workforce Board staff then shared the models and the proposed performance levels with representatives of ESD and WWA for their comments before the proposed levels were finalized. The resulting proposed performance levels are part of the waiver request.

**Washington State Proposed Performance Levels
Youth Common Measures**

Placement in Employment or Education: 60.0 Percent
 Attainment of a Degree or Certificate: 70.5 Percent
 Literacy and Numeracy Gains: 35.0 Percent

	Numerator PY08	Denominator PY08	Actual PY08	Proposed PY09 Based on Regression Models
Placement	1,211	1,920	63%	60.0%
Credential	1,046	1,563	67%	70.5%
Literacy-Numeracy	320	837	38%	35.0%

Logistic Regressions for Youth Common Measures - PY 08 Participants Placement Model

Case Processing Summary

Unweighted Cases(a)		N
Selected Cases	Included in Analysis	1920

Variables in the Equation

		B	Exp(B)
	Unempl - county insured unemployment rate	-0.098	0.907
	Age at entry	0.14	1.15
	PreEmploy - employment during 3 prior quarters	0.66	1.935
	Q2 - calendar year quarter of exit	-0.032	0.969
	Q3 - calendar year quarter of exit	-0.191	0.826
	Q4 - calendar year quarter of exit	0.229	1.257
	Homeless	-0.544	0.581
	Literacy Deficient	-0.259	0.772
	Offender	-0.34	0.711
	Disabled	-0.247	0.781
	Constant	-1.359	0.257

Credential Model

Case Processing Summary

Unweighted Cases(a)		N
Selected Cases	Included in Analysis	1563

Variables in the Equation

		B	Exp(B)
	Age at entry	0.131	1.14
	HS Diploma at entry	-2.493	0.083
	In School at Entry	0.544	1.723
	Unempl - county insured unemployment rate	0.287	1.333
	Percent PostSecondary Degree- adults in county by Census	1.989	7.309
	Low Income	0.767	2.153
	Offender	-0.368	0.692
	Foster Child	-0.687	0.503
	Single Parent	-0.396	0.673
	Literacy Deficient	-0.206	0.814
	Constant	-4.376	0.013

Literacy-Numeracy Model

Case Processing Summary

Unweighted Cases(a)		N
Selected Cases	Included in Analysis	812

Variables in the Equation

		B	Exp(B)
	HS Diploma at entry	-0.5	0.607
	Unempl - county insured unemployment rate	0.167	1.181
	Hispanic	0.382	1.466
	Q2 - calendar year last quarter	-0.045	0.956
	Q3 - calendar year last quarter	0.006	1.006
	Q4 - calendar year last quarter	0.633	1.884
	ChangeInEmployment- county ratio of employment over prior year	6.844	938.563
	Offender	0.395	1.485
	Disabled	0.459	1.582
	Constant	-8.772	0