**WASHINGTON STATE**
**WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD**
**MEETING NO. 111**
**JUNE 29, 2006**

## WORKSOURCE PERFORMANCE INDICATORS: FOURTH ANNUAL REPORT

In November and December of 2000, the Workforce Training and Education Coordinating Board (Workforce Board) and the Executive Policy Council for WorkSource, respectively, adopted the policy for measuring WorkSource outcomes. The policy identified that the Workforce Board would measure the results of WorkSource and the measures to be used. Included in this tab is a report providing year four results.

Most of the results are for participants who exited WorkSource between July 2003 and June 2004, with the exception of results based on survey data. The survey data are for WorkSource participants who exited from January 2005 through December 2005.

Included in the data are participants in the Employment Service and Workforce Investment Act Title I-B. The largest number of participants, by far, was from the Employment Service.

Among the most interesting findings are:

- The number and percentage of employers using WorkSource has increased as Washington's economy has improved in the past two years. The number and percentage of Washington workers has declined over the same period.

- Employment and earnings dipped during the recession and are recovering, approaching pre-recession levels.

- In 2005, participant satisfaction, as measured by the Federal American Customer Satisfaction Index and by State satisfaction questions has increased to the highest levels of satisfaction recorded since Workforce Investment Act implementation.

**Board Action Required**: None. For information only.

# WORKSOURCE PERFORMANCE INDICATORS: FOURTH ANNUAL REPORT

## Background

The Workforce Training and Education Coordinating Board (Workforce Board) and the Executive Policy Council adopted an accountability plan for WorkSource. The plan includes WorkSource performance indicators that should inform policymakers on progress in achieving desired outcomes. This document presents estimates for many of these indicators. Unless otherwise noted, estimates are for participants who left WorkSource between July 2003 and June 2004.

WorkSource participants include individuals and employers who receive services through a WorkSource Center or an affiliate site providing services funded under Workforce Investment Act (WIA) Title I and WIA Title III (Wagner-Peyser).

## The Data

Indicators were estimated using data from administrative records and surveys. The administrative data included records on WIA Title I-B participants and Wagner-Peyser Labor Exchange registrants. The WIA participants include disadvantaged adults, dislocated workers, and disadvantaged youth who exited programs from July 2003 through June 2004. The Labor Exchange participants include individuals who completed services from July 2003 through June 2004 and had no recorded service (for at least 6 months) after June 2004.

This report focuses on state core indicators of performance for the third quarter after exit. It also provides results on federal measures, some of which require only one quarter of followup data. Results for these federal measures are also recorded for exits from July 2004 through June 2005.

Survey data are taken from WIA satisfaction surveys and a survey of Labor Exchange registrants. The survey data are available for more recent program exiters (January 2005 to December 2005).

Counts of employers and workers, used as denominators for the percentages of employers and workers using WorkSource, were obtained from the Employment Security Department's (ESD) workforceexplorer.com.

## Types of Outcomes Measured

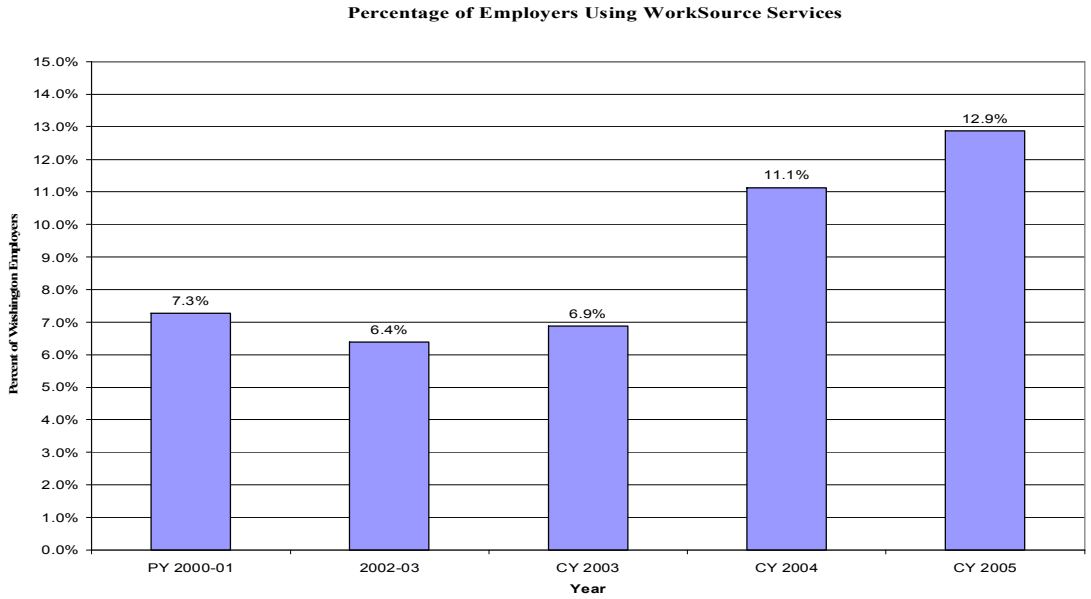
The performance indicators measure four types of outcomes—competencies, employment, earnings, and customer satisfaction. Who is included in the measures for particular outcomes depends upon the services received as shown in the following table.

Most Labor Exchange registrants do not receive intensive or training services. Thus, we have used data only for WIA participants to estimate outcomes for competencies and earnings. Data for both Labor Exchange registrants and WIA participants were used to estimate outcomes for employment and participant satisfaction.

| Type of Outcome | Those counted received at least one of the following services: |
|---|---|
| Competencies | Training |
| Employment | Staff assisted core services, intensive services, and training services |
| Earnings | Intensive services, training services |
| Customer Satisfaction: Participants | Staff assisted core services, intensive services, and training services |
| Customer Satisfaction: Employers | Employers with filled job orders, customized training, on-the-job training, and rapid response |

**The WorkSource Performance Indicators**

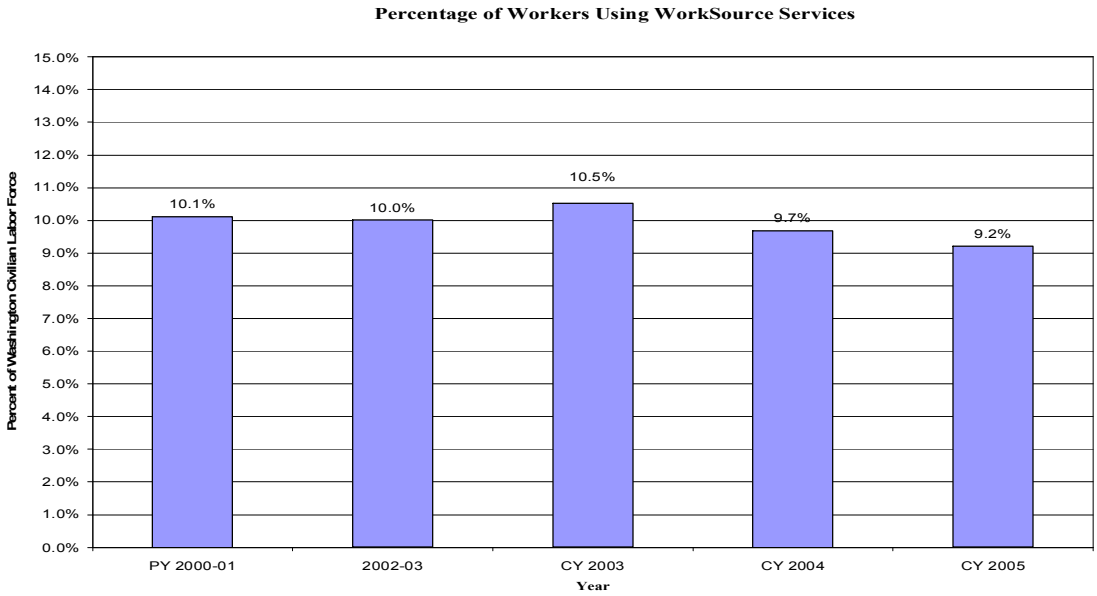
**(1) Percentage of employers using WorkSource services**




The numerator for this measure (24,294 in 2005) is the number of employers who used staff-assisted Labor Exchange or WIA services as measured in System, Knowledge, Information Exchange Service (SKIES).[1] The denominator is the total number of employers as measured by ESD (188,717 in 2005). The count of employers served is up from 13,284 served in 2002-2003, while the count of employers in the denominator has declined from over 196,000 in 2003. The year shown as 2002-2003 begins in April 2002, the month that SKIES began operations. Employer use of WorkSource appears to have increased during the economic recovery that began in 2004 and 2005.

[1] If electronic self-service were included, the number using WorkSource would be much higher.

## (2) Percentage of total workers using WorkSource services




The numerator for this measure is the number of staff-assisted participants in WIA and Labor Exchange as measured in SKIES (302,799 in 2005).[2] The denominator is the number of individuals in the civilian labor force (3,288,300 in 2005). This measure peaked in 2003, when there were 332,447 staff-assisted participants and only 3,160,300 workers in the labor force. Economic recovery may mean the fewer job seekers need WorkSource services. It is likely that reduced funding, including the closure of National Reserve Grants, is also a factor in declining WorkSource participation.

## (3) Customer perception of seamlessness

This measure is based on a question added to a state administered survey of WIA Title I-B participants and Labor Exchange participants. This is the survey that the Department of Labor (DOL) requires for measurement of customer satisfaction. The measure is the percentage of respondents who said the state did an excellent or good job in making the program easy to use.[3] Responses were weighted to reflect the actual number of WIA Title I-B exiters and Labor Exchange participants across programs and regions of the state. Results on this measure are only available for time periods in which surveys of both populations were conducted.

The first period shown in the chart is for Program Year 2002-2003. DOL subsequently changed its reporting deadlines and requirements for the customer satisfaction survey that collects these data. The time periods shown in this and subsequent charts showing survey results from WIA satisfaction surveys conform to the time periods associated with WIA I-B annual reports.

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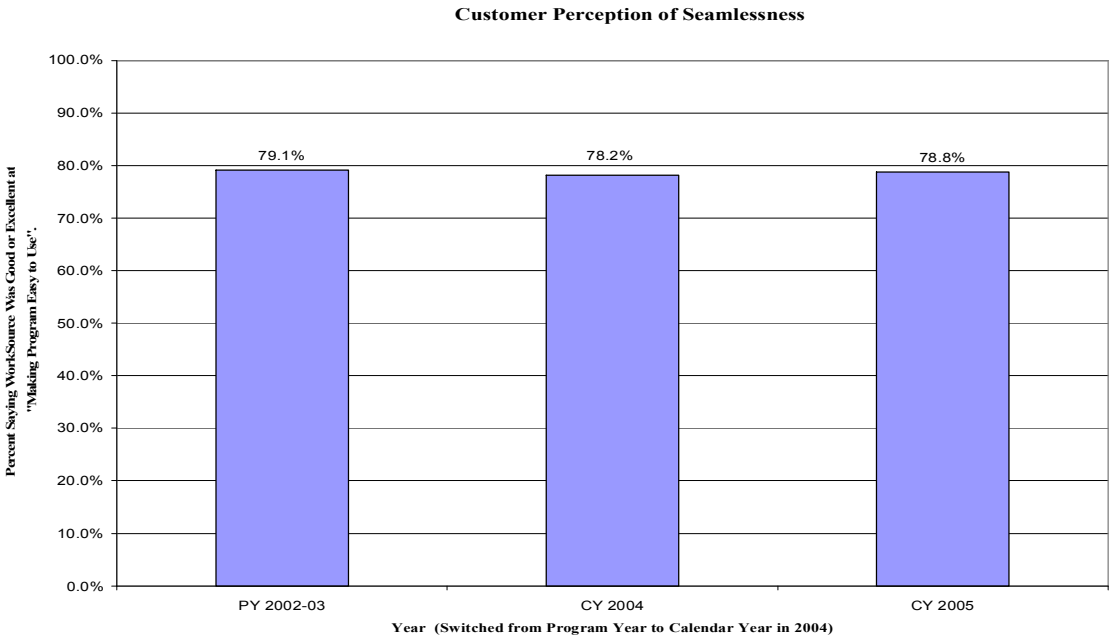
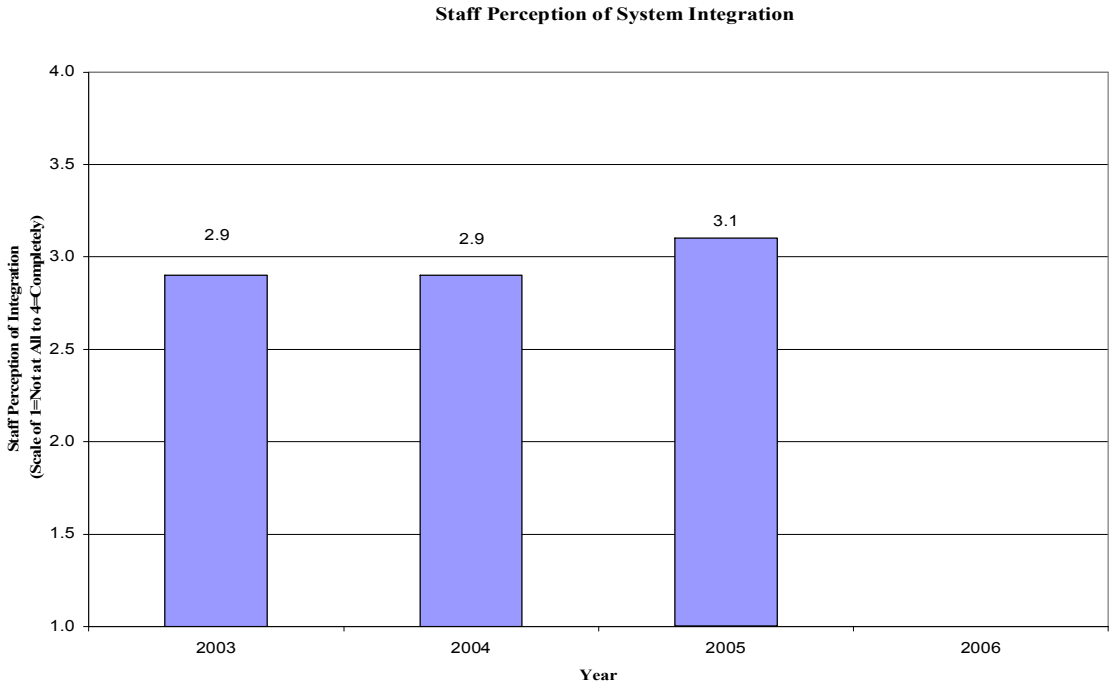
[2] If electronic self-service were included, the number using WorkSource would be much higher.

[3] The survey question read as follows: "The State of Washington is working on providing easier to use services. That means trying to make sure that people don't have to repeat what they need or supply personal information too many times. In your experience with this program would you say that they did an excellent, good, fair or poor job in making the program easy to use in these ways?"




Performance on this measure has changed little since 2002-2003. Review of results by Local Workforce Areas suggests that there is a wide variation in "seamlessness," which probably depends on local factors such as number of contractors and local practice. Performance by area ranges from 74 percent to 94 percent by area among WIA I-B participants and ranges from 73 percent to 86 percent by area among workers served by the Labor Exchange.

## (4) Staff perception of integration



The measure is based on responses to an annual survey of WorkSource Center staff. The most recent survey was sent to the administrators of 26 WorkSource Centers throughout in May 2005 and received 132 responses. The administrators forwarded the survey to their staff, who sent their responses directly to the Workforce Board. The survey instrument contains four questions, which have responses on a scale of one to four. The estimate is the overall mean of the responses to the four questions. (Please see the appendix for a copy of the survey instrument.)

| | Extent to which characteristic currently exists | | | | |
|---|---|---|---|---|---|
| Characteristic | Not at All | | | Completely | Don't Know |
| | 1 | 2 | 3 | 4 | 9 |
| 1. WorkSource staff are knowledgeable regarding the programs and services of other partners. (Mean=3.2) (2.9 in 2004, 3.0 in 2003) | 2 | 15 | 65 | 47 | 3 |
| | 2% | 11% | 49% | 36% | 2% |
| 2. Customer data (e.g., intake information) are shared efficiently among partner programs. (Mean=3.2) (2.9 in 2004 , 2.9 in 2003) | 1 | 23 | 53 | 46 | 9 |
| | 1% | 17% | 40% | 35% | 7% |
| 3. Local programs and services are coordinated to avoid duplication of partner effort. (Mean=3.0) (2.9 in 2004, 2.8 in 2003) | 4 | 24 | 57 | 37 | 10 |
| | 3% | 18% | 43% | 28% | 8% |
| 4. Customers encounter no obstacles caused by services being provided by different programs and funding sources. (Mean=3.0) (2.8 in 2004, 2.8 in 2003) | 2 | 31 | 53 | 33 | 13 |
| | 2% | 23% | 40% | 25% | 10% |

The 2006 version of this survey will be folded into the data collection for Governor Gregoire's Workforce System Review. Results are not available in time for this report, but will be added to next year's results.

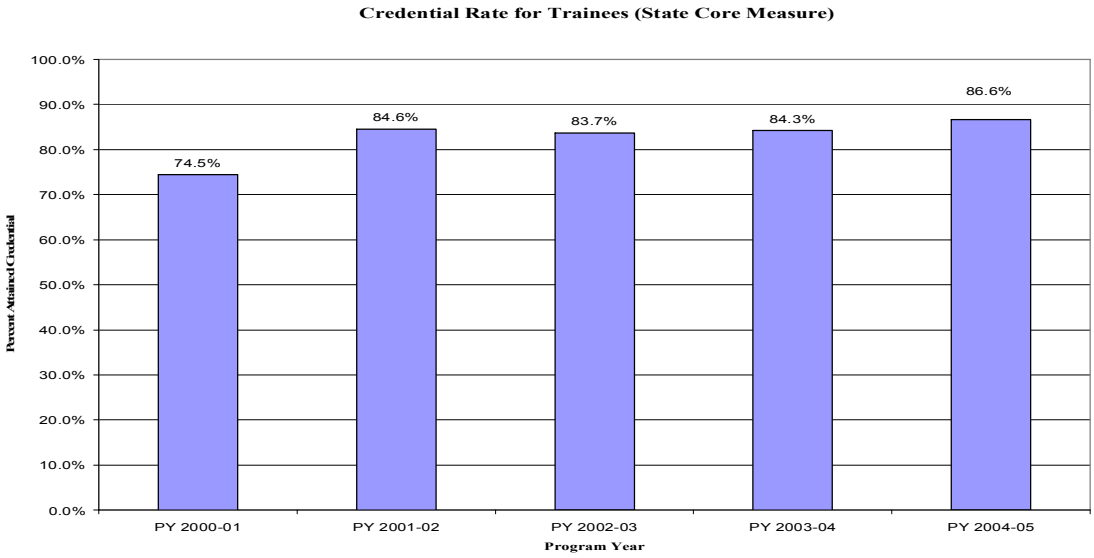
**(5) Number of students who are WorkSource participants**

This measure is the number (an unduplicated count) of students at community and technical college, public four-year universities, private career schools, and apprentices who are WorkSource participants.[4] Results were 30,290 for the 2001-2002 school year, 41,881 for the 2002-2003 school year, 42,206 for the 2003-2004 school year. and 35, 443 for the 2004-2005 school year. Results for 2004-2005 may be incomplete.

[4] The estimate includes a count of WorkSource participants enrolled in all community and technical college programs; not just the workforce programs.

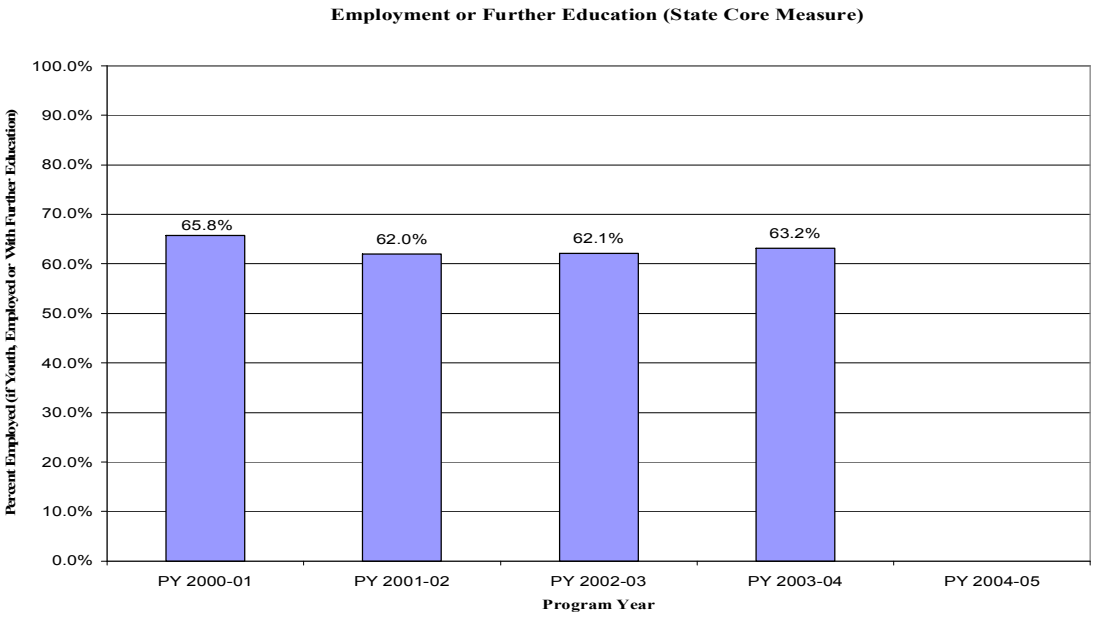
The following section reports results on Washington State's Common Core Measures of Performance:

## (6) Credential Rate




The State Credential Rate measure is the percentage of participants who obtained an appropriate credential. For the purposes of WorkSource reporting we report results only on WIA I-B participants who have received training services (including Dislocated Workers with National Reserve Grant funded services). Results are shown for program years that begin in July and end in June of the following year. These are not the same time periods used in WIA I-B annual reports.

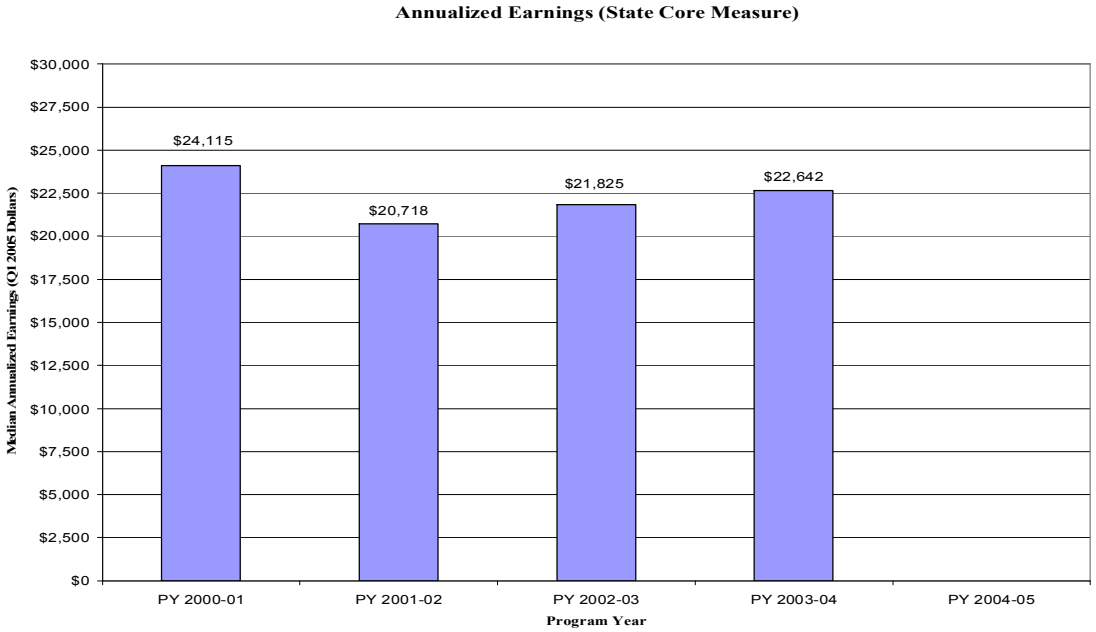
## (7) Employment or further education



WIA Title I-B participants and Labor Exchange registrants (Washington Residents) who received core, intensive, and/or training services are included in this measure.[5] The state employment measure for adults and dislocated workers is calculated for participants who were not in further education or training in the third quarter after exit. All youth (WIA I-B and Labor Exchange registrants) are included in the measure, which counts employment, further education or training, or enrollment in secondary education as positive results.

Performance declined during the recession years of 2001 through 2004. Results are not yet available for PY 2004-2005 and will not be available until the fall of 2006. Review of the federal entered employment measure (based on a shorter follow-up period) suggests that our performance in PY 2004-2005 will return to or exceed pre-recession levels.

## (8) Earnings

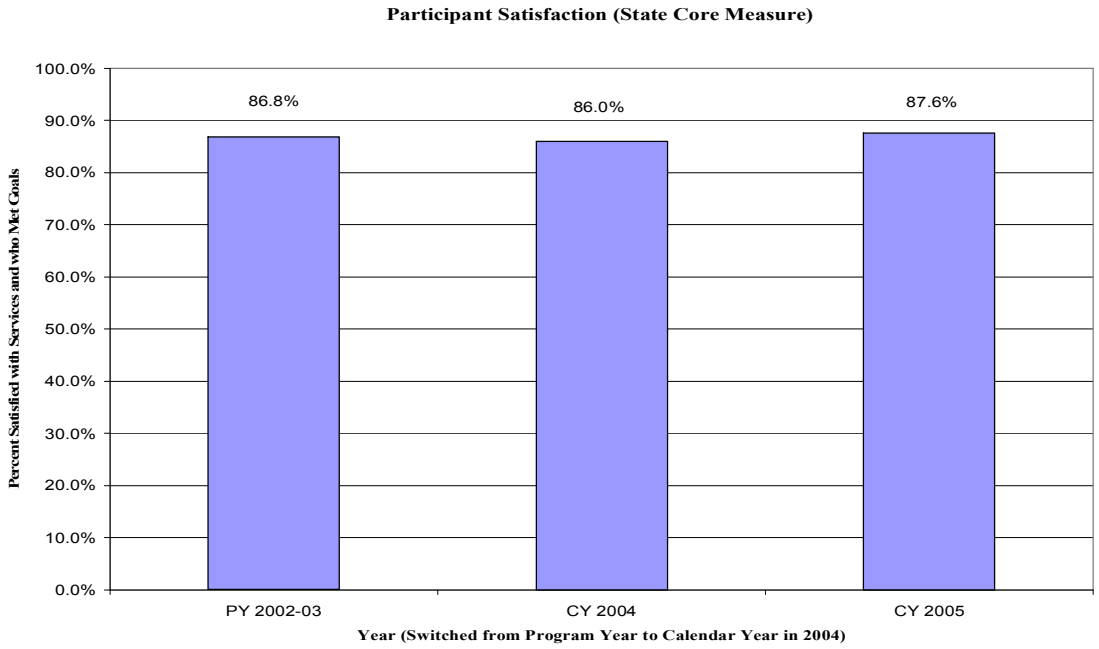



The state earnings measure is the median annualized earnings of former participants who were working during the third quarter after leaving the program. (Only former participants not enrolled in further education are counted for this indicator. Earnings are expressed in 2005 quarter one dollars.)

This measure is calculated only for WIA Title I-B participants who received intensive and/or training services. As was the case with employment or further education, earnings declined during the recent recession and have begun to increase back to pre-recession levels. Results for PY 2004-2005 will be available in the fall of 2006.

[5] Labor Exchange does not record exits, which are needed to measure the State and Federal WIA indicators. So, the last date of service for a registrant was used as the exit date. If the last date of service was after June 2004, the participant is regarded as still active (not an exiter) and is not in these measures.

## (9) State measure of participant satisfaction



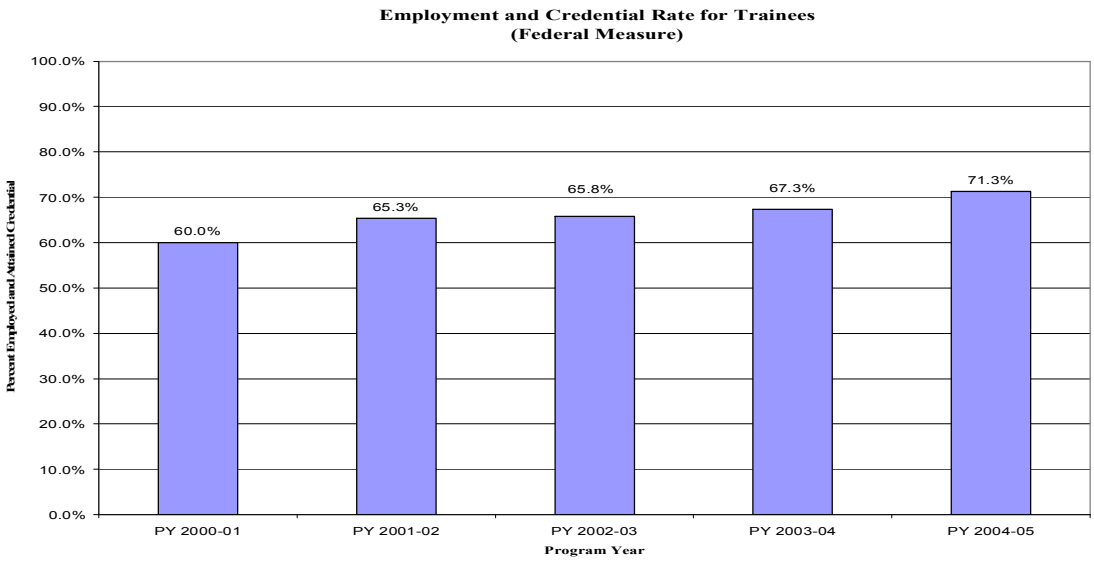

This satisfaction measure is based on survey responses from WIA Title I-B participants and Labor Exchange registrants obtained as part of the customer satisfaction survey required by DOL. The measure is the average of the percentage of respondents who reported overall satisfaction with program services and the percentage who said that program services met their objectives. Responses are weighted to reflect the actual number of WIA Title I-B exiters and Labor Exchange participants across programs and regions of the state. Results are generally higher for WIA I-B participants (91 percent) than for Labor Exchange registrants (87 percent), but most WorkSource customers are Labor Exchange registrants.

The following measures report results using federal WIA I-B Measure Definitions:

## (10) Employment and credential attainment

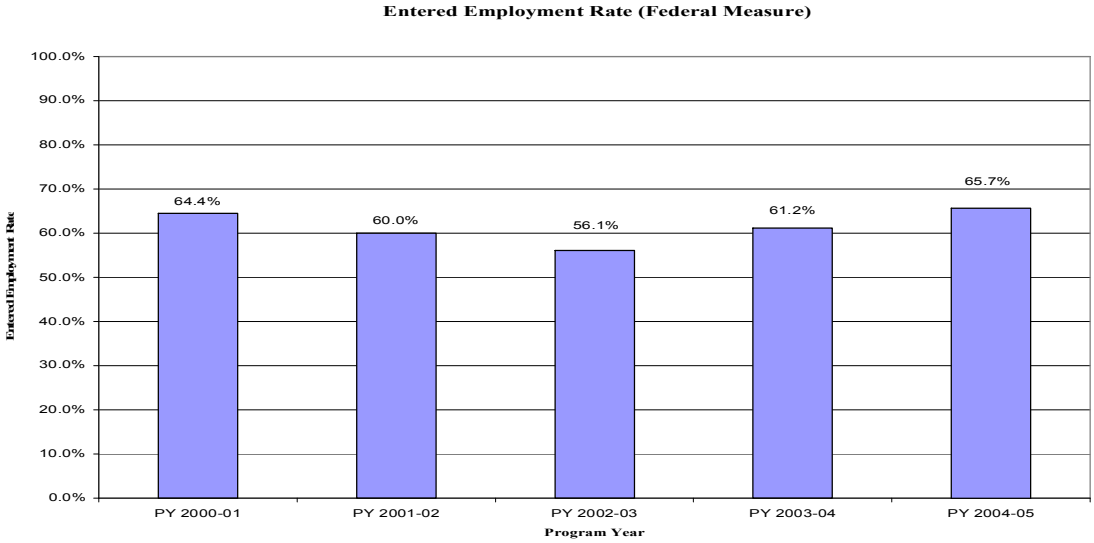
Federal credential rates are lower that state credential rates because the federal definition requires both that a participant obtain employment during the quarter after exit and obtain a credential at some time between the beginning of participation and the end of the third quarter after exit. The measure is the percentage of participants who became employed and completed training among those who received training services. The estimate follows the methodology specified for the Federal Employment and Credential performance measure for WIA Title I-B.

This measure is calculated for WIA Title I-B participants who received training services. This measure is not one of the Department of Labor's "Common Measures" and may not continue beyond WIA re-authorization.




Some of the recent improvement in this measure stems from increased receipt of credentials (as shown in the State Core Measure. Some stems from improved employment in quarter one after exit (see below).

### (11) Entered employment rate

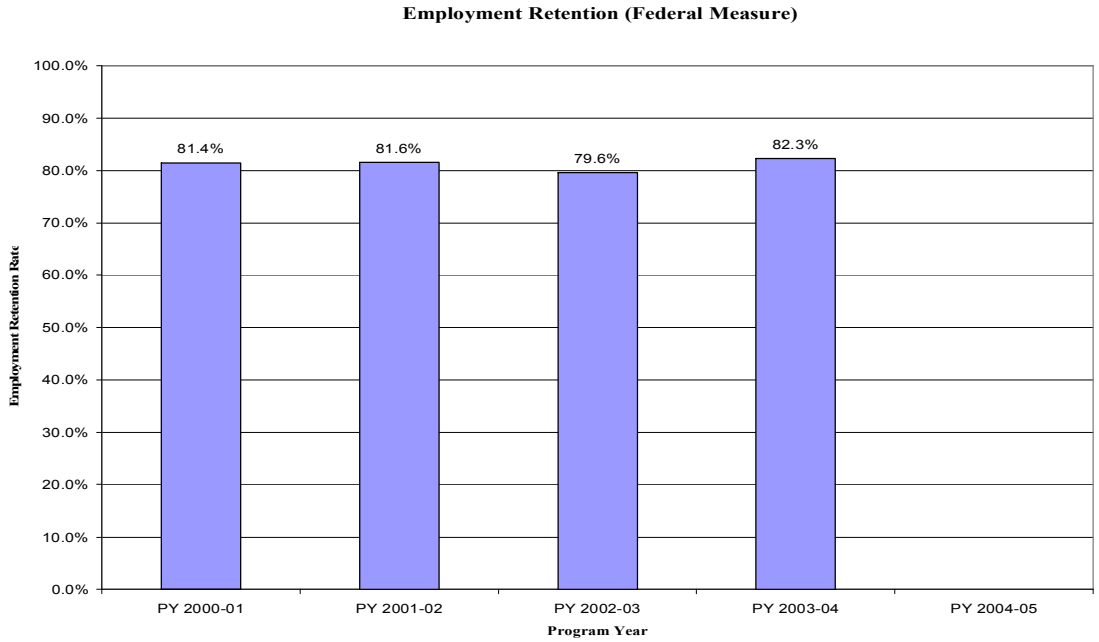



This measure is the percentage of participants not employed at program registration who were employed during the first quarter after exiting the program. The estimate follows the methodology specified for the Federal Entered Employment Rate performance measure for WIA Title I-B.[6] The population covered includes WIA Title I-B participants and Labor Exchange registrants (Washington Residents) who received core, intensive, and/or training services. The average WIA I-B entered employment rate is about 20 percentage points higher than Labor Exchange entered employment rates. This is consistent with the higher level of investment in

[6] Labor Exchange populations are defined using the same definitions that would be applied to WIA populations. That means that outcomes are defined differently depending on whether the Labor Exchange participant is an Adult, Dislocated Worker, Older Youth, or Younger Youth. This definition is used to make results for this year comparable with results from past years. The measure differs from the new WIA Common Measure definition, which applies one definition to all Labor Exchange participants.

WIA I-B participants. However, only about 5 percent of WorkSource participants receive WIA I-B services, and the overall WorkSource entered employment rate is less than one full percentage point higher than the Labor Exchange result.

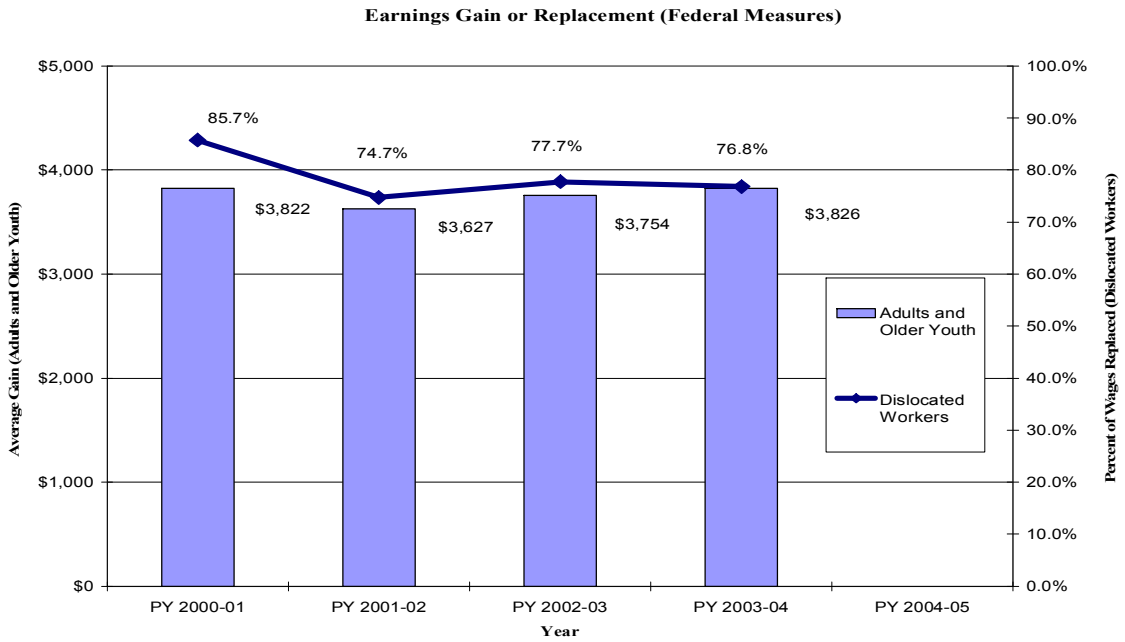
### (12) Retention in employment




For most populations the measure is the percentage of participants who entered employment during the first quarter after exiting the program and who were employed during the third post-program quarter. For younger youth the measure is the percentage employed or enrolled in further education or training during the third postprogram quarter. The estimate follows the methodology specified for the Federal Employment Retention performance measure for WIA Title I-B. DOL has revised its definitions of employment retention in a way that leads to lower retention rates. Those changes have not been adopted here so that results are more comparable from year to year. Retention results do not appear to change that much from year to year.

### (13) Earnings gain

Federal earnings measures have seen the most change in any of the WIA-I B performance measures. DOL started with earnings gain measures for adults and older youth and a percentage of wage replacement measure for dislocated workers. In 2005, the dislocated worker measure was changed to an earnings gain measure calculated in the same way as the adult measure. Then in 2006, the adult and dislocated worker measures were changed into postprogram earnings measures. DOL's "Common Measures" system has added targets for postprogram earnings for the Labor Exchange System. We have retained the original federal measures in this report to allow for year-to-year comparison.



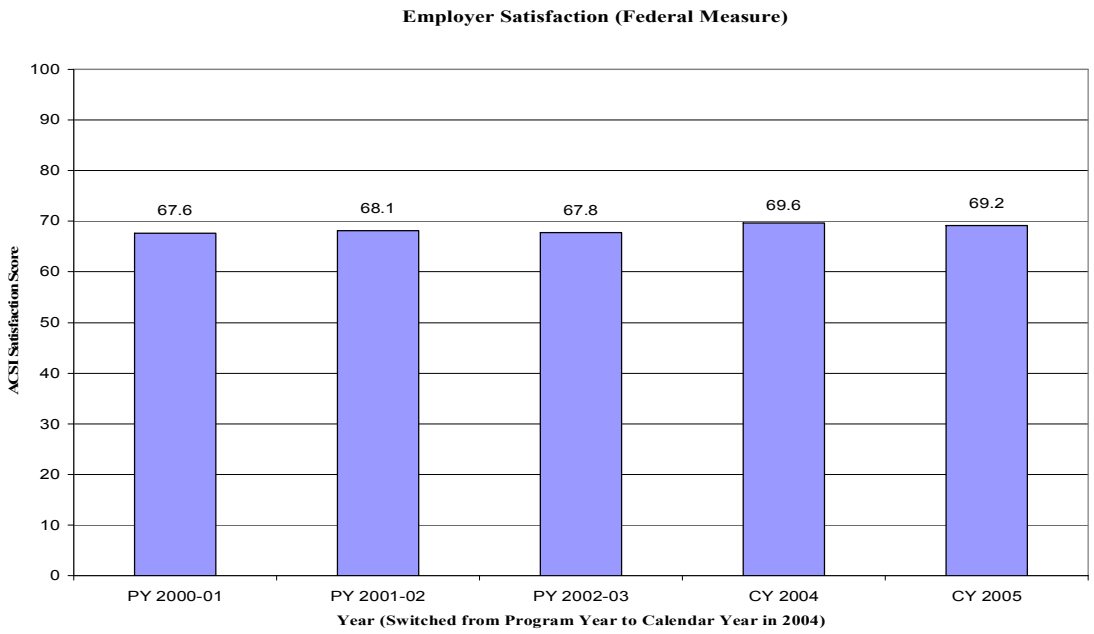

Description: The measure is the difference between earnings in the second and third quarters after exit and pre-registration earnings (based on average earnings in the second and third quarters before registration for adults and the second and third quarters before job dislocation for dislocated workers). The estimate follows the methodology specified for the Federal Earnings Gain performance measures for WIA Title I-B in 2000. The measures are calculated for WIA I-B participants (including those served through National Reserve Grants) who received intensive and/or training services.

Wage replacement rates for Dislocated Workers shown in this figure are considerably lower than the results shown in WIA I-B annual reports due to the exclusion of National Reserve Grant participants from annual reports.

**(14) Federal measure of employer satisfaction**

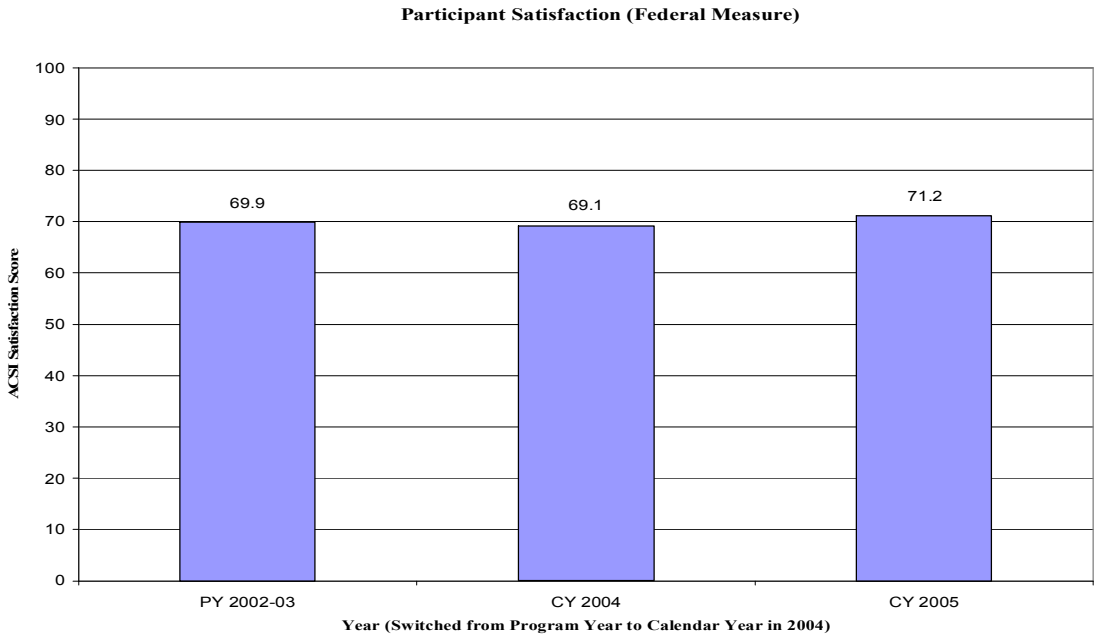
This is one of the two required Federal customer satisfaction measures using the American Customer Satisfaction Index (ACSI). The measure is based on responses to the three Federal questions that gauge satisfaction with employer services.[7] The responses to these questions are converted to a satisfaction index with scores ranging from 0 to 100. Responses are weighted by region to reflect the number of employers receiving services statewide. The employers asked these questions are identified in SKIES. Most received job orders, job referrals, and WARN notices.

[7] These questions are: (1) Utilizing a scale of 1 to 10, where 1 means "very dissatisfied" and 10 means "very satisfied," what is your overall satisfaction with the services provided from a Washington State WorkSource Office or Workforce Development Program? (2) Considering all of the expectations you may have had about the services, to what extent have the services met your expectations? One now means "falls short of my expectations" and 10 means "exceeds my expectations." (3) Now think of the ideal service or services for a company in your circumstances. How well do you think the service or services you received compare with the ideal service or services? One now means "not very close to the ideal" and 10 means "very close to the ideal."




Employer satisfaction has increased to the 69 level in calendar years 2005 and 2005 from the high 67s and low 68s in prior years. Survey response rates have exceeded 70 percent for several years.

## (15) Federal measure of participant satisfaction



This measure is based on surveys of former WIA Title I-B participants and Labor Exchange registrants. The estimate uses responses to the three Federal questions that gauge participant satisfaction with services.[8] The responses to these questions are converted to a satisfaction index with scores ranging from 0 to 100. Responses are weighted to reflect the actual number of WIA Title I-B exiters and Labor Exchange participants across programs and regions of the state. Results are available for only three years, instead of five, because the Labor Exchange survey has not been conducted for the same length of time as the WIA I-B version of the survey.

ACSI satisfaction levels for WIA I-B participants are typically seven points higher than the satisfaction levels for Labor Exchange participants. The higher satisfaction for WIA I-B participants probably stems from the higher level of services that they receive. Satisfaction levels increased in 2005, with a two point increase in both WIA I-B and Labor Exchange satisfaction. This is the largest year-to-year increase in participant satisfaction since satisfaction surveys were begun in 2000 and follows a decline in WIA I-B satisfaction levels between 2002 and 2004.

[8] These questions are: (1) Utilizing a scale of 1 to 10, where 1 means "very dissatisfied" and 10 means "very satisfied," what is your overall satisfaction with the services provided from a Washington State WorkSource Office or Workforce Development Program? (2) Considering all of the expectations you may have had about the services, to what extent have the services met your expectations? One now means "falls short of my expectations" and 10 means "exceeds my expectations." (3) Now think of the ideal service or services for a company in your circumstances. How well do you think the service or services you received compare with the ideal service or services? One now means "not very close to the ideal" and 10 means "very close to the ideal."

## Appendix 1: WorkSource Center Staff Survey Instrument

We would like your assessment of the progress that has been made toward building an integrated and efficient workforce development system at your WorkSource Center. In a system that is well integrated, for example, employers and job seekers encounter no obstacles arising from services being provided by different programs and funding sources.

The workforce development system includes partner programs that provide:

- job training
- employment services
- business services
- work-related support services
- adult education and literacy
- vocational rehabilitation
- secondary vocational education
- postsecondary vocational education

Please review the list of characteristics below and indicate the extent to which each characteristic currently exists at your WorkSource Center, where 1 is "Not At All" and 4 is "Completely." Your answers will be kept confidential.

| | **Extent to which characteristic currently exists** | | | | |
|---|---|---|---|---|---|
| **Characteristic** | **Not at All** | | | **Completely** | **Don't Know** |
| | **1** | **2** | **3** | **4** | **9** |
| 1. WorkSource staff are knowledgeable regarding the programs and services of other partners. | | | | | |
| 2. Customer data (e.g., intake information) are shared efficiently among partner programs. | | | | | |
| 3. Local programs and services are coordinated to avoid duplication of partner effort. | | | | | |
| 4. Customers encounter no obstacles caused by services being provided by different programs and funding sources. | | | | | |

Please e-mail or mail your completed survey to Barbara Mix (bmix@wtb.wa.gov) at the Workforce Training and Education Coordinating Board by June 4. Thank you.

Barbara Mix
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