

VI. WIA and WPA Performance Outcomes and Measures

As with the rest of the nation, the implementation of the WIA in California occurred at a time of nearly full employment and declining poverty. California's unemployment rate from 1998 to 2000, the first two years of WIA implementation, was 5 percent. Employers were scrambling to find workers, and the WIA-funded system reflected this by focusing on short-duration employment services and outcomes not associated with any sector strategy.

The labor market of a decade and half ago no longer exists. Unemployment rates are higher; workers become unemployed more frequently and for longer durations. From April 2007 (the start of the Great Recession) to December 2011, California's unemployment rate more than doubled to 11.2 percent. Although now at 9.8 percent, and trending downward as the state's economy gains strength, California's unemployment situation is still dire for many families. Of the 1.9 million currently unemployed in 2012, 49.2 percent had been unemployed for 26 weeks and longer, and 20.1 percent had been unemployed for 73 weeks and longer. In 2012, the average duration of unemployment was 39.2 weeks.

Even when the duration of unemployment is relatively short, the impact on income can be significant. According to LMID, each month in California, there are around 1 million involuntary job separations (2012 annual average number of monthly job losers was 1,098,300). Due to this labor-market churn, California workers are losing ground. When an individual loses a job, he or she often loses employer-based benefits. When the worker gets a new job, pay is often lower and health and pension/retirement benefits are often less generous or not available. According to Brookings, "For workers with between ten to fifteen years in their previous jobs, average earnings losses amount to 15 percent. For workers that had more than twenty years of tenure, average earnings losses are more than 30 percent."

Reflecting the Governor's vision of *A Shared Strategy for A Shared Prosperity*, the State Board and state-level partners prioritized the establishment of system-wide performance and outcome measures in the context of current economic and labor market trends. Through the next five (5) years, the WIA program must function in a much different economic climate and respond within a broader training, education, and employment services system.

Focus on Skills Attainment and Industry-Recognized Credentials

While employment and reemployment services delivered through the One-Stop system will always be a valued and important complement to the array of strategic workforce solutions needed to stabilize California's economy and fully address the needs of job seekers and businesses, California workers need more education and training. But skills attainment also must be an ongoing process over a lifetime that permits individuals to re-tool their skills in response to the needs of regional economies. This is another overarching goal of California's Strategic Workforce Development Plan: realignment of workforce programs and institutions based on ongoing skills attainment focused on regional growth industry sectors and clusters.

Former U.S. Secretary of Labor Hilda Solis identified credential attainment as a "high priority performance goal" in response to President Obama's call for the United States to have "the best educated, most competitive workforce in the world." California is committed to achieving this national goal and will work closely with DOLETA to develop system measures less directed toward short-term services and employment outcomes and more aligned with industry-valued and recognized credentials, economic security¹, and longer-term skills and educational attainment.

DOLETA has issued several Training and Employment Guidance Letters (TEGLs) Notices (TENs) and advisories relating to skills attainment:

[TEN 49-11 Reporting on Attainment of Industry-Recognized Credentials](#)

[TEGL 17-05, Common Measures Policy for the Employment and Training Administration's \(ETA\) Performance Accountability System and Related Performance Issues](#)

[TEGL 15-10, Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System](#)

[TEGL 17-09, Quarterly Submission of Workforce Investment Act Standardized Record Data \(WIASRD\)](#)

[Performance Reporting Glossary and Guide for ARRA High Growth and Emerging Industries \(HGEI\) Grantees](#)

[TEGL 2-07, Leveraging Registered Apprenticeship as a Workforce Development Strategy for the Workforce Investment System](#)

¹ "Economic security" means, with respect to a worker, earning a wage sufficient to support a family adequately, and, over time, to save for emergency expenses and adequate retirement income based on factors such as household size, the cost of living in the worker's community, and other factors that may vary by region.

[Trade Adjustment Assistance Extension Act of 2011, Section 239\(j\)](#)

WIA and WPA Outcome Measures for Program Year 2012-13

California is requesting DOLETA approval of the state's WPA Measures and WIA Common Measures goals for PY 2012-13. We expect, however, that more detailed discussions will take place with DOLETA during the formal negotiation and approval of the goals.

This request takes into consideration several factors, including:

- California's slow employment recovery;
- California's implementation of a new, sector-based vision, strategy and goals focused on skills attainment – priorities that may impact the Local Board's ability to meet the WIA Common Measures; and
- California's emphasis on greater One-Stop system integration and accountability, including enrolling large numbers of WPA universal and WIA core participants. The State Board will deliberate on how to best sustain and expand the ISD model piloted by 12 Local Boards.

Additionally, Governor Brown signed legislation in 2011 that impacts local performance. The legislation emphasizes quality training services, alignment of multiple funding streams, employer engagement, and industry sectors.

- SB 734 [UI Code Section 14211] requires each Local Board to invest 25 percent of local Adult and Dislocated Worker dollars on skills training (increases to 30 percent in 2016). Local Boards receive up to a 10 percent credit toward this goal for resources leveraged from multiple funding streams.
- AB 554 [UI Code Section 14230(e)] requires that WIA funds invested in "apprenticeable" occupations are coordinated with state-approved apprenticeship programs.
- SB 698 [UI Code 14200(c)] sets the bar higher for Local Board performance. By January 1, 2013, the State Board must implement standards for certifying high-performance Local Boards. The standards are available in Appendix I.

Proposed WPA and WIA Performance Goals PY 2012

WPA SECTION 13(a) MEASURES	PREVIOUS YEAR PERFORMANCE*	PERFORMANCE GOAL
Entered Employment	41.0%	50.0%
Employment Retention	78.0%	79.0%
Average Six-Months Earning	\$17,917	\$18,000
WIA SECTION 136(b) COMMON MEASURES	PREVIOUS YEAR PERFORMANCE	PERFORMANCE GOAL
<u>ADULT</u>		
Entered Employment	55.9%	59.0%
Employment Retention	79.3%	81.0%
Average Six-Months Earnings	\$12,938	\$13,700
<u>DISLOCATED WORKER</u>		
Entered Employment	62.6%	64.5%
Employment Retention	83.4%	84.0%
Average Six-Months Earnings	\$17,146	\$18,543
<u>YOUTH COMMON MEASURES</u>		
Placement in Employment or Education	66.9%	72.0%
Attainment of a Degree or Certificate	51.0%	60.0%
Literacy and Numeracy	53.3%	54.0%

*PY 2011 outcomes

Consideration of Additional State Performance Measures

As stated above, the WIA Common Measures do not effectively measure whether California's WIA system, let alone the broader workforce training system, is achieving the Governor's vision and goals as expressed in the Strategic Workforce Development Plan.

The DOLETA has provided an "[Overview of Potential Alternative Efficiency Measures for Consideration](#)" attachment to [TEGL 29-11 Workforce Investment Act \(WIA\) Program Year \(PY\) 2011 Annual Report Narrative](#) for states to evaluate the accessibility, quality, effectiveness, efficiency and impact of the core, intensive and training services provided to WIA Adult, Dislocated Worker and Youth populations. California however, needs to evaluate all of its workforce and education programs using a set of common performance indicators focused on employment and earnings, skills attainment, and customer satisfaction.²

² Common measures should be reported for all CTE secondary, and CTE post-secondary programs, WIA programs, TANF employment programs, WPA funded job services programs, Vocational Rehabilitation programs, Adult Basic Education, and the private post-secondary schools.

The National Governor's Association and the DOLETA partnered with a six-state workgroup to develop a set of recommendations for system-wide workforce development performance measures based on the following criteria:

- Measures should be outcome-based as opposed to process-based and should measure the results for the program's customers.
- Measures should be easily explainable to a lay audience.
- Measures are scalable and divisible. They should be applicable to different geographical and institutional areas of interest. For example, results should be available by program, school, and sector, by different local and regional areas, and for the state in the aggregate. Similarly, results should be reportable by service category and sub-population.
- Measures should create a level playing field among programs and service strategies.
- Measures should promote behaviors that lead to the desired outcomes.
- Measures should be meaningful for each program.
- Measures should be timely.
- Measures should be methodologically sound.
- Measures should be difficult to game or manipulate.
- Measures should be inexpensive.
- Measures should be comprehensive and complementary as a whole.

Based on these criteria, the six-state workgroup recommended the following performance measures:

- **Two Employment Retention Measures.** The first measure is equal to the ratio of participants who are employed (or enrolled in further schooling for youth participants) in the second quarter after exiting the program; The second measure is equal to the ratio of participants who are employed (or enrolled in further schooling for youth participants) in the fourth quarter after exiting the program. EDD quarterly wage record information would be used for these measures.

- An **Earnings Measure** based on the median earnings of all participants employed in the second quarter after program exit. EDD quarterly wage record information would be used for this measure.
- A **Measure of Skills Attainment** equal to the percentage of program exiters who have completed a certificate, degree, diploma, licensure, or other industry recognized credential within one year after exit.
- A **Measure of Employer Satisfaction** equal to the percentage of employers who are served and return to the program for the same service.
- A **Measure of Market Penetration** equal to the share of employers who benefit from the program's services.
- **Two Measures of Return on Investment**, including a taxpayer return on investment equal to the present value of the net impact on tax revenue and social welfare payments compared to the cost of the services, and a participant return on investment equal to the present value of the net impact on participant earnings compared the cost of the services. EDD quarterly wage record information would be used for these measures.

The six-state workgroup recommended that the foregoing measures apply to all secondary CTE programs, post-secondary CTE programs, WPA job services programs, WIA Adult, Dislocated Worker, and Youth programs, Adult Basic Education, Temporary Assistance to Needy Families employment programs, Apprenticeship programs, and Vocational Rehabilitation programs.

These measures effectively encourage greater skills attainment and longer-term investment strategies by looking at employment at a later period than the WIA Common Measures. Similarly, the skills attainment measure looks at educational completion rates for the entire pool of participants exiting the program and not just those who enrolled in training.

Over the duration of this Strategic Workforce Development Plan, the State Board and the State Working Group will consider the measures recommended by the six-state workgroup as well as other types of system-wide measures in support of the System Alignment and Accountability Goal in Chapter IV.

Modification 6.1 (June 2013)**DOLETA Approved WPA and WIA Performance Goals PY 2013**

WPA SECTION 13(a) MEASURES	PERFORMANCE GOAL
Entered Employment	50.0%
Employment Retention	80.0%
Average Six-Months Earning	\$18,500
WIA SECTION 136(b) COMMON MEASURES	PERFORMANCE GOAL
<u>ADULT</u>	
Entered Employment	63.4%
Employment Retention	83.0%
Average Six-Months Earnings	\$14,200
<u>DISLOCATED WORKER</u>	
Entered Employment	72.0%
Employment Retention	89.5%
Average Six-Months Earnings	\$19,178
<u>YOUTH COMMON MEASURES</u>	
Placement in Employment or Education	74.0%
Attainment of a Degree or Certificate	60.0%
Literacy and Numeracy	60.5%

See Page 6.1-2 for the official approval letter from DOLETA.

U.S. Department of Labor



Employment and Training Administration

Region 6 San Francisco

90 7th Street, Suite 17300
San Francisco, CA 94103

JUN 28 2013

Pam Harris, Director
California Employment Development Department
P.O. Box 826880, MIC 83
Sacramento, CA 94280-0001

Dear Ms. Harris *Dami:*

This letter finalizes the agreed-upon Workforce Investment Act (WIA) and Wagner-Peyser performance targets for Program Year (PY) 2013. Following review of the data and information supporting the proposed performance targets, and subsequent discussions with State Agency and Board staff, we are confirming the final performance targets as follows:

<u>WIA Adult</u>	
Entered Employment	63.4 %
Retention	83.0%
Average Earnings	\$14,200
<u>WIA Dislocated Worker</u>	
Entered Employment	72.0%
Retention	89.5%
Average Earnings	\$19,178
<u>WIA Youth</u>	
Placement in Employment/Education	74.0%
Attainment of Degree/Certificate	60.0%
Literacy/Numeracy Gains	60.5%
<u>Wagner-Peyser</u>	
Entered Employment	50.0%
Retention	80.0 %
Average Earnings	\$18,500

We appreciate the thorough and comprehensive discussions with your staffs around the PY 2013 performance targets. With respect to the WIA Youth measures, we jointly noted that targeted technical assistance around service design and data would be a valuable investment for our two offices to think through in the coming weeks.

This letter constitutes a modification to your Five Year, PY 2012 – 2016, State Plan.
If you have any questions, please contact Rosemary Cowan at (415) 625-7935 or
cowan.rosemary@dol.gov.

Sincerely,



Virginia Hamilton
Regional Administrator