



MASSACHUSETTS

Workforce Investment Act

WIA Communication No. 04-02

Policy

Information

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
DCS Regional Directors
DCS Area Directors

cc: WIA State Partners

From: Jonathan Raymond, President
Commonwealth Corporation

Susan Lawler, Commissioner
Division of Career Services

Date: January 26, 2004

Subject: FY2003 WIA Title I Annual Summary of Performance Measures

The Workforce Investment Act specifies seventeen core performance measures for Title I programs for adult, dislocated worker and youth services. The local performance goals for the indicators were negotiated by each Workforce Investment Board during the development of the local Title I Memorandum of Understanding.

The definitions of many of the performance measures require the collection of data for a number of months subsequent to the end of the program year. The final FY2003 Annual Report of statewide performance was submitted to the U.S. Department of Labor in early December 2003. The final revised version of the FY2003 participant-level federal report (WIASRD) will be submitted to the U.S. Department of Labor by January 14, 2004, and is the basis of this performance summary.

This communication includes a summary of FY2003 statewide performance on the WIA Title I measures. Also attached are tables for each workforce investment area and for each measure, comparing actual performance to the negotiated local standards.

Questions and Comments: Questions related to this correspondence should be directed to Gene White, Commonwealth Corporation, at (617) 727-8158 ex.1391 (gwhite@commcorp.org) or to Carla Erb, Division of Career Services, at (617) 626-5786 (cerb@detma.org).

Filing: Please file this in your notebook of previously issued WIA Communication Series Issuances as #04-02.

FY2003 Annual Summary of WIA Title I Performance (See attachments.)

Overall Adult: At the statewide level, the entered employment rate increased slightly over FY02 performance (74.5% vs. 74.1%), and continues to exceed the goal of 73%. The retention rate remained at the same level as FY02 (80%) and continues to be slightly below goal (80% vs. 82%). The employed with credential measure, however, showed marked improvement over FY02 (66.8% vs. 55.3%) and now exceeds the goal of 60% by a large margin. While the employment dimension of this measure remained about the same, a greater proportion of training completers attained a credential. Most adults completing a training program are being consistently reported by training providers as attaining some type of recognized credential, even if not a formal degree or certificate.

Given the decline in the economy, it is remarkable that the One-Stop Career Center system was able to maintain levels of placement and retention close to the goals of the WIA Five Year Plan. The exiters included in the performance measures of this report completed the program during the period of October 1, 2001 through September 30, 2002. Their post-program period for retention and earnings extends to the end of calendar year 2003. During this period, there has been a dramatic increase in the unemployment rate (from 3.5% to 6%), and in the number of UI claimants and exhaustees. There has been a decline in average weekly wages and there has been a rise in underemployment, with more workers accepting jobs below their skill levels or with lower wages and/or hours per week.

The one measure that has not escaped the impact of the overall economy is the earnings gain at six months measure. The average earnings gain for the state is \$2,765, only 71% of the goal of \$3,900. The results for this measure declined dramatically last year and have now decreased by another 25% this program year (\$2,765 vs. \$3,852). The DOL threshold for failing to meet a negotiated performance level is 80%. Along with the earnings results for the Older Youth program, this marks the first program year where the Commonwealth has failed to meet a Title I performance measure. While economic conditions appear to be the principal reason for the decline, it is also true that an increasing percentage of participants in the adult program have significant pre-program earnings, making the achievement of post-program gains more challenging.

Overall Dislocated Workers: The results for dislocated workers are similar to the adult performance. The entered employment rate did increase, however, over FY02 performance (85.8% vs. 78.8%), and continues to exceed the goal of 79%. The retention rate remained at the same level as FY02 (about 86%) and continues to be slightly below goal (86% vs. 89%). The employed with credential measure also showed marked improvement over FY02 (78.8% vs. 55.7%) and now exceeds the goal of 60% by a large margin. Many, if not all, of the comments in the preceding section on adults seem to also apply to dislocated worker performance.

The earnings replacement rate (i.e., earnings in post-program quarters two and three as compared to pre-program earnings) for dislocated workers was 80.9%, about 86% of the goal of 94%. While not falling below the DOL threshold for meeting a performance goal, this was a decrease from FY02 (80.9% vs. 87.6%). As with adults, this continued the downward trend from the prior program year.

Overall Older Youth: The entered employment rate for older youth (age 19-21) was 58.4%, or 90% of the goal of 65%. This was another measure that declined versus FY02 (58.4% vs. 65.8%). The retention rate also slightly decreased from FY02 (76.4% vs. 77.6%), although it is still close to the goal of 79%. As with the adult and dislocated worker programs, the credential rate improved over FY02 (46.3% vs. 41.9%) and is at 93% of the goal of 50%. There also continues to be a relatively small number of exiters in the older youth category and thus there is great variation across workforce regions, with some having only a few such exiters in a program year. It is reasonable to expect some greater volatility in these performance results.

Similar to the adult program, the earnings gain rate for older youth significantly declined again in FY02 (\$2,149 vs. \$2,630). This average earnings gain of \$2,149 is only 72% of the performance goal of \$3,000. This becomes the second measure for the year that is in the category of failed to meet the negotiated performance level. It does appear that the economic conditions have greatly affected the earnings potential of low-income and hard-to-serve adults and youth.

Overall Younger Youth: The skill attainment rate for younger youth (14-18) exceeded the standard at 78.7% versus the goal of 74%, although it declined from FY02 (78.7% vs. 83.4%). The diploma attainment rate of 57% improved over the FY02 level of 54.2% and met the goal of 57%. The retention rate decreased significantly from 61.8% in FY02 to 51.2%, about 91% of the goal of 56%. The decrease in employment opportunities caused by overall economic conditions most likely impacted this measure.

Customer Satisfaction: Results for both participants and employers increased as compared to FY02. While participant scores far exceed goal (78 vs. 72), results for employers continue to trail the participant scores and are slightly below goal (70 vs. 72). There was also a significant decrease in the response rates for both the participant and employer surveys. The DOL/OMB recommended response rate is 70%; the participant response rate fell to about 60% and the employer rate fell to only 50%. It appears that the primary problem with the response rate is the inconsistent identification and collection of contact person information. The Commonwealth will take steps to improve these procedures as well as to take other necessary actions to meet the required response rate to ensure the validity of survey results.

Summary: Most significantly, the Commonwealth failed the two performance measures for adult and older youth post-program earnings gain. Despite some year-to-year changes, seven of the remaining measures exceeded goal, the same number as in FY02. There was considerable improvement in the credential rates, in part due to more consistent data collection and reporting. The response rates for the customer satisfaction surveys are far below the required levels and the Commonwealth will explore procedures to improve these rates. With the failure to meet two performance goals, and with the survey response rates below the minimum requirement, the level of performance necessary to qualify for an incentive grant has not been attained. Within the state, no workforce area met and exceeded the performance goals for all four program groups: adult, dislocated worker, combined youth, and customer satisfaction.

Attachments: Summaries of the performance measures for the state and each workforce area are attached, as well as worksheets providing more detail on each measure. (An asterisk in the program group indicates that, on average, goals were exceeded for that group.)