

MASSACHUSETTS

Workforce Investment Act

WIA Communication No. 04-90

Policy Information

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DCS Regional Directors for Workforce Integration
DCS Associate Directors
DCS Field Managers

cc: WIA State Partners

From: Susan V. Lawler, Commissioner
Division of Career Services

Jonathan Raymond, President
Commonwealth Corporation

Date: December 9, 2004

Subject: FY2004 WIA Title I Annual Performance Results

Purpose: To transmit FY 2004 WIA Title I Annual Performance results for the Massachusetts' Local Workforce Investment Areas. Local goals were negotiated by each Workforce Investment Board in conjunction with the FY 2004 planning process. The Background section provides a narrative summary of statewide performance versus negotiated goals for each of the seventeen core performance measures for Title I programs for adult, dislocated worker and youth services.

Background: The Workforce Investment Act (WIA) specifies seventeen core performance measures for Title I programs. The expected levels of performance for these indicators, i.e., the local performance goals, were negotiated by each Workforce Investment Board as part of the FY 2004 planning process.

This communication includes a summary of FY 2004 statewide performance on the WIA Title I measures and provides, in Attachment A, a table for each workforce investment area comparing actual performance to the negotiated goals.

FY2004 Statewide WIA Title I Performance Narrative

Statewide performance on the seventeen WIA Title I performance measures improved somewhat during FY2004, as compared to performance in FY2003. All performance goals were met or exceeded, whereas in FY03 the state failed to achieve the minimum level of satisfactory performance against goal on two measures. The following is an overview of the performance on each measure.

Customer Satisfaction: Results from the telephone surveys show that participants continue to be very satisfied with services, with responses resulting in an American Customer Satisfaction Index (ACSI) score of 78.3, exceeding the goal of 75. Results for employers increased to a score of 70.7, up from FY03's score of 70.0, just about meeting the goal of 72. There was also a significant increase in the response rates for both the participant and employer surveys. While still below the DOL/OMB recommended response rate of 70%, the participant response rate improved to 65% from 60% and the employer rate went up to 59% from last year's 48%. The improvement in response rates shows some success in improving procedures in the identification and collection of contact person information. The Commonwealth will continue to take steps to improve these procedures and to meet the required response rate to ensure the validity of survey results.

Overall Adult: The entered employment rate decreased slightly from FY03 performance (73.7% vs. 74.5%), but did exceed the goal of 73.5%. The retention rate at six months also decreased (79.1% vs. 79.9) and continues to be below the goal of 82%. The employed-with-credential measure also declined (65.1% vs. 66.8%), but this performance level exceeds the goal of 60% by a solid margin.

In FY03, one of the two performance measures for which the state failed to meet the minimum threshold of 80% of goal was the adult earnings gain at six months. Results for this measure declined dramatically in both FY02 and FY03, during the period of worsening economic conditions in the Commonwealth. FY04 results improved significantly, attaining an average adult earnings gain of \$3,140 versus last year's \$2,765. The gain of \$3,140 is 90% of the re-negotiated goal of \$3,500, well above the minimum threshold needed to satisfactorily meet the goal.

In addition to actual improvement in performance on the earnings gain measure, it also appears that the revised reporting schedule for the FY04 Annual Report allows additional time for employers to file wage reports, and for more complete wage record matching results. Most of the Title I performance measures require

matching the records of program exiters against the quarterly Unemployment Insurance wage records filed by employers.

The adjusted time period for program exiters, in the earnings gain measure for the FY04 Annual Report, allows a longer period between the end date of six month earnings quarter and the point at which wage record matching is processed. In fact, performance for some exiters in an overlapping period included in both Annual Reports who were not found in wage records for the FY03 report have been subsequently matched using updated files for the FY04 report. This suggests that actual performance for the FY03 report may not have been as low as reported, although based on the data available at that point in time.

Overall Dislocated Workers: While the results for dislocated workers met or exceeded the performance goals for FY04, the actual performance levels declined from FY03 on three of the four measures. The entered employment rate decreased (79.8% vs. 85.8%), although it continues to exceed the goal of 79.5%. The retention rate improved to 87.1% (from 85.8% in FY03) and is slightly below the goal of 89%. The employed-with-credential measure declined from FY03 (69.0% vs. 78.8%), similar to the decrease in the overall entered employment rate for dislocated workers. However, it still exceeds, significantly, the goal of 60%.

The earnings replacement rate (i.e., earnings in post-program quarters two and three as compared to pre-program earnings) for dislocated workers was 79.0% (versus 80.9% in FY04), about 84% of the goal of 94%. While not falling below the DOL threshold for meeting a performance goal, this was the third consecutive year of declining performance on this measure. These results are somewhat inconsistent with the increase in earnings gain during FY04 for adults. While post-program earnings increased for FY04 exiters, the pre-program earnings for this group were also higher, making the attainment of wages at replacement levels by the six month point after program exit a significant challenge.

Overall Older Youth: Performance for the FY04 period improved for older youth on three of the four measures compared to FY03. The entered employment rate for older youth (age 19-21) was 61.1%, or 93% of the goal of 65.5%. This was one measure that improved versus FY03 (61.1% vs. 58.4%). The retention rate also slightly increased from FY03 (77.8% vs. 76.4%), although it is still slightly below the goal of 79%. As with the adult programs, the employed-with-credential rate declined in FY04 (45.5% vs. 46.3%) and is at 91% of the goal of 50%.

Last year's earnings gain rate for older youth showed a significant decline and statewide results failed to meet the minimum level of performance against goal. Similar to the adult program, actual performance in FY04 improved from \$2,149 to \$2,590. This average earnings gain is 96% of the re-negotiated goal of \$2,700. While replacement earnings for dislocated workers continue to decline, the

ongoing improvement in economic conditions is beginning to result in increased post-program earnings for low-income and hard-to-serve adults and youth.

Overall Younger Youth: The skill attainment rate for younger youth (age 14-18) was about the same as FY03 and exceeded the standard at 78.6% versus the goal of 76%. The diploma attainment rate of 59.3% improved over the FY03 level of 57.0% and exceeded the goal of 57%. The retention rate also increased significantly from 51.2% in FY03 to 60.5%, about 106% of the goal of 57%. The increase in retention rate (for post-program retention in employment and/or post-secondary education) was most notable, given the high rate of unemployment for youth. There was some improvement in reporting procedures by local areas for the collection of retention data.

Performance Summary: Most significantly, the Commonwealth improved FY04 performance against the two measures it failed in FY03, the adult and older youth post-program earnings gain. All of the seventeen performance measures were met or exceeded, although not at a level to qualify for a federal incentive grant. Eight of the performance measures exceeded goal, one more than the seven that were exceeded in FY03. Within the state, two workforce areas (Central Mass and Hampden County) met and exceeded the performance goals for the four program groups (adult, dislocated worker, combined youth, and customer satisfaction).

The response rates for the customer satisfaction surveys are still below the required levels and the Commonwealth will explore procedures to continue the improvement in these rates obtained in FY04. There was some inconsistency in the trends for the employment and earning measures, both within and across the adult, dislocated and youth program groups. Additional analysis will be conducted to identify the factors influencing these results.

Inquiries: 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 Communications Issuance No. 04-90.

Attachments:

- A. Statewide and WIB Level Performance Summaries
- and -
- B. Charts 1-4 Adult Performance by WIB Area
- C. Charts 5-8 Dislocated Worker Performance by WIB Area
- D. Charts 9-12 Older Youth by WIB Area
- E. Charts 13-15 Younger Youth by WIB Area
- F. Charts 16-17 Customer Satisfaction-Participants and Employers
- or -
- G. Charts 1-17 (to print Attachments B-F from a single file)