

MASSACHUSETTS

Workforce Investment Act

WIA Communication No. 05-77

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: Jane Edmonds, Director
Department of Workforce Development

Susan V. Lawler, Commissioner
Division of Career Services

Jonathan Raymond, President
Commonwealth Corporation

Date: October 7, 2005

Subject: FY2005 WIA Title I Annual Performance

Purpose: The purpose of this issuance is to distribute Massachusetts FY2005 WIA Title I Annual Performance results (ATTACHMENT A). This communication provides a narrative summary of statewide performance and a table for each workforce investment area comparing actual performance to the negotiated local levels. Also included are charts displaying performance measure results by area (ATTACHMENT B).

Please note: The Charts 1-15 WIA Title I Annual Performance by area included herein, supersede the preliminary charts that were included in Tab 11 of the FY2005 4th Quarter Career Center Performance Reports. The annual report reflects additional data that was entered in MOSES after June 30, 2005 when the quarterly report was drawn.

Background: The Workforce Investment Act specifies seventeen core performance measures for Title I programs for adult, dislocated worker and youth services. The expected levels of performance for these indicators, i.e., local performance goals, were negotiated by each Workforce Investment Board during the development of the FY2005 Workforce Development Business Plan.

FY2005 Statewide WIA Title I Performance Narrative

Statewide performance on the WIA Title I performance measures improved significantly during FY2005, as compared to performance in FY2004. All performance goals were met or exceeded, and there was an increase in actual performance for 15 of the 17 performance indicators.

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 81.0, exceeding the goal of 75 and a good increase from FY04's score of 78.3. Results for employers increased to a score of 72.8, up from FY04's score of 71.7, exceeding the goal of 72. The reliability of these results has also improved, as there was a significant increase in the response rates for both the participant and employer surveys. While slightly below the DOL/OMB recommended response rate of 70%, the participant response rate improved to 69.8% from 65% and the employer rate went up to 67.6% from last year's 59%. The improvement in response rates shows some success in improving procedures in the identification and collection of contact person information.

Overall Adult: Actual performance improved on all 4 measures. The entered employment rate increased substantially from FY04 performance (80.6% vs. 73.7%), and exceeded the goal of 74.0% by 9%. The retention rate at six months also improved (81.7% vs. 79.1) and just about meets the goal of 82%. The employed-with-credential measure saw an increase from 65.1% to 72.5%, exceeding the goal of 60% by a large margin.

Two years ago, in FY03, one of the two performance measures that failed to meet the minimum threshold of 80% of goal was the Adult earnings gain at six months. Results on this measure had declined dramatically during the period of high unemployment and job loss in the Commonwealth. Improvement on this indicator began last year and FY05 performance continued this trend. Average

earnings gain increased to \$3,726, significantly higher than the FY04 level of \$3,140. This increase is about a 20% improvement over last year and the earnings gain now exceeds the standard at 107% of the re-negotiated goal of \$3,500. The improvement is related to both the placement of adults in better paying jobs as well as improved retention of earnings in the follow-up period.

Overall Dislocated Workers: The results for dislocated workers met or exceeded the performance goals for FY05, and the actual performance levels improved from FY04 on all four of the measures. The entered employment rate increased (85.2% vs. 79.8%) and exceeded the goal of 80.0% by almost 7%. The retention rate improved to 89.2% (from 87.1% in FY04) and is slightly above the goal of 89%. The employed-with-credential measure improved from FY04 (77.3% vs. 69.0%), far exceeding 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 84.9% (versus 79.0% in FY04), about 90% of the goal of 94%. This was the first year of improvement in earnings after three consecutive years of declining performance on this measure. These results are consistent with the increase in earnings during FY05 for adults. The improvement is related to both placement in better paying jobs, as evidenced by higher earnings in the first quarter after program exit, as well as improved retention of these earnings levels in the subsequent six month follow-up period.

Overall Older Youth: Performance for the FY05 period improved for older youth on all four measures compared to FY04. This improvement in actual performance resulted in exceeding three of the four goals, whereas in FY04 not one of the goals was exceeded for these measures. The entered employment rate for older youth (age 19-21) was 68.8%, a healthy increase from 61.1% in FY04 and exceeding the goal of 66.0%. The retention rate also improved from FY04 (80.7% vs. 77.8%) and is above the goal of 79%. The employed-with-credential rate improved slightly in FY05 (46.5% vs. 45.5%) but this is the one measure not exceeded, at 93% of the goal of 50%.

The earnings gain rate for older youth two years ago declined significantly and the statewide performance failed to meet the minimum goal level for this indicator. As with the adult program, actual performance began to improve last year. In FY05, this trend continued and performance dramatically improved by 40% from \$2,590 to \$3,542. This average earnings gain is 131% of the re-negotiated goal of \$2,700. While initial placement earnings for youth did increase somewhat from FY04 levels, there was also continued growth in earnings for youth during the follow-up period. The ongoing improvement in economic conditions is certainly an important factor in the increased post-

program earnings for these low-income youth as well as the adult and dislocated worker participants.

Overall Younger Youth: The skill attainment rate for younger youth (14-18) improved significantly in FY05 from 78.6% to 85.0%, exceeding the goal of 77%. The diploma attainment rate of 55.3% declined from the FY04 level of 59.3%, falling below the goal of 57%. The retention rate (for post-program retention in employment and/or post-secondary education) also declined somewhat from 60.5% in FY04 to 57.5%, slightly below the goal of 58%. Given the improvement in all other measures, there is some concern about both of these decreases. On the other hand, the decline in performance was not consistent across the state and was driven by decreases in only a handful of local areas. In addition, consistent with DOL's recommendations, a more at-risk and hard-to-serve population is being enrolled in the younger youth program as evidenced by higher service rates to dropouts and this makes the accomplishment of these measures more challenging.

Performance Summary: Most significantly, the Commonwealth improved FY05 actual performance on fifteen of the seventeen measures and all performance goals were met or exceeded. Twelve of the performance measures exceeded goal, four more than the eight exceeded in FY04. The response rates for the customer satisfaction surveys showed continued improvement and are just slightly below the required levels. At the local level, the number of workforce areas exceeding their overall goals for all program groups increased from two in FY04 to seven in FY05. Finally, there was consistent and dramatic improvement in employment and earning measures for all three funding streams of adults, dislocated workers and youth.

Inquiries: Please email all questions to Carla Erb at Cerb@detma.org . Also, indicate Issuance number and description.

Filing: Please file this in your notebook of previously issued WIA Communication Series Issuances as #05-77.

Attachments:
A: FY05 State and Local Annual Reports
B: FY05 Performance Summaries by Area