



Program Year 2010 Annual Report

Adult, Dislocated Worker and Youth Activities Workforce Investment Act of 1998, Title I-B

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submitted by the
Commonwealth of Massachusetts

to the United States Department of Labor
Employment and Training Administration

Commonwealth of Massachusetts

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Introduction

The Massachusetts Executive Office of Labor and Workforce Development (EOLWD) is the state level agency responsible for the oversight of the workforce investment funding received through the U.S. Department of Labor's Employment and Training Administration. The Department of Career Services and Commonwealth Corporation are designated by EOLWD to implement specific initiatives related to the workforce development system.

Since the inception of the federal Workforce Investment Act (WIA) in 1998, Massachusetts has adopted a statewide strategy to maximize and leverage workforce development resources through our 16 local Workforce Investment Boards and 34 One-Stop Career Centers. (There were 37 One-Stop Career Centers at the beginning of PY10.) In Massachusetts, the One-Stop Career Center system is the cornerstone of service delivery for job development and job search assistance, training referrals and placements, and employer outreach for workforce development services. Our goal is to ensure coordinated delivery of information and services throughout the system.

A. PY10 Review of Massachusetts' Statewide WIA Title I Performance Measures

State performance goals for Program Year 2010 (PY10 or FY2011: July 1, 2010 to June 30, 2011) were established with the U.S. Department of Labor's Employment and Training Administration (DOLETA). This report covers performance for adults, dislocated workers and older youth who exited programs during the period between April 2009 and September 2010, and for younger youth who exited programs during the period from April 2009 to March 2011. Funds supporting program services during this period were regular WIA Title I Adult program, Dislocated Worker program, and Youth program grant funds provided through an annual allotment from DOLETA and funds provided through the American Recovery and Reinvestment Act (ARRA).

DOLETA classifies a performance measure/goal as **met** if the percent of goal is between 80.0% and 100.0%. A performance measure/goal is **exceeded** if the percent of goal is above 100.0%. All performance goals were met or exceeded. The following is an overview of the performance on each of the seventeen measures. The required statewide Annual Report tables are included in the Appendix to this narrative. They are submitted to DOLETA via the on-line reporting system.

Customer Satisfaction: Results from the telephone surveys demonstrate that participants continue to be very satisfied with services provided by our One-Stop Career Centers and local workforce partners, with responses resulting in an American Customer Satisfaction Index (ACSI) score of 81.6, up from 81.0 in PY09. Results for employers also showed an increase from 76.0 in PY09 to 79.2 in PY10, exceeding the goal of 75.0.

Table 1: Customer Satisfaction				
Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Participants ACSI	82.0	81.6	99.5%	Met
Employers ACSI	75.0	79.2	105.6%	Exceeded

Adult Program: All four adult goals were exceeded. The entered employment rate (77.9%) increased from the PY09 performance level of 74.8% and exceeded the goal of 72%. The adult average six-month average earnings of \$11,045 exceeded the \$9,750 goal and was above the \$10,760 level in PY09. The employed-with-credential measure increased from 72.2% to 73.2%, exceeding the goal for the fifth consecutive year. The 83.3% retention rate at six months was above the previous year's level of 77.0%.

Table 2: Adults				
Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Entered Employment Rate	72.0%	77.9%	108.2%	Exceeded
Employment Retention Rate	79.0%	83.3%	105.4%	Exceeded
Average Six-Month Earnings	\$9,750.00	\$11,045.00	113.3%	Exceeded
Employment and Credential Rate	68.0%	73.2%	107.6%	Exceeded

Dislocated Worker Program: The results for dislocated worker programs exceeded all four performance goals for PY10. The entered employment rate increased from 79.0% in PY09 to 83.1% in PY10. The retention rate also increased over the year from 84.7% to 89.7% in PY10. Average six-month earnings of \$18,930.80 in PY10 were above the \$16,653.30 seen in PY09. The employed-with-credential measure at 77.3% was an increase from 76.7% in PY09.

Table 3: Dislocated Workers				
Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Entered Employment Rate	75.0%	83.1%	110.8%	Exceeded
Employment Retention Rate	86.0%	89.7%	104.3%	Exceeded
Average Six-Month Earnings	\$16,000.00	\$18,930.80	118.3%	Exceeded
Employment and Credential Rate	72.0%	77.3%	107.4%	Exceeded

Older Youth: Performance for older youth for PY10 reflected the impact of the poor economic climate during the performance period. While the entered employment rate was up, retention and earnings showed declines over the year. The entered employment rate for older youth (age 19-21) was 78.9%, up from 75.9% in PY09. The retention rate declined from 81.5% in PY09 to 78.2% in PY10. Six-month average earnings declined substantially from \$4,784.50 in PY09 to \$3,500.30 in PY10. The employed-with-credential rate increased from 50.9% in PY09 to 56.7% in PY10.

Table 4: Older Youth (19-21)

Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Entered Employment Rate	76.0%	78.9%	103.8%	Exceeded
Employment Retention Rate	80.0%	78.2%	97.8%	Met
Six Months Earnings Increase	\$3,800.00	\$3,500.30	92.1%	Met
Employment/Education and Credential Rate	53.0%	56.7%	107.0%	Exceeded

Younger Youth: Performance for younger youth was improved on two measures. The skill attainment rate for younger youth (age 14-18) was 83.3%, down slightly from 83.8% in PY09. The diploma attainment rate of 70.4% was an increase from 69.2% in PY09. The retention rate (for post-program retention in employment and/or post-secondary education) showed an over-the-year gain from 67.8% in PY09 to 69.5% in PY10.

Table 5: Younger Youth (14-18)

Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Skill Attainment Rate	88.0%	83.3%	94.7%	Met
Diploma or Equivalent Rate	63.0%	70.4%	117.7%	Exceeded
Retention in Employment/Education	69.0%	69.5%	100.7%	Exceeded

Performance Summary: Participants covered in this report exited programs into a persistent recessionary climate; nevertheless, over-the-year performance was generally improved from the prior year. The Commonwealth improved actual performance in PY10 on 14 of the 17 measures, compared to PY09 when actual over-the-year performance improved on just 2 of 17 goals. In PY10, all performance goals were met or exceeded, and the percent-of-goal for 13 measures exceeded 100.0%. At the local level, all of the Commonwealth's 16 workforce areas met or exceeded their overall goals for the Adult and Dislocated Workers program groups, and fifteen met or exceeded overall goals for the Youth group.

B. Cost of Workforce Investment Activities

The Commonwealth of Massachusetts received a WIA Title I-B allotment of approximately \$55.8 million for Program Year 2010, a decline of 2.3% from the prior year's allotment of \$57.2 million. Of the annual allotment for PY10, \$41.8 million was allocated for local programs and around \$5.7 million for Rapid Response services.

Additional funds were made available through the American Recovery and Reinvestment Act (ARRA) for use during the period from February 17, 2009 to June 30, 2011 to supplement the annual WIA Title I-B allotment. The state of Massachusetts received approximately \$56.1 million in ARRA funding, of which local areas received an allocation of \$42.4 million. The majority of this funding was utilized in the previous fiscal year.

Including carry-in funds across all categories and fund sources, the total funds available for PY10 WIA Title I-B activities was around \$96 million. The data presented on Tables 6 and 7 include both regular WIA Title I-B funds and ARRA funds that were available in PY10.

Approximately 71% of available local Adult funds were spent in PY10, with an additional 16% obligated, and 83% of available local Dislocated Worker funds were expended and 16% obligated. All available local Youth funds were expended and obligated. Expenditures for out-of-school youth accounted for 57% of Youth funds spent, higher than the 47% level in PY09. These rates of expenditure demonstrate an effective utilization of these funds by the Commonwealth.

Table 6: WIA Title I and ARRA Expenditures (PY10 Allocations and Carry-In)

Total All Fund Sources	Available	Expended	Pct Spent	Additional Obligations	Pct Spent or Obligated
Adult Local Program	\$18,712,194	\$13,325,287	71.2%	\$3,032,757	87.4%
Dislocated Worker Local Program	\$18,535,871	\$15,460,162	83.4%	\$3,049,970	99.9%
Youth Local Program*	\$22,984,736	\$19,872,302	86.5%	\$3,112,434	100.0%
Out-of-School Youth (non-add)	--	\$11,383,963	(57% of youth expenditures)		
Statewide Rapid Response Funds	\$13,604,286	\$9,943,578	73.1%	\$1,465,948	83.9%
Statewide 15% Activity Funds	\$21,940,268	\$17,266,966	78.7%	\$1,856,544	87.2%
Combined Totals	\$95,777,355	\$75,868,295	79.2%	\$12,517,653	92.3%

* Does not include ARRA Summer Youth.

Statewide Rapid Response funds, including funds made available for additional assistance to local areas, were expended at the rate of 73% of availability, compared to 58% in PY09. The Governor's 15% Reserve for statewide activities and state oversight expended 79% of availability, a higher rate than in PY09 (49%) and PY08 (57%).

Of the total \$95.8 million available, approximately 79%, or \$75.9 million had been expended by June 30, 2011. An additional \$12.5 million in obligations brought the Commonwealth's end-of-year total of expenditures and obligations to \$88.4 million, representing 92.3% of total available PY10 funds. This compares to PY09, with \$91.9 million end-of-year total expenditures and obligations, representing 91.8% of total available PY09 funds (\$100.1 million).

There were 5,280 adult participants and 8,850 dislocated worker participants in PY10 Title I local programs. Overall, adult enrollments were 18.7% higher than in PY09 (4,450), while dislocated worker enrollments fell 8.4% below the prior year level (9,660). Investment in training services remained strong with 82% (4,330) of WIA Title I adult participants receiving training services. The number of dislocated worker participants receiving training services was 5,925 or 70% of program participants. The percent in training for both adults and dislocated workers was higher than in PY09, where 78% of adult and 69% of dislocated workers were receiving training services. There were 3,585 youth participants in year-round programs, more than half of whom (57%) were out-of-school youth, higher than the 55% share in PY09.

Estimates of per participant costs for adults decreased in PY10, with an average per participant cost of \$4,045, compared to \$4,665 in PY09, \$4,560 in PY08, and \$3,690 in PY07. The estimated cost per adult who received training services was \$4,402, about \$1,986 or 45% more than the cost for an individual receiving only core and intensive services.

Table 7: Estimated Costs per Participant				
Program Strategies	PY2010		PY2009	
	Total Participants	Cost per Participant	Total Participants	Cost per Participant
Adult Program	5,280	\$4,045	4,450	\$4,665
<i>Training/Education Services</i>	4,330	\$4,402	3,490	\$5,252
<i>Core/Intensive Services Only</i>	950	\$2,416	960	\$2,533
Dislocated Worker Program	8,850	\$3,116	9,660	\$2,879
<i>Training/Education Services</i>	5,925	\$4,103	6,710	\$3,412
<i>Core/Intensive Services Only</i>	2,925	\$1,118	2,950	\$1,667
Youth Program*	3,585	\$5,141	3,910	\$4,375
<i>Out-of-School Youth</i>	2,050	\$5,553	2,160	\$3,757
<i>In-School Youth</i>	1,535	\$4,590	1,750	\$5,138

* Does not include ARRA funded Summer Youth participants.

The estimated cost per dislocated worker participant in PY10 increased, with an average cost of \$3,116, compared to \$2,879 in PY09, \$3,070 in PY08, and \$3,100 in PY07. The cost for training participants in PY10 was \$4,103 about \$2,985 more than the average for dislocated workers receiving core and intensive services only (\$1,118). Estimated training costs for dislocated workers in PY10 were higher than in prior years, where per participant training costs were \$3,412 in PY09, \$3,980 in PY08, and \$3,670 in PY07.

In calculating the costs for dislocated worker programs, funding from partner programs that co-enrolled participants was added to the WIA and ARRA funds. These programs include Rapid

Response additional assistance, as well as training and services provided through the Trade program and National Emergency Grants.

The average estimated cost per year-round youth participant increased to \$5,141 from the PY09 level of \$4,375. The per youth cost for the out-of-school population rose to \$5,553 from \$3,757 in PY09, while for in-school youth the per participant cost estimate dropped to \$4,590 from the PY09 level of \$5,138. The percentage of out-of-school youth served was 57% of total youth participants, higher than the 55% in PY09, but on par with 58% in PY08 and 57% in PY07. Expenditures on out-of-school youth were 57% of PY10 local youth expenditures. These levels far exceed the DOL requirement of spending at least 30% of funds on out-of-school youth.

C. Evaluation and Research

The Commonwealth has undertaken evaluation and research projects that reflect a commitment to promoting research and evaluation as integral parts of the design and delivery of workforce development services, and as the foundations of well-informed, evidence-based policy. Research and evaluation activities include:

1. Conduct and Disseminate Analyses of State and Regional Labor Market Information

The *Workforce Investment Profiles* (<http://www.commcorp.org/publications/detail.cfm?ID=769>) are produced on an annual basis by Commonwealth Corporation, with the guidance of an interagency workgroup. The report details the federal and state resources available in Massachusetts for local services delivery, from each of the major workforce development programs. The funding is broken down by program, by workforce area and by major initiatives such as youth, dislocated workers, incumbent workers, etc. The information presented for each program or resource includes the program name, the amount of resources available during the program year, and the number of people served during the same year. Funding notes for each table provide additional information about programs such as their source of funding, target population, services provided, and distribution of funds.

The *Job Vacancy Survey* (<http://lmi2.detma.org/Lmi/LMIjobvacancy.asp>) is a semiannual survey conducted by Economic Research within the Department of Unemployment Assistance. A representative sample of employers provide information on the number and types of positions for which they are currently recruiting, the expected education and training requirements for applicants, and the pay and benefits offered to job applicants. Results from the Job Vacancy Survey data are used to identify imbalances between the supply and demand for labor, to help business managers develop effective recruiting strategies, to identify industries and occupations in which jobs are available, and to detect emerging labor and skill shortages.

The *Skills Gap Project* led by Commonwealth Corporation has explored the current and future status of the state's labor market to determine where gaps are between the labor needs of employers and the available supply, the implications of such skills gaps, and what can be done to address these issues. The research shows that while large numbers of people are available to work, employers in selected occupations are experiencing persistent vacancies, due to a skills mismatch. The project takes a closer look at what these jobs are and what skills workers need to get these jobs. The findings have helped to inform local workforce development planning.

As part of this broader effort to understand and explain the “Skills Gap” in Massachusetts, Commonwealth Corporation uses the Job Vacancy Survey to develop and prepare “critical vacancies” reports at the state and regional level to help workforce development practitioners and policy makers gain a better understanding of the specific occupations that are in demand. (<http://www.commcorp.org/publications/detail.cfm?ID=784>)

Breaking the Language Barrier: A Report on English Language Services in Greater Boston (<http://www.commcorp.org/publications/detail.cfm?ID=819>) was released in March 2011 by the Boston Foundation and Commonwealth Corporation. The report was commissioned by the Boston Foundation, and researched and written by Commonwealth Corporation. It focuses on the “ESOL system,” comprising services funded by the Massachusetts Department for Elementary and Secondary Education (ESE) and other sources. The analysis assesses how far the system has come in resolving its challenges and suggests ways to make further progress. The report describes the demand and supply for English services as well as the quantity and quality of those services and makes recommendations for changes that would help the system meet the needs of Limited English Proficient (LEP) immigrants within the public sector budget constraints that will be in place for the near future.

The Increased Presence of Older Workers in the Massachusetts Labor Market was prepared for Commonwealth Corporation by the Center for Labor Markets & Policy at Drexel University. (<http://www.commcorp.org/publications/detail.cfm?ID=852>) It provides an overview of trends in the labor force among the nation's older population and presents more recent labor market outcomes of older workers in the nation and in Massachusetts. This report also examines the industries and occupations in which older workers in Massachusetts are employed and the change across the different industries/occupations.

2. Gather baseline data for all workforce development programs and update annually

The Commonwealth’s efforts towards the development of a “Report Card” that could answer basic questions about publicly funded workforce development programs has resulted in the establishment of an *Annual Performance Report of Massachusetts Workforce Development Programs*. The report includes all major workforce programs in Massachusetts, including WIA programs as well as programs operated by WIA partners. The information provided for each program includes the number of individuals served, sources of funding, the level and type of services and activities, and key results and outcomes.

The development of this report was supported by the *Performance Standards and Workforce Accountability Task Force* established by state legislation to focus on cross-program performance outcomes, as well as on the enhancement of interagency coordination and the alignment of program resources. The *Annual Performance Report* is produced by Commonwealth Corporation on behalf of the Massachusetts Workforce Investment Board. (<http://www.commcorp.org/publications/detail.cfm?ID=770>)

3. Conduct Program Evaluations

Given scarce public resources for workforce development, the Commonwealth needs recent information on the outcomes of, and public returns to, its investments in workforce development. To this end, the Commonwealth evaluates current and new sectoral and career ladder initiatives

focusing on both worker outcomes (e.g., skill gains, mobility, and earnings) and the impact on business/industry (e.g., recruitment cost, quality of care).

Commonwealth Corporation has continued its evaluation of the *Workforce Competitiveness Trust Fund (WCTF)*. WCTF is an initiative funded by the state legislature that focuses on several critical industry sectors. It is designed to enable a broad range of residents—including older workers, low-wage workers, low-income individuals, disabled citizens, vulnerable youth, incumbent workers and the unemployed—to gain access to employment, education and the skills necessary to move forward along a career path leading to economic self-sufficiency. The ongoing evaluation focuses on how the program affects worker employment, wages, and acquisition of skill credentials. Data collection and preliminary analyses have been completed for Round One grants and is in process for Round Two grants.

Commonwealth Corporation staff has also implemented WCTF participant and project partner satisfaction surveys, and WCTF projects developed and implemented plans to measure business impact. Learning from the business impact measurement process will inform the development of on-line resources to support future projects in this area. Work has begun on preparation of a brief describing lessons learned about the process of measuring business impact, as well as a handbook outlining a 5-step process for measuring business impact of workforce development projects with examples from Commonwealth Corporation funded projects. Both publications will be released in the fall of 2011. A presentation summarizing the five steps and offering insights obtained through our technical assistance to projects measuring business impact was offered at the NAWDP Conference in Virginia Beach in May 2011.

Retaining Older Workers: Practical Strategies for Workforce Development Leaders is a briefing paper prepared by Community Matters for Commonwealth Corporation. This paper summarizes the projects that participated in Commonwealth Corporation's Older Worker Retention Strategies Grants funded by the Workforce Competitiveness Trust Fund and presents findings and lessons learned from the pilot projects. (<http://www.commcorp.org/publications/detail.cfm?ID=853>)

D. Waivers

The following waivers were in effect in the Commonwealth of Massachusetts during Program Year 2010.

1. Use of Formula Funds for Incumbent Worker Training

Waiver to enable local workforce investment regions to expand training activities for individuals, including incumbent workers, to better meet the needs of a regional economy. Waives language limiting use of local formula funding for adults and dislocated workers in order to allow local areas to utilize up to 10% of these resources for allowable statewide employment and training activities, including flexible training design for unemployed and incumbent worker training activities, as described by WIA Section 134(a)(3)(A). Funds are tracked by funding stream. Under this waiver:

- use of adult funds must be restricted to serving low-income adults;
- incumbent worker training must be a part of a layoff aversion strategy;

- all training delivered in conjunction with the waiver is restricted to skill attainment activities; and
- performance outcomes for individuals served under this waiver are reported in WIASRD.

In accordance with its implementation of the waiver, the Commonwealth issued MassWorkforce Issuance No. 10-05, *WIA Waivers Profile for FY 2010* providing instruction to the One-Stop Career Center system. To date, this waiver has not been utilized.

2. Use of Rapid Response Funds for Incumbent Worker Training

Waiver to allow the use of up to a 10% portion of rapid response funding described in WIA Sec. 133(a)(2) funding for incumbent worker training as part of the state resources to assist regions, workers and companies anticipating layoffs to retain workers or retrain workers for new companies for layoff aversion and skill development purposes. Under the waiver:

- all incumbent worker training delivered under the waiver must be part of a layoff aversion strategy;
- all training delivered under the waiver is restricted to skill attainment activities;
- performance outcomes for individuals served under this waiver are reported in WIASRD; and
- The waiver does not apply to funds made available through ARRA.

In accordance with its implementation of the waiver, the Commonwealth issued MassWorkforce Issuance No. 10-05, *WIA Waivers Profile for FY 2010* providing instruction to the One-Stop Career Center system. To date, this waiver has not been utilized.

3. Expanded Transfer Authority – Adult and Dislocated Worker Funds

Waiver to enable local workforce investment regions to transfer up to 50% of Adult and Dislocated Worker funds between the two programs. The waiver provides local boards with greater flexibility to respond to changes in their local labor markets, and helps ensure that WIA funds allocated to each local area are being utilized in a way that maximizes customer service.

This waiver was initially authorized for Massachusetts in 2005. For those workforce investment areas that have chosen to utilize the waiver, the expanded transfer authority has provided the added flexibility necessary to enable these local areas to more effectively meet training service demand levels resulting from the increased numbers of dislocated workers. As the economy continues to recover, it is important that the Commonwealth retain the increased flexibility in order to assure the most effective response to changes in local labor market conditions and ensure that funds allocated to each local area are utilized in a manner that best meets customer service needs.

In accordance with continued implementation of the waiver, the Commonwealth issued MassWorkforce Issuance No. 10-05, *WIA Waivers Profile for FY 2010* providing instruction to the One-Stop Career Center system.

Use of this waiver by local areas has been limited; those areas that have requested to transfer funds from the Adult fund stream to the Dislocated Worker fund stream have done so in order to provide additional training opportunities to Dislocated Workers. No evidence currently exists that indicates that use of this waiver has impacted either state or local performance outcomes.

4. Sliding Scale Employer Match for Customized Training

The waiver permits a sliding scale for a participating employer contribution based on the size of the employer. For employers with 50 or fewer employees, no less than a 10 percent match is required. No less than a 25 percent match is required for employers of 51 to 250 employees. For employers with more than 250 employees the 50 percent contribution will continue to apply.

The sliding scale provides an incentive for increased employer participation in customized training and expands employer involvement with the State's workforce system, particularly among small and medium-sized businesses. The waiver also encourages enhanced capacity and relationship building among a region's business, education and workforce development communities as a means of focusing resources on emerging skill acquisition and sustainability.

The Commonwealth is currently in the process of finalizing a formal implementation policy for use of this waiver; however, local areas are aware of the availability of this waiver and have been instructed to contact DCS for assistance with waiver implementation. To date, the waiver has not been utilized.

5. Sliding Scale Employer Match for On the Job Training (OJT)

The waiver permits a sliding scale of reimbursement to the employer based on employer size. Under the waiver, the following sliding scale will be implemented: up to 90% reimbursement for employers with 50 or fewer employees; up to 75% reimbursement for employers with 51 – 250 employees; and for employers with more than 250 employees, the statutorily defined 50% limit will continue to apply. The waiver was approved for use with all WIA formula funds: Adult, Dislocated Worker, and on a limited basis, Youth funds.

The sliding scale provides an incentive for increased employer participation in On-the-Job Training and expands employer involvement with the State's workforce system, particularly among small and medium-sized businesses. The waiver also encourages enhanced capacity and relationship building among a region's business, education and workforce development communities as a means of focusing resources on emerging skill acquisition and sustainability.

Massachusetts is currently operating an OJT National Emergency Grant, for which the U.S. Department of Labor approved a similar waiver per TEGL No. 38-09. The formula funds waiver was sought in order to ensure consistency across programs in the Commonwealth. Local areas have yet not utilized formula funding to provide OJT; therefore, to date, this waiver has not been utilized.

6. Waiver to Permit Use of ITAs for Older and Out-of-School Youth

The approval allows local areas to expand training opportunities for youth through the use of Title I Youth funds to establish Individual Training Accounts (ITAs) while retaining limited

adult funds to be used on adult training services. This waiver was granted without the need for a formal request as USDOL has determined that it has become a fundamental aspect of the operation of the workforce system.

The waiver broadens access to training services for youth, allowing eligible youth to select from the statewide list of pre-qualified providers of occupational skill training and provides relief to local workforce boards from the requirement to conduct a separate competitive procurement for youth training services. The ITA provider eligibility process satisfies federal and state competitive procurement criteria.

In accordance with implementing the waiver, the Commonwealth issued WIA Communication No. 05-69, *WIA Title I Youth-Related Waiver Authority*.

To date, there have been a small number of youth ITAs. There isn't evidence that indicates that use of this waiver has impacted either state or local performance outcomes.

7. Waiver of Competitive Procurement Requirement for Youth Follow-Up Services

Waiver to allow follow-up services to be combined with youth program design framework services, without a need for a competitive procurement process.

Under the regulations, all ten elements of youth services, including follow-up services, must be provided by youth service providers that have been procured in separate competitive bidding processes. Framework services may be provided either by the fiscal agent without a competitive procurement, or by another organization subsequent to a competitive award. Providers of framework services are in a better position to provide follow-up services to youth, and the requirement of an additional competitive bidding process for follow-up services is duplicative and burdensome.

This waiver, initially authorized for implementation by the Commonwealth in 2005, enables a more streamlined approach to case management by allowing providers of youth framework services to provide personal attention on a consistent basis to each youth as they access many different programs available for education and training.

In accordance with implementing the waiver, the Commonwealth issued WIA Communication No. 05-69, *WIA Title I Youth-Related Waiver Authority* and MassWorkforce Issuance No. 07-26, *Implementing the Waiver for Youth Framework and Follow-up Services* providing instruction to the One-Stop Career Center system.

8. Allowance of Companion Contracts for Summer Youth Employment Activities

This waiver relates to procurement requirements for youth services in WIA section 123. Pursuant to WIA Section 189(i)(4)(B); regulations at 20 CFR 661.420; and Recovery Act guidance in TEGL 14-08, the Commonwealth of Massachusetts requested this waiver to: 1) expand existing competitively procured contracts by a certain percentage and; 2) conduct expedited, limited competition to select service providers for the summer employment service element during the summer of 2010.

This waiver applied only to contracts providing services to youth participants served through WIA Youth program funds made available through the American Recovery and Reinvestment Act of 2009 and was effective through September 30, 2010. The waiver allowed local areas to move forward with existing vendors who previously qualified for awards, resulting in significantly reduced time frames between funding announcements and actual local program implementation. This led to expedited eligibility/assessment/job matching processes at the local level.

In accordance with implementing the waiver, the Commonwealth issued MassWorkforce Policy Issuance No. 09-52, *ARRA Related Youth Waivers* providing instruction to the One-Stop Career Center system.

E. Business Engagement

1. Rapid Response Services in Program Year 2010

The Rapid Response staff work closely with the Department of Unemployment Assistance, local One-Stop Career Center management and business service representatives, the 16 local Workforce Investment Boards, state and local business and economic development professionals, employer associations and organizations, unions, and local educational institutions. Their rapid deployment approach is closely coordinated with the Department of Career Services with respect to harnessing administrative, programmatic, systems and reporting support for local efforts. Rapid Response information gathering begins the essential processes for submittal of National Emergency Grant applications and identification of state and local resources to effect layoff aversion wherever possible. Additionally, Rapid Response provides employers assistance with Trade program certification.

The Rapid Response team served 286 companies and 22,655 employees in PY 2010. This was just slightly more than the 284 companies and 21,748 employees that Rapid Response served in PY 2009. The Rapid Response team assisted companies as large as State Street Bank with 500 displaced employees in the financial industry, and as small as the Tot Spot Child Center, with four displaced workers in West Roxbury. Of the companies served by Rapid Response in PY 2010, two-thirds were centered in manufacturing (29%); retail trade (20%); professional, scientific, and technical services (10%); and health care and social assistance (7%). In PY 2010, nine set-aside grant awards totaling \$1,503,923 were provided to assist 1,126 employees affected by plant closings and layoffs.

Massachusetts had several National Emergency Grants active during PY 2010 including: Merrimack Valley, Alcatel-Lucent NEG (288 served); Hampden County, MA Community Impact Dual Enrollment NEG (347 served); Greater Lowell, Jabil NEG (200 served); Metro South/West, Metro Central NEG (456 served); Metro South/West, Financial NEG (508 served); Merrimack Valley, Sonoco/Debbie Staffing NEG (313 served); and Hampden County and Greater New Bedford, OJT NEG (46 served).

The Commonwealth's Rapid Response operation serves as a model for the country. At the request of the U.S. Department of Labor, the Rapid Response team has provided direct technical assistance to other states. During PY 2010, Rapid Response consulted with California, Colorado, Arkansas, Iowa and Texas around layoff aversion strategies. The Rapid Response

manager conducted a layoff aversion workshop at a conference held in Texas. Assistance also was provided for New York, Maine and Connecticut on establishing Rapid Response partnerships and contracting with the AFL-CIO.

2. Layoff Aversion Strategic Services

The United States Department of Labor, Employment and Training Administration (DOLETA) considers a layoff averted when either a worker's job is saved with an existing employer that is at risk of downsizing or closing, or when a worker at risk of dislocation transitions to a different job with the same employer or a new job with a different employer experiencing little or no unemployment. The key to successful layoff aversion is identification of at-risk companies and early intervention by Rapid Response.

Rapid Response seeks to identify at-risk companies, intervene early and propose alternatives to layoffs. They advise companies of federal, state and local assistance programs available to them such as: WorkShare; the Economic Development Incentive Program (EDIP); matching soon-to-be dislocated workers with growing companies; the Employee Ownership (ESOP) program; and the Workforce Training Fund Program (WTFP), to name a few. The Massachusetts WorkShare Program allows workers in a company, a department or smaller unit within the company to work reduced hours while collecting unemployment insurance benefits to supplement their reduced wages. ESOPs are employee-owned businesses where the employees buy the business from the owner. Tools like the Layoff Aversion Services (LASR) Database match businesses and nonprofits to various programs and opportunities based on the company's parameters.

NECCO is an example where alerting a company of available tax incentives averted a layoff. NECCO, located in Revere, is the oldest multi-line candy company in America, tracing its roots back to 1847. NECCO suffering from financial problems considered closing its Revere plant. The Rapid Response team had a long-standing relationship with NECCO and the union that represented many of its employees. With support from Governor Patrick and EOLWD Secretary Goldstein, the Rapid Response team and the Massachusetts Office of Business Development (MOBD) worked with NECCO to allow the company to continue to participate in the Economic Development Incentive Program (EDIP). The tax incentives enjoyed by the company encouraged it to stay open thereby saving over 400 good paying manufacturing jobs.

Matching soon to be dislocated workers with growing companies is another successful layoff aversion strategy that Massachusetts employs. Jabil Circuits provides comprehensive electronics design, production and product management services to global electronics and technology companies with more than 85,000 employees and facilities in 21 countries. Jabil employed 315 workers in Billerica when it decided to close its electronics components assembly plant. Utilizing Rapid Response set-aside funds and a company match, the Rapid Response team in partnership with the local One-Stop Career Center established an on-site center at the Jabil facility. They reached out to the Raytheon Company and several other companies that were hiring employees. The effort was enormously successful, matching 19 dislocated Jabil workers with new employers at the initial job-matching session and 135 more in subsequent sessions.

The Rapid Response team will roll out an improved Layoff Aversion Strategic Plan in PY 2011 that will employ a robust marketing program, an expanded partnership with stakeholders in and outside of state government, and an innovative use of forecasting tools (such as LASR) to better

identify at-risk companies for Rapid Response early intervention. The principle priorities will be to restore, retain and create good jobs.

3. Emergency Assistance Services

The Rapid Response team in partnership with other state agencies provided extensive disaster relief services to workers and businesses in Central and Western Massachusetts in response to the catastrophic damage done by the June 1, 2011 tornado and the floods that resulted from tropical storm Irene.

The Rapid Response team members and their partners provided staff for three State Disaster Relief Centers established in Southbridge, Monson and Springfield, until portions of Worcester and Hampden Counties were declared federal disaster areas by the President. After the federal disaster declaration the Rapid Response team expanded service into ten Federal Emergency Management Agency (FEMA) Disaster Relief Centers. In addition to standard Rapid Response services, the team provided Disaster Unemployment Assistance (DUA) and helped with preparation of a \$3M Disaster National Emergency Grant for Hampden County.

4. The Massachusetts Workforce Training Fund Programs (WTFP)

The Massachusetts Workforce Training Fund Programs (WTFP) provide Massachusetts businesses with resources to invest in the skills of their workforce. These services are offered through a partnership between the Department of Career Services and Commonwealth Corporation. Financed by Massachusetts employers, WTFP offers matching grants ranging from \$2,000 to \$250,000 to offset training costs and as incentive to hire and retain workers. WTFP consists of three programs:

- o The *Hiring Incentive Training Grant Program* (HITG) assists companies in paying for training of new employees that are Massachusetts residents and who have been unemployed for 6 months or more; the period of unemployment is waived for Veterans. HITGs provide \$2,000 per employee, up to \$30,000 per company over a 12 month period.
- o The *Express Program* provides grants of up to \$30,000 to companies with 50 or fewer employees and to labor unions to plan and implement employee training through use of pre-approved training vendors and courses. Applicants are eligible to receive up to \$30,000 over a 24 month period.
- o *General Program Training Grants* provide up to \$250,000 to employers, employer organizations, labor organizations, intermediary organizations, training providers, or a consortium of such entities, for up to two years, to train incumbent workers.

Workforce Training Fund Programs	Trainees	Grant Funds Awarded in PY10	Percent of Total Grant Funds
Express	592	\$563,209.79	6.18%
HITG	125	\$236,000.00	2.59%
General	10,599	\$8,319,811.00	91.24%
Total	11,316	\$9,119,020.79	100.00%

5. Employer Services Provided Through One-Stop Career Centers and Workforce Partners

Employer Services are provided through the State's network of One-Stop Career Centers by assigned Business Service Representatives (BSRs), veterans' service representatives, who also ensure Federal contract compliance, and Rapid Response team members stationed at the One-Stop Career Centers. The Department of Career Services centrally manages the Work Opportunity Tax Credit (WOTC) program and the Foreign Labor Certification programs for temporary agricultural (H-2A) and for non-agricultural (H-2B) workers. These services are supplemented by other administrative and professional staff at the One-Stop Career Centers and the local Workforce Investment Boards.

Joanne F. Goldstein, Secretary of Labor and Workforce Development, announced in May of 2011 that she was creating an Office of Business Services and appointed Michael Taylor the former head of the Department of Workforce Development to lead this critical effort. The Secretary set an ambitious agenda for PY 2011.

Job Matching Services: One of Secretary's priorities is the job matching of unemployed and underemployed individuals with job vacancies at the Commonwealth's employers. To that end, meetings with business groups began in PY 2010 to set up pilots to assess and evaluate One-Stop Career Center service penetration with the intent of improving outreach and job matching services.

Employer Services Measurement: In order to effectively measure service to employers consistently across the state, a group of workforce leaders will be reviewing, evaluating and refining a list of recommendations submitted by the Business Service Representatives (BSRs). Upon completion, a final set of recommendations will be forwarded to a broad statewide workforce audience for comments and agreement on specific goals, benchmarks and performance measures for business service activity.

Employer Webpage: There is a need for a sophisticated, dynamic and user friendly web presence to engage employers. The Director of Business Services is exploring options from different agencies and has had discussions with the webpage director at Bunker Hill Community College to draw on her expertise in setting up this important employer information and activity option.

Employer Services Inter-Agency Task Force: In order to have a consistent message sent to employers in the Commonwealth, the Director of Business Services will establish an Inter-Agency Task Force. The Task Force will meet regularly and work with other state agencies that intersect with the workforce system with respect to job placement and other employer services to establish an effective and mutually beneficial business engagement strategy.

Expanding the Employer Customer Base: In order to increase the employer customer base, the workforce system will first concentrate on job placement services to the top 100 employers in each region. The top 50 employers in each workforce area who currently post their job openings on the State's job bank system (JobQuest) will be contacted and assessed with respect to the service impact on these employers. This plan, adapted from a similar plan successfully operating in New York, should provide important and consistent data on the 1600 top employers in the Commonwealth, as well as information on the level of service and contact with employers who currently post their vacancies with the workforce system. This activity will principally be

undertaken by the BSRs. The Director of Business Services will engage Massachusetts workforce system leaders to obtain their support for this important initiative.

Training: A series of training programs to accomplish these undertakings will be instituted. Assistance and expertise for development of the training curriculum and instructional materials will be sought from the state community college and university system. This comprehensive training initiative will include, but not be limited to, the following subject areas: job matching, outreach, employer customer service, utilization of the new measurement tools, partnership development, and leadership. The development of these skills with direct line staff will be critical to establishing effective benchmarks and achieving the Secretary's strategic goals.

APPENDIX

Commonwealth of Massachusetts

WIA Title I-B PY10 Annual Report Form (ETA 9091)

Table A - Workforce Investment Act Customer Satisfaction Results

Customer Satisfaction	Negotiated Performance Level	Actual Performance Level - American Customer Satisfaction Index	Number of Completed Surveys	Number of Customers Eligible for the Survey	Number of Customers Included in the Sample	Response Rate
Participants	82.0	81.6	836	1,500	1,202	70.0%
Employers	75.0	79.2	838	1,500	1,100	76.0%

NOTE ON TABLES B – L ON PAGES 18 - 21

Next to the actual performance levels and outcomes data displayed on Tables B - L are the data used in the calculations. The bottom number (denominator) is the total number of individuals in the cohort and the top number (numerator) is the number of individuals or earnings for individuals in the cohort with a positive outcome. Earnings data are derived from wage records. Data are rounded to the nearest tenth.

Table B - Adult Program Results At-A-Glance

Reported Information	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	72.0%	77.9%	1742
			2237
Employment Retention Rate	79.0%	83.3%	1386
			1664
Six Months Average Earnings	\$9,750.00	\$11,045.00	\$13,530,705
			1225
Employment And Credential Rate	68.0%	73.2%	1425
			1948

Table C - Outcomes for Adult Special Populations

Reported Information	Public Assistance Recipients Receiving Intensive or Training Services		Veterans		Individuals With Disabilities		Older Individuals	
Entered Employment Rate	76.9%	938	78.3%	65	68.8%	75	70.8%	102
		1219		83		109		144
Employment Retention Rate	81.9%	754	78.3%	36	74.4%	58	79.4%	81
		921		46		78		102
Six Months Average Earnings	\$9,623.00	\$6,332,205	\$12,760.00	\$408,313	\$9,422.00	\$433,409	\$12,021.00	\$853,495
		658		32		46		71
Employment And Credential Rate	72.3%	745	69.8%	44	64.1%	59	56.7%	59
		1031		64		92		104

Table D - Other Outcome Information for the Adult Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
Entered Employment Rate	78.7%	1324	75.5%	418
		1683		554
Employment Retention Rate	85.4%	1015	77.9%	371
		1188		476
Six Months Average Earnings	\$10,935.00	\$9,688,215	\$11,335.00	\$3,842,490
		886		339

Table E - Dislocated Worker Program Results At-A-Glance

Reported Information	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	75.0%	83.1%	3960
			4763
Employment Retention Rate	86.0%	89.7%	2821
			3146
Six Months Average Earnings	\$16,000.00	\$18,930.80	\$49,068,731
			2592
Employment And Credential Rate	72.0%	77.3%	2547
			3296

Table F - Outcomes for Dislocated Worker Special Populations

Reported Information	Veterans		Individuals With Disabilities		Older Individuals		Displaced Homemakers	
Entered Employment Rate	74.9%	277	73.5%	72	74.3%	739	80.0%	4
		370		98		995		5
Employment Retention Rate	89.7%	218	86.2%	56	84.8%	502	100.0%	3
		243		65		592		3
Six Months Average Earnings	\$21,409.00	\$4,260,389	\$15,038.80	\$751,941	\$18,760.60	\$8,404,740	\$22,010.00	\$44,020
		199		50		448		2
Employment And Credential Rate	71.9%	187	62.2%	46	71.0%	430	80.0%	4
		260		74		606		5

Table G - Other Outcome Information for the Dislocated Worker Program

Reported Information	Individuals Who Received Training Services		Individuals Who Received Only Core and Intensive Services	
Entered Employment Rate	84.4%	2719	80.5%	1241
		3222		1541
Employment Retention Rate	90.2%	1798	88.7%	1023
		1993		1153
Six Months Average Earnings	\$18,700.30	\$30,799,316	\$19,332.70	\$18,269,415
		1647		945

Table H.1 – Youth (14-21) Program Results

Reported Information	Negotiated Performance Level	Actual Performance Level	
Placement in Employment or Education	N/A	77.6%	1349
			1738
Attained Degree or Certificate	N/A	67.6%	1012
			1496
Literacy or Numeracy Gains	N/A	25.6%	190
			741

Table H.2 - Older Youth Results At-A-Glance

Reported Information	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	76.0%	78.9%	374
			474
Employment Retention Rate	80.0%	78.2%	247
			316
Six Months Earnings Gain	\$3,800.00	\$3,500.30	\$861,082
			246
Credential Rate	53.0%	56.7%	335
			591

Table I - Outcomes for Older Youth Special Populations

Reported Information	Public Assistance Recipients		Veterans		Individuals With Disabilities		Out-of-School Youth	
Entered Employment	82.2%	176	0%	0	65.5%	55	81.1%	327
		214		1		84		403
Employment Retention Rate	81.1%	103	100.0%	1	80.8%	42	78.5%	215
		127		1		52		274
Six Months Earnings Gain	\$4,236.50	\$393,990	\$2,367.10	\$2367	\$3,137.50	\$128,636	\$3,579.40	\$751,674
		93		1		41		210
Credential Rate	61.1%	165	0%	0	46.8%	51	57.1%	287
		270		1		109		503

Table J - Younger Youth (14-18) Results At-A-Glance

Reported Information	Negotiated Performance Level	Actual Performance Level	
Skill Attainment Rate	88.0%	83.3%	2934
			3523
Diploma or Equivalent Attainment Rate	63.0%	70.4%	783
			1112
Retention Rate	69.0%	69.5%	819
			1179

Table K - Outcomes for Younger Youth Special Populations

Reported Information	Public Assistance Recipients		Individuals With Disabilities		Out-of-School Youth	
Skill Attainment Rate	82.0%	995	85.2%	1120	77.1%	1063
		1213		1314		1378
Diploma or Equivalent Attainment Rate	67.9%	228	72.4%	294	67.8%	349
		336		406		515
Retention Rate	71.4%	257	64.4%	237	64.0%	410
		360		368		641

Table L - Other Reported Information

	12 Month Employment Retention Rate		12 Mo. Earnings Change (Adults and Older Youth) or 12 Mo. Earnings Replacement (Dislocated Workers)		Placements for Participants in Nontraditional Employment		Wages At Entry Into Employment For Those Individuals Who Entered Unsubsidized Employment		Entry Into Unsubsidized Employment Related to the Training Received of Those Who Completed Training Services	
Adults	76.9%	1175	\$3,720.00	\$4,831,772	3.8%	67	\$4,980.00	\$7,898,454	57.9%	766
		1527		1299		1742		1586		1324
Dislocated Workers	86.5%	2417	97.3%	\$40,686,511	4.7%	188	\$9,014.00	\$33,722,853	63.7%	1732
		2793		\$41,812,992		3960		3741		2719
Older Youth	74.0%	216	\$3,348.00	\$723,259	3.5%	15	\$2,824.00	\$880,931	N/A	0
		292		216		374		312		0

Table M - Participation Levels

	Total Participants Served	Total Exiters
Total Adults	29,848	20,772
Adults Self-Service Only	16,099	12,706
WIA Adults (includes self-service)	21,382	15,767
WIA Dislocated Workers	8,852	5,219
Total Youth (14-21)	3,586	2,045
Younger Youth (14-18)	2,492	1,384
Older Youth (19-21)	1,094	661
Out-of-School Youth	2,051	1,234
In-School Youth	1,535	811

Table N - Cost of Program Activities

Program Activity (PY10 WIA, ARRA & Carry-Over)			Total Federal Spending
Local Adults			\$13,325,287
Local Dislocated Workers			\$15,460,162
Local Youth			\$19,872,302
Rapid Response (up to 25%) §134 (a) (2) (A)			\$9,943,578
Statewide Required Activities (Up to 15%) §134 (a) (2) (B)			\$5,300,000
Statewide Allowable Activities §134 (a) (3) [excludes administration]		Providing capacity building to local areas.	\$1,320,000
		Conducting research and/or demonstration projects.	\$2,615,704
		Sector Programs	\$8,031,262
Total of All Federal Spending Listed Above			\$75,868,295



Commonwealth of Massachusetts

Deval L. Patrick, Governor

Timothy P. Murray, Lt. Governor

Joanne F. Goldstein, Secretary
Executive Office of Labor and Workforce Development

George Moriarty, Director
Department of Career Services

Nancy Snyder, President
Commonwealth Corporation