

Workforce Investment Act

Recommendations on Performance Accountability
In the Workforce Education and Training System



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New Directions for Workforce Education and Training Policy Require a New Approach to Performance Accountability

The nation's workforce education and training system is essential to our collective prosperity. President Obama last spring called upon all Americans to obtain some education and training beyond high school, recognizing that postsecondary education is becoming the gateway to family-sustaining employment and the driver of long-term economic growth. By 2018, 30 percent of newly created jobs and other job openings will require some college or an Associate degree.¹

However, not enough individuals are reaching their career and educational goals. Half of the U.S. workforce has only a high school diploma or less, and many of those with a high school diploma lack the necessary skills to compete for the jobs of the future.

CLASP recommends that significant changes be made in workforce development and adult education programs authorized under the Workforce Investment Act (WIA) so that these programs may become better gateways to the middle-class for low-income and other marginalized workers.

- The workforce development system authorized under WIA Title I should refocus on the provision of high quality education, training and related services that provide individuals with the necessary skills and experience to access jobs that pay family-supporting wages and have advancement potential.
- The purpose and activities of WIA Title II, also known as the Adult Education and Family Literacy Act (AEFLA), should focus on increasing the rate at which all adult education students attain career and postsecondary success.
- Title I and II also should be better aligned within a career pathways frameworkⁱⁱ both to provide more intensive and integrated workforce development and adult education services that are linked to income, work and academic supports and to better connect these systems with employers and postsecondary education. Program alignment will make it easier for low-skilled youth and adults to gain the skills and marketable credentials they need to advance over time to successively higher levels of education and employment in industry or occupational sectors in demand in the regional economy.

The current accountability systems for WIA adult education and workforce programs do not support these policy redirections to better meet the needs of students, employers or local labor markets.

- **Title I: Workforce Investment Systems.** The performance measures and the process for setting performance expectations in Title I have created disincentives for the workforce investment system to serve

less-educated and disadvantaged individuals because these individuals are less likely than higher-educated or higher-skilled individuals to achieve strong labor market outcomes.

- **Title II: Adult Education and Family Literacy Act.** The National Reporting System (NRS), Title II's accountability system, is not an effective tool for incenting and documenting continuous improvement, especially toward effective practices for helping students achieve career and postsecondary goals more quickly. Incompatible performance accountability systems are widely acknowledged to be barriers to greater integration of services to help low-skilled learners achieve their career and postsecondary goals.

We urge the administration and Congress to take immediate action to address specific problems with the current performance accountability provisions in WIA Titles I and II and to move toward greater alignment of purposes of these programs.

We also call on Congress and the administration to develop a shared system of accountability for workforce education and training system programs that includes both outcome measures of career and postsecondary success and interim measures of participants' progress toward these outcomes.

Some of the changes we recommend can be implemented immediately and some will require additional research and consultation with key stakeholders, preferably within the context of developing a shared system of accountability. We urge Congress and the administration to act concurrently on the short- and long-term recommendations, including setting a timetable for developing a shared system of accountability.

Congress should set clear expectations for interagency cooperation and stakeholder involvement in this process and make clear that the burden of responsibility for accomplishing the proposed joint effort rests with all affected agencies and programs, not just the WIA Title I system. This is important since previous federal efforts to foster interagency cooperation have faltered because of lack of shared commitment among federal agencies and insufficient consultation with key state and local stakeholders to assure buy-in at all levels.

If WIA reauthorization is delayed, we urge the administration to use its current authority, to the maximum extent possible, to implement these recommendations.

Vision of a Shared System of Accountability

At a minimum, the shared accountability system should be used for workforce development and adult education programs authorized under WIA Title I and Title II. Ideally, it should also apply to other workforce development and education programs including career and technical education authorized under the Carl D. Perkins Act, postsecondary education, Trade Adjustment Assistance, employment programs authorized under the Wagner-Peyser Act, the Temporary Assistance for Needy Families (TANF) program, and other applicable programs.

Rather than serving as a disincentive to serve “hard-to-serve” individuals, the proposed shared system of accountability would provide incentives for greater integration of efforts across federal programs to help low-income, low-skilled people and others with barriers to employment advance further in the labor market. The shared system of accountability would remove barriers to such integration caused by the current fragmented accountability provisions across programs. It would include the following components:

- A shared set of interim and outcome measures.
- Consistent definitions of units of service such as training, integrated programs and bridge programs that can be used across federal programs.ⁱⁱⁱ
- Commonly agreed upon accurate and unbiased cost-allocation methods for services funded by multiple sources.
- Consistent standards of data quality and data sharing to assure transparency and privacy and to provide a level of trust among agencies needed to implement a shared system of accountability.

Interim and Longer-Term Outcome Measures

The shared system of accountability would focus on outcomes such as employment, earnings and employment retention, but not on process measures such as participation rates as currently used in the TANF program. Outcome expectations would reach higher in terms of both the quality of jobs targeted and the level of educational attainment sought. Recognizing the increased challenge in achieving these outcomes, the shared accountability system would reward the delivery systems for helping participants expeditiously achieve major milestones as they progress toward these higher outcomes.

Interim measures would consist of empirically-based milestones in the workforce or career development process, including literacy development, leading to family-sustaining employment and career advancement. Interim measures or milestones would address different aspects of the career development process including: the acquisition of academic skills from basic literacy through attainment of postsecondary credentials; improvements in English language proficiency; meeting employer expectations of job readiness and occupational skill proficiency; overcoming significant barriers to employment; and being able to sustain employment. The milestones would include ones appropriate for measuring successes throughout a person's career from preparation for job entry to job retention and advancement, and, as necessary, retraining and reemployment. These milestones would include ones appropriate for measuring the progress of learners functioning at the lowest level of literacy and English language proficiency as well as milestones more appropriate for measuring the progress of those closer to achieving career and postsecondary success. The proposed system is an adaptation of the measurement system for Washington State's community college-based Student Achievement Initiative (SAI). This system is based on momentum points, which are empirically based milestones that predict community college students' success in earning a marketable postsecondary certificate backed by at least one year of college, earning a two-year degree or completing an apprenticeship. Washington state's analysis of student records identified the following momentum points that propel community college students forward toward attaining these outcomes: earning their first 15 and first 30 college credits; earning their first five credits of college-level math; passing a pre-college writing or math course with a qualifying grade; making nationally recognized standardized test gains in math or in English language reading or listening as measured by pre- and post-testing; or earning a GED or high school diploma.^{iv} These momentum points are provided only as examples. Although research is currently underway to determine whether these milestones also predict labor market outcomes, we do not yet have evidence that they do. It is likely that additional or other predictive milestones would have to be identified to serve as the basis for the shared accountability system for the broader workforce development enterprise.

The federal administering agencies, with input from key stakeholders, could determine which milestones are most appropriate for use as interim or outcome measures in different programs, but the same consistently defined measures would be used regardless of the delivery system or funding streams through which the person is being served. More than one program would be allowed to take “credit” for an individual achieving an outcome or an interim milestone as long as each program contributed toward achievement of the outcome. This would include the provision of counseling or wrap-around supports for participants in education or training. Programs could add measures beyond the shared milestones to capture achievement of policy goals unique to specific programs. For example, WIA could measure employer satisfaction, TANF could measure reduction in poverty or a prisoner reentry program could also measure recidivism.

Recommendations for Immediate Changes in Title I Accountability

Modify the “common measures” currently used for purposes of performance accountability.

Replace the current “common measures” of performance for adult and dislocated worker program^s with the core indicators of performance endorsed by the National Governors Association (NGA) and the National Association of State Workforce Agencies (NASWA) in their WIA Common Measure Proposal and add an earnings gain measure. The median earnings measure included in the NGA-NASWA measures is preferable to the average earnings measure currently in use; but it, too, creates a disincentive to serve low-income adults with limited skills and work experience. The addition of an earnings gain measure would counteract the tendency to serve those most likely to achieve higher levels of earnings. Consideration should be given to extending the pre-program period to two years to avoid the “earnings dip” prior to program participation, which may overstate earnings gains. The credential measure should be defined in a way that is consistent with Title II measures (see recommendations below) and that ensures that the credentials counted in the system have real value in the labor market and represent significant milestones toward achieving improved employment outcomes.

- **USDOL should convene experts on performance management and representatives of key stakeholders in the workforce system to advise on how best to implement these changes.** While the USDOL has taken administrative action to reinstitute this process, we believe that it is important to include this requirement in statute to reduce creaming and to move performance measurement to a more value-added approach. Under the Job Training Partnership Act (JTPA), WIA’s predecessor, performance expectations were statistically adjusted using a national model. WIA adopted a flexible performance negotiation process that uses a range of criteria for setting baseline performance levels, including the percentage of low-income individuals in the area. However, the new negotiation process has not adequately adjusted performance standards for the characteristics of the population served. As a result, local workforce areas have been reluctant to serve at-risk adults. Some states, such as Washington, Texas and Michigan, have adopted adjustment models, which are used in the negotiation process.

Use performance standards to incent better integration of job training and basic skills/English language instruction.

Until the shared system of accountability is implemented:

- Provide waivers that allow programs that integrate job training and basic skills/English language instruction, and receive both Title I and Title II funding to report on just one set of performance measures.
- Provide waivers that allow programs that are components of pathways to marketable postsecondary credentials and family sustaining employment to operate under performance standards that include interim measures proposed in the waiver request and negotiated with USDOL.

Require a Title I contribution to the incentive grants program comparable to the requirement that Title II contribute 1.72 percent of annual funding and require that states disburse incentive funds for innovative activities that involve Title I and II, and also career and technical education funded by the Perkins Act. WIA provides incentive grant funding to states that exceed performance expectations in Titles I and II and career and technical education. However, current funding for incentive grants comes entirely from the Title II side. This imbalance can be righted by requiring that Title I also support the incentive grant fund. States also should use their incentive grant awards for innovative programs that integrate the funding streams and delivery systems of workforce development, adult education and career and technical education.

Recommendations for Immediate Changes in Title II Accountability

Measure all core outcomes (educational gains, entered employment, retained employment, receipt of secondary school diploma or GED, and entered postsecondary education or training) for all Title II participants. This will establish a performance baseline. Programs should continue to be required to work with students to establish educational and employment goals, but these goals should not be used in the NRS to establish the denominator for measuring performance on core outcomes.

Track students learning gains for the duration of their participation in program services, even if it crosses program years. The current emphasis on yearly reporting can serve as a disincentive to students setting higher goals for themselves. Tracking students for longer periods of time will help move the system toward an emphasis on greater success in the short- and long- term.

Restrict eligibility for performance incentive funding to those states that use administrative records to document Title II performance (as it is for Title I). This will ensure the comparability and reliability of data used for determining which states will receive incentive awards and encourage the systems to work together.

Simplify current NRS learning gains measures from the current educational functioning levels to the number of students who make statistically significant educational gains on nationally recognized tests, and ask states to report these numbers. This will incent more

programs to serve lower-level learners whose learning gains are not adequately captured by current NRS functioning levels.

- To ensure that gains are significant and do not reflect practice effects, the Department of Education should convene a panel of testing experts to determine the best protocol for such testing and to recommend ways to align testing practices among adult education, postsecondary educational institutions and the workforce development system.

Rather than simply measuring the enrollment in postsecondary education, add a measure or measures of postsecondary success, such as completing the equivalent of one semester of occupational training or college-level math or English, or earning a credential of demonstrated value in the labor market. Adding a measure of success is necessary to incent preparation for success in college. The addition of such a measure is consistent with the legislative definition of one of the core adult education performance measures, which requires “placement in, retention in, or completion of, postsecondary education, training, unsubsidized employment or career advancement.”

- The Department of Education should convene experts on performance management and representatives of key stakeholders to define the measure and the methodology for capturing this information, including whether to extend the follow-up period for this measure to at least two years after exit from the adult education program and whether to revise current measures of career success to track total quarters of employment and earnings over time, instead of current employment measures that examine employment during particular quarters. The work can be incorporated into the broader National Academy of Sciences project described in the next section. However, it should be completed within one year, so as to facilitate timely implementation.

Clarify that states have the authority to link administrative records to track adult education students into the labor market and across postsecondary education and training services, while respecting the rights to students and their families as required by FERPA (Family Education Rights and Privacy Act)^{vi}

Provide waivers that allow programs that integrate job training and basic skills/English language instruction, and receive both Title I and Title II funding to report on just one set of performance measures until the shared system of accountability is implemented. This will incent better integration of Title I and II services.

Recommendations for Developing and Implementing a Shared System of Accountability across Workforce Education and Training Programs

We recommend a two-stage approach to development and implementation of a shared system of accountability. **Stage One** begins immediately and should conclude in two years.

The Departments of Education, Labor and Health and Human Services would:

- Support needed research and stakeholder engagement by contracting with the National Academy of Sciences, as discussed below, to develop the shared performance measures, consistent standards of data quality, and commonly agreed cost-allocation methods for services funded by multiple sources needed to under gird the system of shared accountability across federal workforce education and training programs.
- Provide funding through new and existing sources such as the State Fiscal Stabilization Fund, Race to the Top and American Recovery and Reinvestment Act (ARRA)-funded State Longitudinal Data System (SLDS) grants to states to build their data matching and data analysis capacity.
- Enhance the focus on continuous improvement in workforce education and training programs by increasing investment in research to identify common core elements of quality programming, such as innovative instructional techniques, across programs, and by supporting professional development.

Development of Shared Performance Measures. Congress should mandate through WIA that the U.S. Departments of Education, Labor and Health and Human Services partner with the National Academy of Sciences (NAS) to convene researchers, assessment specialists, and representatives of key stakeholders from the applicable programs to make recommendations regarding the definition and measurement of shared outcome and interim measures. The panel would report no later than two years after convening. If Congress is delayed in mandating such a panel, the agencies should convene it under their existing authority.

The NAS panel would:

- Identify empirically-based milestones in the employability development process, including literacy development that should be used as interim measures in the proposed shared system of accountability. We suggest that the initial set of milestones or momentum points for the shared accountability system could be identified through a federal-state partnership to support the analysis of administrative records of State Longitudinal Data Systems that, at a minimum, include workforce development, adult education and postsecondary data. Florida, Illinois, Massachusetts, Ohio, Washington and perhaps other states have such linked systems in place and additional states may develop such data systems and data analysis capacity with current federal SLDS funding. This analysis should include an assessment of the broader applicability of the momentum points identified by Washington State for SAI and whether employment in jobs that pay less than family sustaining wages should be considered an interim milestone rather than an outcome as is now the case.

- Recommend measurement methodologies for each of these interim and longer-term milestones, as well as strategies to align testing practices among adult education, colleges, the workforce development system and other applicable programs, such as developing crosswalks among different tests, taking into consideration what has been learned about the impact of high-stakes testing on teaching and learning.
- Recommend the best testing protocol to ensure that proficiency gains measured on these tests are significant and do not just reflect practice effects.
- Recommend a process through which the milestones and measurement methodologies can be field tested and refined over time for use in the shared accountability system.
- Recommend approaches to weighting and incentives that will appropriately reward workforce, adult education and other applicable programs for moving low-level learners the furthest in terms of career and postsecondary success, including capturing longer-term employment and earning gains.
- Recommend whether to extend the follow-up period for measuring career and postsecondary success to at least two years after exit from the adult education and workforce programs to capture more fully program outcomes; and whether to revise current measures of career success in both programs to track total quarters of employment and earnings over time, instead of current employment measures that examine employment during particular quarters.
- Recommend ways in which the individual and shared accountability systems could reward the various programs for efficiently and effectively moving low-skilled participants and others with barriers to employment further along the pathway to economic security and labor market success.
- Determine the feasibility and desirability of implementing a shared accountability system in which each program would be held accountable for its contribution toward achieving shared policy goals for individuals and employers served by these programs or, more broadly, for targeted populations in a given geographic area.

Stage Two would commence with the completion of the NAS panel report. The Departments of Education, Labor and Health and Human Services would collaborate to implement a system of shared accountability, based on the findings of the NAS panel. A limited number of states and local areas that co-enroll participants in multiple federal programs to provide more comprehensive and longer-term career development services could be invited to work in partnership with the federal government to test and refine the shared accountability system. Stakeholders would also participate in developing the new system. The agencies and their partners would introduce the shared accountability system for national adoption two years after completion of the NAS report.

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ⁱ Georgetown University Center on Education and the Workforce.

ⁱⁱ Each step in a career pathway framework is designed to prepare students for the next level of employment and education and meet employer demand for skilled workers. Ideally, pathways provide options for starting with intensive, contextualized remedial basic skills and ESL programs that serve as bridges to employment and further education and training for those with low-skills. Pathways may include non-credit occupational training that results in an employer-recognized competency-based certificate and credit-bearing courses that result in an educational degree or other postsecondary credential.

At the same time, career pathways must be flexible to respond to individual needs, recognizing that students are often balancing work, education and family responsibilities, and to different industry requirements.

ⁱⁱⁱ Federal rules would not have to make all of these units of service allowable expenditures in each program.

^{iv} The measurement system created as part of SAI tracks the progress of all college-going students, from recent high school graduates to incumbent workers to English language learners. Colleges can access their own data as well as compare themselves to their peers. A critical part of the SAI is that the state provides financial rewards to each college according to how many more students it helps achieve these momentum points. The funding that colleges earn by performing well is new funding, which is then added to their base funding in future years, giving them resources they can plan on for sustaining innovation.

^v The common measures were implemented through the Training and Employment Guidance Letter 17-05.

“Common Measures Policy for the Employment and Training Administration’s Performance Accountability System and Related Performance Issues”. U.S. Department of Labor, February 16, 2006. Available at: <http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>.

^{vi} See a discussion of state authority to link data records by C. King, D. Schexnayder and H. Gurgey in *Beyond the Numbers*, 2006, Chapter 6.