

FY07 (PY06) Annual Report

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

submitted by the
Commonwealth of Massachusetts

to the
United States Department of Labor
Employment and Training Administration

Resubmitted
October 17, 2007

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 Workforce Development, the Division of Career Services and the 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 32 One-Stop Career Centers. 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 on workforce development services. Our goal is to ensure coordinated delivery of information and services throughout the system.

A. PY06 Review of Massachusetts’ Statewide WIA Title I Performance Measures

Statewide performance on the WIA Title I performance measures continue to improve during Program Year 2006 (PY06; also state FY2007). All performance goals were met or exceeded. The following is an overview of the performance of each measure. (The required statewide Annual Report tables are included in the Appendix to this narrative; they have been submitted to USDOL via the on-line reporting system.)

Customer Satisfaction: Results from the telephone surveys demonstrate that participants continue to be very satisfied with services, with responses resulting in an American Customer Satisfaction Index (ACSI) score of 82.1, exceeding the goal of 82 and matching the PY05 score of 82.1. Results for employers slightly decreased to a score of 71.2, down from the PY05 score of 71.6, but still meeting the goal of 75, i.e., greater than 80% of the goal threshold.

Table 1: Customer Satisfaction				
Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Participants ACSI	82.0	82.1	100.1%	Exceeded
Employers ACSI	75.0	71.2	94.9%	Met

Adult Program: All four goals were met and three of the four adult goals were exceeded. The entered employment rate decreased from PY05 performance (79.6% vs. 82.1%) but exceeded the goal of 79%. PY06 was the first year of the newly defined average earnings measure for adults and dislocated workers. The adult average earnings of \$10,426 met but did not exceed the goal of \$10,618. The employed-with-credential measure increased slightly from 74.4% to 74.9%, exceeding the goal (69%) for the second consecutive year. The 78.7% retention rate at six months was identical to the rate of the previous year and again exceeded the goal of 78%.

Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Entered Employment Rate	79.0%	79.6%	101%	Exceeded
Employment Retention Rate	78.0%	78.7%	101%	Exceeded
Average Earnings	\$10,618	\$10,426	98%	Met
Employed and Credential Rate	69.0%	74.9%	109%	Exceeded

Dislocated Worker Program: The results for dislocated worker programs exceeded three of the four performance goals for PY06. The entered employment rate decreased from 88.1% to 86.2% in PY06 but exceeded the goal of 85%. The retention rate decreased from 88.2% to 87.2% in PY06 but still exceeded the goal of 87%. PY06 was the first year of the newly defined average earnings measure for dislocated workers. The average earnings of \$17,512 met but did not exceed the goal of \$18,500. Finally, the employed-with-credential measure improved from 77.3% to 80.0% in PY06 and exceeded the goal of 73%.

Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Entered Employment Rate	85.0%	86.2%	101%	Exceeded
Employment Retention Rate	87.0%	87.2%	100%	Exceeded
Average Earnings	\$18,500	\$17,512	95%	Met
Employed and Credential Rate	73.0%	80.0%	110%	Exceeded

Older Youth: Performance for the PY06 period improved for older youth on three of the four measures compared to PY05, and actual performance exceeded three of the four goals. The entered employment rate for older youth (age 19-21) was 81.3%, down from 86.8% in PY05 but still dramatically above the 68.8% in PY04 and far exceeding the goal of 68%. The retention rate increased to 79.3% from 77.3% and met (at 96%) but did not exceed the goal of 83%. The employed-with-credential rate improved dramatically to 57.8% from 50.5% and exceeded the goal of 52%. Up from PY05's level of \$3,081 the earnings increase of \$3,408 exceeded the goal of \$3,100.

Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Entered Employment Rate	68.0%	81.3%	120%	Exceeded
Employment Retention Rate	83.0%	79.3%	96%	Met
Six Months Earnings Increase	\$3,100	\$3,408	110%	Exceeded
Employed and Credential Rate	52.0%	57.8%	111%	Exceeded

Younger Youth: Actual performance for younger youth improved over PY05 on two out of three measures and the three goals were exceeded. The skill attainment rate for younger youth (14-18) improved from 87.3% to 88.2% exceeding the goal of 84%. The diploma attainment rate of 62.7% declined from 64.0% in PY05 but still exceeded the goal of 61%. The retention rate (for post-program retention in employment and/or post-secondary education) also improved dramatically from 65.7% to 74.2% exceeding the goal of 63%.

Measure	Negotiated Goal	Actual Performance	Percent of Goal	Performance versus Goal
Skill Attainment Rate	84.0%	88.2%	105%	Exceeded
Diploma or Equivalent Rate	61.0%	62.7%	103%	Exceeded
Retention in Employment/Education	63.0%	74.2%	118%	Exceeded

Performance Summary: In PY06 the Commonwealth improved actual performance on 9 of the 17 measures and all performance goals were met or exceeded. 12 of the performance measures exceeded goal. At the local level, 11 workforce areas exceeded their overall goals for all program groups, 4 more than in PY05. Finally, there was consistent improvement in employment and earning measures for all three funding streams of adults, dislocated workers and youth.

B. Cost of Workforce Investment Activities

For Program Year 2006 (PY06; state Fiscal Year 2007), the Commonwealth of Massachusetts received a WIA Title I-B allotment of approximately \$47.9 million. This allocation represented a decrease of about 19% from the prior year allotment of \$59.2 million. The decrease in the FY07 allotment is the first after several years of annual increases in the allotments. In addition to annual PY06 allotment, there were carry-in funds across all categories bringing the total of available funds for PY06 WIA Title I-B activities to about \$63.7 million.

Local program allocations were spent at a slightly lower rate than in PY05. Approximately 87% and 88% respectively of the available Adult and Dislocated Worker local program funds were expended, and a total of 85% and 89% was spent and obligated. 83% of local Youth funds were expended with no additional obligations reported. Continuing the trend of the last few years, more than half of the Local Youth funds were spent on out-of-school youth (59%). Of the local Administration pool for the three program streams, 83% of available funds were spent by June 30, 2007. These rates of expenditure demonstrate an effective utilization of these funds by the Commonwealth.

Table 6: WIA Title I Expenditures (PY06 Allocation and Carry-In)

Total All Fund Sources	Available	Expended	Pct Spent	Additional Obligations	Pct Spent or Obligated
Adult Local Program	\$10,635,064	\$ 9,219,259	87%	\$208,729	89%
Dislocated Worker Local Program	\$12,341,493	\$10,801,055	88%	\$420,227	89%
Youth Local Program	\$14,978,350	\$11,936,697	80%	\$1,766,920	93%
Out-of-School Youth (non-add)	NA	\$7,078,752	(59% of youth expenditures)		
Local Administration Funds	\$4,302,532	\$3,570,521	83%	\$0	83%
Statewide Rapid Response Funds	\$10,604,640	\$4,782,154	45%	\$199,527	47%
Statewide 15% Activity Funds	\$10,887,060	\$7,249,342	67%	\$673,722	73%
Combined Totals	\$63,749,139	\$47,559,028	75%	\$3,269,125	80%

Statewide Rapid Response funds, including funds made available for additional assistance to local areas, were expended at the rate of 45% of availability, with a total of 47% spent and obligated. The Governor’s 15% Reserve for statewide activities and state oversight expended 67% of availability, with 73% spent and obligated. As in past years, both of the statewide funding types were spent at a slower rate than local allocations as they can be expended over a period of three years and some funds are used for multi-year contracts.

Of the total available \$63.7 million, approximately 75%, or \$47.6 million, had been expended by June 30, 2007. With about \$3.3 million in additional obligations, the Commonwealth’s end-of-year total of expenditures and obligations was \$51 million, representing 80% of total availability.

There were 2,740 adult participants and 5,750 dislocated worker participants in PY06 Title I local programs. Adult enrollments remained close to the PY05 level (2,950) despite local funding decreases but dislocated worker enrollments declined by 20% from PY05 (7,200). Investment in training services remained strong, however, with over 80% (2,260) of WIA Title I adult participants and 75% (4,300) of dislocated worker participants receiving training services. There were 3,340 youth participants, more than half of whom (53%) were out-of-school youth.

Since adult PY06 enrollments were maintained at a level similar to PY05 despite the PY06 funding decrease, the cost per adult participant showed a modest decline in PY06 with an average cost of \$3,400 versus \$3,800 in PY05. Based on local WIA plans, it is estimated that the total cost per participant for adult individuals who received training services is \$3,700, about \$1,700 more than the cost for an individual receiving only core and intensive services (\$2,000). The entered employment rate for adult participants in training services (81%) are 6 percentage points higher than that of customers receiving only core services (75%).

Program Strategies	Total Participants	Cost per Participant	Entered Employment or Education	Retention at Six Months
Adult Program	2,740	\$3,400	80%	79%
<i>Training/Education Services</i>	2,260	\$3,700	81%	79%
<i>Core/Intensive Services Only</i>	480	\$2,000	75%	78%
Dislocated Worker Program	5,750	\$2,900	86%	87%
<i>Training/Education Services</i>	4,300	\$3,400	88%	86%
<i>Core/Intensive Services Only</i>	1,440	\$1,500	83%	89%
Youth Program	3,340	\$3,600	76%	74%
<i>Out-of-School Youth</i>	1,770	\$4,000	74%	72%
<i>In-School Youth</i>	1,570	\$3,100	78%	75%

The cost per dislocated worker participant went up slightly in PY06, with an average cost of \$2,900 versus \$2,700 in PY05. The cost for training participants is \$3,400, about \$1,900 more than the average for customers of core and intensive services only (\$1,500). The entered employment rate for training customers (88%) is 5 percentage points higher than that of core services customers (83%). In calculating the costs for dislocated worker programs, funding from partner programs that co-enrolled participants was added to the WIA funds. These programs include Rapid Response additional assistance, and TAA/NAFTA/NEG training.

The average cost per youth participant increased to \$3,600 from the PY05 level of \$3,300. The costs for the out-of-school population remained at \$4,000 per participant (same as the PY05 amount of \$4,000) and the in-school youth costs rose to \$3,100 from the PY03 level of \$2,900. Consistent with national and state strategies, more hard-to-serve youth are being enrolled in the program and funding has been used to improve the intensity of services and program duration. The percentage of out-of-school youth served increased to 53% of total participants, and expenditures on out-of-school youth were 59% of PY06 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:

- 1) determining the effectiveness of public workforce development programs;
- 2) disseminating study results for use in a continuous improvement process; and
- 3) promoting research and evaluation as integral parts of workforce development service delivery and as the foundations of well-informed, evidence-based policy making.

Conduct and disseminate analyses of state and regional labor market information

The *Regional Workforce Investment Profiles* are produced by an interagency workgroup of state agencies, facilitated by Commonwealth Corporation. These profiles show federal and state resources available in Massachusetts for local services delivery, identify participation levels, and list selected outcomes for major workforce development programs. The *Regional LMI Profiles* is an initiative of an interagency workgroup, facilitated by the Department of Workforce Development. These regional profiles are designed to give state and local policymakers the tools they need to assess the dynamics of Massachusetts' local economies, and to compare and contrast the economic performance of the state's varied regions. The state and local profiles include data on the labor force, employment, unemployment, industry structure, wages, population trends, and job vacancies. In addition, the *Skills Gap Project* has explored the current and future status of the state's labor market to determine where are gaps 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 showed that while large numbers of people are available to work, businesses that employ workers 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 acquire these jobs. The findings have helped to inform local workforce development planning.

Gather baseline study for all workforce development programs and update annually

The Commonwealth has continued working towards the development of a *Report Card* that would answer basic questions about publicly funded workforce development programs in Massachusetts (including WIA programs and programs operated by WIA partners), including questions about how many individuals are served and eligible, about the level and type of services provided, about resources, and about outcomes, using Core/Common Performance Measures as a starting point. This work is being supported and enhanced by the *Performance Standards and Workforce Accountability Task Force* established by state legislation to focus on the development of reports on cross-program performance outcomes and benefit-cost analyses as well as on the enhancement of interagency coordination and alignment of program resources.

Increase the Number of Net Impact and Benefit-Cost Analyses (ROI Studies)

Given scarce public resources for workforce development, the Commonwealth needs recent information regarding the outcomes of, and public returns on, its investments in workforce development. To this end, the Commonwealth will evaluate current and new sectoral and career ladder initiatives focusing on both worker outcomes (e.g., skill gains, mobility, earnings) and impact on business/industry (e.g., recruitment cost, quality of care). Studies being conducted include:

- An Evaluation of the Massachusetts' Workforce Training Fund. This evaluation included case studies of individual companies and the training provided to their workers and a net impact and benefit-cost analysis based on end-of-project reports of employment outcomes and training expenditures. The study found a significant return on the public investment in the program.
- An Evaluation of the *BayState Works Initiative*. This sectoral initiative emphasized employer involvement and was designed to provide basic education and job training for Massachusetts' front-line workers. The ongoing evaluation focuses on how the program affects worker employment and skill measures as well business impact measures. The evaluation includes a post-program longitudinal study using wage record data.
- An Evaluation of the *Extended Care Career Ladder Initiative (ECCLI)*: ECCLI provides funds to long-term care facilities to establish career ladders for its entry-level workers. Workers attain both the basic and occupational skills that they need to take advantage of career mobility opportunities. ECCLI supports the dual goals of improving the quality of patient care and the quality of worker life in long-term care organizations. The evaluation of ECCLI is a multifaceted strategy that comprises external, third-party evaluations by researchers from the long-term care industry and workforce development, and internal analysis of business cost impact and the longitudinal tracking of individual participants over time and participation in multiple interventions (e.g., ABE/ESOL through LPN program).
- An evaluation of the *Collaborating for the Advancement of Nursing: Developing Opportunities (CAN-DO)*: CAN-DO is a collaborative project in the Pioneer Valley to address the nursing and nursing faculty shortage that has been funded recently by the Robert Wood Johnson Foundation. Commonwealth Corporation is the evaluation partner for this project to conduct formative and outcome evaluations.
- An evaluation of the *Long-Term Outcomes of Displaced Workers*: Commonwealth Corporation and Yolanda Kodrzycki, of the Federal Reserve Bank of Boston, are conducting this follow-up evaluation of dislocated workers. The project builds upon research done by Ms. Kodrzycki in the mid-1990s by adding more than ten years of post-program UI wage record matching results to the administrative data on displaced workers served by the Job Training Partnership Act. In addition to performing a longitudinal analysis of post-program employment and earnings, the project will include a comparison group of UI claimants.

APPENDIX

Commonwealth of Massachusetts

WIA Title I-B PY06 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	82.1	1,460	7,107	2,830	52%
Employers	75.0	71.2	1,260	7,300	2,625	51%

Table B - Adult Program Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	79.0%	79.7%	1123
			1409
Employment Retention Rate	78.0%	78.7%	1046
			1329
Six Months Average Earnings	\$10,618	\$10,426	\$9,070,979
			870
Employment And Credential Rate	69.0%	74.9%	957
			1278

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	75.1%	459	86.4%	38	66.4%	75	76.4%	42
		611		44		113		55
Employment Retention Rate	72.1%	392	82.4%	42	83.3%	85	88.6%	39
		544		51		102		44
Six Months Average Earnings	\$9,365	\$3,024,747	\$14,851	\$445,529	\$9,930	\$645,438	\$11,225	\$269,40
		323		30		65		24
Employment And Credential Rate	69.8%	384	86.1%	31	65.5%	55	78.8%	26
		550		36		84		33

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	81.5%	833	74.9%	290
		1022		387
Employment Retention Rate	78.8%	797	78.3%	249
		1011		318
Six Months Average Earnings	\$10,575	\$7,053,731	\$9,937	\$2,017,248
		667		203

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

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	85.0%	86.5%	3571
			4128
Employment Retention Rate	87.0%	87.5%	3441
			3933
Six Months Average Earnings	\$18,500	\$17,485.5	\$49,991,066
			2859
Employment And Credential Rate	73.0%	80.3%	2290
			2852

Table F - Outcomes for Dislocated Worker Special Populations

Reported Information	Veterans		Individuals With Disabilities		Older Individuals		Displaced Homemakers	
	Entered Employment Rate	85.2%	281 330	83.1%	118 142	80.3%	576 717	75.0%
Employment Retention Rate	84.1%	276 328	85.6%	113 132	84.8%	548 646	62.5%	5 8
Six Months Average Earnings	\$21,139	\$5052313 239	\$13746	\$1264588 92	\$17,524	\$8095946 462	\$13,387	\$66937 5
Employment And Credential Rate	83.6%	178 213	74.7%	74 99	74.6%	308 413	66.7%	2 3

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	88.0%	2444 2783	83.5%
Employment Retention Rate	86.8%	2222 2560	88.8%	1219 1373
Six Months Average Earnings	\$17,024	\$30,693,714 1803	\$18,274	\$19,297,352 1056

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

	Negotiated Performance Level	Actual Performance Level	
Entered Employment Rate	68.0%	81.3%	261
			321
Employment Retention Rate	83.0%	80.9%	242
			299
Six Months Earnings Gain	\$3,100	\$3,442	\$664,326
			193
Credential Rate	52.0%	57.8%	229
			396

Table I - Outcomes for Older Youth Special Populations

Reported Information	Public Assistance Recipients		Veterans		Individuals With Disabilities		Out-of-School Youth	
Entered Employment Rate	74.8%	806	0%	0	79.7%	51	82.6%	219
		107		0		64		265
Employment Retention Rate	80.0%	68	0%	0	85.7%	48	79.0%	203
		65		0		56		257
Six Months Earnings Gain	\$3,383	\$192,807	\$0	0	\$2,623	\$86,557	\$3,206	\$528,977
		57		0		33		165
Credential Rate	57.9%	70	0%	0	49.3%	34	58.4%	192
		121		0		69		329

Table J - Younger Youth Results At-A-Glance

	Negotiated Performance Level	Actual Performance Level	
Skill Attainment Rate	84.0%	88.2%	3,333
			3,778
Diploma or Equivalent Attainment Rate	61.0%	62.8%	496
			790
Retention Rate	63.0%	74.2%	640
			862

Table K - Outcomes for Younger Youth Special Populations

Reported Information	Public Assistance Recipients		Individuals With Disabilities		Out-of-School Youth	
	Skill Attainment Rate	87.5%	849 970	89.4%	1282 1434	83.4%
Diploma or Equivalent Attainment Rate	60.0%	120 200	66.5%	153 230	56.0%	253 452
Retention Rate	69.9%	158 226	74.0%	194 262	72.9%	404 554

Table L - Other Reported Information

	12 Month Employment Retention Rate		12 Mo. Earnings Change (Adults and Older Youth)		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	73.4%	946	\$4,335	\$4,663,994	2.9%	33	\$4,503,158	66.4%	553
		128		1076		1123			967
Dislocated Workers	80.9%	312	89.7%	\$52,662,75	4.0%	144	\$24,134,181	68.6%	1677
		386		\$58,685,19		3571			3058
Older Youth	71.4%	217	\$3,633	\$701,259	6.1%	16	\$528,604	NA	NA
		304		193		261			188

Table M - Participation Levels

	Total Participants Served	Total Exiters
Total Adults	14,903	11,343
Adults Self-Service Only	5,713	5,626
WIA Adults	8,454	7,467
WIA Dislocated Workers	6,536	3,934
Total Youth (14-21)	3,338	1,726
Younger Youth (14-18)	2,548	1,328
Older Youth (19-21)	790	398
Out-of-School Youth	1,759	912
In-School Youth	1,579	814

Table N - Cost of Program Activities (without Administration)

Program Activity (PY06 & Carry-Over)		Total Federal Spending
Local Adults		\$9,219,259
Local Dislocated Workers		\$10,801,055
Local Youth		\$11,936,697
Rapid Response (up to 25%) §134 (a) (2) (A)		\$4,782,154
Statewide Required Activities (Up to 15%) §134 (a) (2) (B)		\$6,029,434
Statewide Allowable Activities §134 (a) (3) [excludes administration]	Providing capacity building to local areas.	\$724,934
	Conducting research and/or demonstration projects.	\$205,000
	Support for eligible training provider system.	\$289,974
Total of All Federal Spending Listed Above		\$43,988,057