

Required Narrative, Part A

Pennsylvania's Workforce Investment Act Performance 2006

Pennsylvania requested, and received, a waiver for standard WIA performance measures for Program Year (PY) 2005 and PY 2006 in order to blaze the trail for other states by an early commencement of common measures. This meant that there was a single participation period for a client, no matter how many differently funded programs were involved in providing him/her assistance. Participating programs were Wagner-Peyser, Workforce Investment Act (WIA), Veterans programs, and Trade Act. For WIA providers who were used to more closely managing their performance, it has been discomfiting to lose that control. The second year into common measures, all programs involved are still adjusting.

NEW PERFORMANCE OUTCOME CHALLENGES IN PY 2006

The state took on an additional challenge by the end of calendar year (CY) 2006, when it repositioned itself to begin the Workforce Investment Streamlined Performance Reporting (WISPR) system to the extent the current data collection and reporting configurations allowed. In Pennsylvania, this involved conversion to a pilot WISPR, Workforce Investment Standardized Record Data (WISRD)(submitted quarterly), an expanded Standardized Performance Quarterly Report (proposed ETA-9132), and a reduced veterans report (proposed ETA-9133). System limitations precluded the ability to create an Employer Services report (proposed ETA-9131), so the state continued to generate an ETA-9002 E. Since WISPR guidelines required performance outcomes to be derived from the WISRD, and no standardized software yet existed, Pennsylvania transitioned almost entirely into state in-house programming to produce WIA performance data.

Additionally, since Pennsylvania commenced the Youth Literacy and Numeracy measure in July 1, 2005, the Commonwealth found that available pre-packaged software development was skewed towards the majority of states who did not start this measure until July 1, 2006. The guidance from the Department of Labor was also undeveloped for those states embarking on their second year. Requests for clarification of reporting time frames and populations to be included were delayed well into the program year. This left the state trying to come up with reasonable definitions based upon extremely sparse data, since the WISPR draft published for public comment did not include discussion about the calculation methodology of this measure. Towards the end of the program year, further guidance was provided and was to be enacted with PY 2007. For the purposes of this report, the Literacy and Numeracy measure population consists of those whose first youth service date occurred between July 1, 2005 through June 30, 2006; or whose first youth service date occurred later, but who exited by March 31, 2007.

The loss of the Wage Record Interchange System (WRIS) presented a challenge in PY 2006. WRIS historically has responded with data on approximately 10 percent of the total state participants. In 2006, the Employment and Training Administration (ETA) announced its intention to assume control of WRIS. The assumption by ETA of WRIS responsibilities did not go smoothly. For legal reasons, Pennsylvania was forced to withdraw from this agreement. Although the Commonwealth had a supplemental wage exchange agreement, which allowed Pennsylvania to obtain wage data from all contiguous states except Delaware and New York, the nature of the data did not allow Pennsylvania to distinguish whether there was duplication of wages. Wage data, therefore, was omitted from the six-months average earnings measure. To give an idea of the negative impact of the WRIS withdrawals, Table 1 illustrates the top ten contributors to Pennsylvania's performance (by percent of participant wage per quarter found via WRIS) in the fourth quarter of PY 2005.

Table 1 - Top Ten States Contributing To Pennsylvania's Performance

<u>State</u>	<u>% of WRIS Received</u>	<u>Current Wage Record Availability</u>
New Jersey	18.2%	(Supplemental wage exchange/WRIS)
Maryland	12.5%	(Supplemental wage exchange/WRIS)
New York	12.0%	(Still not a signatory to WRIS)
Florida	9.6%	(WRIS)
Virginia	5.4%	(Supplemental wage exchange/WRIS)
Ohio	4.1%	(Supplemental wage exchange/WRIS)
West Virginia	3.7%	(Supplemental wage exchange/WRIS)
Delaware	3.6%	(Rejoined supplemental wage exchange for PY 2007)
North Carolina	3.6%	(WRIS)
California	2.7%	(Still not a signatory to WRIS)

The Commonwealth plans to mitigate further losses due to WRIS' shortcomings by participating in the Federal Employment Data Exchange System (FEDES)(a data sharing agreement that was just signed) and the supplemental regional wage exchange agreement. Pennsylvania expects to return to WRIS once the amended WRIS agreement is enacted. However, as can be seen from the above list, wage data from non-participating states would still be missing from the WRIS database. At current WRIS participation levels, almost twenty-five percent of wages relevant to Pennsylvania would be unavailable through WRIS. The Commonwealth looks forward to when all states can again be signatories of the WRIS agreement.

Information technology improvements have continued throughout the common measures process. As a result of the dedication of Pennsylvania's program area and information technology (IT) staff, the state enhanced its reporting system in late PY 2006 to allow capture of "self-serve" data. Pennsylvania has also made significant improvement to its data collection ability with the first phase of the Commonwealth Workforce Development System (CWDS). CWDS combines separate state agency systems into a single operating system, including the PA CareerLink WIA and Wagner-Peyser programs, Welfare Employment and Training programs, Vocational Rehabilitation programs, as well as, the PA CareerLink operational system. The first phase of CWDS, which went live in September 2007, should greatly enhance reporting data collection capability over the systems it replaces. It is unclear, as yet, what impact that will have upon on performance in PY 2007.

COST COMPARISON OF SERVICES AND OUTCOMES

Methodology.

For the purposes of this cost comparison, a tentative cost per participant was derived by dividing funding stream allocations by the total number of participants for the program year. Using this method, the cost per participant by funding stream for the program year is estimated as follows: Adults, \$4,113; Dislocated Workers, \$2,068; and Youth, \$3,805. To determine the cost to be successful in attaining employment, retention, and/or negotiated six-months wage earnings, the cost per participant is multiplied by the total number of individuals eligible for the performance measure, and then divided by the number of participants who succeeded in attaining the performance level. A primary goal of all workforce programs is to assist the participant in finding and retaining employment with a family-sustaining wage.

Adults And Dislocated Workers.

Adults. For those Adults eligible to be included in the entered employment rate, it cost the state approximately \$5,389 for them to become employed; \$4,977 to be retained in employment; and \$7,042 to meet or exceed the state's negotiated level of \$12,250. Approximately 58.4 percent of the Adult participants in the calculation had average wage earnings that either met or exceeded the negotiated level. The average six-months wage earnings (participant employed first, second, and third quarter after exit) increased by \$538 (or 4.6 percent) from PY 2005.

For those Adults who received training services and were eligible for performance measurement, the average cost for a participant to become employed was \$5,414; and to be retained in employment, \$4,865. The average cost for a participant to have a wage gain at or above the state's negotiated level was \$6,725. The average six-months earnings for those who received training services increased by almost \$850 from PY 2005's average, or a 7.1 percent increase.

For those Adults who received core (staff-assisted) or intensive services only, the average cost for a participant to become employed was \$5,365; to be retained, \$5,124; and to have a wage gain at or above the negotiated level, \$7,504. The average six-months earnings for those who received only core (staff-assisted) or intensive services increased by 2.5 percent, or \$275, in PY 2006, over what was observed for PY 2005.

A further breakout reveals that individuals who received only core services actually showed a greater percentage of achieving, retaining, and exceeding the state's negotiated Adult six months earnings of \$12,250 than individuals who also received intensive services. Table 2 shows the comparison. While it would be expected that those who were more "job ready" might be able to more successfully enter employment in a short span, it would also seem that those who received differing service packages (core, intensive, and training) would fare better in the long-term measures. While a detailed analysis was not conducted, these outcomes may have been impacted by the skill level of the population served and/or type of training pursued. Additionally, it could be that those requiring more intensive and training services may have relocated for employment, adding to the loss of WRIS data as a potential factor.

Table 2 - Adult Participant Performance Outcome Success By Degree of Service

Measures	Core Only	Intensive	Training
Entered Employment Rate	85.3 %	71.2 %	76.0 %
Six Month Retention Rate	83.4 %	77.4 %	84.5 %
Exceed State Negotiated Six Months Earnings Level (\$12,250)	46.6 %	28.9 %	42.4 %

Dislocated Workers. The state's costs for Dislocated Workers that were eligible to be included in the Entered Employment Rate averaged approximately: \$2,526 for employment; \$2,301 for employment retention; and \$2,775 for average six month wage earnings that

either met or exceeded the state's negotiated level. Although the cost for those who met or exceeded the state's negotiated six month earnings increase was down \$708 from PY 2005 and almost 75 percent of the Dislocated Worker population included in this measure met or exceeded the negotiated performance level, the average six-months earnings for PY 2006 were \$561 less than the prior year.

The Commonwealth's average cost for Dislocated Workers who received training services to enter employment was \$2,496; to retain employment, \$2,297; and to meet or exceed the state's negotiated average six-months wage earnings, \$2,724. For those Dislocated Workers who received core (staff-assisted) and intensive services only, the average cost to enter employment was \$2,586; to retain employment, \$2,310, and to have passing average wage earnings, \$2,891. While average six-months earnings decreased for those who received training and for those who received core (staff-assisted)/intensive services, those receiving intensive and/or core services had the sharpest drop of almost \$1,200. It is believed that this is one of the areas upon which the lack of WRIS data from non-participating states has had an impact. The lack of this relevant data, therefore, should be a considered a significant variable in evaluation of the reported outcomes.

A comparison between the performance based upon the degree of service provided for Dislocated Workers showed a different dynamic from that of Adults. For Dislocated Workers, based upon performance outcomes, training services proved to be more cost effective for all three measured outcomes: obtaining employment; retention in employment; and attaining wage gain level. However, a further service breakout of core and intensive services into separate categories produced a revealing perspective of the services and their relative outcomes. As Table 3 demonstrates, *while those who received core-only services had the highest success rate in gaining employment, those who received intensive services had the highest degree of success in retention, and those who received training services had the a higher percentage exceeding the state's negotiated level of \$16,250.*

Table 3 - Dislocated Worker Participant Performance Outcome Success By Degree of Service

Measures	Core Only	Intensive	Training
Entered Employment Rate	84.7 %	79.0 %	82.9 %
Six Months Retention Rate	86.0 %	90.3 %	90.0 %
Exceeded State Negotiated Six Months Earnings Level (\$16,250)	51.4 %	54.7 %	59.8 %

A plausible conclusion drawn from this data is that individuals receiving core-only services have a higher rate for obtaining employment, though employment is at a lower wage and is not retained as long as for participants who have also received intensive and training services. Individuals who received intensive services benefited from those services and stayed on the job longer than those receiving core-only services. Individuals receiving training, which is targeted toward jobs that pay higher wages, have better earnings than those receiving only core and intensive services.

Youth Common Measures.

The second year under the common measures reporting system involved additional training of Local Workforce Investment Area staff, as well as enhancement of the state workforce development operating system. Pennsylvania continued to shift its IT environment to meet current and future operating and reporting demands, especially to capture the data for Youth performance outcomes. For PY 2006, Pennsylvania was held accountable for three Youth performance outcomes: Youth Placement; Youth Attainment of Degree or Certificate; and Literacy and Numeracy Rate.

Youth Placement. The state had a large in-school youth population in PY 2005. The in-school youth population was still sizable in PY 2006, although the Commonwealth's increased effort to enroll older youth has led to a more equal distribution between in-school and out-of-school youth and an increase in the state's placement measure from PY 2005. In PY 2006, there were 1,778 in-school youth (down by 560 from PY 2005) who were counted in the youth placement measure as opposed to 1,181 (an increase of 360) out-of-school youth. The placement rate for these in-school youth was 54.4 percent (an increase due, in part, to youth with part-time employment), while out-of-school youth had a slightly higher 59.7 percent placement rate. The state average for this measure was 56.5 percent. The approximate cost per person to have a successful youth placement was \$6,734.

Youth Attainment of Degree or Certificate. A priority of the Commonwealth for PY 2006 was ensuring that Local Workforce Investment Areas would report only allowable certificate attainments for common measures purposes in PY 2006. A data clean-up was also conducted in the spring of 2007 to eliminate invalid certificates already in the reporting system. After these efforts, the state's final results for PY 2006 still showed a substantial increase over the prior year, reaching 75.4 percent. Therefore, it cost the state approximately \$5,046 per participant for a successful attainment. Out-of-school youth, which accounted for almost 52 percent of the performance outcome population, averaged only a 54.8 percent increase, as opposed to the in-school youth who rebounded from a low of 42 percent last year to 97.4 percent.

Youth Literacy and Numeracy. As briefly discussed earlier, the youth literacy and numeracy rate measure has caused various difficulties in reporting. The lack of USDOL guidance for states in their second year of common measures has made the process a challenge. In addition, the Commonwealth's performance suffered due to the soft exit of youth, who were still receiving follow-up services of some kind, and who later successfully increased proficiency within the prescribed one-year time frame but could not be counted as positive outcomes.

Another factor affecting the literacy and numeracy measure is that almost 50 percent of the total population of youth included in the Literacy and Numeracy measure come from three LWIAs: Pittsburgh, Philadelphia, and Allegheny County. These three areas drive the Commonwealth's performance for this measure, and their strategies to concentrate on hard-to-serve populations had a major impact on performance.

Statewide, while 18- and 19-year-olds made up the largest groups of youth used in the performance outcome (30.7 percent and 24.9 percent, respectively), those who had the greatest reported success were 21- (50.9 percent success) and 19-year-olds (50.2 percent success). By age, those youth who attained the most success after the first two age groups were 18-year-olds (46.6 percent), 20-year-olds (43.9 percent), and those under 18 (39.7

percent). The estimated cost per participant to have a successful outcome in this measure was \$8,158.

PERFORMANCE OUTCOME TIME FRAMES

The U.S. Department of Labor Employment and Training Administration has mandated specific time frames for performance measure reporting. The Youth Literacy and Numeracy performance cohort time frame was discussed earlier. The remaining performance time frames, including the Table M and O participant and exiter counts, are as follows:

Participant Levels

Participants: By funding stream, those WIA participants who were receiving reportable workforce development services at any time during the program year (July 1, 2006 through June 30, 2007).

Exiters: By funding stream, those WIA participants who exited between April 1, 2006 and March 31, 2007.

WIA Adult/Dislocated Worker

Entered Employment Rate. Those WIA participants who received either Adult or Dislocated Worker funding who were determined to have finished, or exited, reportable workforce development services between October 1, 2005 and September 30, 2006.

Six Months Retention Rate: Those WIA participants who received either Adult or Dislocated Worker funding who were determined to have finished, or exited, reportable workforce development services between April 1, 2005 and March 31, 2006.

Six Months Average Earnings: Those WIA participants who received either Adult or Dislocated Worker funding who were determined to have finished, or exited, reportable workforce development services between April 1, 2005 and March 31, 2006

WIA Youth

Placement (in Employment or Education) Rate. Those WIA participants who received Youth funding who were determined to have finished, or exited, reportable workforce development services between October 1, 2005 and September 30, 2006.

Attainment of Degree or Certificate Rate. Those WIA participants who received Youth funding who were determined to have finished, or exited, reportable workforce development services between October 1, 2005 and September 30, 2006.

TABLES

The following report tables are provided as modified due to waiver requirements: tables B, C, D, E, F, G, H, L, M, N, and O. Table H.1.A has also been included, which contains subpopulation breakouts of the Youth Common Measures.

Required Narrative, Part B

State Evaluation of Workforce Investment Activities

Governor Rendell's Job Ready PA Initiative is key to ensuring that Pennsylvania businesses have access to a skilled labor force, and residents will continue to have access to education and training they need to succeed in careers that provide family-sustaining wages.

The Commonwealth of Pennsylvania is committed to continuous improvement in the efficiency and effectiveness of the statewide workforce investment system. Pennsylvania continues to take the steps necessary to ensure collaboration and continuous improvement by strengthening delivery systems, integrating the workforce development system, and establishing system-wide performance measures.

Essential in this process is the ongoing evaluation of existing systems. The High Performance Workforce Investment Board (WIB) Standards, System-Wide Performance Measures in Pennsylvania's Performance Management Plan, PA CareerLink Quality Review (CLQR), and PA CareerLink Certification/Chartering all have a crucial component of evaluation in their design.

HIGH PERFORMANCE WIB STANDARDS

Governor Rendell emphasized his strong interest in the performance of Local Workforce Investment Boards (LWIBs) by establishing the High Performance WIB Standards. In 2006, Pennsylvania made grants available to LWIBs to serve as an incentive for improving the strategic use of workforce funds. These grants were awarded only to those LWIBs that met PA's High Performance Workforce Investment Board Standards.

Each Local Workforce Investment Area (LWIA) was required to conduct a self-assessment to determine how the activities and outcomes of the LWIB compared to the established standards. Through the self-assessment process, the state gathered information about the LWIB status and also took this opportunity to inform LWIB members about critical strategies the state is interested in seeing implemented locally. The self-assessment was not only a means for the LWIBs to discuss internally how well they were performing in relation to the state strategies, but also identified strengths, and opportunities for improvement, in the LWIB overall strategic plan.

The self-assessment is part of an overall evaluation process that includes a review of the self-assessment document by a team of state workforce experts and members of the PA Workforce Investment Board, a site visit, and a second assessment by the review team. The review team developed a recommendation as to whether the LWIB was meeting the high performance standards. The recommendations were presented to the Deputy Secretary for Workforce Development, who made the final decision. Technical assistance continues to be provided to those LWIBs that did not meet the standards.

After evaluating the usefulness of each standard and the effectiveness of the evaluation process itself, the state is revising the High Performance WIB Standards and the process to reflect local feedback and align the standards with the state's increasing expectations toward continuous improvement.

SYSTEM-WIDE PERFORMANCE MEASURES

Since the implementation of the PA Performance Management Plan, a set of common quantitative and strategic measures has been used to evaluate all workforce programs housed in various state departments. Pennsylvania developed an integrated data management system to share workforce program information across departments, and to ensure that data collected on programs from each of the 23 LWIAs across the Commonwealth are uniform. That data continues to be evaluated against the common quantitative and strategic measures. A Performance Management Report based on this data and its evaluation is being finalized.

PA CAREERLINK QUALITY REVIEW

The PA CareerLink Quality Review, implemented in April 2005, serves as a quantitative and qualitative measure of PA CareerLink efficacy and quality of services. This tool provides a set of quality benchmarks to measure and evaluate performance for all PA CareerLinks, and to support and encourage performance improvement.

The CLQR is a two-step process: a self-assessment, followed by a site visit. As a required component of PA CareerLink certification, all one-stops participate in the quality review process.

In the initial round of reviews, eight of 72 one-stops met criteria as Best in Class. All other sites were required to provide action plans identifying actions and timelines for progress.

CERTIFICATION OF ONE-STOPS

Certification requirements, issued to PA CareerLinks in May 2006, comprise the following components:

- LWIB/One-Stop Operator Agreement;
- LWIB/One-Stop Partners Memorandum of Agreement;
- One-Stop Resource Sharing Agreement (includes cost allocation etc.);
- One-Stop Service Plan (formerly the PA CareerLink Business Plan);
- LWIB/Consortium Agreement (dependent on local structure);
- PA CareerLink Quality Review; and
- PA CareerLink Staff Development and Credentialing.

Review of the One-Stop Service Plan and related documents allows the Commonwealth to evaluate one-stop operations in accordance with a baseline of quality required for the use of the PA CareerLink brand name. In the most recent round of certification/chartering, 72 one-stops met the requirements and were certified as PA CareerLinks by the Department of Labor & Industry. All certifications are effective through December 31, 2008.

PROFESSIONAL DEVELOPMENT FOR PA CAREERLINK STAFF

During PY 2005, the Pennsylvania Department of Labor & Industry (L&I) initiated a contract with the Pennsylvania State University (PSU) for provision of staff development, training, curriculum and credentialing for all PA CareerLink staff. The focus is on implementing a customized PA CareerLink training curriculum and certification program, whereby one-stop staff from all partner agencies will have the opportunity to obtain a specialized PA CareerLink credential. This will support a common knowledge base among one-stop staff, thereby enhancing integration while simultaneously helping to deal with an anticipated loss of expertise as “baby boomers” retire and staff realigns to fill vacant positions. The credentialing program supports the organizational development goals of PA CareerLink partner and the larger workforce development system.

This program was developed in four phases: intensive front-end and needs analysis; development of competency models; pilots; and delivery of training and credentialing for all PA CareerLink staff.

Representatives from L&I, Pennsylvania Social Services Union, the Department of Public Welfare, Department of Education, and LWIBs serve on a steering committee for this initiative. The committee has been working closely with PSU and its nationally-recognized project team members to ensure that the training needs of all PA CareerLink staff are adequately met to effect the delivery of high-quality services to customers.

The curriculum is comprised of four (4) levels:

- PA CareerLink 101 is a series of five modules establishing a baseline of knowledge and understanding for all partner staff in the PA CareerLink system. Through the initial phase of training for PA CareerLink staff, which was completed in mid-August 2006, over 1700 attended in 68 class offerings.
- PA CareerLink 400 is training designed specifically for high-level managers and administrators. A seven-week curriculum covers the following competencies: Developing Personal Leadership; Leading Change; Strategic Planning; and Leading Customer Centered Organizations. In the initial course, 90 leaders participated from across the Commonwealth.
- PA CareerLink 300 is training designed specifically for managers and supervisors within the PA CareerLink system. The five-week curriculum covers the competencies of Performance Management, Leadership and Coaching, Teamwork and Cooperation, Problem Solving and Resource Usage. In the initial course, 130 managers and supervisors participated in nine different sessions across the Commonwealth.
- PA CareerLink 200 is training that, with support from field subject-matter experts, was designed and customized to the needs of the front line worker in PA CareerLinks. The curriculum provides technical training on career and workforce planning for job seekers and businesses, along with specialized tracks on job seeker and business services.

Each of the four levels of training is offered periodically, as needed, for new staff.

To date, the following numbers reflect Pennsylvania's success: 1,982 staff participated in the training. Of those staff, 95 percent (1,878) completed the training and received a credential. Of

the remaining staff who did not complete the full training program, two percent (36) completed some part of the training and received CEUs.

REGIONAL PA CAREERLINK SYMPOSIUMS

The Bureau of Workforce Development Partnership sponsors semi-annual Regional PA CareerLink management symposiums with representatives of the workforce development system to ensure that local staff are integrating their activities. These symposiums are used to share information, updates, new policies, best practices, and serve as networking opportunities for state and local workforce partners.

Additionally, the Bureau sponsors a statewide Dislocated Worker Forum, a Business Services Forum, and a Veterans Services Forum as venues to share information and engage the system in quality service delivery.

EVALUATING AND CORRECTING PERFORMANCE

Pennsylvania continues to monitor and evaluate LWIA performance and provide technical assistance as warranted. The Commonwealth's technical assistance and sanctions policy will be refined, as necessary, as the state gains experience with the new measures system.

The Commonwealth issues performance reports to each LWIA for its information and analysis. If an LWIA fails to meet the agreed-upon performance levels for a program in any year, a corrective action plan may be required.

Pennsylvania provides technical assistance to LWIAs that need to improve performance in a given measure. The technical assistance may include training sessions, assistance in the development of a performance improvement plan, or referral to peer-to-peer technical assistance.

The Commonwealth takes an active role in the design of the local monitoring process to assure that benchmarks are achieved and improvement occurs in an agreed-upon timeframe.

Collaborative performance evaluation and continuous improvement of design and operations go hand-in-hand in the process of ensuring an effective workforce development system.