

## **Governor's 2008-2010 Biennial Report Improvements in the Coordination of Workforce Development**

### **Background**

Section 2.2-435.7(10) of the Code of Virginia requires the Governor, as the Chief Workforce Development Officer, to submit a biennial report on improvement in the coordination of workforce development efforts statewide, to be included in the Governor's Executive Budget submission to the General Assembly. The report must identify the following: (1) program success rates in relation to performance measures established by the Virginia Workforce Council; (2) obstacles to program and resource coordination; and (3) strategies for facilitating statewide program and resource coordination.

### **I. Program Success Rates Against Performance Measures established by the Virginia Workforce Council (VWC)**

The purpose of creating a set of system measures is to allow reporting, monitoring and evaluation of the performance of the workforce programs as a system and at a policy-level. The performance measures adopted by the VWC in March 2005 are as follows: (1) short-term employment rate, (2) long-term employment rate, and (3) earnings level – do people get jobs, how long do they stay on the job and what are they paid. Additional measures are: (4) credential completion rate - to what extent do education levels increase and (5) repeat employer customer – are the programs meeting the needs of employers.

The Governor's Office contracted with the Upjohn Institute for Employment Research to conduct a net impact evaluation of ten state administered workforce programs in meeting the performance measures established by the VWC. Fund limitations precluded the evaluation of all state administered workforce programs. The programs chosen represent large funding and service levels. A net impact evaluation uses a control group (matched samples from the Virginia Employment Commission's Job Service records) as the benchmark to judge performance improvement or lack of improvement and to account for variations in client characteristics or labor market experience. This approach was critical given the wide variations in state workforce programs and the clients they serve. A net impact evaluation levels the playing field among the different workforce programs in regard to the outcomes being examined.

A chart follows which contains the results of the evaluation against the VWC approved performance measures. The nomenclature for the chart is as follows:

- Department of Education (EOE) – Adult Education & Literacy (AEL); Virginia Community College System (VCCS) – Carl Perkins Postsecondary Career & Technical Education (CTE); Rehabilitative Services - Department of Rehabilitative Services (DRS); Rehabilitative Services - Department for the Blind and Visually Impaired (DBVI); Department of Social Services (DSS) – Food Stamp Employment and Training Program (FSET) and Virginia Initiative for Employment Not Welfare (VIEW); Virginia Employment Commission (VEC) – Trade Adjustment Assistance (TAA) and Workforce Investment Act (WIA) Adult and Youth.

Interpretation of the evaluation results is as follows.

- Negative net impact means that individuals did not benefit from the programs.
- Small positive net impact (not significant) means that the outcome is approximately the same as for the comparison group.
- Positive, significant impact means the program delivered a positive outcome.

**Net Impact Evaluation Results – State Level**

<b>Program</b>	<b>Short-term employment/ in school rate*</b>	<b>Long-term employment/ in school rate*</b>	<b>Short-term earnings level</b>	<b>Long-term earnings level</b>	<b>Credential completion rate</b>
<b>DOE and VCCS programs</b>					
AEL	--9.58***	--9.07	289***	--21	65.48***
Postsecondary CTE	0.49	2.81***	1,213***	1,539***	22.68***
<b>DRS and DBVI programs</b>					
DRS	17.63***	16.17***	429***	241***	8.79***
DBVI	17.37***	25.00***	1,948***	1,318*	6.78**
<b>DSS programs</b>					
FSET	--9.29***	--9.55***	--404	--529	--0.41***
TANF/VIEW	--2.22***	--2.30***	414***	175	0.46***
<b>VEC and Senior Advisor programs</b>					
TAA	--6.15***	--5.88***	--210	--154	65.03***
WIA Adults	4.75***	3.39***	442***	146*	53.96***
WIA Youth	--2.91	--3.88**	480***	62	76.12***

**\*Includes youth (<18) enrolled in school**  
**Significance level: \*10%; \*\*5%; \*\*\*1%**

It is important to know whether the net impacts are statistically different from 0. If they are not, it means that the program is not effective as compared to the benchmark. If they are, then the program can be said to be effective. Because the numbers are derived from data that might be misreported or might have been mis-keyed, and because "statistical matching" was used to find a benchmark group, the results that are reported are statistical estimates. That means there is a chance that they might be wrong. The levels of significance quantify that chance. 10%; 5%; and 1% mean that we can expect the estimates to not be wrong 90 times; 95 times; and 99 times out of 100.

## **Net Impact Evaluation Results Analysis**

### **First and second columns measure net impact on employment**

- Postsecondary CTE, DRS, DBVI, and WIA Adult programs have positive differences; i.e., participants who exited from these programs have higher employment rates than their matched counterparts. DRS and DBVI are particularly large—around 20 percentage points.
- AEL, FSET, TANF/VIEW, TAA, and WIA Youth have negative differences; participants who exited from these programs have lower employment rates than their matched counterparts; i.e., program participants did not get an employment benefit from the program.

### **Third and fourth columns measure earnings difference as an outcome - measure of the quality of jobs**

- Most programs have positive net impact on earnings with postsecondary CTE and DBVI over \$1200 per quarter.
- FSET and TAA have negative net impacts (participants' earnings are lower than comparison group's).

### **Fifth column measures receipt of an educational credential as an outcome - during the program or within a year**

- The difference in program outcomes reflects the difference in emphasis on providing training that leads to credentials among the different programs. It should also be noted that the Job Service (source of the comparison group) is not an education and training program.

The State Department of Education wishes to add this qualifier regarding the net impact results for Adult Education and Literacy programs: One limitation of the net impact study as they apply to adult education and literacy programs is that they primarily focus on employment and earnings data. These data inherently do not account for students who continue their education after exiting an adult education or literacy program. The adult education and literacy programs are designed to be a stepping stone to other opportunities, which include employment and further education or training. As such, the limited data available for this study do not provide the complete picture of relevant outcomes.

### **Implications**

- The value of the Virginia Workforce Council approved workforce system measures will grow as outcome performance on these measures are used as one criterion for the reallocation of resources.
- The value of the systems measures will grow as data consistency improvements are made.
- The value of the systems measures will grow as more state workforce programs are added for evaluation.
- The net-impact analysis can be extended to cost-benefit and return-on-investment analysis by including an examination of cost data.

## **II. Obstacles to Program and Resource Coordination**

- Nominal cross-Cabinet collaboration on workforce policy development and the shared funding of the local One Stop service delivery system as envisioned by the Workforce Investment Act (WIA).
- Nominal cross-Cabinet collaboration on state and local policy that impacts postsecondary education, workforce development and economic development to address employer workforce needs.
- Education and re-education of key players in the workforce system regarding a “systems” approach to workforce as opposed to a “silo” approach to workforce policy and service delivery.
- The cultural shift in accountability from individual program measures to the workforce system measures adopted by the Virginia Workforce Council.
- Interface and lack of interface with workforce program participant information IT systems.
- State and local cultural transition issues related to organizational change.
- Diversity of populations served by state administered workforce programs and the unique needs of each.
- The cultural shift of staff from working in program silos to a unified and integrated workforce system and agency.
- Lack of consistency of data across programs to evaluate cost-effectiveness and cost-efficiencies of workforce training programs. State and federal barriers to accessing workforce training participant data across state agencies.
- State and federal statutory barriers to the sharing of data among state agencies and the Governor’s Office.

## **III. Strategies for Facilitating Statewide Program and Resource Coordination**

- The Governor will issue an Executive Order establishing the Workforce Sub Cabinet composed of key Cabinet, policy and state education officials to address the development and funding of integrated co-located One Stop service delivery centers to better assist job seekers and meet employer demand. Additionally, the Governor is considering legislation to be introduced in the 2008 Session, which re-emphasizes the role of the Virginia Employment Commission’s Job Service in the One Stop Centers.
- The Governor is considering legislation to be introduced in the 2008 session to establish a network of regional workforce and skill development planning and implementation representatives to work with business in the Commonwealth to plan for and respond to regional workforce needs.
- The Governor is considering legislation to be introduced in the 2008 session that will strengthen and focus the role of the Virginia Community College system in regard to the state’s One Stop service delivery system.
- The Senior Advisor to the Governor for Workforce will deploy a State One Stop System Coordinator to assist and provide technical assistance on the ground for the development and implementation of One Stop service delivery centers.
- The Governor will issue an Executive Order which clarifies and emphasizes the shift to workforce system accountability measures and the role that evaluation of these measures will play in the allocation and reallocation of workforce resources. Additionally, the Workforce

Sub Cabinet will adopt measures which place a limit on the amount of funds that workforce programs may expend on administration.

- The Governor is considering legislation to be introduced in the 2008 Session to amend the state Government Data Collection and Dissemination Practices Act to allow for a state data repository for workforce program client data. Additionally, the Governor will issue an Executive Order for cross-Cabinet collaboration to develop a data repository for client data for workforce programs for evaluation purposes. The Senior Advisor will work with the Attorney General's Office in seeking relief for barriers to federal law prohibiting state agencies from accessing each others data.