

# **Missouri Workforce Investment Act Annual Report**

for the Employment and Training Administration

## **Program Year 2011**

# Missouri Workforce Investment Act Annual Report for the Employment and Training Administration Program Year 2011

## Introduction

The following narrative provides a response from the State of Missouri to requirements established by the U.S. Department of Labor (USDOL) to provide an Annual Report on the activities funded and implemented by the Workforce Investment Act (WIA), Public Law 105-220.

In Missouri, the WIA is implemented by the Division of Workforce Development (DWD), a Division of the Governor's Cabinet-level Department of Economic Development. The enterprise computer software system that enables overall customer registration, tracking, case management, and database development is called Toolbox 2.0. To provide all federal reports and a wide range of internal decision-based management reports, the state is associated with a contract vendor named FutureWork Systems, Inc., which, in turn, provides the MoPerforms decision-support reporting software.

## Broadened Core Services for Next Generation Career Centers

Missouri embarked upon one of its most significant program innovations since the inception of WIA during Program Year 2010 (PY10) with implementation of the Next Generation Career Center (NGCC) service-delivery model and the policy changes used to enhance this model. Instead of customers separately accounted for in one WIA program, each customer is enrolled in every program for which they are eligible: across Wagner-Peyser, WIA Adult, WIA Dislocated Worker, etc. This means all customer registrations, for the first time, are fully accounted for as having been provided a service. Instead of accounting for customers in each funded program, all begin as registrants for core services.

Against this historical background Missouri's workforce system outcomes have dramatically changed, from service levels representing clients closely screened into one program to service levels representing a more realistic rationale equipping all to receive some level of service and a clearer picture of how hard the system is working on a magnitude of customers.

The impact on recipients of staff-assisted core services over the last three Program Years is shown on the next page in Table 1 and illustrated on Graph 1. When the system transitioned to a Next Generation service strategy, the total participants receiving staff assisted core services dramatically increased from 23,507 persons in PY2009 to 307,212 persons in PY2010; an increase of 12 times. For the Adult program, the increase was from 9,715 persons to 294,755 persons between PY2009 and PY2010, a quantum increase of 34 times. For the Dislocated Worker program the change was from 13,990 persons in PY2009 to 211,913 persons in PY2010, an increase of 12.3 times.

Missouri's outcomes for PY2011 sustained not only performance on the same plateau of so many customers, but also excelled by increasing this high level of participants registering and receiving services. The success over the last year has meant that total participants increased from 307,212 to 352,115, an increase of 14.6%. Likewise, Adults receiving staff assisted services increased from 294,755 by 50,705 to 345,460 persons, a magnitude of 17.2% increase. For Dislocated Workers, there was a similarly large magnitude of service, from 186,441 persons in PY2010 to 211,913 persons, equal to a 13.6% increase.

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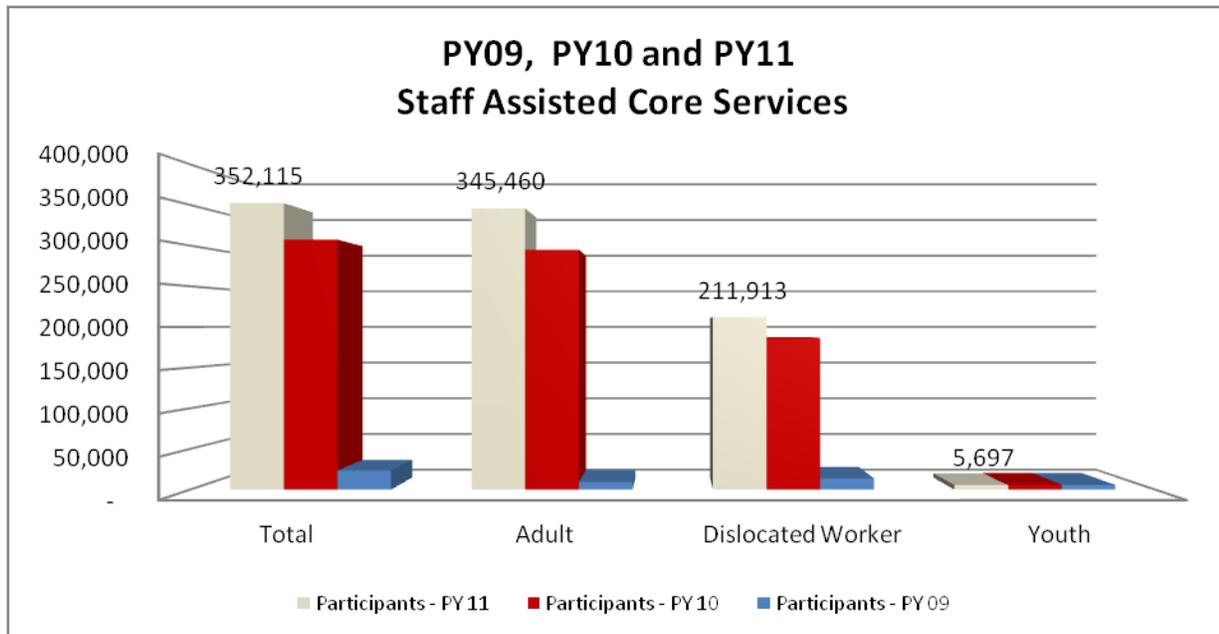
It is significant that Youth customers are not incorporated into the Next Generation service-delivery model. Basically, because of the difference in ages and their needs primarily for skill development and work experience, youth are not co-enrolled across the range of other workforce programs. However, Missouri excelled in service to the Youth during the transition to Next Generation, serving an increase of 4.2% from 5,805 in PY2009 to 6,053 in PY2010. Over the last year, a small decrease (-2%) of Youth participants has occurred.

**Table 1: Staff Assisted Core Services PY09–PY11**

	Total	Adult	Dislocated Worker	Youth
Participants - PY 11	352,115	345,460	211,913	5,697
Participants - PY 10	307,212	294,755	186,441	6,053
Participants - PY 09	23,507	9,715	13,990	5,805
Change Between PY10-11	14.6%	17.2%	13.6%	(2%)

Prepared by the Performance and Research Unit, September 2012 - Missouri Division of Workforce Development  
Department of Economic Development

**Graph 1: Staff Assisted Core Services PY09–PY11**



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## Customer Satisfaction in Workforce Programs

Missouri is one of several States that is in compliance with USDOL policy in reporting the Common Measures. As such, it does not report out an overall customer-satisfaction process or measure. Many local workforce investment regional areas conduct customer-satisfaction surveys, but these are used for local management and planning.

Shown below is a small sample of the job seeker testimonials that typify customer reaction seen throughout the state:

"I've been attending some of the workshops at the Springfield Career Center and find them very informative! While not new to the job search arena, I'm learning so many new learn things about job search options, résumé, and cover letter content. If anyone needs to learn new skills or simply wants to brush up on old skills, the career center is the place to go. I'm extremely impressed by the resources they have available, too, especially at their awesome new location. It's been a very rewarding experience for me and I look forward to my future with them, as well as professionally. Thank you to the career center staff and a special shout-out to Belinda L. – you ROCK!"

**Customer - Tami M.**

"The State Park Youth Corp was great! Career counselors asked me up front about my interests and the kinds of career experience I was looking for and talked to me about the skills I had and the ones I wanted to develop. They were really interested in making sure I'd be a good fit for the job. All summer, they stayed in touch to make sure it was working out okay and that I was learning good skills. They wanted to make sure this was an experience that would prepare me for a career later in life."

**State Parks Youth Corps - Program participant**

"I have been a student in three different countries and this is the first time that I have the experience of someone showing me how to make a résumé. With a lot of patience, Kennett Career Center Advisor Sheila Fisher showed me the proper way to use the right tools to apply for a job. Having the skill to do a good résumé can mean the difference of getting a job or getting nowhere. I have no doubt that come graduation time, I will get the best job I can. I am grateful for this experience"

**Rosa - Southeast Missouri State University student**

"I am a recent graduate of Route 66 CDL & Apprenticeship Inc. I was given all the tools I need to gain the confidence to receive my certificate of completion. Now after being unemployed for over two years, I'm scheduled to start my new truck-driving career job. A special thank you to Trish Riedy at the Arnold Career Center for helping me get into the program."

**Customer - Rick B.**

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## The Costs of Workforce Investment Relative to the Performance of Participants

The impact seen in Missouri from expansion of the customer base shows a quantum level of improvement when viewed from the perspective of costs in workforce investment. When using the true customer base to calculate the investment per service and per client, all programs benefit, as shown in Table 2.

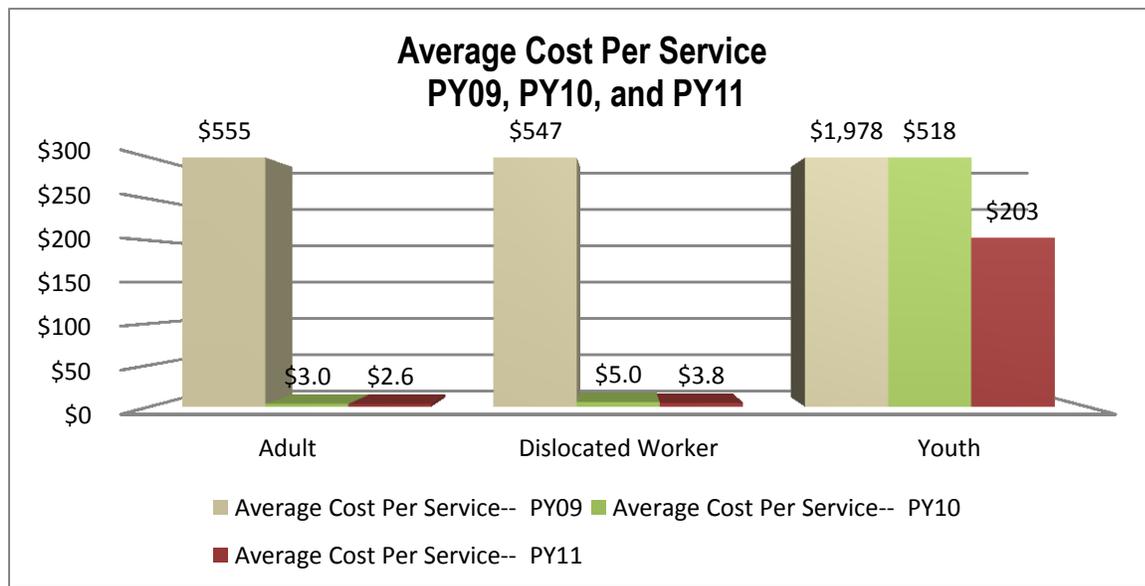
Missouri has shown that with a more rational method of accounting of its customer base, the average cost per service in the Adult program decreased from \$555 in PY2009 to \$3 in PY2010. Similar positive impacts were seen in the Dislocated Worker and Youth programs. The cost per service for Dislocated Workers dropped from \$547 in PY2009 to \$5 in PY2010. For the Youth program, cost per service dropped from \$1,978 in PY2009 to \$518 in PY2010. We observed even further cost efficiencies over the last year, decreasing cost per service by 13% in the Adult program, 24% in the Dislocated Worker, and as much as 60% for Youth. Data for the last three Program Years are illustrated in Graph 2.

**Table 2: Average Cost per Service PY09–PY11**

	Adult	Dislocated Worker	Youth
Average Cost Per Service PY11	\$2.60	\$3.80	\$203.00
Average Cost Per Service PY10	\$3.00	\$5.00	\$518.00
Average Cost Per Service PY09	\$555.00	\$547.00	\$1,978.00
Change from PY10 to PY11	(\$1.40) (46.7%)	(\$1.20) (24%)	(\$315.00) (60%)

Prepared by the Performance and Research Unit, September 2012 - Missouri Division of Workforce Development  
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**Graph 2: Average Cost per Service PY09–PY11**

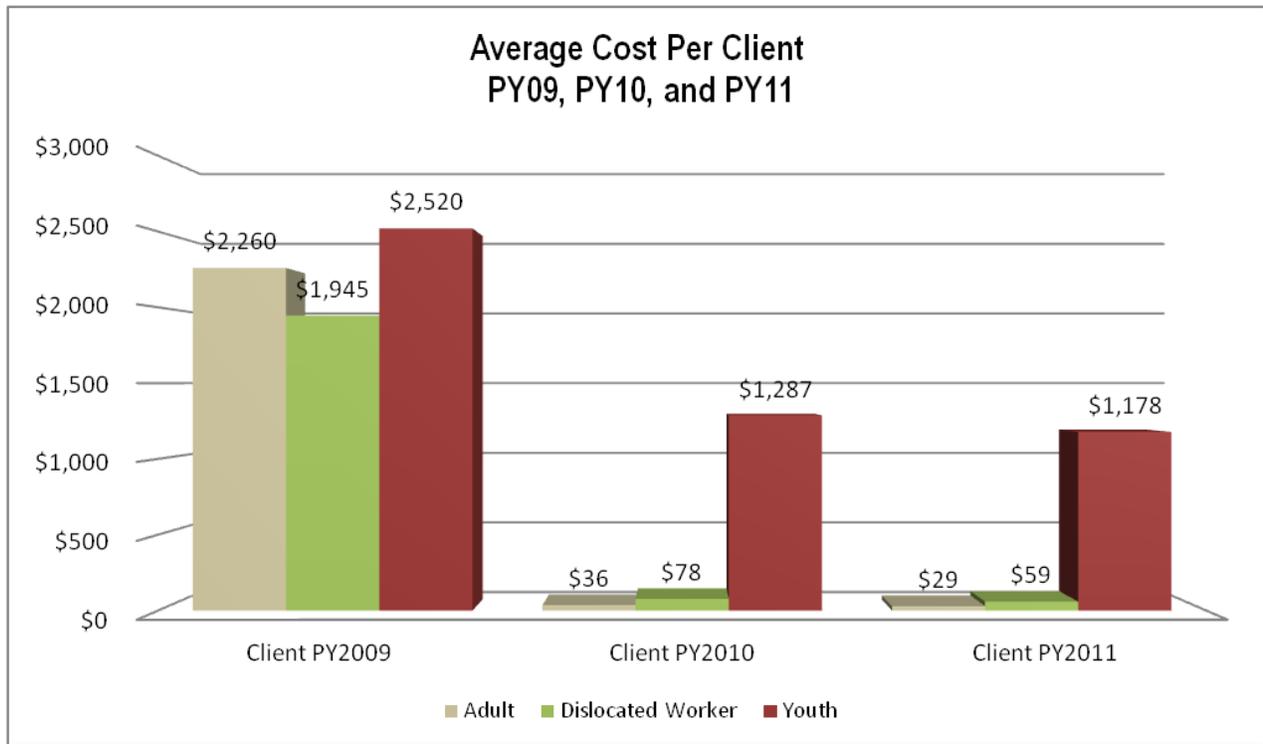


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Graph 3 illustrates that the cost per adult client changed from \$2,260 to \$29 over the last three years. Similar positive impacts were seen in the Dislocated Worker and Youth programs. Cost per client for the Dislocated Program dropped from \$1,945 in PY2009 to \$59 in PY2011. For the Youth program, cost per client decreased from \$2,520 in PY2009 to \$1,178 in PY2011. These are dramatic results and more accurately depict the value of the system as a whole to Missourians and the participant effect on the economy.

**Graph 3: Average Cost per Client Served for PY09–PY11**



**Table 3: Average Cost per Client Served for PY09–PY11**

	Client PY2009	Client PY2010	Client PY2011	% Change PY10 - 11
Adult	\$2,260	\$36	\$29	-19%
Dislocated Worker	\$1,945	\$78	\$59	-25%
Youth	\$2,520	\$1,287	\$1,178	-8%

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## Return on Investment

In addition to calculating Missouri's performance measures during PY11, DWD used the Internal Rate of Return (IRR) offered by USDOL as an optional measure in determining the efficiency of the state's workforce system. Both USDOL and DWD have a long-term interest in improving program efficiency so that both taxpayers and customers can be better served. Assuming that most wage earners will be paid from stream cash flows, in this analysis we discovered that there is an increase in average exiter earnings of approximately a (5.45) multiplier effect on the economy. We might state that for every dollar invested, there was a generated average of a \$5.45 gain effect. This formula has proven to be adequate for both the Adult and Dislocated Worker populations in Local Workforce Investment Areas. We preferred the IRR method for the ROI calculations because it takes into account the timing of the costs and the benefits. We hope to continue to analyze this approach in the future to see if it proves to be an effective measure. By using the IRR method for the return on investment, DWD could take into account the cost efficiency and benefits provided by the NGCC initiative.

## Next Generation Career Center Service Model: Opportunity for a Simple Approach to Return on Investment

In Missouri, we have implemented the NGCC model, allowing us to minimize documentation and open up our career center (core) services to virtually any job seeker. This model has created a system that efficiently uses the funding from Wagner-Peyser, WIA Adult, and WIA Dislocated worker to support the centers and their products and services. As we view this system, we have discovered a simplified calculation of the return we get from our investment in this model.

Since "all" of the funding received at the state level for support of our NGCC model (except for Youth) can be considered as our investment, and since "all" of our Wagner-Peyser customers (staff assisted) can be considered as recipients of that investment, it becomes a matter of simple math to calculate ROI. In Missouri we looked at Wagner-Peyser exiters that were in the "Average Earnings" measure (those that exited from April of 2011 to March of 2012 in this example) and amassed their total earnings (\$1,866,673,195). To arrive at an approximate annualized figure, that amount can be simply doubled. (While that amount is not entirely accurate, for purposes of maintaining simplicity, it is a reasonable presumption).

The next step in the calculation is to determine how much of that amount can be considered as a return. It seems logical to determine that these individuals would now be taxpayers, so looking at an average tax rate of 17% (as published by the Internal Revenue Service), we can get a return of (\$1,866,673,195). Using the NGCC model, accounting for all Wagner-Peyser and WIA Adult and Dislocated worker funds received by the state, we have an annual total of (\$37,372,785). This calculation yields a return on our investment (of WIA funds and Wagner-Peyser funds) of (\$11.257) in taxes paid back to the system by those placed in sustained employment.

While this method is admittedly not derived from an academic research design, by using this model, serving everyone with essentially all available funds appears to provide a much more efficient and effective service-delivery model that has potential to yield admirable results. Moreover, it is more readily apparent and understandable to the public, especially to Congress and local legislators.

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## Assurance of Uniform Reporting

Data Validation checks the accuracy of the state calculations used to generate the ETA 9090 quarterly report and ETA 9091 annual report. It consists of two parts, which are the Report Validation and Data Element Validation. Because there are two basic sources of reporting errors, validation requires two methods: 1) error detection and correction of selected characteristics of data files for monthly upload to MoPerforms, ETA quarterly and annual reporting, and Veterans Retraining Assistance Program (VRAP)-related reporting; and 2) a programming method to benchmark recalculation of the performance measure rates generated by federal reporting software and those displayed on MoPerforms after upload, as well as participant counts on the VRAP monthly reports.

Statistical-management programs using software such as SAS® and sequels programming are also developed by staff and used to check for completeness of the data file and for a range of critical data errors (e.g., extraneous characters, out-of-range values, incorrect exit dates, errors preventing data readability, missing values, and anomalous frequency distributions). Building the data-check process has been an iterative process; checks are regularly added, based on examinations of new data files or on newly discovered problems uncovered by staff and data users over time.

Verification of performance measure outcomes involves one staff member using different statistical and sequel query software to calculate each of the WIA and Wagner-Peyser common-performance measures, after which discrepancies are investigated and resolved. Current performance outcomes displayed on MoPerforms serve as an additional check. Accuracy of data on the monthly (VRAP) and the Gold Card Evaluation reports is also verified by one staff member using different programming to produce the report and to detect and resolve the sources of discrepancies. When necessary, DWD Management Information Systems (MIS) staff produce corrected data files which are then subjected to the same standard data checking and editing procedure.

In order for ETA to obtain more complete “real time” information on the impact of VRAP and the Gold Standard initiative on the veterans workforce system, DWD was required as of June 7, 2012, to identify those veterans meeting the eligibility criteria of being: unemployed, 35–60 years of age, and not in training within 180 days. Outreach efforts included blast emails or postcards to potential veterans to be served in this program through the VA. A file of individual VRAP participants containing ETA specified data elements is submitted on a monthly, rather than a quarterly schedule. Successful submission of the file requires that reject errors and information that generates warnings in ETA’s electronic edit-check system be eliminated before final submission. DWD developed new in-house, error-checking programs to identify necessary corrections and omissions in the data. In cooperation with DWD, MIS tallied and corrected those data elements for successful and timely file submissions.

A new database was created for the VRAP participants in 2012 specifically for that outreach service reporting, with periodic updating. The process requires similar collaboration and diligence among DWD research analysts and MIS staff. Communication, monitoring, and adjustment with the federal office are effective and ongoing in order to accurately report this data.

In addition to ETA’s quarterly WIA and the new Wagner-Peyser performance reporting through the Common Measures, DWD takes an extra step of providing monthly program evaluations through MoPerforms, a web-based reporting tool to ensure that performance information received by ETA and available through MoPerforms is of optimal accuracy. DWD’s research staff continues a process implemented in PY2008 which

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utilizes a comprehensive and standardized procedure of reviewing and checking participant data and performance measure rates.

## State Evaluation of Workforce Investment Activities

### Gold Standard Evaluation Study (GSE)

In February 2012, DOLETA implemented a five-year WIA Gold Standard Evaluation (GSE) Study. Missouri's Central Region WIB was selected by DOLETA as one of 28 randomly selected local boards in the nation to participate in the GSE of WIA Adult and Dislocated Worker programs.

As of July 1, 2012, a total of 61 participants in the Central Workforce Region have been enrolled into the study. The study will focus on how well WIA services are working in these local regions and how they can be improved. Customers visiting Central Region career centers (or satellite offices) will be randomly assigned to one of three research groups: Core; Core and Intensive; and Full WIA. Once a client is randomly assigned to a group, they remain in that group for 15 months and can only receive services allowed for that group. For example, a client who is randomly assigned to Core may only receive WIA Core services for 15 months. Of the 61 participants in the study so far, eight have been assigned to Core, seven to Core and Intensive, and 47 to full WIA services.

### EDRVS Development Web Portal Project

In addition to ETA's quarterly WIA, Wagner-Peyser, and Trade Adjustment Assistance performance reporting through the Common Measures, Missouri participated in testing and resolving future trouble-shooting instances in the ETA's new EDRVS development web portal project. DWD takes an extra step of using the MoPerforms web-based reporting tool, and this effectively serves as an on-site monthly program evaluation on a small scale. To ensure that performance information received by ETA and available through MoPerforms is of optimal accuracy, DWD research staff continue to use a comprehensive and standardized procedure of reviewing and checking participant data and performance measure rates using MoPerforms preliminary results, as well as the previously described evaluation tools.

## Leadership in Performance Innovation

### Workforce Data Quality Initiative Grant

In 2010, Missouri was awarded a Workforce Data Quality Initiative grant (WDQI) to further enhance the state's ability to evaluate workforce factors such as service mix, demographic make-up, employment trends, educational inputs, and overall output/outcome data. The long-term nature of this grant will lead to significant in-depth evaluation of the entire workforce system in Missouri. Creation of a Missouri state longitudinal data system (SLDS) involves linking workforce participant data with wage and education data from a number of state agencies, as well as long-term cooperation and partnership with those agencies (Department of Labor and Industrial Relations, Department of Elementary and Secondary Education [DESE], Department of Higher Education [DHE], etc.) In Missouri, DWD and partner agencies have created data-management, legal, security, and data-governance workgroups, as well as a steering committee to manage the merging of workforce data with the education longitudinal database already put into place by DESE and DHE. Initial research questions have been developed, and a multi-agency memorandum of understanding was developed and is successfully being implemented. The data warehouse to support the SLDS is operational and the first research report using this data is being prepared by the University of Missouri for release in the Spring of 2013.

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## **Jobs.mo.gov**

DWD developed [jobs.mo.gov](http://jobs.mo.gov) which is a web portal to provide workforce services and resources for businesses and job seekers. A network of Missouri Career Centers, in collaboration with partner organizations, allows offering a robust menu of vital services to Missouri's job seekers and businesses.

## **The Impact of Program Waivers**

During PY11, Missouri used two waivers: 1) the Common Measures waiver, which continues to be fully implemented statewide each program year in Missouri, since its origin; and, 2) the On-the-Job Training (OJT) Reimbursement Incentive waiver. Missouri continues to deliver services and report outcomes through the Common Measures.

The OJT waiver was intended to help businesses increase their workforce by providing assistance with training costs with the extra incentive for reimbursing up to 90% of participant wages (as opposed to the standard 50% rate when hiring new WIA participants). In the broad spectrum, overall in Missouri, using this OJT waiver did not produce a greater program success rate in comparison to the standard flat rate of 50% wage reimbursement. During the time period the waiver was in effect, Missouri employers exhibited lack of interest in hiring, generally, and ultimately only a handful of employers took advantage of the incentive. As a result, the state allowed the waiver to expire without renewal on June 30, 2012.

## **Workforce System Performance Data**

Performance measurement as a tool of public management has a long history. Its primary goal has always been accountability—to legislative bodies, taxpayers, and program stakeholders. Missouri has chosen to be a leader in its workforce system early on with the adoption of a performance measures strategy known as Common Measures. The Common Measures include metric areas surrounding basic service categories for Adults, Dislocated Workers and Youth customers. For each group there are placement, retention, and earnings measures, resulting in the nine Common Measures.

Missouri has met its statewide planned achievement goals because it met or exceeded each projected measure by at least 80% of goal or better. The workforce investment regions, geographic components of Missouri's whole, did experience some decline in achieving their planned performance measures in PY11.

Generally, not serving enough participants is the most significant and common reason for failing to meet any of these measures. Over time, system practices and policies to manage the outcomes are often barriers to the gains that could be achieved by simply serving a larger pool of customers. Above all philosophical solutions, the NGCC model directly addresses this matter by vastly increasing the number of individuals being served and, conceivably, drawing a larger pool of participants for all measures. Next, populations exhibiting disproportionately higher groups of low income, limited English proficiency, minorities, and low literacy functioning individuals have difficulty meeting perceived measurement goals. This is borne out across the entire country, and metropolitan areas in Missouri are no exception.

As in all previous years, in the case of any missed measure, DWD continues to deploy teams of resource experts to determine the underlying causes of regional performance decline and providing appropriate technical assistance to bring about corrective actions.