

**Reporting on Job Training Program Outcomes:
Implementing Eligible Training Provider Lists and Consumer Report Cards under
the Workforce Investment Act (WIA)**

by
Carl E. Van Horn* and Aaron Fichtner**
John J. Heldrich Center for Workforce ~~De~~Development***
Rutgers University

~~Presented at the~~

~~*What the European Social Fund Can Learn from the WIA Experience Conference*~~

~~Sponsored by the European Commission Directorate General for Employment, Social
Affairs and Equal Opportunity and the University of Maryland School of Public Policy~~

~~November 7, 2009
Washington, D.C~~

~~February 11, 2010~~

~~*vanhorn@rutgers.edu; **fichtner@rutgers.edu;~~

~~***www.heldrich.rutgers.edu~~

Formatted: Centered

Paper Abstract

Billions of public and private funds support short-term education and training for millions of Americans seeking jobs or advancement in positions they already hold. These training programs, delivered by thousands of non-profit and for-profit ~~education and training institutions~~ ~~organizations~~ throughout the United States, are critical components of the nation's workforce development system and especially for services funded by the Workforce Investment Act (WIA).

WIA customers who receive Individual Training Account (ITA) credit to pay for short-term occupational training are given wide latitude in choosing training providers. The Workforce Investment Act of 1998 required that states develop a process for identifying qualified providers who are eligible to provide training to these job seekers, based on the employment experiences of past students. Despite the obvious appeal of such policies, most states and communities struggled to implement performance reporting systems.

While a nationwide system of disseminating training outcomes is yet to be achieved, several states successfully implemented robust reporting systems. Our paper examines the experiences of these states as well as the barriers to wider adoption of a more transparent and reliable reporting system. It also offers observations and recommendations for improving outcome reporting on education and training programs that are applicable to the management and assessment of training programs ~~in both the United States and Europe~~.

I. The Value of Outcome Reporting on Job Training Programs

In the United States, short-term occupational training for unemployed and underemployed job seekers is delivered through a decentralized and wide array of education and training institutions, including two- and four-year colleges, vocational schools, community-based non-profits, and for-profit/proprietary schools. It is estimated that more than 667,000 credentials are awarded each year by thousands of trainers who offer thousand of courses in occupations ranging from commercial truck driver training to home health care aides.¹

The costs of occupational training are paid by students with their own money, by federal student loan programs, by employers, and by government programs, such as the Workforce Investment Act, that furnish grants or vouchers ~~those~~ individuals may use to obtain training. Many of these same institutions also deliver longer-term education and training programs for students and adult workers who desire or need new skills and credentials in order to obtain jobs or be promoted to a new position.

Oversight of publicly ~~_-~~ funded education and training institutions is handled by dozens of federal and state government agencies. ~~One of th~~ ~~Their~~ principal responsibilities ~~is~~ is to protect students from fraud such as when providers offer ~~poor~~ ~~little or no~~ ~~substantial~~ training. To meet their

¹ National Center for Education Statistics, Table P74. Number of Undergraduate Career Education Credentials Awarded by Title IV Postsecondary Institutions, By Control and Level of Institution and Credential Level: United States, 1997 To 2006, <http://nces.ed.gov/surveys/ctes/tables/P74.asp>.

responsibilities, state governments, which shoulder the greatest burden for oversight, have relied on licensing training ~~suppliers~~ providers. These processes typically involve an assessment or self-assessment of the provider's capabilities, including their financial statements, and a review of their facilities and the, and a review of the instructors' credentials, of their instructors. After receiving approval to ~~accept~~ receive public funds, education and training institutions usually have limited reporting obligations to ~~public funding~~ agencies. Students or employers may subsequently lodge complaints with the regulators ~~ing agencies~~, but enforcement actions, such as revocation of a license or denial of public funds, are rare.

Licensing and accreditation procedures seldom consider the effectiveness of the training ~~delivered~~ provided by those organizations. A school might, for example, continue training truck drivers, cooks, or nurses aides for years even if few ~~of the~~ graduates obtain jobs in those or other occupations. Moreover, when information on program outcomes, such as job placements or wages earned is made available, it is supplied by the training organization rather than by an independent organization or government agency.

The Workforce Investment Act contained several provisions that would, if implemented, have begun to address these obvious deficiencies. While it is beyond the scope of this paper to provide a full explanation ~~for the failure for the failure by federal and state officials to~~ to implement these provisions, ~~it is fair to conclude that the lack of political will at the federal and state level~~ it is clear meant that the ~~goals of~~ vision of developing a more transparent and accountable workforce development system ~~were~~ never achieved. Education and training establishments and their trade organizations marshaled opposition to performance reporting and undermined or quashed implementation ~~throughout the country, in most states.~~

Nevertheless, several states governments, profiled in this paper, forged ahead and developed comprehensive outcome reporting systems. While the specific outcome reporting schemes varied, these states typically were able to disseminate detailed information at the program and institutional level on the following measures:

1. *Program completion* (including the percentage of students who complete the program, the costs per completion and the average amount of time to completion);
2. *Educational outcomes* (including the percentage of individuals who obtain an industry-certified credential, certificate, license, or other indicator of job readiness); and
3. *Employment outcomes* (including the percentage of completers who obtain employment, who obtain employment in a related field of work, and the average wages earned by completers).

These states envisioned benefits for four key audiences, including resource allocators, regulators, and individuals in need of training, and employers who hire graduates and often purchase training services for their employees. Regulators could use outcome reports when making licensing decisions, ensuring that only those ~~supplier~~ training providers with a proven track records would be permitted to continue to providing ~~that~~ training. Policymakers could use outcome data when deciding which training providers should receive government funding and

for what training programs. Individuals seeking training to obtain a job or get a better one would benefit by knowing how well particular institutions delivered training and the extent to which graduates of those programs succeeded in the labor market. Informed about program outcomes, individuals would also be better able to determine whether their investment of time and money would be worthwhile. Finally, performance information on training providers could be used by employers to inform their hiring decisions or decide where the invest funds for upgrading the skills of their workforce employees.

II. Eligible Training Provider Provisions of the Workforce Investment Act of 1998

The Workforce Investment Act (WIA) provided \$2 billion in funding in program year 2008 to states to assist unemployed and underemployed adults find jobs. The law also encourages allows states and the local governments managing that implement WIA services to fund occupational skills-training programs for qualified individuals who need additional skills to obtain a job. In program year 2007, 147,000 adults obtained such services under received training funded by WIA.

Another of the WIA's WIA's principal goals was to increase customer choice for individuals seeking training. Under the law WIA's predecessor, the Job Training Partnership Act, training services were typically obtained procured directly by local government agencies that selected both the occupational concentrations and the service providers. Each year, local workforce program managers would estimate demand for particular types categories of training and select the provider or providers to who would offer that those services training. Local government administrators purchased a set number of training slots and throughout the year referred individuals to those programs. Often these These arrangements often led to overconsumption of some training and lack of flexibility for funders, students, and employers. Consumer protection and common sense demanded that job seekers and program managers be afforded given more flexibility and better information when choosing training options.

WIA placed much greater emphasis on informed customer choice. Individuals who qualified for financial assistance for training (usually long-term unemployed and/or low-income applicants) may receive an Individual Training Account (ITA) to purchase short-term occupational training. Moreover, ITA recipients are given wide latitude in when selecting training providers. WIA, therefore, required that states, in partnership with local workforce areas, develop a process for identifying organizations that are qualified to offer training, based on the provider's past performance. WIA also required that performance information be collected and calculated in a standardized manner so as to produce in each state to ensure that information is accurate and verifiable information.

The creation of a state Eligible Training Provider List (ETPL) introduced the potential for greater accountability for training providers by ensuring that ITA recipients would be able to choose a provider that met or exceeded minimum standards. While it is called an **Eligible Training Provider List**, the law required that performance outcomes would be calculated for individual training programs, recognizing that some providers may offer some high-quality programs as well as some of lesser quality.

Formatted: Font: Bold

Formatted: Font: Bold

WIA mandated that states use past performance information to determine if providers and their individual programs should be included on and remain on the ETPL. WIA further required that states and local workforce areas include six outcome measures when determining which programs and providers would remain on the ETPL (Table 1). Three outcome measures must be calculated for those students who receive ~~training accounts~~ ~~an ITA~~. The other measures ~~were~~ ~~are~~ to be calculated for all students enrolled in training in any program on the ETPL, regardless of the funding source.

Table 1. Required Measures for the ETPL

Measures	Outcome Measures to be calculated for ALL STUDENTS regardless of funding	Outcome Measures to ALSO be Calculated for ITA Recipients ONLY
Program Completion Rate	Required	Required
Employment at Placement	Required	Required
Wages at Placement	Required	Required
Retention in Employment at Six Months	Optional	Required
Wages at Six Months	Optional	Required
Rates of Licensure or Certification, Attainment of Academic Degrees or Equivalents, Attainment of Other Measures Industry-Recognized of Skills	Optional	Required

States were also ~~directed~~**required** to ~~establish~~**create** a Consumer Report (CR) System to disseminate the ETPL to ITA recipients and other interested stakeholders, such as Workforce Investment Boards that oversee the state and local program ~~managers~~. **States were supposed** ~~WIA directed states~~ to report on training outcomes (by provider and program) in the CR System so that individuals who receive an ITA could make an informed choice about training providers.

Initial Eligibility: States were expected to collaborate with administrators of local workforce boards to establish the process for creating the initial eligible training provider list. Typically, training providers would submit applications to local administrators who would then decide if a provider (and their programs) met minimum eligibility requirements. WIA mandated that providers submit an “appropriate portion” of the required performance measures and that they meet “appropriate levels of performance.” If the provider and the program met these requirements, they were included on the state’s Eligible Training Provider List (ETPL).

Subsequent Eligibility: WIA ~~also~~ mandated that states create a process for determining if providers and their programs should remain on the ETPL. States are supposed to set performance standards to ~~be used in~~ **determining** which training providers and programs ~~that w~~ould remain on the ETPL. However, local workforce investment boards (WIBs) were also permitted to set their own standards, which ~~were not to be~~ **cannot be** lower than the ~~state’s~~ **standards set by the state**. States and local WIBs ~~were~~ **are** given significant latitude in ~~the d~~ **development** and ~~implementing~~ **ation of** these standards.

Obtaining Performance Data

WIA did not specify how training providers, states, or local workforce areas ~~w~~ould obtain the needed performance information on training providers and programs. U.S. Department of Labor regulations governing WIA merely said that performance data must be verifiable and reliable. However, the regulations noted that that states could either require providers to calculate outcomes themselves (through surveys and follow-up telephone calls to past students) or utilize administrative data, such as the Unemployment Insurance (UI) wage records.

Self-Reported Data from Providers: One option for collecting information was to require training providers to assemble it. Some information, such as completion rates, may be available to providers. Often education and training institutions help place students into jobs and gather information on entering wages or salaries. However, most trainers have little or no contact with students after they are placed in their first job. As a result, providers would have to contact students by telephone, e-mail, or mail to inquire about post-program employment and wages.

Use of Administrative Data: States ~~could~~ also ~~had the option of using~~ administrative data to calculate outcomes for providers and programs. States routinely collect quarterly earnings information for employed individuals when their employers pay their Unemployment Insurance (UI) payroll taxes. Data collected by a state's Unemployment Insurance Wage Record system provides employment and earnings data of all individuals employed in the 90% of jobs covered by the UI system. By matching the Social Security numbers in the UI Wage Record data system with the Social Security numbers of program participants, this method can be used to calculate performance outcomes for government-funded workforce services. States and local Workforce Investment Boards are also required by WIA to use UI wage records in the calculation of employment outcomes for performance measures for overall WIA services delivered within a state or workforce development jurisdiction such as a large city or county.

UI wage records, however, were not required for use in the ETPL because they cannot be used unless individual student or participant records with ~~S~~social ~~S~~security numbers are available. Participant records and corresponding ~~S~~social ~~S~~security numbers are collected for individuals receiving WIA services. However, individual student records are not ~~as~~ readily available for all training providers. For example, as detailed below, some schools either do not collect ~~S~~social ~~S~~security numbers from program enrollees or are prohibited from sharing them outside their agencies.

III. Implementation Challenges

States and local Workforce Investment Boards (WIBs) struggled to implement Eligible Training Provider List and Consumer Report- provisions of the Workforce Investment Act. In fact, **more than 35 states requested and received waivers from the U.S. Department of Labor,** Employment and Training Administration. These waivers either permitted them to implement only a portion of the ETPL requirements or allotted additional time to implement the provisions. In the early years of WIA, the U.S. Department of Labor offered technical assistance to states to encourage the deployment of effective ETPL systems, but support from Washington, D.C. ~~evaporated during the Bush Administration, has been limited in recent years.~~

Formatted: Font: Bold

The challenges encountered by state agencies responsible for WIA ~~fe~~all into six broad categories.

1. Lack of Cooperation of Training Providers

Training providers complained about what they regarded as the onerous and expensive costs associated with collecting program outcome data. Schools claimed that the benefits of being on the ETLP (in potentially increased students and revenue) might not outweigh the costs of providing the necessary information to states and local WIBs. It is impossible to know if these

fears were justified or if they were just arguments used to stall and frustrate implementation. However, some policymakers were persuaded that the ETPL provisions would limit choice by restricting the number of training options available to individuals.

2. Problems of Using Self-Reported Data

Several states required training providers to collect performance information on employment outcomes through follow-up surveys. This method placed a heavy financial and administrative burdens on providers, particularly for those measures that applied to all students, regardless of funding source. State and local workforce program managers also found it difficult to verify the accuracy of reported outcomes from training providers and to ensure that every provider collected reliable standardized information from their graduates students.

3. Challenges in Using Administrative Data

Other states, including those profiled in this report, opted to match program participant data with UI wage records to calculate outcomes. States already collect data on students who attend and graduate from public colleges and universities and from public vocational programs. States also obtain have data on individuals who are funded by WIA. Because these datasets usually contain Social Security numbers, they can be matched with UI wage records to obtain employment outcomes. However, states do not routinely collect student records from for-profit proprietary schools, non-profit organizations, and for non-credit programs at public colleges. As a result, states that use administrative data to calculate outcomes must require training providers to submit student records, including Social Security numbers to the state, so that a match with the UI wage records can be performed.

Some providers, however, are reluctant to report student records, due to concerns about collecting Social Security numbers from students who are might be concerned about data security and privacy. In several some states, training providers mobilized political supporters to help them block the reporting requirements.

4. Barriers to Cooperation of Multiple State Agencies

Using administrative data to calculate outcomes involves the sharing of administrative data across between state departments of labor and workforce development, state departments of education and state departments or agencies that oversee higher education. Such data sharing of data can be difficult to accomplish assemble given the differing policies and priorities of these agencies.

In addition, the Federal Education Rights and Privacy Act (FERPA) limits the sharing of student data from certain educational institutions by state education departments. FERPA has also been interpreted in some states as prohibiting limiting the ability of educational institutions from to collecting Social Security numbers from students. A number of states have been unable to overcome these FERPA restrictions.

5. Barriers to Cooperation Between Local WIBs and States

The WIA legislation and regulations issued by the U.S. Department of Labor identify conflicting roles for states and for local Workforce Investment Boards. For example, providers must apply to a local WIB that decides if the program meets their minimum standards. If the provider meets these standards, it is placed on the statewide Eligible Training Provider List. Training providers could apply to multiple local WIBs in the state to be on a statewide list that applies to all local WIBs, thus negating any substantive role played by the local WIB.

6. Comparing Programs and Providers that Serve Different Labor Markets and Different Students

A chief complaint from training providers is that programs throughout a state often serve very different students and labor markets. They argue that these differences may profoundly affect employment outcomes. Programs serving a local area with high unemployment rates may have lower employment outcomes than programs serving areas with low unemployment. In addition, programs serving students with low levels of formal education and limited work histories may be less successful than those enrolling people with higher levels of formal education and significant work histories. WIA required that local WIBs take such factors into account when creating the ETPL. However, WIA did not specify the methodologies to be used and the U.S. Department of Labor did not provide further guidance or technical assistance to states and local WIBs.

IV. Promising State Strategies for Implementing Eligible Training Provider Lists and Consumer Report Cards

Despite these challenges, several states, including New Jersey, Texas, Washington, and Florida, ~~have~~ successfully implemented ~~more~~-effective ETPL and CRC systems. There is considerable evidence that these states and in some cases ~~their~~ local WIBS ~~in these states~~, are using the information to guide individuals seeking training as well as state ~~and~~local officials making resource allocation decisions. (None of these states have fully implemented all of the ETPL provisions of WIA. In fact, Texas has received a waiver from USDOL/ETA and New Jersey has recently applied for such a waiver to give the state more time to fully implement the ETPL provisions.)

Nevertheless, the experiences of states that successfully applied performance reporting principles coupled with the evidence from states that either did not try or were less successful provide valuable lessons for other states, for revisions of WIA, ~~and for the European~~ Commission. (See Table 2 on page 110 for an overview of ETPL procedures in the four profiled states.)

A. Profile of Four State Strategies

Washington

The State of Washington has had a commitment to setting performance standards for workforce development and training programs since 1991 when the state's Workforce Training and Education Coordinating Board launched a comprehensive planning process, which included state

Formatted: Font: Times New Roman, 12 pt

and local policymakers, education and training providers and other stakeholders. In 1996, the state reached agreement with all stakeholders that training providers would be held accountable key performance measures, including student completion and employment outcomes, before the passage of WIA in 1998.

In 2010, Washington State has a fully developed ETPL system, sets performance standards, and has done so for eight years.² As of 2010, more than 400 training providers and more than 5,000 training programs were on the state's list.

The state has made a strong commitment to assisting training providers with the ETPL process. The state has created an online system that allows training providers to apply to be on the ETPL electronically. The state has a designated staff member who assists training providers with the website and approval process.

The state has created the Career Bridge website (www.careerbridge.wa.gov) as the primary on-line career guidance resource in the state. The website, which is heavily marketed by state staff, also functions as the state's Consumer Report Card system, allowing job training consumers to search for training providers that meet their needs. The website attracts nearly 9,000 users each month. State officials report that training providers value the ability to reach potential students through the Career Bridge website.

As with New Jersey, Washington State relies exclusively on UI wage records for the calculation of outcomes. Community and technical colleges submit student records to the State Board for Community and Technical Colleges. All other providers, regardless of funding source, must submit student records to the state WIB. The state WIB then combines these student record datasets and calculates employment and earnings outcomes for providers.

The state calculates performance outcomes for providers once per year. The state has set minimum performance levels for completion rate, employment rate and earnings and uses these levels to determine subsequent eligibility. These standards include:

- Completion rate: 20%
- Employment rate: 50%
- Earnings: \$3,643 in a quarter or \$9.67 per hour.

Interested in avoiding the administration of an additional complex system, local WIBs have agreed to allow the state to manage the implementation of the ETPL in Washington. Training providers apply to the State WIB for inclusion on the ETPL, bypassing the local WIBs. The state sets the minimum standards for providers and is responsible for the calculation of all outcome measures. Local WIBs can set higher standards for providers but have chosen not to do so.

² More information on Washington State ETPL policies can be found at: Governor's Procedure for Determining Training Program Eligibility, Washington State Workforce Training and Education Coordinating Board June 1, 2009, <http://www.wtb.wa.gov/etp.pdf> and State Plan Modification For Title I-B Of The Workforce Investment Act And The Wagner-Peyser Act July 1, 2007 To June 30, 2010, Washington State Workforce Training and Education Coordinating Board, <http://www.wtb.wa.gov/Documents/StatePlan2009-2010.pdf>.

New Jersey

Since 1998, New Jersey has ~~developed and~~ implemented a robust ETPL and CR card system that includes more the 600 education and training providers who offer more than 3,000 training programs.³ New Jersey utilizes an online application system that enables providers to submit required data to the state and facilitates state level reviews. If approved, the submitted information is immediately uploaded to the state's Consumer Report card system (www.njtrainingsystems.org).

Approved providers are required to cooperate in the calculation of employment outcomes for their approved programs. The state uses Unemployment Insurance wage records as the only means for calculating performance outcomes. The John J. Heldrich Center for Workforce Development at Rutgers University calculates measures on a quarterly basis. UI wage records from New Jersey are supplemented with UI wage records from other state's using the Wage Record Interchange System (WRIS) maintained by the U.S. Department of Labor. Only those individuals who are self-employed or work for religious organizations are excluded from these datasets. We estimate that well over 95% of training participants are captured using this method.

New Jersey relies on administrative data from the state's Commission on Higher Education and Department of Education to gather student records from public colleges and universities and from adult vocational schools. The state also uses WIA administrative data to supplement these two data sources. Providers that do not already submit student records to the state are required to do so through a secure, online reporting system established for the purpose of the ETPL. These providers include private, proprietary schools, non-credit programs at public colleges and non-profit organizations.

The use of Rutgers University for the matching of student records enabled the state to comply with the Federal Education Rights and Privacy Act (FERPA). Rutgers University functions as an agent of the state Department of Education and student record data is not shared with the Department of Labor and Workforce Development, or with any other entity.

In 2005, New Jersey enacted a law that strengthens the ETPL system in the state and expressly requires that all training providers that receive state or federal workforce funds must participate in the ETPL process and submit required student records to the state. The state Department of Labor and Workforce Development will issue regulations in the next few months and plans to fully enforce the provisions of the law in the coming year.

Currently, the state disseminates performance information on approximately one-third of all training programs on the ETPL, primarily due to the lack of the reporting of student records by

³ More information on New Jersey ETPL policies can be found at: *NJ Training Opportunities: New Jersey's Guide to Education and Training Opportunities*, New Jersey Department of Labor and Workforce Development, <http://www.njtrainingsystems.org> and *New Jersey Workforce Investment System Unified State Plan Modification PY 2009 July 1, 2009 To June 30, 2010*, New Jersey State Employment And Training Commission, June 30, 2009 <http://www.njsetc.net/publications/NJStatePlanPY2009.pdf>

some providers and by the inclusion on the ETPL of some relatively new programs. The state plans to aggressively enforce the ETPL regulations in the coming year and plans to remove those providers from the list who do not report their student records. The state also plans to set performance standards for providers and programs.

In New Jersey, the ETPL process is managed centrally by the State Employment and Training Commission (the state WIB) and by the Department of Labor and Workforce Development. Local WIBs provide input into the development and implementation of the ETPL, but have no formal role in its implementation.

New Jersey has made a significant investment in the creation of the ETPL and CR systems, spending more than \$1.5 million over an 11-year period on the design, implementation, and hosting of the Consumer Report Card and on the calculation of performance measures. The Consumer Report Card website (www.njtrainingsystems.org) is a prominent part of the online career guidance and workforce services made available by the state Department of Labor and Workforce Development. Current accurate counts and analysis of usage are not available. However, the website is widely used in the state’s One-Stop Career Centers by individuals who receive an ITA and by their career counselors.

Table 2. ETPL Procedures in the Four Profiled States

	Source of Data for Performance Measures	Source of Student Records	Application Process	Setting of Performance Standards
Florida	Unemployment Insurance Wage Records	Student records reported by providers for use in the ETPL.	Local WIBs accept and review all applications from training providers.	State delegates responsibility for setting minimum standards to local WIBs.
New Jersey	Unemployment Insurance Wage Records	Existing student record systems for public colleges and universities and adult vocational schools AND Student records reported by other providers for sole use in the ETPL.	State accepts and reviews all applications from training providers. (Local WIBs’ role is limited to providing input in on state ETPL procedures.)	State has NOT set standards.
Texas	Self-reported data from training providers OR	Student records voluntarily reported by providers who choose to use the UI wage record match	Local WIBs accept and review all applications from training providers.	State has set minimum standards. Local WIBs can establish higher

	Unemployment Insurance Wage Records			standards.
Washington	Unemployment Insurance Wage Records	Existing student record systems for community and technical colleges. AND Student records reported by other providers for sole use in the ETPL.	State Local WIBs accepts and reviews all applications from training providers.	State has set minimum standards. Local WIBs can establish higher standards.

Texas

Texas has also implemented an ETPL system but, unlike New Jersey, ~~Local WIBs play provides a greater role for local WIBs in the process.~~⁴ ~~Trainers~~ training providers apply to local WIBs for inclusion on the ETPL and local WIBs are allowed to set their own performance standards for training providers, as long as they exceed the minimum standards set by the state. The state has set minimum performance standards for all the measures required by the Workforce Investment Act. These standards include:

- Completion Rate: 60%
- Entered Employment Rate: 60%
- Average Hourly Wage at Placement: 120% of the federal minimum wage
- Average Quarterly Wage for WIA Participants: \$2,511.60
- Certification Rate for WIA Participants: 60%

Texas' educators and trainers may follow two routes for inclusion in the performance requirements of the ETPL. Providers may collect outcome data using surveys. The state selects a random sample of providers and validates all data that they have reported. Providers, not interested or not able to collect survey data, can send their student records to the state and the state will perform a match with UI wage records for a modest fee (\$50 for each 150 student records matched).

When setting standards, communities are required to take into account local labor market conditions and the characteristics of the students served by the program when making final eligibility decisions. Individuals using the state's consumer report card website are also advised to take this information into account when choosing a training provider.

⁴ More information on Texas ETPL policies can be found at: [Strategic State Workforce Investment Plan \(Modification submitted June 30, 2009\) for Title I of the Workforce Investment Act of 1998 and the Wagner Peyser Act, Texas Workforce Commission, June 30, 2009.](http://www.twc.state.tx.us/boards/wia/state-plan/) <http://www.twc.state.tx.us/boards/wia/state-plan/state-plan.html> and [Eligible Training Provider Certification, Rules and Programs, Texas Workforce Commission, http://www.twc.state.tx.us/customers/serpro/serprosub3.html.](http://www.twc.state.tx.us/customers/serpro/serprosub3.html)

Texas has also implemented an ETPL system but, unlike New Jersey and Washington, local WIBs play a greater role in the process.⁵ Trainers apply to local WIBs for inclusion on the statewide ETPL using an online application system that enables providers to submit required information and facilitates local and state level reviews.

Local WIBs are allowed to set their own performance standards for training providers, as long as they exceed the minimum standards set by the state. The state set minimum performance standards for all the measures required by the Workforce Investment Act. These standards include:

Completion Rate: 60%

Entered Employment Rate: 60%

Average Hourly Wage at Placement: Average entry level wage for occupation(s) for which training is provided.

Additional information:

Average Quarterly Wage for WIA Participants: Average entry level wage for occupation(s) for which training is provided.

Unlike New Jersey and Washington, Texas requires that performance data be used to determine if a provider should be included initially on the ETPL. As specified by WIA, all higher education institutions are exempt from the performance requirements during this determination of initial eligibility. In Texas, performance measures are NOT used to determine if a provider should remain on the list and the state received a waiver from the US Department of Labor to permit this approach. Once a provider has been placed on the ETPL, they are not required to submit performance information.

Texas' trainers may follow two routes for inclusion in the performance requirements of the ETPL. Providers can submit their own performance statistics and a description of the methodology used to collect the data on the employment and wage information of graduates. School records, attendance sheets, exit interviews, follow-up letters/calls to graduates and or employers may be used. Providers that are not interested or not able to collect such data, can send their student records to the state and the state will perform a match with UI wage records for a modest fee. The fee structure uses a sliding scale based on the quantity of students. This scale begins at a cost of \$100 for 150 to 300 student records. Local WIBs are responsible to ensure that applications submitted are complete and accurate and this includes reported performance data.

⁵ More information on Texas ETPL policies can be found at: Strategic State Workforce Investment Plan (Modification submitted June 30, 2009) for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act, Texas Workforce Commission, June 30, 2009. http://www.twc.state.tx.us/boards/wia/state_plan/state_plan.html and Eligible Training Provider Certification, Rules and Programs, Texas Workforce Commission, <http://www.twc.state.tx.us/customers/serpro/serprosub3.html>.

Formatted: Space After: 0 pt, Line spacing: single

When setting performance standards, local WIBs are required to take into account local labor market conditions and the characteristics of the students served by the program when making final eligibility decisions. Workforce boards are expected to ensure center staff provide information to WIA customers on local labor market conditions and occupations in demand, along with the Statewide Eligible Training Provider list which contains relevant information they should use in making their choice of a training provider.

Washington

Washington State also has a fully developed ETPL system, sets performance standards, and has done so for eight years.⁶ As of 2008, more than 2,400 training providers were on the state's list. The state created an online system that allows training providers to apply to be on the ETPL electronically. The system (www.careerbridge.wa.gov) also functions as the state's Consumer Report Card system, allowing job training consumers to search for training providers that meet their needs.

As with New Jersey, Washington State relies exclusively on UI wage records for the calculation of outcomes. Community and technical colleges submit student records to the State Board for Community and Technical Colleges. This data is provided to the Department of Labor. All other providers, regardless of funding source, must submit student records so that the state can calculate employment and earnings outcomes. Such records must also be submitted by providers who are applying for inclusion on the ETPL for the first time.

The state calculates performance outcomes for providers once per year. The state has set minimum performance levels for completion rate, employment rate and earnings and uses these levels to determine subsequent eligibility. These standards include:

- Completion rate: 20%—
- Employment rate: 50%
- Earnings: \$3,643 in a quarter or \$9.67 per hour.

The implementation of the ETPL is a partnership between the state and local WIBs. Providers submit their applications to the local WIB for review. However, the state sets the minimum standards for providers and is responsible for the calculation of all outcome measures.

Florida

⁶ More information on Washington State ETPL policies can be found at: [Governor's Procedure for Determining Training Program Eligibility](#), Washington State Workforce Training and Education Coordinating Board June 1, 2009, <http://www.wtb.wa.gov/etp.pdf> and [State Plan Modification For Title I-B Of The Workforce Investment Act And The Wagner Peyster Act July 1, 2007 To June 30, 2010](#), Washington State Workforce Training and Education Coordinating Board, <http://www.wtb.wa.gov/Documents/StatePlan2009-2010.pdf>.

Florida's ETPL procedures are built on the infrastructure of the Florida Education and Training Placement Information Program (FETPIP) system.⁷ The state established the FETPIP system in the early 1990s to produce employment outcome information for a wide variety of secondary and postsecondary educational institutions in the state. When WIA was passed in 1998, the state already had significant experience in using UI wage records and student-record data.

Regional Workforce Boards (Florida's name of local WIBs) set the procedures for initial and subsequent eligibility. However, all Regional Workforce Boards must require that training providers participate in the FETPIP systems. Public education institutions submit their student records to the State Department of Education. Private training providers must submit their student records to Commission for Independent Education, which regulates these education and training providers. The state does not set performance standards and delegates to the Regional Workforce Boards the responsibility for setting such standards and for removing poor performing providers from the ETPL.

B. Factors that Contributed to Implementation of the ETPL

These four states share ~~several~~ *a variety of* common features and provide important lessons for other states, for potential revisions to WIA and its regulations.

1. Administrative data should be used to improve the quality and lower the cost of reporting.

New Jersey, Texas, Florida, and Washington have a longstanding commitment to measuring employment outcomes using UI wage records. Washington and Florida also received funding from the U.S. Department of Labor in the late 1990s that assisted them to build longitudinal data systems. New Jersey, prior to the passage of WIA, had begun the initial steps to create information on the employment outcomes of individuals in training programs. The application of UI wage records is an efficient strategy for calculating employment outcomes. Such a strategy minimizes the burden on providers, helps ensure that employment outcomes are collected and calculated in a standard manner, and limits the ability of training providers to manipulate outcomes.

2. Cooperation/involvement of multiple state agencies with strong state leadership.

The four profiled states also involved multiple agencies in building their ETPL systems. New Jersey, for example, uses data from the Department of Education and the Commission on Higher Education to calculate employment outcomes. In Washington State, the State Board for Community and Technical Colleges provides student record data to the Department of Labor for the use in performance outcome calculation. In each of these states, a state department or agency

⁷ More information on Florida ETPL policies can be found at: Florida's One-Year Strategic State Plan Modification for 2009-2010, Workforce Florida, Inc., The Agency for Workforce Innovation, June 30, 2009 http://www.workforceflorida.com/news/reports/WIA2009/WIAPlan2009_Final.pdf and Florida's Eligible Training Providers, The Agency for Workforce Innovation, <http://www.floridajobs.org/etpl/TrainingProvider.asp>.

plays a central role in implementing the ETPL system. Local WIBs are given a clearly defined role but the systems are state run and largely implemented by the state.

3. *Serving Public Needs*

All four states created user-friendly consumer report card websites that enable individuals to explore training options and easily identify training programs that meet their needs.

Washington's state ETPL is a prominent part of the Career Bridge website (<http://www.careerbridge.wa.gov/>) that is the state's primary portal for assisting unemployed individuals and state residents to make education and training decisions. The New Jersey consumer report card (www.njtrainingsystems.org) is prominent part of the state's Department of Labor and Workforce Development's suite of online tools for state residents.

New Jersey **state law also requires that all training providers receiving state or federal workforce funds be included on the ETPL.** By expanding the system beyond WIA, the state increased the incentive for training providers to participate.

Formatted: Font: Bold

V. Implications and Future Directions

For the European Commission

The U.S. experiences with tracking training providers and program performance and using results to inform decision makers and people purchasing training services could potentially inform the design, implementation, and assessment of European Commission vocational education and training schemes.

Vocational Education and Training (VET) systems vary greatly between European Commission countries. The European Commission has launched the European Qualifications Framework and the European Network for Quality Assurance in Vocational Education and Training (ENQA-VET) that may have some close parallels to the ETPL experience in the United States.

The European Commission's **European Qualifications Framework** is designed to ensure comparability and transferability of training among countries.⁸ Each member state has developed its own National Qualifications framework, which establishes requirements necessary to receive a qualification for a vocation, and these provide the guidelines for Vocational, Educational, and Training programs (VETs). The EQF process is attempting to provide coordination among countries. EQF uses a "learning outcome approach" to measure performance, focusing on the skills and abilities learned by students, not on their post-completion employment experiences.

The learning outcome requirement for a program is fulfilled through an exam based on the curriculum of the program.

⁸ The European Quality Assurance Reference framework for Vocational Education and Training (EQARF), European Commission, Education and Training. http://ec.europa.eu/education/lifelong-learning-policy/doc1134_en.htm.

Closely related to the EQF process is the **European Network for Quality Assurance in Vocational Education and Training**, an EC initiative to “promote and monitor continuous improvement of their Vocational Education and Training (VET) systems, based on common European references.”⁹ The ENQA VET convened a **Peer Learning Report in June 2009 on Quality Assurance of Evaluation Procedures**.¹⁰ This report identified ten main standardized indicators for VET providers, including educational results, achievements, completion rate/qualification take up, placement in labor market/graduates employment rate and compliance of the school educational program with legal regulations.

Implications for U.S. Workforce and Education Policy

The experience of the four profiled states (Washington, New Jersey, Texas, and Florida) demonstrates that the ETPL and Consumer Report Card provisions of WIA can be implemented in a cost-effective manner and yield benefits to various audiences, including regulators, resource allocators, students, and employers. As federal officials consider amendments to WIA and other programs funding education and training programs, several recommendations should be carefully considered.

1. *Broaden ETPL and Consumer Report Card Requirements beyond WIA and apply them to One Stop Partner Programs or at least to other programs administered by ETA.*

WIA represents a significant investment in training resources, but other One-Stop Partner Programs, such as Trade Adjustment Assistance, also spend significant funds to support training. To broaden the incentive to providers to participate in the ETPL process, the ETPL system should, at least, apply to all training funding overseen by the U.S. Department of Labor’s Employment and Training Administration.

2. *Assign a stronger role to states in developing the ETPL and Consumer Report Cards.*

Given the complexity in implementing such systems, states must play a central coordinating role in development and implementing performance reporting. In addition, training providers rarely serve only one local workforce area. Multiple processes for each local area only increase the burden on training providers.

3. *Connect ETPL to state efforts to build longitudinal data systems for education.*

⁹ [ENQA VET European Network for Quality Assurance in Vocational Education and Training. http://www.enqavet.eu/](http://www.enqavet.eu/)

¹⁰ [Peer Learning Activity on Quality Assurance of Evaluation Procedures, 30 March - 1 April, 2009 – Fulda, Peer Learning Report, European Network For Quality Assurance in Vocational Education and Training, June 2009. http://www.enqavet.eu/documents/ExpertReportPLAonEvaluation.pdf](http://www.enqavet.eu/documents/ExpertReportPLAonEvaluation.pdf)

The U.S. Department of Education is providing significant funding to states through the American Reinvestment and Recovery Act to states to expand longitudinal data systems for education. A competitive solicitation, with applications due in November 2009, places a new emphasis on connecting secondary education data, with postsecondary education data and employment outcomes. USDOL should work with USDOE to assist states that secure funding to connect these efforts to ETPL systems.

4. *Provide clear federal guidance to states on the application of FERPA through a collaboration of USDOL and USDOE.*

FERPA has ~~hindered~~~~limited~~ the ability of several states to implement ETPL systems. In some cases, it ~~has been interpreted as prohibiting~~~~has limited the ability of~~ state education departments and individual providers ~~from~~~~to~~ ~~sharing~~ student record data for the calculations of outcomes for the ETPL. Some states have developed procedures to share data that they believe meet their interpretation of the requirements of FERPA. However, cooperation between USDOL and USDOE would go a long way in assisting states to overcome the restrictions of FERPA.

5. *Offer competitive funding for states to develop the infrastructure to build robust ETPL systems and CR card systems.*

USDOL should consider providing funding to states on a competitive basis to assist them to develop ETPL systems. In the early years of WIA implementation, USDOL funded the Individual Training Account/Eligible Training Provider List (ITA/ETPL) Demonstration, which provided funds of up to \$500,000 on a competitive basis to six local WIBs and to seven states to assist in the development of these systems. These grants were the subject of an evaluation report completed in 2004.¹¹

6. *Provide Technical assistance to states~~needed.~~*

USDOL provided technical assistance to states on ETPL issues in the first few years ~~following~~~~after~~ the ~~enactment~~~~passage~~ of WIA. Technical assistance is needed to fully develop ETPL systems.

7. *Governance issues in structure of accountability.*

As currently structured, state and local workforce investment boards include significant representation from training agencies that may ~~thwart~~~~not support~~ the collection and dissemination of performance outcome data. In the revisions to WIA, the Congress should consider eliminating them from membership on boards that influence resource allocation and ETPL and Consumer Report card policies. Alternatively, Congress might require that the ETPL and Consumer Report Cards be developed and implemented by

¹¹ An Evaluation of the Individual Training Account/Eligible Training Provider Demonstration Final Report, Social Policy Research Associates (Ron D'Amico, Jeffrey Salzman) Under the Direction of: Mathematica Policy Research, Inc. (Paul Decker, Project Director). December 2004.

independent agencies, in the same manner that many state and federal programs require independent financial audits.

Glossary of Terms and Abbreviations

CR Systems:	Consumer Report Systems
	Mechanism for disseminating performance and outcome information on training providers to individuals receiving government workforce services and to the general public.
ETPL:	Eligible Training Provider List
	List of those training providers that can provide training to individuals who receive funds from the Workforce Investment Act programs for education and training.
FERPA:	Family Educational Rights and Privacy Act
	Federal law that regulates the use of student data by educational institutions.
Local WIBs:	Local Workforce Investment Boards
	Local government governing bodies that are responsible for administering workforce development services.
UI Wage Records:	Unemployment Insurance Wage Records
	Data on the employment status and earnings of employed individuals collected by states from employers as they pay their Unemployment Insurance (UI) payroll taxes.
USDOL:	United States Department of Labor
	Government agency responsible for the administration and implementation of federal workforce development programs.
USDOE:	United States Department of Education
	Government agency responsible for the administration and implementation of federal education programs.
WIA:	Workforce Investment Act
	Primary federal law that provides funds to states and local governments to support workforce development services, including training, to unemployed and disadvantaged adults and youth.