

I. SUMMARY AND OVERVIEW

In the summer of 1999, the U.S. Department of Labor (DOL) awarded Social Policy Research Associates (SPR) and its subcontractor, TATC Consulting, a contract for the national *Evaluation of the Implementation of the Workforce Investment Act* (WIA). The evaluation consisted of multiple data collection and analysis components, using both qualitative and quantitative research methods. These included:

- Multi-day site visits to 21 states and 38 local workforce investment areas, conducted in three distinct waves, beginning in the fall of 1999 and concluding in January 2004.
- A national tracking system of WIA implementation progress, covering all states and territories receiving WIA formula funding, that charted progress towards establishing the key infrastructure that WIA mandates.
- An analysis of data from the client-level reporting systems of WIA (the WIASRD) and JTPA (the SPIR) to describe changes in client characteristics and services associated with the transition from JTPA to WIA.

Findings from the first wave of site visits, to six early implementing states and nine local areas within them, were described in two reports: *State Implementation Profiles for Six Early Implementing States Under WIA* (September 2000) and *A Report on Early State and Local Progress Towards WIA Implementation* (February 2001). Results from the national tracking system were reported in a series of seven reports, including six volumes of the *Workforce System Information and Evaluation (WSIE) Reports* (March 2000 through November 2000) and *A Report on the WIA Implementation Readiness Guide* (March 2001). More recently, we conducted targeted site visits focused on local areas' strategies for engaging businesses in strategic planning and serving businesses as a customer of the workforce development system; findings from this effort are described in *Business as Partner and Customer under WIA: A Study of Innovative Practices* (submitted in June 2004). Each of these reports was submitted to DOL under separate cover.

Additional findings were detailed in a series of 13 short Briefing Papers, which we submitted to DOL on a flow basis from April 2002 to June 2004. These Briefing Papers, which are compiled in this Report, are each on narrowly focused topics, including (among others) WIA governance structures, partnership development, the One-Stop infrastructure, adult and dislocated worker services, youth services,

performance accountability, management information systems, and One-Stop services to special populations, including migrant farmworkers, the homeless, and limited-English speakers. A synopsis of these Briefing Papers is included later in this chapter, and the Briefing Papers themselves follow. Meanwhile, a fuller description of all project activities, data collection methods, and reports and products is included in this Report's appendix.

Drawing on these Briefing Papers and the evaluation's other reports, we next discuss key achievements with respect to establishing a workforce system consistent with WIA and highlight remaining implementation challenges. We first begin by establishing an overall context for the evaluation.

BACKGROUND

WIA's key objective, articulated in the preamble to the law itself, is to "consolidate, coordinate, and improve employment, training, literacy and vocational rehabilitation programs in the United States." The impetus for this change grew out of concern that the then-existing public workforce system was made up of an array of separately funded employment and training programs—by some counts over 150 separate programs—that typically operated without effective coordination or collaboration. The resulting system, it was claimed, resulted in redundancies and inefficiencies and confronted customers with a confusing maze of programs through which they found it difficult to navigate.¹

WIA was designed to lend coherence to this disorder and make the public workforce system customer-focused and demand-driven. It aimed to do so by promoting seven key underlying principles.

1. *Streamlining services through integration.* To redress service fragmentation, WIA mandates the establishment of a One-Stop service delivery system, by which key partners involved in providing workforce development assistance are to come together to plan and coordinate their services. To the extent that doing so is consistent with their authorizing legislation, each partner is to contribute to the costs and maintenance of the One-Stop system in a way that is reflective of the partner's usage and benefits.

¹ See, for example, a series of reports issued by the General Accounting Office, such as "Multiple Employment Training Programs: Overlapping Programs Indicate a Need for Closer Examination of Structure" (1994).

2. *Providing universal access to services.* As a means to “improve the quality of the workforce ... and enhance the productivity and competitiveness of the Nation” (WIA Section 106), the Act gives every adult access to basic services made available through the One-Stop system. Such universal access represents a sharp departure from the eligibility criteria imposed under the former Job Training Partnership Act (JTPA).²
3. *Empowering individuals through a customer-focused approach to services.* The development of the One-Stop system is seen as a major method of facilitating customer access to services, in that customers should be able to utilize a broad array of services through convenient physical access points or remotely via the Internet. Moreover, customers can take charge of their own career planning and career development by accessing of their own accord whatever core services—labor market information, job search assistance, and career planning tools—they feel they need. Finally, those who need training services to upgrade their occupational skills can do so through the use of Individual Training Accounts, which are voucher-like vehicles designed to promote customers’ choice in selecting training programs and providers.
4. *Promoting state and local flexibility.* Under the premise that states and local areas know best what service designs and delivery strategies are optimal for their communities, DOL deliberately devolves decision-making authority. Thus, local officials have wide latitude in determining the emphasis they give to various services (e.g., training vs. core services) and which customers they wish to target.
5. *Promoting system accountability.* WIA enhances the focus on accountability and continuous improvement. One aspect of this is holding states and local areas accountable for the performance of their workforce investment systems through 17 core performance and additional customer satisfaction measures that track customers’ outcomes following service receipt and their satisfaction with services. Additionally, training providers must meet performance criteria in order to be deemed “eligible” to serve ITA holders; these criteria relate to the program completion rates and employment outcomes of previous cohorts of trainees.
6. *Engaging the private sector.* As a means of building a world-class public workforce system and keeping America competitive in a global economy, WIA endeavors to meet the needs of businesses as well as job seekers. WIA attempts to engage the business community in both strategic planning, through its representation on workforce boards, and as a customer of the workforce system.

² Virtually all participants in JTPA’s adult program needed to be economically disadvantaged, and (after the JTPA Amendments of 1992) at least 65% needed to be hard to serve, by virtue of having at least one barrier to employment from a list of seven that were specified in the legislation. However, job matching services funded under Wagner-Peyser were available without regard to income or other eligibility criteria.

7. *Improving Youth Programs.* Recognizing that previous formula-funded youth workforce programs have failed to realize their promise, WIA calls for a substantial redirection of effort. Among these, the legislation promotes comprehensive youth service strategies, driven by a youth-development framework, in place of the short-term interventions—such as summer youth employment as a stand-alone activity—that were typical under JTPA. Additionally, WIA mandates the establishment of Youth Councils, as an adjunct of the local workforce Board, to coordinate youth activities and provide a broad vision of purpose.

PROGRESS AND CHALLENGES

With these key principles as a backdrop, and with WIA reauthorization on the horizon, we draw on findings from the evaluation to reflect on chief accomplishments to date and challenges to implementation that pending new authorizing legislation might address.

Streamlining Services through Integration

The need for reform to lend some coherence to the welter of separately funded and operated federal programs providing employment and training assistance was obvious. In an effort to do so, WIA requires that 17 federal programs, with total funding of about \$15 billion annually, become mandatory One-Stop partners that are to help support the One-Stop system, make their core services available through it, and participate on local workforce investment boards.

Despite numerous challenges that have been encountered along the way (and sometimes outright resistance), partnership formation represents a highly successful and, in the long-term, potentially critically important accomplishment engendered by WIA. Through our site visits, we discovered that local areas are using various methods of coordinating services, such as through co-locating staff and services, cross-referring customers, developing electronic linkages such as through joint management information systems, developing common intake systems or other front-end services (e.g., shared reception and orientation), cross-training staff, and carrying out team-building exercises.

Although none of these is sufficient by itself to give rise to fully seamless services, unquestionably meaningful change has occurred in a way that has had far-reaching consequences for client services. Nearly everywhere, partners express a new-found understanding of each others' programs and a commitment to work together collaboratively. Showing the full potential of service integration, a few local areas have

gone much further, by forming multi-agency teams and melding programs and providers into a highly integrated system for delivering client services.

One huge difficulty that emerged at the outset, though, is determining each partner's fair contribution to support the One-Stop infrastructure, and inducing them to make financial (as opposed to merely in-kind) contributions. Partners identified a variety of reasons for their inability or unwillingness to contribute, including their own funding limitations and what they perceive as federal restrictions on how they may use their funds. The bottom line, though, is that local areas have sometimes struggled to find funds to support the One-Stop infrastructure in the way they would like. More generally, they cited a continuing difficulty in working with partners in providing self-services and staffing the Resource Rooms.

Among other challenges to partnership-formation that we have identified are:

- *Different visions of what integration means.* Integration can imply little more than co-location or cross-referrals, on the one hand, to the full integration of service delivery, on the other. Partners do not always share a common vision of what is desirable or intended.
- *Unique program goals and customers' needs.* Related to the above, partners worry that the uniqueness of their program goals will become diluted in a One-Stop context and that their ability to meet their customers' needs may suffer as a consequence.
- *Unique corporate cultures.* Staff from the various partner agencies—including employees of state and local governments and non-profit organizations—have unique organizational cultures that make working together very challenging, a situation that can be further aggravated by agencies' different pay scales and union rules.
- *Practical and logistical difficulties.* Co-location, typically an important first step in effective partnership, is often difficult to arrange for purely logistical reasons, such as existing leases that are difficult to break and the absence of suitable alternative space that can comfortably accommodate the multiple partners.
- *Constraints of existing management information systems.* In a multi-program environment, an MIS that supports common intake and eligibility requirements, provides unified case management, and produces the reports that each program needs for program management is a powerful impetus for change and can even be viewed as essential for the effective integration of services. States have pursued a variety of strategies for realizing this vision—participating in a consortium, purchasing software from commercial vendors,

or upgrading existing systems—but most such systems have been subject to repeated delays and/or have fallen short of their promise.

- *Separate performance and reporting requirements.* As it currently stands, each partner is subject to separate federal performance and reporting requirements. Not only does this fact cause confusion and duplication that may, by itself, constitute a hindrance to coordination, but it may also cause partners to strive for achievement on disparate measures that may be in conflict. Moreover, currently no federal performance measures reward “systemwide” performance, further reducing incentives to integration.

Proposed WIA legislation holds the promise of addressing some of these issues. For example, current proposals would allow Governors to withhold a portion of the federal funds of One-Stop partners and allocate them to local areas to support One-Stop system development. Additionally, the proposed legislation stipulates that one of the criteria to be used in deciding whether to certify One-Stop centers should be the degree of partner integration. These steps seem likely to establish at least minimal thresholds of expectations regarding the coordination of services and secure baseline funding for supporting the One-Stop infrastructure.

In a much more dramatic move, one current proposal would consolidate ES and WIA adult and dislocated worker funding, which could substantially improve the integration of core services and resolve some difficult funding and staffing issues. Furthermore, DOL’s Performance and Results Office, under overall prodding from OMB, is working to establish common performance measures across programs.

But whatever steps are taken at the federal level, the effective integration of partner services is a long road that will necessarily be traveled in incremental steps at the local level as partners work out effective ways of collaborating with each other and gain confidence that their efforts to do so will not undermine their ability to meet the needs of their target populations. As has been apparent to date, strong state leadership and a collaborative and inclusive approach to decision-making at the local level are essential to move this process further along.

Promoting Universal Access in a One-Stop System

In a dynamic, fast-moving economy, all workers arguably need access to an array of workforce services throughout their work lives, if periodically they need to hone their work skills or seek new employment. Given this, perhaps in no way was the need for reform more urgent than to streamline the delivery of workforce services through

the establishment of a One-Stop system, so that customers would have easy access to an array of high-quality workforce services.

We found that states and local areas have made great progress in responding to this need. Not only does every local area have at least one comprehensive center, many have pursued additional strategies designed to promote universal access including: establishing satellite centers to provide broader geographic access, providing remote access to One-Stop self-services, offering extended hours of operation during evenings and on weekends, and facilitating access to individuals with disabilities or others who may be otherwise challenged in their ability to access services.

As evidence of these efforts, as of the end of 2003, the nation included a network of almost 2,000 One-Stop centers, and an extensive network of satellite centers (see www.servicelocator.org). Based on other data we have collected, more than 40% of local areas have six or more separate physical access points, and several have very extensive networks, such as Utah (with 36 comprehensive centers) and the Chicago Mayor's Office (with 35 sites, of which 4 are comprehensive centers and 31 are satellites).

These two areas demonstrate two very different considerations behind the logic of how many access points to establish and where to locate them. One very obvious consideration relates to the geographic expanse of the service area. Thus, Utah, a single-LWIA state, needs to provide physical access points throughout the state. Accordingly, it has established an average of a little more than one comprehensive center per county.

Chicago demonstrates that aggressive outreach to target populations represents another set of considerations. This local area is very concerned about establishing access to services for special populations and target groups. Accordingly, in addition to establishing 4 comprehensive centers throughout the city, it established 31 satellites, or affiliates, located throughout Chicago's neighborhoods. These affiliates represent a variety of service models, including neighborhood community-based organizations (CBOs), agencies targeting specific language or cultural groups, and others established to link WIA services to programs specializing in addressing specific barriers or social service needs.

Beyond the extensive network of physical access points through comprehensive centers or satellites, states and local areas have also emphasized remote access to

services through the Internet. Thus, substantial percentages of local areas (80% or more) report that basic informational services—such as LMI, information on training providers, job listings, and the like—are available remotely.

These remarkable accomplishments in establishing the One-Stop infrastructure notwithstanding, some limitations have been apparent. To begin with, special challenges have emerged in operationalizing the One-Stop vision in some contexts, such as in rural areas, which often encompass vast geographic scales, low population densities, and tight program budgets that make it difficult to establish and staff physical access points that are convenient for very many customers. These challenges can be overcome, but only through adaptations of the typical One-Stop model, such as by establishing fewer comprehensive centers in favor of numerous smaller satellites, emphasizing distance learning and remote access, and utilizing mobile access points (such as through trailers that can be moved periodically from community to community).³

Other implementation challenges to promoting universal access that we have often encountered include:

- *Narrow reputation and limited visibility.* As part of the One-Stop vision, the public workforce system is to be among the first resources that customers think of when they are interested in help with career planning or information about available jobs. However, in many communities One-Stop centers have an image as “the place where poor people go,” a hold-over from an earlier era that may have been fostered by JTPA’s restricted eligibility criteria. Aggressive efforts by many One-Stop centers to widely market themselves, present a professional appearance, and provide high-quality services have been only partly successful in overcoming this image. Local areas report that national efforts to promote a brand-name, and burnish the image of the One-Stop system in the minds of the public, would be helpful.
- *Funding limitations.* Many local areas report that it is difficult to find the resources to fully support the One-Stop infrastructure. Funding is a particular challenge in light of the limited financial contributions often made by WIA Title I’s mandatory partners (as was discussed above) and the lack of set-aside funding.

³ See K. Dunham, “Rural One-Stops: Issues in WIA Implementation” (2003), prepared for U.S. DOL by Social Policy Research Associates under a separate contract.

- *Tension between emphasizing training services vs. services at lower tiers.* Given resource constraints, local areas struggle with establishing an appropriate balance between meeting the needs of a wide and diverse customer base with low-cost services, while still making training services available to those who need them to gain marketable skills. Local areas vary greatly in how this balance is struck.
- *Tension between serving high-priority groups vs. promoting wide access to the universal customer.* While establishing universal accessibility to One-Stop services, WIA also provides that public assistance recipients and low income individuals should receive priority for intensive and training services in the adult program whenever funds in a local area are limited. In actuality, low-income customers remain a focal point for WIA adult training dollars, though there has been something of a drop-off from JTPA (see the Briefing Paper later in this report that uses client-level data to compare JTPA and WIA service levels). However, these averages mask substantial variability across local areas in service emphases.
- *The need for workforce systems to be responsive to customers with diverse service needs.* Universal access in a One-Stop environment implies that tools and resources and staff capacities must be adept in serving a wide range of customers with greatly varying needs, including well-educated workers looking for a career change, new labor market entrants, and special populations with specific needs. Meeting these diverse service needs is a daunting challenge for workforce systems and for workforce professionals.
- *Serving those with limited computer literacy.* Providing universal access given limited budgets to provide staff-intensive services means that local areas must rely heavily on self-services. However, many customers have limited computer literacy that limits the extent to which they can access resources and information tools on their own.
- *Serving those with limited English literacy.* With upwards of 750,000 immigrants entering the country annually, immigrants are expected to constitute a large and increasing share of the nation's working-age population in the decades ahead. Yet many lack English-language proficiency, which severely hampers their ability to be competitive in the labor market or access workforce development services. Some local areas are ill-equipped to serve this population, although many others have made extraordinary efforts to do so (see the Briefing Paper on this topic later in this report).
- *Linking the One-Stop network.* One of the key challenges in establishing locally-chartered access points is whether and how they will work together as part on an integrated system. States vary in the criteria they impose in designating an access point as a "comprehensive" One-Stop center, and some states devolve this authority completely to local areas. Only a few states thus far have developed consistent chartering criteria and foster a brand-name

image that provides marketing leverage and conveys to customers a consistent level of service and quality. The challenge of extending such branding on a national scale remains largely untouched.

- *Limited ability to track customer usage and outcomes.* Self-services, including those accessed remotely, constitute the only practical way for the One-Stop system to ensure universal access in the face of severe budget constraints. However, local areas currently have a limited ability to track customer usage of, or outcomes from, self-services, including who uses self services, with what objectives in mind, and to what effect. This informational vacuum makes it difficult to know how to tailor these services to better meet customers' needs or even to establish whether the enormous investments being made in self-services are worth the cost.

Several facets of proposed reauthorizing legislation are intended to address some of these concerns, including provisions:

- Authorizing Governors to withhold federal funds from partners' programs to fund the One-Stop infrastructure, as was mentioned above.
- Requiring State Boards to establish criteria and procedures for certifying One-Stop centers.
- Authorizing local areas to provide additional support and guidance to customers facing special barriers to employment.

This final point is consistent with, and would serve to reinforce, additional federal initiatives that are already underway. For example, to promote compliance with the Civil Rights Act of 1964, Executive Order 13166 formally commits the federal government to improve the accessibility of government services to limited-English speakers. Similarly, prompted by President George W. Bush's pledge to end homelessness, DOL is participating in an inter-departmental workgroup at the federal level to explore how workforce services delivered in a One-Stop context can help the President's vision to be realized. Finally, DOL has been working aggressively to assist states and locals in promoting the customer-friendly electronic access to tools and information resources for customers with varying needs and aptitudes. However, the tension in WIA—between an emphasis on low-cost services for all versus staff-intensive and expensive services geared towards a targeted clientele—remains inherent.

Empowering Individuals through Choice

Based on our site visits, it appears clear that the mandate to promote customer choice is being taken very seriously in One-Stop centers and is in evidence nearly everywhere. Choice begins with customers' first introduction to One-Stop system

services. For example, those who enter a One-Stop center are typically met by a “greeter” who quickly elicits from them the reason for their visit and outlines the range of services that customers might want to access. Often this introduction is followed by a One-Stop orientation further describing the array of available services.

Opportunities for choice are evident as well in the broad range of resource and tools that are available to self-service users, including those enabling customers to conduct self-assessments, view job listings, gain tips in searching for jobs, engage in career planning, view labor market projections and trends, and research training providers.

But the philosophy of customer choice is perhaps clearest in the process by which eligible customers select training providers. Consistent with the legislation, Individual Training Accounts (ITAs), a voucher-like system that enables customers to select training programs that seem right for them, are the predominant mode for delivering training services and have been enthusiastically embraced by One-Stop administrators and staff. Just as importantly, the way in which ITAs have been implemented shows that customer choice with respect to training selection is taken very seriously. Thus, we observed clear evidence that case managers adopt a coaching approach to helping customers make training choices, prodding them to conduct appropriate research and think through their training selection but without being overly directive.⁴

However, while embracing customer choice, local areas have been grappling with how to accommodate its requirements to other service priorities. For example, to husband scarce training dollars, local areas have established caps on ITA awards that vary from a low of about \$1,500 per ITA-holder in some local areas to \$10,000 or more in others. Little is currently known about how these varying cap amounts affect customer choice or how the workforce system’s return on investment is impacted.

Another consideration related to delivering training services is under what circumstances alternatives to ITAs should be used. Although the legislation envisions the ITA as being the predominant training vehicle because of its protection of customer choice, local areas have recognized that alternatives to ITAs, which are allowable under

⁴ In addition to the Briefing Paper on adult and dislocated worker services in this report, see also the results of the ITA/ETP Demonstration (R. D’Amico and J. Salzman, *An Evaluation of the Individual Training Account/Eligible Training Provider Demonstration: Final Report*, December 2002). This report was prepared for DOL by SPR under a subcontract from Mathematica Policy Research.

WIA, have their rightful place. For example, a small number of local areas are heavily investing in customized training, because it meets the needs of local businesses directly and provides trainees with an income to support themselves through training and a nearly guaranteed job afterwards. Similarly, others have noted the important role that contract training plays in meeting the needs of their hard-to-serve customers, for whom an ITA might be less effective. The challenge local areas face, then, is deciding under what circumstances these alternatives to ITAs should be used and how to use them in a way that still provides wide latitude for customer choice.

Finally, as another challenge to empowering customers, the Consumer Report System and performance and reporting requirements associated with the eligible training provider list have not worked as well as might have been hoped (for reasons that are discussed below). Thus, ITA holders often find themselves needing to make training choices without good or complete information about vendor quality, a concern that is magnified given the prevalence of “reverse referrals” from vendors. By the same token, local areas worry about the implications of poorly informed customer choice for their performance-accountability requirements.

Promoting State and Local Flexibility

After conducting site visits to nearly 40 local workforce areas in 21 different states over the past five years, our field researchers come away struck by the enormous diversity in WIA service designs and delivery structures across the country. Thus, within the broad constraints of the legislation, local areas vary markedly in their governance and administrative structures, the way local boards operate, the procedures for designating One-Stop operators and the responsibilities with which the operator is charged, the way partners work together to staff various services, how adult and dislocated worker customers move through the service levels, how priority for target groups is established, whether or not training is emphasized, caps placed on ITA amounts, and so forth. To this extent, then, the goals of WIA to devolve authority seem clearly in evidence.

We also found that states and local areas are becoming more comfortable with this local flexibility. During our early rounds of site visits, shortly after WIA was first enacted, we sensed that state and local administrators would have liked more guidance from the level above them on how to interpret the legislation and how to shape their One-Stop systems. However, their search for greater direction largely seemed to stem from their uncertainty as to how to proceed and a fear that the systems they devised

would be found to be out of compliance for one reason or another. Over time, though, both states and local areas have come to realize that much of the flexibility and discretion offered by WIA—under DOL’s conscious execution—are real, and they have come to appreciate their ability to shape their systems to meet their local needs and priorities.

At the same time, local decision-makers could benefit from greater insights generated from empirical research on what works and could learn from findings gleaned from innovative examples. DOL has been moving to fill this information vacuum. For example, the Department has supported a peer information exchange of “promising practices” (www.promising-practices.org). To provide evidence on a firmer footing, Mathematica Policy Research, with SPR as a subcontractor, was recently funded by DOL to conduct an evaluation of alternative approaches to providing guidance to ITA holders to help them make training choices. These are the sorts of studies that can be of enormous help to program planners and case managers by providing them with some firm basis for deciding on the appropriate way of working with clients of different types. Additional research along these lines would doubtless be of help to workforce practitioners.

Promoting Performance Accountability

In an effort to develop a world-class workforce development system, WIA places substantial emphasis on performance accountability and continuous improvement. Based on our data collection, we come away convinced that a focus on performance and accountability now permeates the workforce system. Thus, local areas endeavor to ensure that the services they provide are customer-focused and performance driven, and they recognize their obligation to continually monitor their outcomes with an eye to improving the services they provide.

WIA engenders these results largely through its performance-measurement system, including performance requirements for states and local areas and those for training providers. Overall, this system has achieved its objectives of focusing on performance for results. Moreover, the specific performance measures are recognized as being meaningful and conceptually appropriate. However, some specific operational aspects have not worked as well as planned.

First, the performance accountability system built into the eligible training provider (ETP) list has encountered substantial implementation challenges. The ETP

list represents a compilation of training providers that have been deemed by the state and local area to be “eligible” for purposes of providing training services to ITA holders. To establish continuing eligibility, training providers will generally need to meet performance thresholds established by the states on the outcomes attained by their previous cohorts of trainees. Note that providers submit an application for eligibility, and meet performance criteria, separately for every program for which they are seeking certification.

The vision embedded in WIA is that the ETP list will ensure system accountability, promote high performance, and serve as a valuable source of information that ITA holders (and others) can use to select programs of study. However, among the practical problems that have been encountered:⁵

- *High standards can limit choice.* High standards for ETP eligibility may serve to promote system accountability but also can severely limit customer choice to the extent that many vendors who apply for eligibility fail to achieve their performance requirements.
- *Vendors may decide not to seek eligibility.* More generally, many vendors—especially community colleges, an important source for low-cost, high-quality training—have openly expressed their dislike of the ETP application process and have announced their intention to refrain from applying for eligibility. To the extent they do so, consequences for customer choice could be devastating.
- *Data are sometimes of questionable reliability.* Data measurement issues are sometimes difficult to sort out and could lead to reported performance results for vendors that have limited reliability. For example, thorny definitional issues are not always completely resolved at the state level, leaving vendors some discretion in deciding (for example) what counts as a program, an enrollee, or a completer. Additionally, although most states rely extensively on Unemployment Insurance wage matching to measure employment outcomes for ETP purposes, some performance data—and in some states, virtually all data—are self-reported by vendors, with only weak verification requirements. Finally, regardless of how carefully performance data are measured, their utility for helping consumers make prudent training choices is

⁵ For a fuller discussion of these issues, see R. D’Amico and J. Salzman, *An Evaluation of the Individual Training Account/Eligible Training Provider Demonstration: Final Report*, which was prepared for DOL by Social Policy Research Associates under subcontract to Mathematica Policy Research.

not always clear, due to difference across vendors in local labor markets and participant pools.⁶

In recognition of these concerns, proposed legislation substantially revamps ETP requirements, by giving Governors broad discretion to establish eligibility guidelines for providers. However, the challenge comes in making ETP requirements less onerous without eviscerating vendors' performance accountability requirements or diluting the meaning of performance results such that customers lack a firm basis for making performance-driven training choices.

Another area relating to performance accountability that has met with implementation challenges has been the use of the 17 core elements of state and local-area performance mandated in the legislation and the way they have been operationalized. These measures generally relate to the postprogram employment outcomes attained by WIA program participants. States negotiate performance goals on each of these measures with the federal government, and the states in turns negotiate with their local areas. Those that fail to meet their performance goals can be subject to sanctions (e.g., the withholding of funds) under some circumstances.

The performance measures are generally viewed as reasonable at a conceptual level, and help direct the attention of workforce professionals on the critical employment and earnings goals that the legislation views as being most important. At the same time, respondents we spoke with voiced some concerns of a practical nature:

- *The measures are numerous and complex.* The 17 measures are viewed as too numerous, confusing and complex.
- *Definitions are vague and reliability is uncertain.* The definitions of some measures are seen as vague and are inconsistently measured across local areas. For example, the credentialing rate is defined with greatly varying degrees of rigor across the country. Similarly, the trigger for WIA registration (which causes a customer to be included in performance measurement calculations) varies from one local area to the next as well. For these reasons, comparisons of performance across local areas are seen as being less meaningful than might be desired.
- *The performance system promotes creaming or can otherwise undermine service quality.* The WIA performance-measurement system is seen as

⁶ The legislation makes mention that performance thresholds established for vendors should take into account extenuating factors of this sort, but, in actuality, this rarely occurs.

producing inducements for creaming (i.e., serving participants who are seen as more likely to achieve high outcomes on measured performance, rather than those who are viewed as needing services the most). More generally, local areas admit to expending effort “managing” the performance measurement system to make the numbers come out right, which to some degree undermines the importance of remaining customer focused.

- *Limited use for program management.* Because of the long time delays inherent in using Unemployment Insurance wage records to measure postprogram performance outcomes, a local area’s most current evidence of performance will typically be measured for cohorts of customers that were served a long while ago. To this extent, the core measures are of limited use as tools that local areas can use in managing their programs to promote continuous improvement.
- *Conflicting measures across programs hinder partnership development.* WIA core measures do not necessarily align well with performance measures for which partners are accountable, which acts as an impediment to collaboration and the coordination of services.

DOL’s Performance and Results Office (PRO) is working hard to address these concerns. For example, they are intending to phase in “common” performance measures across all ETA programs. These efforts should substantially simplify the performance accountability system and remove a major impediment to coordination among program partners.

Engaging the Private Sector

Although the publicly funded workforce system has long recognized that businesses were an important partner in carrying out its labor exchange functions, recent developments have given business engagement a more central function. First, there has been increasing recognition that, to restore their credibility in the public’s eye, workforce programs need to be conducted in a more business-like fashion, with greater emphasis on efficiency and results. Second, major changes in labor markets created practical opportunities for strengthening the relationship between business and the public workforce development system. Most important, the gradual shift towards a fast-paced global economy, with consequent implications for labor turnover and skill shortages, made the links between economic development and workforce development very obvious.

The passage of WIA both reflected the increasing importance of business relationships with the workforce system and accelerated the trend. The Act maintained JTPA’s business majority on local workforce development policy boards, thus

upholding the recognition that business had an essential role to play in guiding and overseeing the operation of the workforce development system. Under DOL's direction, the legislation was also used as an opportunity to engage business both for strategic thinking about the direction of the workforce system and as a key user of workforce services.

Local workforce areas are embracing business engagement in principle, but in practice they are lagging in their ability to engage businesses seriously in strategic planning or serve them as customers with high-quality services. One challenge relates to involving businesses on local WIBs. Because business WIB members serve as volunteers and are typically very busy running their own companies, many local areas have difficulty getting business members to participate in a meaningful way.

The development of business services also typically involves a number of challenges. One challenge is building and maintaining a reputation among businesses for providing quality, value-added services. Another challenge is coordinating the business services provided by separate One-Stop partners, particularly WIA providers and the Employment Service. If services provided by these programs are not coordinated, businesses may receive duplicate calls, and poor quality services provided by one program will affect the reputation of the others. The need to develop and provide high quality services with limited staff and funding is another major challenge. Finally, although WIA emphasizes the importance of being business-focused, the legislation provides no special funding for developing business services; thus, local areas feel that funds for developing business services are limited.

The innovative local areas we highlight in a separate report we prepared as part of this evaluation (see *Business as Partner and Customer under WIA: A Study of Innovative Practices*) show that these challenges can be overcome with strong local leadership, commitment, and concerted effort. Seemingly successful strategies we identified with respect to engaging business in planning and serving business as a customer are:

- Engaging Business in Workforce Planning
 - Ensuring effective use of business WIB members' time, such as by holding short but effective Board meetings and choosing a few priority items for Board members to tackle.
 - Using mutual appointments to boards of partner organizations to improve trust and help define a common vision among potential partners.

- Developing sectoral initiatives where the needs of economic development and workforce development intersect very clearly.
- Engaging Business as a Customer
 - Developing an understanding of individual businesses’ needs and providing customized services to meet those needs, rather than relying on a predetermined menu of services.
 - Focusing on building and maintaining credibility among businesses, such as through successful “gateway” services that demonstrate the workforce system’s ability to deliver on what it promises.
 - Using single point-of-contact account representatives to provide business services, which allows staff to develop in-depth knowledge of their customers and increases accountability.
 - Focusing on developing strong, long-lasting relationships with businesses.
 - Targeting key groups of businesses for services, in recognition of the fact that resources for providing business services are limited.
 - Making sure that labor exchange services are effective. Unless these services are performed successfully, businesses will not return for additional services.
 - Ensuring good coordination between different entities providing business services to ensure consistently high levels of quality.
 - Making sure that business services and job seeker programs are integrated.
 - Ensuring that staff have a “whatever it takes” attitude. Responsive, creative staff who are willing to go the extra mile for employers are critical to effective business services.

Despite the successes that many local areas have realized by adopting these principles, our respondents suggested additional system-wide changes that would further foster strong business engagement. These include:

- Creating performance measures directly tied to the provision of business services.
- Providing funding especially earmarked for business services, either through the creation of a separate funding stream or a competitive pool of seed money to support the development of innovative business services or business involvement practices.
- Providing assistance with marketing and developing services, possibly including the creation of a national “brand” for One-Stop services that would be recognizable around the country.

- Providing additional guidance and clarification regarding what business services should look like and how they should be delivered.

Improving Youth Programs

The evaluation team paid relatively little attention to youth programs and the issues associated with their implementation and operation. However, during the initial rounds of site visits, field researchers elicited basic information about the progress that local areas were making in moving towards WIA's new eligibility guidelines and the legislation's provisions for comprehensive year-round services for youth drawing on ten required program elements.

At the time of our earliest site visits, we found that states and local areas were lagging badly behind in their implementation of youth programming, partly because of the time delays inherent in needing to appoint a Youth Council and competitively select service providers. However, substantial progress had been made eighteen months later. Thus, every local area we studied during program year 2001 had all ten required program elements in place and few seemed to be having difficulty expending 30% of their youth funds on out-of-school youth.

However, the transition to a WIA service design was difficult. Particularly challenging was the need to move away from a large-scale stand-alone summer youth program and replace it with comprehensive youth services. Associated with this were the following issues:

- *Dealing with the absence of a summer youth program.* Respondents noted that community influentials were strongly concerned about the demise of stand-alone youth programming. Local areas also needed to deal with the barrage of media coverage about the termination of the program, especially given that there was little mention made of the new program of comprehensive year-round services under WIA.
- *Streamlining the eligibility determination process.* Many local areas found that WIA's eligibility requirements, particularly the absence of presumptive eligibility for recipients of free and reduced school lunches, posed a substantial administrative burden.
- *Creating a comprehensive whole out of the ten required program elements.* Local areas made significant progress in developing all ten service elements. However, turning them into a comprehensive youth-development service strategy proved challenging. Particularly difficult was developing strong instances of program elements that were not well developed under JTPA, such as mentoring, leadership development, and long-term follow-up services.

- *Attracting new service providers.* Some local areas struggled with finding and recruiting a sufficient number of high-quality service providers that could adequately cover the ten required service elements.
- *Accepting the trade-off between quality and volume.* Local sites were accustomed to serving large numbers of youth in the JTPA summer-youth program. The move to a comprehensive youth services model meant accepting the reality that far fewer youth could be served than previously.
- *Establishing linkages with the One-Stop System.* Much youth programming was completely divorced from the One-Stop system. Yet some youth, particularly older youth, could benefit from exposure to a system that could provide life-long job search and career advancement opportunities.

CONCLUSIONS

When WIA was enacted, it was typically described as a major overhaul of the nation's publicly-funded workforce development system. Key objectives included streamlining services, developing easy access to an array of workforce services for the universal customer, and devolving authority to states and local areas under the condition that they would be held accountable for results.

As we have pointed out in this chapter and the Briefing Papers to follow, some implementation challenges have emerged as states and local areas have worked to operationalize this vision, and additional work remains to be accomplished. This can scarcely be a surprise given the magnitude of the changes that WIA called for. Thus, building strong partnerships in a way that makes the effective coordination or integration of services possible is years in the making. Similarly, establishing high-quality information tools for customers and performance management systems for program operators that are aligned with the One-Stop vision take extraordinary investments of resources that build incrementally from best-practice examples and technological and other developments. Clearly, full realization of these goals will inevitably take time to achieve. Many of the proposed changes associated with WIA reauthorization should help pave the way.

Nonetheless, based on a review of the implementation experience over a five-year period using multiple data sources, we have found that extraordinary progress has been made to date. Among the most remarkable changes is the emergence of a One-Stop infrastructure offering the universal customer not only an extensive, nationwide network of physical access points but also remote access to a wide array of workforce-related resources and tools. What makes this infrastructure so impressive from the

standpoint of promoting customer access is that it represents a single point of entry to a diverse set of separately-funded employment and training services, including those provided by Wagner-Peyser programs, WIA services, and Adult Education and Literacy programs, among others. To have made this structure possible, partners have needed to work together in ways that would have been largely unheard of even a decade ago.

Additional key tenets underlying the legislation—for example, customer choice, state and local flexibility, and streamlining services—seem well in evidence. Thus, workforce professionals can take justifiable pride in their accomplishments to date, while girding themselves for the additional work that lies ahead.

OVERVIEW OF THE BRIEFING PAPERS

The broad findings and implications for WIA implementation that have been discussed above have been drawn from the series of reports and papers prepared as part of the national *Evaluation of the Implementation of the Workforce Investment Act*. Many of these were written as short, focused Briefing Papers, each on a selected topic of interest. These Briefing Papers have been assembled in the chapters to follow. They were prepared as stand-alone documents and are meant to be read as such.

In reading the papers, note that they were prepared to inform DOL about the ongoing evolution of WIA implementation and were therefore submitted to DOL on a flow basis from mid-2002 to mid-2004. They thus represent a snapshot of the workforce system at the time of the data collection (the date the paper was prepared is noted in parentheses). Because WIA was enacted in 1998, and was expected to be implemented by the summer of 2000, some of these papers thus reflect observations gleaned from data collection that occurred several years ago, or only a year or two after WIA's full implementation was to occur. Doubtless additional systemwide progress has been made since then, and some of the practices we describe as occurring in specific States or local areas might no longer apply. However, the implementation challenges and range of variation that we describe with respect to program practices doubtless remain valid.

Below we provide a brief introduction to each paper. With the exception of the first, the papers are listed in approximate chronological order.

1. *A Comparison of JTPA and WIA Clients and Services* (March 2003). This paper uses the WIA and JTPA client-level reporting systems to chart changes from PY 98

(JTPA) to PY 2001 (WIA) in the characteristics of customers who were served in the adult, dislocated worker, and youth programs, and the services they received. For the adult program, the results show that WIA was associated with modest changes in client characteristics (e.g., towards less of an exclusive focus on those who are low income) and somewhat shorter spells of participation on average; these changes are as one would expect given WIA's broader service emphasis. In the youth program, WIA was much more likely to be serving youth who are still attending school than was the case in JTPA's Title II-C program, and the duration of WIA youth services was much more variable than was the case under JTPA, with many very short spells (which occur primarily during the summer months) but also many very long spells. Changes in clients and services in the dislocated worker program were very modest.

2. *Partnership Building under WIA* (April 2002). This paper points to the substantial progress that was made in building strong partnerships among WIA's mandated partners. Tangible benefits that have resulted included faster action on referrals and improved communication among partners that improved the efficiency and responsiveness of services. Challenges included partners' existing leases and the difficulty in finding appropriate new space to accommodate co-location, perceived statutory constraints or conflicting program goals, and the fact that each partner has its own performance and reporting requirements.
3. *MIS and Oversight* (April 2002). Strong management information systems, in evidence in some states, can substantially enhance service delivery and greatly facilitate the ability of One-Stop partners to work together. However, this paper reports that, despite some bright spots, problems with existing state management information systems were widespread and were a subject of frequent complaints by local-area staff, while efforts to develop new, comprehensive systems met with long delays and high costs.
4. *Performance Accountability and Capacity Building* (April 2002). This paper reviews the case-study sites' experience under WIA's performance system. It explores the process by which performance targets were negotiated, ranging from "equitable and good," according to some areas' reports, to "arbitrary" according to others. The measures themselves were described by respondents as being generally sensible, useful, and in line with program goals, and the performance system as a whole seemed to be successful in promoting accountability and continuous improvement. However, problems or concerns were also voiced, such as vague definitions (e.g., the point of WIA registration, the credentialing rate), challenges the performance measurement system posed for partnership-development and meeting the needs of the hardest-to-serve, and—given the time delays inherent in the reliance on Unemployment Insurance wage matching—the limited utility of the measures as a program management tool. The paper also notes the efforts that states and local areas were making to promote continuous improvement through capacity building.

5. *Services for Adults and Dislocated Workers* (April 2002). This paper reports that local areas are substantially responsive to customers' individual needs and that customer choice was widely in evidence. Start-up problems and initial confusion regarding WIA's focus limited the use of training in WIA's first year; however, local areas retained a strong interest in supporting training and gave it renewed emphasis subsequently. ITAs were widely embraced, though some areas recognized that customized training and contract training have an appropriate place. Intensive services appears to be the service level that was the most ill-defined; the richness of service offerings provided at this tier varied markedly from one local area to the next. Local areas varied as well in their policies regarding when customers should be registered in WIA and how they defined the various service levels.
6. *Implementation Challenges in WIA Adult and Dislocated Worker Services* (December 2002). Building on the above findings, this paper notes the challenges that local areas faced in balancing some of WIA's key tenets. Thus, customer choice must be balanced with the need to ensure performance accountability and promote efficiency; resources devoted to developing self-services tools must be balanced with the need to adequately fund training services for those who are not employable with existing skills; and serving the universal customer must be balanced with the need to identify and serve priority target groups. Evidence suggests that local areas balanced these sometimes conflicting considerations in different ways. Thus, local areas varied in the emphasis they gave to training services, the caps they imposed on ITA amounts, and the types of customers they enrolled for services. Additional implementation challenges included developing an integrated MIS, funding and staffing One-Stop centers, tracking self-service usage, and developing the ETP list and Consumer Report System.
7. *WIA Youth Services* (May 2002). This paper reports that local areas made substantial progress in reshaping youth services in conformance with WIA. Thus, most areas offered all ten required service elements, though developing strong services in areas not traditionally provided under JTPA was difficult. Among the implementation challenges the paper notes were documenting youth eligibility under the WIA guidelines, attracting new service providers, creating comprehensive service regimens drawing on the ten required elements, and developing strong linkages between youth services and the One-Stop system.
8. *School-to-Work and its Linkages with WIA* (May 2002). This paper was prepared with funds contributed by the former National School-to-Work Office and examines the influence that school-to-work (STW) principles, practices, and service-delivery structures had on emerging WIA youth services, and vice versa. In general, there was substantial overlap between STW and workforce board (or Youth Council) planning bodies. Evidence of linkages with respect to service design and delivery were less plentiful, though there were some isolated instances of co-funded or coordinated services.

9. *WIA Governance* (May 2002). This paper looks at the composition and operation of state and local workforce boards and state-local relationships. Among its findings, the paper points to mixed success in successfully engaging business in strategic planning and notes that the large size of some boards made them unwieldy. In general, state and local five-year plans were not viewed as valuable documents to guide program planning.
10. *The One-Stop Infrastructure: Vision and Implementation* (May 2003). This paper examines the One-Stop infrastructure that has been established, including how many and where comprehensive centers and other access points were located, who was designated as the One-Stop operator, and how core services were funded and staffed. The paper points to the challenges in fully integrating program services given separate funding streams, but notes ample evidence of coordination and collaboration, the substantial reach of physical access points, and the broad array of core services available in a user-friendly fashion.
11. *Serving the Homeless through the One-Stop System: A Case Study* (June 2004). One challenge frequently mentioned is meeting the needs of special customer groups in the context of a workforce system that also promotes universal access and performance accountability. This paper, and the two that follow, examine innovative strategies that some local areas were using to target hard-to-serve groups. This paper examines innovative efforts that three local areas were making in providing workforce services for the homeless. It points to effective strategies relating to outreach and recruitment, service design and delivery, and partnership development.
12. *Serving Migrant and Seasonal Farmworkers through the One-Stop System: A Case Study* (June 2004). Also exploring innovative strategies for serving special target groups, this paper examines innovative efforts that three local areas were making in serving migrant and seasonal farmworkers in the One-Stop context.
13. *Serving Limited-English Speakers through the One-Stop System: A Case Study* (June 2004). Recognizing that those who have limited-English proficiency are an important and growing service population, this paper examines innovative efforts that four local areas were making in serving this population.

In addition to these Briefing Papers, the evaluation team prepared additional reports that are available separately. These are:

- *State Implementation Profiles for Six Early Implementing States Under WIA* (September 2000). This report provides brief profiles of the six early implementation states that the research team visited as part of the evaluation's first round of site visits.
- *A Report on Early State and Local Progress Towards WIA Implementation* (February 2001). This report, in eight chapters, represents a cross-site

synthesis of the major findings gleaned from the first round of site visits to nine local workforce areas in six early-implementing states.

- The *Workforce System Information and Evaluation (WSIE) Reports: Volumes I to VI* (March 2000 through November 2000). These reports represent a tabulation of WIA implementation progress at six discrete points in time, using a checklist developed jointly by SPR and representatives from DOL's National and Regional Offices.
- *A Report on the WIA Implementation Readiness Guide* (March 2001). As the *WSIE Reports* described above, this report documents nationwide implementation progress using the WIA Implementation Readiness Guide developed by DOL.
- *Business as Partner and Customer under WIA: A Study of Innovative Practices* (June 2004). This report was prepared after site visits to nine local workforce areas that were nominated by DOL Regional Offices and others as having innovative strategies for engaging the business community. These practices—with respect to engaging businesses on workforce Boards, developing partnerships between businesses and workforce systems, and serving businesses as a customer—are highlighted in this report.