

Proposed Final Report

Unemployment Insurance Training Benefits Program

Legislative Auditor’s Conclusion:

Most Training Benefits Program participants complete training for new occupations, but the Program has not always improved participants’ employment or earnings

JLARC Staff

Ryan McCord • Zane Kelly

Joint Legislative Audit & Review Committee

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Summary

Most participants complete training

Later participants have not received gains in earnings or employment

..... Recommendation

ESD’s administration of the Program can be improved

..... Recommendation

Three parts of evaluation

1. Gross Outcomes

Completion rate and training occupations

2. Net Outcomes

Impact of the Program on participants' employment and earnings

- ESD developed model
- JLARC staff and consulting economist provided oversight

3. Administration

Customer service and compliance with legal requirements

- Surveyed participants
- Interviewed staff

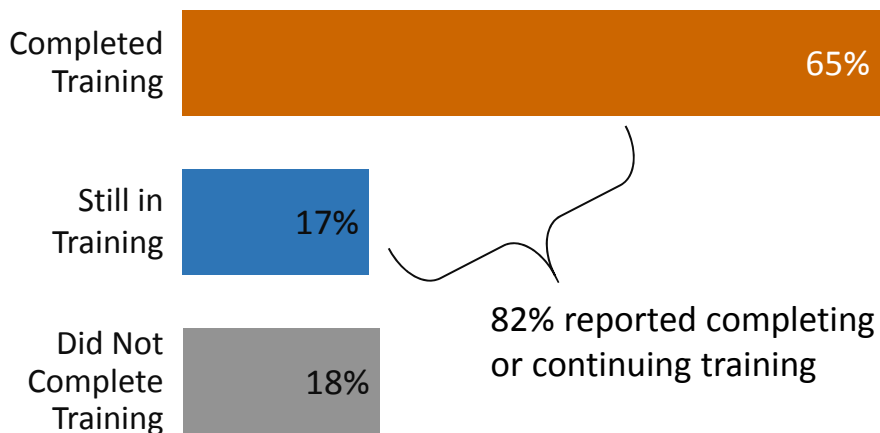
Training Benefits in WA

- Provides additional unemployment insurance payments while in approved training
 - ♦ 2,500 participants approved each year
 - ♦ \$20 million available to pay benefits
- Removes work-search requirement
- Intended to help workers move from low demand to high demand occupations

1. Gross Outcomes



Most participants complete training



Source: JLARC staff analysis of Training Benefits Program Annual Reports 2012-2014.

After completing training

Participants reported working in high-demand fields including:



Healthcare Practitioners and
Technical Occupations



Healthcare Support
Occupations



Computer and Mathematical
Occupations

2. Net Outcomes



Identifying outcomes caused by the Program

⇒ Impact on employment and earnings

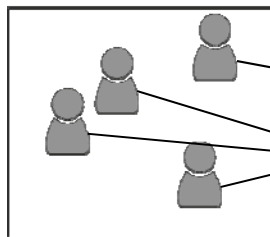
Want to be sure of causation
rather than correlation



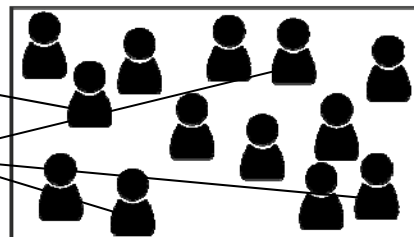
Compare actual outcomes to
outcomes if the Program did not exist

Propensity score matching used to approximate a randomized experiment

Participants



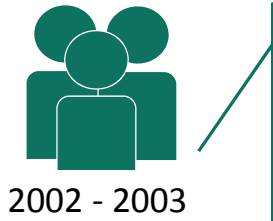
Non-Participants



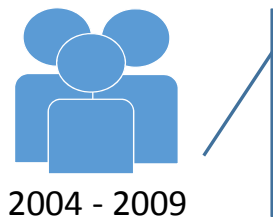
⇒ Individuals are matched on 12 characteristics

⇒ Testing indicates that results are statistically accurate and stable

Net impact on employment and earnings

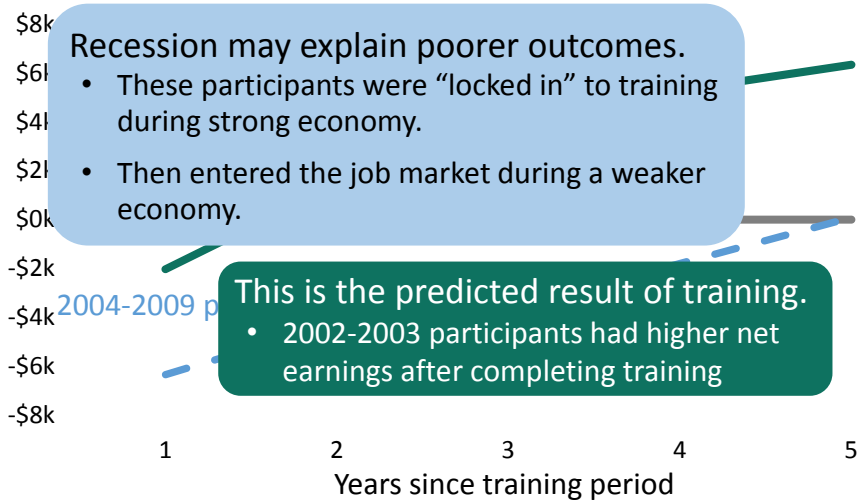


- 8 percentage points more likely to be employed
- Earned more than the comparison group within 1-2 years after their training



- No improvement in employment or earnings versus the comparison group
- Uncertain whether outcomes will improve in coming years

A closer look at net impact on earnings



Recommendation

The Employment Security Department should identify reasons why outcomes improved for some participants but not others, and determine whether there are opportunities to change the Program to improve outcomes for all participants

The Department Concur

3. Program Administration



Areas for improvement

ESD's administration of Training Benefits complies with legal requirements



1. Improve application form

2. Provide guidance to partners



3. Improve decision timeliness

JLARC staff identified 4 areas for improvement

4. Establish quality assurance review and improve performance measures



Improving external communications



1. Improve application form

- Participants said application confusing
- No user testing
- Does not follow plain talk guidelines



2. Provide guidance to partners

- No training or updates to WorkSource staff to help deliver Program
- Cuts to ESD staff at Community Colleges

Improving internal processes



3. Improve decision timeliness

- Average decision time = 43 days
- Federal guideline = 21 days
- Delays educational plans



4. Establish quality review process and improve performance measures

- Less scrutiny than other programs
- Data not used to manage performance

Recommendation

The Department should develop a plan to improve administration of the Program, to include: application form, guidance to Program partners, timeliness of decisions, and quality assurance review and performance measures.

The Department Concur

Summary

Most participants complete training

Later participants have not received gains in earnings or employment

ESD's administration of the Program can be improved

Identify reasons and determine opportunities to improve

Develop a plan to address improvements

Next Steps and Contacts

Statute requires JLARC to review the program every 5 years. The next report is due in 2020.

Ryan McCord, Research Analyst

ryan.mccord@leg.wa.gov
360-786-5186

Amanda Eadrick, Research Analyst

amanda.eadrick@leg.wa.gov
360-786-5174

Zane Kelly, Research Analyst

zane.kelly@leg.wa.gov
360-786-5193

Valerie Whitener, Project Supervisor

valerie.whitener@leg.wa.gov
360-786-5191