NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES

To Members of the Commission on Evidence-Based Policymaking:

On behalf of the National Association of State Workforce Agencies (NASWA), thank you for this opportunity to provide input on the issues the Commission laid out in FR Doc. 2016-22002 that will inform the future deliberations of the Commission.

NASWA is a national, nonpartisan organization representing workforce agencies in 50 states, DC and Guam as they administer the publicly-funded state workforce system, including the Workforce Innovation and Opportunity Act (WIOA) programs that fund job training and career services, the Unemployment Insurance program, and labor market and workforce information.

State workforce agencies have a longstanding interest in and history of using data to operate performance accountability systems, conduct research and evaluations, and otherwise use workforce information to improve workforce development policies, programs and strategies. State workforce programs are among the few federally-funded grant programs with a history of using administrative data sets to implement performance accountability systems, and state workforce agencies have an over-25-year history of involvement in rigorous research and evaluations focused on reemployment services, job search assistance, and training.[i]

The new WIOA law places greater emphasis on integrating state administrative data across a range of workforce, education and human services programs, as well as implementing common performance metrics and research and evaluations for many of the programs. Given the large real-term cuts in funding for workforce development programs and UI administration in recent years (see Appendix A), these are both more formidable yet even more important challenges.

NASWA members and staff are available to share expertise and provide up-to-date information on challenges and proven practices related to evidence-building. Since WIOA passed, NASWA has hosted numerous national and committee meetings, often including our education and human services partners, in order to inform policymakers on WIOA implementation issues and practices. To develop the attached comments, we drew on the insights of NASWA members at these meetings and at a specially-called November teleconference that focused on the Commission's questions. Over 40 members of four NASWA Committees (Employment & Training, Labor Market Information, Unemployment Insurance, and Technology) participated in the November teleconference.

Sincerely,

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Executive Director

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NASWA
NATIONAL ASSOCIATION OF STATE WORKFORCE AGENCIES

COMMENTS FOR THE COMMISSION ON EVIDENCE-BASED POLICYMAKING

COMMISSION QUESTION #1: Are there successful frameworks, policies, practices, and methods to overcome challenges related to evidence-building from state, local, and/or international governments the Commission should consider when developing findings and recommendations regarding Federal evidence-based policymaking? If so, please describe.

NASWA members report that resource limitations related to data access, funding, IT, and/or staff capacity impede or have even stalled research and evaluation activities in a large number of state workforce agencies. In fact, in commenting on proposed WIOA regulations, the National Governors Association joined NASWA in suggesting that states will need dedicated funding and federal support to meet the evidence-building requirements of WIOA. There are some states, however, such as Ohio and Washington, that have made great advances in developing an evidence-building infrastructure, and they provide good examples of frameworks, policies, practices and methods. They have not only developed longitudinal administrative data sets, but also the infrastructure to convert and analyze the data to inform policy and customer choices. Appendix B provides information on the Ohio case.

Other examples of successful approaches to developing data infrastructure include the numerous other state longitudinal administrative data sets funded, in part, under the Workforce Data Quality Initiative (WDQI) and State Longitudinal Data Systems (SLDS) grants. A good cross-state effort is the Western Interstate Commission for Higher Education's (WICHE) multi-state longitudinal data exchange (MLDE). This latter effort is important for showcasing the value of tracking individuals across state lines to understand the impact of our education, training and other investments. Many states are engaged in cross-state efforts, including Wyoming, which has agreements with twelve states and has used cross-state data to measure community college outcomes and understand migration of young people.[ii]

NASWA would like to make the Commission aware that, under a recent USDOL WIOA technical assistance grant, NASWA is documenting successful approaches to evidence building among state workforce agencies, as well as the challenges many state workforce agencies are facing. NASWA will share the final report with the Commission when it is released by USDOL (most likely this winter). The USDOL-NASWA project is:

- Capturing information, through a national scan, on the current capacity of state workforce agencies to conduct research and evaluations[iii];
- Developing a reference document of research studies and evaluations conducted over calendar years 2011-2015; and
- Developing two case examples, based on in-depth, structured interviews in Ohio and Washington, which will illuminate factors and practices that have enabled Ohio and Washington to produce a broad range of recent workforce research and evaluation activity.

COMMISSION Question #2: Based on identified best practices and existing examples, what factors should be considered in reasonably ensuring the security and privacy of administrative and survey data?

Some examples of the many factors states have considered are: (1) a formal approval process and development of legal contracts for data users; (2) restricted data use (there must be a specific project plan); (3) role differentiation to ensure duplication is built into the security framework; (4) a timeout feature; (5) two-factor authentication; (6) data aggregation rules to ensure confidentiality; (7) background checks for outside data users; (8) IRB (institutional review board) training and approval for outside users; (9) periodic security and practices audits to ensure outside review; and (10) database development issues (using a synthetic database to meet certain research needs and/or a more federated infrastructure for sharing data).

Challenges have included co-mingling of the data, which requires addressing questions of ownership, liability, and additional security measures. Some states, such as Ohio, have addressed these challenges at the state level, when co-mingling data across multiple state agencies (six agencies, in the case of Ohio). Often, entities should maintain ownership of their data.

COMMISSION QUESTION #3: Based on identified best practices and existing examples, how should existing government data infrastructure be modified to best facilitate use of, and access to, administrative and survey data?

The existing data infrastructure should be modified by:

- Streamlining federal data initiatives, such as SLDS and WDQI, which may mean combining some initiatives that have related goals. Existing federal funding methods for investment in new insight-generating infrastructure such as longitudinal data systems

are unpredictable, uncoordinated, and tend to promote overlapping and uncoordinated projects. If the 21st century is about lifelong learning with people moving back and forth between education and employment, or participating in employment and education simultaneously, we need to develop pre-K to career longitudinal systems, not separate education and workforce program systems.

- Providing more predictable, coordinated and scalable funding support for the development of state longitudinal administrative data systems, and the development of electronic tools that deliver information in customer-helpful formats.

- Supporting government off-the-shelf (GOTS) projects and products after initial investments are exhausted. For GOTS projects to be successful, continued support and sustaining funds are needed.

- Supporting the newly-established, federally-funded WIOA Information Technology Support Center. The Center will be run by NASWA to develop IT solutions and training that support state workforce agencies and the workforce system broadly in implementing the WIOA vision of cross-agency integrated data and technology solutions that support integrated service delivery, case management, performance measurement, and research and evaluation.
- Investing in and continuously improving labor market information so that high-quality data relevant for the current economy is available to guide policymakers and help customers make career, education and training decisions. Episodic, competitive grants cannot provide the solid foundation needed for this key piece of data infrastructure. For example, the last survey regarding the contingent workforce was conducted by the Bureau of Labor Statistics in February 2005 and estimates of the size of this population today vary widely as a result.

- Ensuring state agencies have access to the funding, skilled staff and tools needed to analyze labor market and workforce data and to conduct research and evaluations, so data can be translated efficiently into useful information for policy makers and customers. State workforce agencies should not be wholly or largely dependent on arrangements by which private entities take the data and develop information, tools and products they sell back to government agencies, especially where it is more efficient to produce information in-house and/or to create tools and solutions that can be shared across a number of states.

- Improving state workforce agency access to national UI wage record data that can be used for research and evaluation. Many state workforce agencies do not have the staff capacity and resources necessary to broker and maintain bilateral or multi-state agreements to share UI wage record data for research and evaluation purposes, and developing and maintaining such state-to-state agreements is an extremely inefficient solution. Also, some state workforce programs cannot receive their own state's UI wage record data for research and evaluate purposes, due to legal or other factors (e.g., state laws, risk aversion).

- Providing state UI agencies dedicated funding to support state wage record data exchange and related matters.

- Considering the impact on employers to any changes made in how UI wage records are collected and what elements are included.[iv] Some states have adopted enhancements. This includes understanding the environment within which employers maintain and report employment-related information, and balancing the additional cost against the value of additional employer data to find the least-burdensome solution.

- Supporting a technological solutions repository similar to the recently launched code.gov website where open-source and federally-funded projects can be tracked and shared across state programs.

- Supporting promising state or state-federal pilot projects that increase data access or improve data analysis and research.

COMMISSION QUESTION #4: What data sharing infrastructure should be used to facilitate data merging, linking, and access for research, evaluation and analysis purposes?

Any Commission recommendations should not place additional burdens on state administrative programs but take data as it is available from the programs. States should not have to modify the data systems of their administrative programs in order to share data for research, evaluation and analysis purposes.

COMMISSION QUESTION #5: What challenges currently exist linking state and local data to federal data? Are there successful instances where these challenges have been addressed?

WIOA requires common performance measures across several workforce development and partner programs. These measures are of sufficient value that applying them and their

reporting concepts more universally would improve service delivery, as well as data sharing and program evaluations. The WIOA measures are now required under the SNAP employment and training program. However, the Food and Nutrition Service is implementing slightly different measure concepts (e.g., definitions of participant and program exit) which makes integration of services, and data comparability and data sharing, more difficult. Further, while TANF is a mandatory WIOA partner program (barring a governor opting out), the new WIOA measures and accountability constructs do not apply to TANF, which again makes integration of services and data comparability and sharing more difficult.

Administrative data is usually organized for case management and to meet federal or state reporting requirements. As such, it seldom can be used in raw form to meet research objectives. Even if common definitions are achieved, additional challenges include reorganizing and transposing administrative data, and otherwise structuring it in a linked longitudinal fashion so it is documented and cast into a metadata file. This file must be separately maintained because administrative programs go through changes in data structure, content and definitions.

Another challenge is that efforts to create state longitudinal administrative data sets are often limited by the application of the Family Educational Rights and Privacy Act (FERPA). Student education records are important to developing a complete pre-K to career longitudinal data. Also, state workforce agencies need access to these student data to meet WIOA performance reporting requirements to track credential attainment, youth outcomes, and "measurable skills gains."

Finally, also creating challenges is government spending on varied and sometimes duplicative IT solutions across federal, state and local workforce, education, and human services agencies.

COMMISSION QUESTION #6: Should a single or multiple clearinghouse(s) for administrative and survey data be established to improve evidence-based policymaking?

In general, state workforce agencies are not supportive of a single Federal clearinghouse, and support a more federated system with communications pathways at the national level to facilitate data sharing.

COMMISSION QUESTION #7: What data should be included in a potential U.S. government data clearinghouse(s)? What are the current legal or administrative barriers to including such data in a clearinghouse or linking the data?

Whether there is one or more than one clearinghouse, state workforce agencies need to be able to access state and national data to operate a performance accountability system and conduct program evaluations and research. At the present time, state workforce agencies are creating and sending data to federal and state partners, but not receiving enough information in return.

Major decisions about data infrastructure, including which data should run through one or more national clearinghouses, should be made in partnership with the state agencies that control such data, so that the needs and interests of both the federal and state governments are taken into account.

In most cases, states should not be coerced to provide data through national or regional clearinghouses by way of conditional grants or other means; rather, the governance structure, technology framework, quality of and ease of access to data, funding environment, and TA environment should provide the necessary incentives for governmental partners to participate. (See also Question #14 below.)

In order to ensure data linkages, laws for sharing and protecting data must be reconciled. There are variances in federal and state laws at the source level (e.g., FERPA, UI wage records) that impede data linkages. Some states have access to certain datasets (NDNH, DMV records), while others do not, and restrictions on data use can vary.

COMMISSION QUESTION #8: What factors or strategies should the Commission consider for how a clearinghouse(s) should be self-funded? What successful examples exist for self-financing related to similar purposes?

The data and human infrastructure needed to build and maintain an evidence base for federal and state programs are public goods. NASWA questions the premise that data clearinghouses should be self-funded, except outside researchers and institutions should cover the marginal costs of their data acquisitions.

Government entities have a role and responsibility to maintain and be good stewards of program administrative data, and should receive adequate funding and support for the integrity of the system.

COMMISSION QUESTION #9: What specific administrative or legal barriers currently exist for accessing survey and administrative data?

Programs have been developed independently and in a siloed fashion, as have the legal requirements around them, so there are numerous legal barriers. Also creating barriers are the many levels of government involved in program administration and the varied policies and practices associated with these programs.

COMMISSION QUESTION #10: How should the Commission define "qualified researchers and institutions?" To what extent should administrative and survey data held by government agencies be made available to "qualified researchers and institutions?"

States should be considered partners to any clearinghouses, not qualified researchers and institutions. As governmental entities, state workforce agencies should have access to governmental data needed for federally required performance reports and to conduct research and evaluations.

Governmental entities, especially WIOA partner agencies at the federal and state level, should have priority access to data infrastructure.

The Commission could learn from state workforce agencies, such as Ohio's, that provide data, selectively, to outside researchers and institutions. Given resource constraints, such uses could be limited to specific project requests that support the research agendas of federal and state agencies, as a first priority.

QUESTION #11: How might integration of administrative and survey data in a clearinghouse affect the risk of unintentional or unauthorized access or release of personally identifiable information, confidential business information, or other identifiable records? How can identifiable information be best protected to insure the privacy and confidentiality of individual or business data in a clearinghouse?

Facing high demand for government data with constrained resources, many entities are currently approaching privacy and confidentiality in an ad hoc way that involves more risk than having an organized approach with clear processes, safeguards and rules.

QUESTION #13: What technological solutions from government or the private sector are relevant for facilitating data sharing and management?

See the answer to Question #1.

COMMISSION QUESTION #14: What incentives may best facilitate interagency sharing of information to improve programmatic effectiveness and enhance data accuracy and comprehensiveness?

The best incentives to facilitate interagency sharing of information are to:

- Create efficient and streamlined data collection, confidentiality, and data access processes, with excellent privacy safeguards.
- Ensure that state agencies that collect, safeguard, clean, and share data are able to benefit from the data soon after it becomes available.
- Provide state workforce agencies adequate funding, training, and technical assistance as they fulfill their responsibilities for collecting, safeguarding and sharing information.
- Provide state workforce agencies (and their state and federal partners) the critical funding and other support needed to translate data into information that is useful to customers – including policymakers, program managers, job seekers and employers. Otherwise, only the private sector will have the capacity to build an evidence base and develop customer tools and information, which is problematic in cases where it is more efficient to develop in-house and/or cross-state solutions.
- Ensure that evidence is used to inform policy. For example, despite 25 years of evidence by federal and state partners that job search assistance and UI claimant reemployment services are high return-on-investment strategies, funding for the major programs supporting these strategies has declined significantly over the last 20 years (see Appendix A).

COMMISSION QUESTION #15: What barriers currently exist for *using* survey and administrative data to support program management and/or evaluation activities?

To ensure the support of entities or individuals providing data, the business case needs to be made that research and evaluation activities help inform service delivery and the development of effective program strategies. The Commission can help develop the business case.

A large barrier is the inability of many states to hire and retain required expertise in research and evaluation. State workforce agencies have no dedicated funding for this activity. Such expertise is not covered by USDOL's Workforce Information Grant funding. States can use statewide set-aside funds under certain WIOA grants, but these and other major sources of funding for workforce programs have experienced large real-term cuts over the last twenty years (see Appendix A).

Barriers also exist with respect to limitations on the use by states of certain data sources. For example, the IRS allows states to use 1099 data to evaluate possible worker misclassification from an unemployment tax perspective. However, such data cannot be used to evaluate misreported earnings from an unemployment integrity perspective. Given the flexibility that is being asked of states to share items like UI wage records for a broader scope of evaluation (outside of just UI program administration), the same expansion should be asked of federal agencies.

The timeliness of data is also a constraint in using data to inform policy development, program management, and research.

COMMISSION QUESTION #16: How can data, statistics, results of research, and findings from evaluation, be best used to improve policies and programs?

Federal, state, local, and even private sector money available for public services have not kept up with the expanding need. That means that we can keep doing the same things but do them for fewer people, or we can keep serving the same or more people but simply do less for them, or we can analyze our data and learn how to be more effective. Ideally this would not simply mean looking at data to see which services work and which don't. Instead, we should be able to use data to better understand which services work best and for whom. It is likely that most services have some effectiveness but that effectiveness varies by population served and other factors, which calls for a customized, evidenced-based approach.

COMMISSION QUESTION #17: To what extent can or should program and policy evaluation be addressed in program designs?

Government should evaluate program and service effectiveness and use findings to improve effectiveness and efficiency. That obligation is both to taxpayers in general and to those our services are intended to benefit.

COMMISSION QUESTION #18: How can or should program evaluation be incorporated into program designs? What specific examples demonstrate where evaluation has been successfully incorporated in program designs?

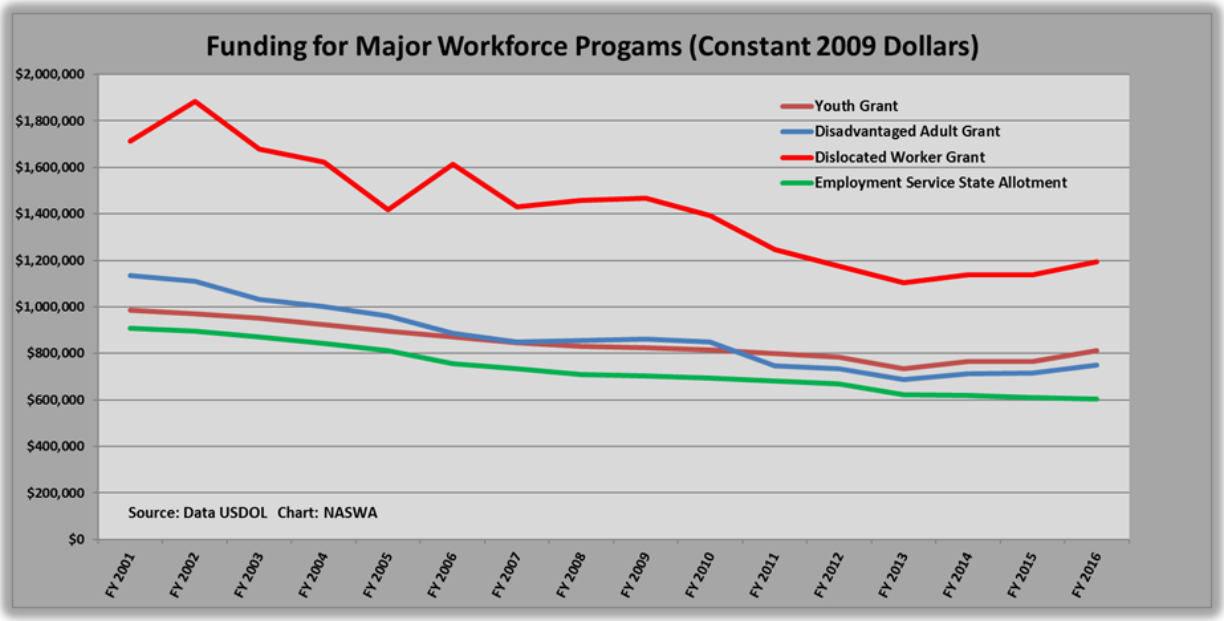
Unemployment Insurance program "worker profiling models," if timely and regularly updated, are an example of an approach that aids state evaluation of UI programs. These predictive models incorporate changes in the economy that impact who is likely to exhaust benefits. They enable state workforce agencies to directly engage those claimants most likely to have long unemployment durations in effective reemployment strategies early in their unemployment insurance spells.

The limiting factor in the application of these worker profiling models has been funding to support reemployment services for those profiled, despite 25 years of rigorous evaluation and evidence that reemployment services help speed reemployment and reduce UI duration.[v]

COMMISSION QUESTION #19: To what extent should evaluations specifically with either experimental (sometimes referred to as "randomized control trials") or quasi-experimental designs be institutionalized in programs? What specific examples demonstrate where such institutionalization has been successful and what best practices exist for doing so?

The Commission should explicitly recognize there is a place for both experimental and quasi-experimental design in evaluation work. While experimental design may be the "gold standard" of evaluation, it is extremely costly and also not the most appropriate research design in many cases. Also, quasi-experimental design is more easily accepted by those who deliver services. State workforce agencies have used the results of quasi-experimental research to inform policy and practice, and should have the flexibility to use research designs appropriate to their needs.

Appendix A



Funding for the Major Workforce Development Programs Under the U.S. Department of Labor (adjusted for inflation)			
	FY 2001 ($2009)	FY 2016 ($2009)	% Reduction
Dislocated worker grant	1,712	1195	30
Disadvantaged adult grant	1,134	749	34
Youth grant	984	813	17
Employment services	909	603	34

Appendix B

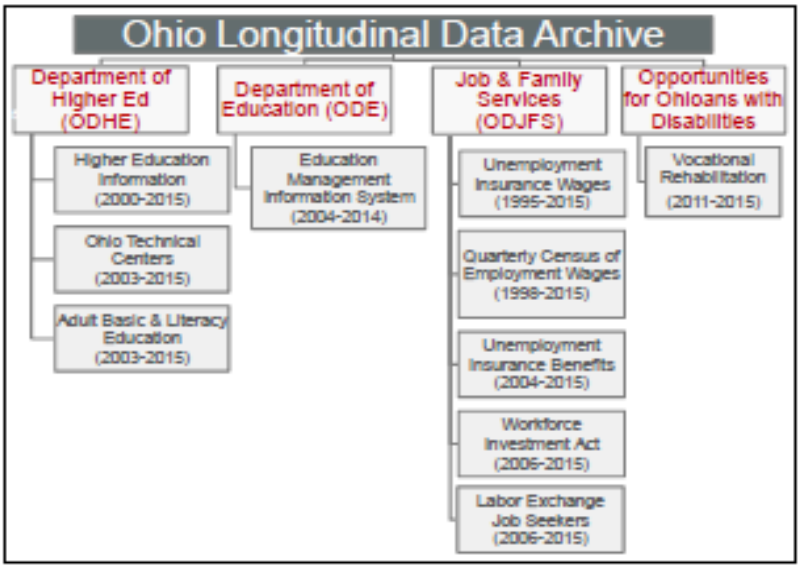
THE OHIO STATE UNIVERSITY
OHIO LONGITUDINAL DATA ARCHIVE

THE OHIO STATE UNIVERSITY
CENTER FOR HUMAN RESOURCE RESEARCH
Ohio Longitudinal Data Archive
A repository of administrative records from Ohio state agencies
• for education and workforce research and evaluation
2

Mission

Improve administrative data quality and accessibility for use in policy and programmatic decision making

- Expand research-based knowledge



THE OHIO STATE UNIVERSITY

Data Gaps

The OLDA does not include:

- Out of state data
- Data from private institutions
- Occupation codes
- Direct linkages from K-12 student data to other OLDA data

Ohio Longitudinal Data Archive

CHRR provides

- A standardized data application process
- Metadata, documentation and codebooks for research planning
- Custom data extracts that are
  - Anonymized
  - Longitudinal
  - Linked across data sources (i.e. employment linked to education)

THE OHIO STATE UNIVERSITY
CENTER FOR HUMAN RESOURCE RESEARCH

Ohio Longitudinal Data Archive

Informs public policy

- Long term labor market outcomes of education and training
- Academic achievement (e.g. predictions of high school success)
- Labor force supply and demand

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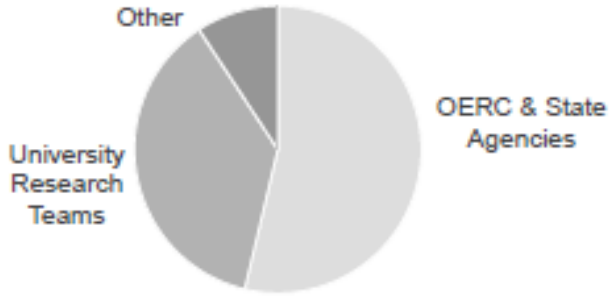
Data Users

N=54 active or complete projects, 2013-2016



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THE OHIO STATE UNIVERSITY

Overview of Data Access

Exploring the data elements
Applying for permission
Maintaining data security and privacy
Sharing results
Terminating access

10

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Exploring the data elements

Open www.chrr.osu.edu →Investigator

From the *Welcome to Investigator* page, select **Search**.

Under *Select a study*, choose **Ohio Longitudinal Data Archive- Metadata Demo.**

Select a substudy

THE OHIO STATE UNIVERSITY

Applying for Permission

Data request
- Research team contact info
- Research question and intended product
- Requested data elements
- Timeline

MOU template

Security & Privacy

Equipment and location
De-identification
Cell sizes

Sharing Results

Agency review
Research brief of policy implications
Bibliography

Terminating Access

End dates

Remove data from computing systems for all team members

Affidavit

[i] See, for example: *Reemployment Unemployment Insurance Claimants: A Good Government Investment*, Richard A. Hobbie and Yvette Chocolaad, in Transforming U.S. Workforce Development Policies for the 21st Century, Carl Van Horn, Tammy Edwards, and Todd Greene, Editors, Federal Reserve Bank of Atlanta, 2015; and Solving the Reemployment Puzzle: From Research to Policy, Stephen A. Wandner, Urban Institute, 2010.

[ii] See: *Crossing Boundaries: Regional Data Sharing to Study Worker Mobility*, by Michelle Massie, WDQC, December 2014.

[iii] Initial findings from the scan (41 state responses):

- Two-thirds of state workforce agencies report that staff capacity (a concept that encompasses staffing levels, staff skills, and staff experience) for research and evaluation is nonexistent, inadequate or fair.
- Looking across 15 specific research skills areas (such as using statistical methods, employing technical writing, analyzing large data bases, and conducting experiments), forty percent to 78 percent of state workforce agencies report they would like some or need more technical assistance or staff capacity.
- Over half the state workforce agencies report funding is inadequate, and 56 percent of state workforce agencies with knowledge of funding trends report that funding is lower or much lower than in the past.

[iv] Some states have made enhancements to their wage records. See: *Enhancing Unemployment Insurance Wage Records: Potential Benefits, Barriers and Opportunities*, Prepared for the Workforce Information Council by the Administrative Wage Record Enhancement Study Group, September 2015.

[v] See footnote i.