

**FLYING BLIND: IMPROVING THE WORKFORCE DEVELOPMENT
INFORMATION SYSTEMS IN ILLINOIS**

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We appreciate the generous support of the Joyce Foundation. The points of view and opinions expressed in this document are those of the authors and do not represent the position or policies of the Joyce Foundation.

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Executive Summary

Illinois' workforce development system is fragmented and disorganized. The information system that should guide decision-making about it suffers from the same maladies. Until the latter system is improved, the former will remain ineffective in improving Illinois labor force quality. Policymakers can't make good decisions if they are "flying blind."

In this report we describe, explain, evaluate, and suggest improvements to the information system. Illinois' workforce development information system comprises many separate reporting activities that were either 1) created independently over the years either to comply with federal mandates for information or 2) were created by state agencies to monitor programs that an agency was responsible for operating. The result is a relatively autonomous set of reporting activities that neither compliment each other nor paint a clear picture of what the state is doing in the job training and vocational education arenas. There is no overarching plan that links these activities and no mandate to require sharing information or linking data. The result for state decision-makers is that they are "flying blind" when it comes to which programs to fund and at what levels. The resource-allocation process does not have information that would allow officials to see the comparative advantages of different investments to the populations that the workforce development agencies serve.

In addition to the fragmentation of the system, circumstances have resulted in an overemphasis of the data collected under the Workforce Investment Act (WIA). This relatively small program has become a proxy for a system that is actually centered in the community colleges. Yet the WIA data provides little information about the community colleges. In fact, it provides little information about what is central to its own programs. The most WIA users are anonymous consumers of self-help information and services. These users are not tracked by the information system.

This is not to say that there is no information about community college, vocational, and training programs. On the contrary, the community college system has developed a substantial feedback system that monitors the success of its programs. Rather, the WIA benchmarking system is treated as a more legitimate gauge of workforce development activity because it is unambiguously about workforce development. Community college programs by contrast are educational as well as vocational. This institutional split has created an information divide.

Over the years, there have been some significant attempts to consolidate information from the various parts of the system. In the 1980s, the Department of Employment Security launched an Employment Tracking System to assess the impact of education, training and employment programs on the earning power,

employment history and unemployment insurance experience of their participants. In the mid-1990s, the National Governor's Association helped to initiate a "common performance measurement system." In each case institutional support for these programs waned and funding dried up. Institutional reorganization at both the federal and state level disrupted cooperation and commitment. As a result, a systematic approach to data collection and more importantly to analysis and interpretation never evolved. While the Illinois Common Performance Management System still exists, it is used largely to comply with federal reporting requirements.

The problems with information collection and analysis detailed in this report are not insurmountable. Moreover, given that there appears to be a new spirit and determination to improve political control of the system, the time is ripe for new initiative. In the last 18 months, a number of important first steps have been taken. The Workforce Investment Board pushed for—and the legislature adopted—a series of new benchmarks. The Governor's new workforce strategy team introduced a program that will link workforce development strategy to regional economic development patterns. The Chicago Jobs Council (CJC) completed a map of the workforce development system.

The CJC map is a first: It actually defines the system's limits and leads to an understanding of what it would mean to have system-level information. In the past, all one had was limited knowledge of specific parts of the system.

The significance of the Governor's new initiative is that it ties economic development together with workforce development. Identifying the critical skills shortages in each of the economic development regions around the state will provide important feedback about the adequacy of current workforce development efforts in each of these regions.

The new state benchmarks expand the focus of interest beyond the very narrow areas of interest of the federal Workforce Investment Act. They assume a linkage between educational performance and workforce development—between social welfare and workforce development.

As important as these efforts are, they still do not address the central issue of creating an information framework that can provide consistent system-level intelligence about workforce development in the state. Ultimately, the state benchmarks are not really about workforce development. The Governor's new initiative would no doubt benefit from the existence of some such framework, but it does not call for one. The CJC map *is* only a map. It gives us a starting point, but not a framework.

We have, then, three key recommendations that we believe will substantially improve the effectiveness of Illinois' workforce development system and political control over it.

1. We recommend the development of a Center for Workforce Development Research that will bring together the necessary data from all of the relevant agencies to track the relationship between workforce interventions and subsequent labor force participation over time. We recommend that the Center be independent, isolated from the turmoil of perennial federal and state institutional rearrangements.
2. We recommend requiring that all departments of state government contribute information to a centralized database such as the Illinois Common Performance Management System and giving the system a budget line.
3. We recommend that the Governor use his demonstrated interest in educational issues and job creation to provide the necessary leadership for this vital project. His clear leadership and direction will ensure that future generations of lawmakers do not need to fly blindly into decisions about improving opportunities for Illinois' citizens through workforce development.

1. Introducing the Problem

Every year, public and private entities in Illinois spend more than \$5.5 billion on workforce development, which we define as the improvement of the workforce through education and training. \$3.6 billion of this is public investment. The private sector trains its employees to increase its productivity. The public sector seeks to improve its citizens' earning power and to make Illinois more competitive in attracting and retaining businesses. Just as corporate executives scrutinize their human resource spending to guarantee that it improves performance, it seems obvious that legislators and state executives should do the same. Taxpayers also want to know that public funds are being effectively and responsibly invested. Yet our analysis of the current informational systems that govern decisions about workforce development strategy in the state suggests that neither of these two obvious needs are being met. The state is "flying blind." Though much data collection takes place, it is either focused on meeting federal mandates for reporting, or it is collected to meet the needs of small, often disconnected, projects. These "small" projects are important in their own right; however, they do not provide the big-picture overview that decision makers and taxpayers need to make decisions about future investments. Surprisingly, information about the entire system does not exist. Instead, one only finds snapshots of small parts of the system that become proxies for the whole system without any critical inquiry as to whether they, in fact, serve this function.

This report aims to discuss the information currently available to policymakers and the public about Illinois workforce development and to make recommendations for improving the system. In it, we will also analyze how the current information system has taken the shape it has and suggest how to transform it into a more comprehensive and useful system.

Without objective, system-level information about the use of state resources to improve workforce development, there will be little chance of improving workers' skills in a way that makes the State more competitive—and even less of a chance of making informed decisions about how to distribute limited resources in the best manner possible.

American domestic policymaking is characterized by an incremental, pragmatic approach, and that has certainly been the history of workforce development. New legislation at both the federal and state levels tends to add to what already exists, creating a "crazy quilt" of programs and requirements. The political reasons for this development are easy to see. Rather than integrate and streamline the state's approach, each new program allows provisions for special interest groups *and* preserves the status quo of the system in place. The result is a bundle of programs and funding streams that might meet short-term political goals but, in the long term, creates a duplicative and fragmented series of programs. This

fragmentation makes it almost impossible to view the entire system and to make decisions about the relative merits and effectiveness of individual programs.

There is a desperate need for leadership in this area. State and regional economies are now tied to global networks constraining local leaders' choices in shaping their local economies. A number of things have resulted from this:

- The composition of the labor force is being radically transformed. Manufacturing and blue-collar jobs are being exported, while “knowledge-worker jobs” are on the rise.
- Organizational structures are rapidly changing as well. The sturdy hierarchical organizations of the past lack speed, flexibility and creativity. The new organization is leaner, flatter and more focused.
- New organizations rely more heavily on information technology, so they need more knowledge workers; require fewer layers of middle management and thus, fewer management jobs; need fewer unskilled workers; and experience a more rapid turnover in their workforce.

How ironic it is that while these new organizations require—and are using—better, faster and smarter information technologies, Illinois is saddled with a system that provides only fragmentary, unfocused—and thus unreliable—intelligence about what is actually happening.

As if that were not enough, governors and lawmakers face new challenges. Among these, none is more important than ensuring economic and labor competitiveness. Failure to succeed in this means business will move out, and unemployment and social welfare spending will increase, pushing the State into a downward, difficult-to-reverse spiral.

Legislators and the Governor, of course, have only had very limited control over the state's economy—and perhaps they have even less control today. But Illinois spends \$3.5 billion dollars a year trying to build a successful workforce, and coordinating and leading that effort is a significant responsibility. The 31 programs that constitute the machinery of state workforce development represent the few tools the state has to exercise some control over the economy.

The question is then, what sort of information system would help the Governor and legislature refashion Illinois' workforce development programs into a strategic instrument that could be used to keep the state economy growing and prosperous?

The Task

Five months ago we set out to answer this complex question. Our first task was to assess the dimensions of the current workforce system—how extensive it is, what it does, how it fits with other important state systems, in particular with the economic development system and the social welfare system. Then we looked at existing feedback mechanisms and evaluation tools. <Every helmsman needs a compass, star charts and a sextant to know where they are.> We wanted to find out what data/knowledge was currently—or soon to be—available to the Governor. He also needs to have some idea of what’s coming, whether storms or smooth sailing and from which direction the future will arrive. We looked to see what planning and forecasting tools were in place. We then stepped back from what exists and asked, “Is this a sufficient framework for understanding what this system does and its impact on the Illinois economy?”

Our answer was “No, the information framework is not sufficient.” But that is not to say that all of the work that is being done is bad. There is, as we will go on to demonstrate, much good work being accomplished in the name of workforce development. The problem is mostly that it is fragmented, too narrowly focused on some individual parts, insufficiently focused on the system as a whole. As a result something that should be simple, such as defining the limits of the workforce development system and calculating how much money is spent on it, is not so simple. A quick example will illustrate this: In 2003, information from hearings before the House Labor Committee valued the program’s public workforce development system at \$800 million. By 2004, that estimate had increased to \$3.6 billion. Though there are perfectly reasonable explanations for this discrepancy, it shows how difficult it is to obtain system level information. It also reveals the overall lack of interest in accurately measuring and building the system.

2. The System

The workforce development system has both a private and a public presence. The private sector, represented largely by major corporations, has its own in-house training and human development capacity, which is aimed at improving its employees’ hard and soft skills. Corporate training programs run the gamut from remedial education programs in reading, language and math to highly technical training in computer programming and econometric analysis to leadership programs and sexual harassment training. Based on estimates of industry investment in training and development, Illinois corporations are likely to invest \$2.6 to \$2.7 billion annually in workforce development.¹

¹ Annual payroll expenditures in companies with more than 100 employees were approximately \$110 billion in Illinois in the year ending in the second quarter of 2003. The American Society of Training and Development estimated in their 2003 annual report that corporations of 100 and more employees spend 1.9 percent of payroll on training and human capital development. By that calculation, private investment in workforce development would exceed \$2.1 billion annually.

Public sector workforce development programs are more complex. Depending on what one might count as a workforce expenditure, annual public expenditures in Illinois are approximately \$3.6 billion. (See Chart 1 below.) Of this, 73 percent is state money, and 27 percent is federal.² Expenditures are spread over 31 workforce programs administered by 11 state agencies. There is the WIA-funded (Workforce Investment Act) system, the school system, the social welfare system and the unemployment insurance system. WIA-Title I, newly incorporated under the aegis of the Department of Community and Economic Opportunity, is a \$200-million program. WIA is responsible for the One-Stop Employment Centers and a host of other programs whose mission it is to get unemployed and displaced workers back to work as quickly as possible.

The community colleges, State Board of Education and Board of Higher Education spend another \$170 million to operate adult education, literacy and career and technical education programs among others, but they also get a significant portion of their training contracts from WIA. The One-Stop Employment Centers select individuals who they believe are best suited for training. Career counselors encourage these individuals to apply for Pell Grants to pay for the training. If they do not qualify for Pell or if for any other reason Pell money is not available, they issue WIA-backed training vouchers that can be redeemed at any certified community college program. Pell is a \$560 million educational loan fund that pays for students' vocational and career training as well as general higher education. The community colleges also run training programs for the private sector corporations, and these are paid for out of corporate funds. We have not found any analyses of these expenditures that tally up actual subcontracts. Illinois also spends more than \$2 billion on its colleges and universities and another \$380 million on student aid. We should acknowledge that some portion of this supports workforce development as higher education ultimately feeds better-prepared workers into the job market.

² At hearings before the Labor Committee of the Illinois House of Representatives in September 2002, an estimate of \$800 million was used. More recently (October, 2003), the Chicago Jobs Council completed a much more thorough and exacting survey of expenditures by 11 state agencies that administer 31 workforce programs. It reached this larger estimate of \$3.6 billion.

Chicago Jobs Council
Summary of Workforce Development Programs in Illinois (October 2003)

Federal Agency	State Agency	Program	Federal \$ (in millions)	State \$ (in millions)	Total \$ (in millions)	No. of Participants
DOL	IDOA	Senior Community Service Employment Program	3.13	0.27	3.40	450
L	IDES	Employment Services: Wagner-Peyser 7-A	28.70		28.70	582,271
DOL	IDES	Local Veterans Employment Representatives	3.60		3.60	11,475
DOL	IDES	Disabled Veterans Outreach Program	4.30		4.30	13,179
DOL	IDES	Wagner-Peyser 7-B	3.10		3.10	6,689
DOL	IDES	Labor Market Information	4.20		4.20	6,150
DOL	IDES	Trade Adjustment Assistance	4.40		4.40	1,035
DOL	IDES	Career Services Network		0.60	0.60	8,469
DOL	DCEO	WIA-Title I	200.50		200.50	37,191
DOL	DCEO	Re-Employment Services	1.30		1.30	8,759
Dept. of Education	DCEO	Current Workforce Training Grant		4.30	4.30	48,218
	DCEO	Illinois Industrial Training Program		25.10	25.10	80,357
	DCEO	JTED		1.50	1.50	703
HUD	IDHS	Youth Build	4.60	0.22	4.82	358
USDA	IDHS	Food Stamp Employment & Training (Earnfare)	3.90	10.60	14.50	11,037
HSS	IDHS	TANF Employment and Training		21.90	21.90	8,057
Dept. of Education	IDHS	Vocational Rehab	90.50	13.90	104.40	48,933
Dept. of Education	ISBE	Career and Technical Education (Perkins)	41.30	41.30	82.60	
Dept. of Education	ISBE	Education to Careers	11.30		11.30	
	ISBE	Jobs for Illinois Graduates		6.00	6.00	4,536
Dept. of Education	ICCB	Adult Education & Family Literacy	18.80	38.50	57.30	123,000
	ICCB	Workforce Development Grant		6.10	6.10	16,107
	IBHE	Cooperative Work Study Program		2.10	2.10	3,000
	IBHE	State Aid for Community Colleges and Public Universities		2,084.00	2,084.00	
		Pell Grant Program	560.28		560.28	265,704
	ISAC	Monetary Award Program		372.36	372.36	140,744
	ISAC	Incentive for Access Grant		7.96	7.96	210,426
	Secretary of State	Workplace Skills Enhancement Program		0.52	0.52	1,735
	Secretary of State	Making Work Pay Grant		0.16	0.16	300
	IDOL	Displaced Homemakers Assistance		0.86	0.86	1,758
	IDOC	School District 428	0.78	14.92	15.70	10,039
		TOTAL	984.69	2,653.17	3,637.86	

The social welfare system spends another \$165 million on training special needs populations: vocational rehab programs for the developmentally disabled, welfare to work programs for TANF recipients, GED and remedial education programs for the Department of Corrections and others. A number of significant programs are not included in this list. Municipalities throughout the State use CDBG money from HUD to underwrite workforce programs. Cities like Chicago also put local tax dollars, TIF (tax-increment financing) revenues and other local tax proceeds into job training. These are not included because they are nearly impossible to track. Nor have we included unemployment, which is overseen by the Department of Employment Security.

Workforce Investment Act (WIA)

Though it is a relatively small portion of the total, WIA-Title I plays an oversized role in the system and in debates about the system. This partly stems from its position as the flagship federal program belonging to a pantheon of federal workforce programs such as the Wagner-Peyser Act, the Comprehensive Training and Education Act and the Job Training Partnership Act. To some extent, this is because it was enacted to reform workforce development nationwide. WIA formalized an entirely new way of managing workforce development that reflects some of the most prominent business management philosophies of the 1990s.

The federal guidelines for WIA were built on seven basic ideas:

1. Services should be streamlined.
2. It should empower individuals.
3. It should grant universal access to workforce development.
4. There should be increased accountability.
5. Programs should be designed at the local level with real input from the local private sector.
6. There should be greater flexibility for states and localities to do what they want.
7. Youth programs could—and should—be improved.

WIA put One-Stop Employment Centers at the front-end of the system. During the 1990s, all states received infrastructure grants to set up One-Stops. These were funded out of Wagner-Peyser funds. Wagner-Peyser was a New Deal program that established government-funded labor exchanges. The One-Stops were supposed to be centralized information offices where job seekers, whether unemployed or not, could get information about available jobs.

Under WIA, the role of the One-Stop expanded. First, the types of services offered were expanded. WIA authorizes three levels of service. The first level includes core services that are universally accessible to all. Core services include information about job openings and labor market trends.

The second level of service that one can access through One-Stops is an array of so-called “intensive” services. Intensive services include career counseling, job skills seminars, coaching and career assessment. Upon completion of these programs, most customers then go out to seek jobs. Some are referred to additional training.

Training is the third level of service. Training programs are most often run by local community colleges. Although in Chicago, there are many private training companies as well.

In addition to adult services, WIA also underwrites youth services. These include workshops in leadership, alternative high schools, comprehensive counseling and paid work experience. Students are also eligible for up to two years of funding for college or a proprietary training school that leads to employment.

Originally, WIA envisioned a service that actively marketed itself to businesses as well. The idea was that the One-Stops would constantly monitor the needs of local-area businesses and translate that information into strategies that addressed those needs, thereby creating special training programs and steering job seeking clients towards employee-seeking business customers.

Finally, WIA set up an elaborate system of local area Workforce Investment Boards to separate policy from administration. Illinois has 26 of these boards. Board members are community participants drawn from private industry, government, the community colleges and community service agencies. There is also a State Workforce Investment Board.

Although WIA is the most completely realized workforce development structure in Illinois, it is important to remember that it represents a surprisingly small part of the total system. Other parts, independent of the WIA, include the community college system and the training and human resource development system that is part of private corporations and public sector organizations.

Community Colleges

Illinois' 48 community colleges play three roles. First, they provide general education to students who want to go on to higher education. Second, they are involved in workforce preparation. Third, they are economic development partners alongside business and industry. Nearly one million students enroll in their programs each year.

In 2001, they offered 536 career and technical education programs. Statewide, 34 percent of students were enrolled in these programs; 44 percent were enrolled in a transfer programs aimed at gaining admittance to a four-year college; and 22 percent were enrolled in adult education courses, ESL and others.

In addition to their academic programs, 38 of the community colleges also host business development centers. Centers such as the Center for Business and Industry (CBI) at John Logan College in Carterville provide customized training programs for area businesses and consulting services. They also host conferences and seminars on topics of interest to area businesses. CBI also houses a Procurement Technical Assistance Center, which helps area businesses to secure government contracts. In fiscal year 2002, Logan's CBI provided training and services to more than 15,000 area business clients. Though not entirely comparable, this number is considerably more than the number of students enrolled in its career-education programs (1,930 students).

The community college system has an organizational structure similar to the workforce development system funded through WIA. Strategy and planning are in the hands of a statewide community college board made up of gubernatorial appointees. Locally elected boards of trustees set policies for each local college. Although individual colleges are academically responsible to accrediting boards, each is essentially self-governing. The ICCB (Illinois Community College Board) assists in the overall coordination and has instituted a mechanism that requires a program review at least once every five years. But the local colleges decide on their own which programs to offer in their communities.

Private Sector

As for private sector workforce development, this is also independent of the WIA-sponsored state workforce development system. Private sector training and human resource development programs run the gamut from remedial education programs in reading and math to highly technical training in computer logic. The most common training programs are in computer systems and applications, management development programs, orientation for new hires, sexual harassment, supervisory skills and technical training.³ But there is no entity that tracks these efforts outside of the individual corporations. Corporations rarely share resources, and there is no centralized entity responsible for coordinating training and development efforts outside of information exchanges. These exchanges take place at conferences and seminars run by such major trade associations as the American Society of Training and Development (ASTD), Human Resource Development Society (HRDS) and American Safety Council.

Systemic Problems

Taken as a whole, workforce development in Illinois is enormously complex—and extraordinarily fragmented. It is a collection of individual initiatives loosely coordinated by a multitude of organizations with some segments of the system

³ For a detailed description of training and development, see *Training Magazine's 2003 Annual Review*, October 2003. ASTD also puts out an annual summary of industry programs in the magazine *Training and Development*.

more formally organized than others but with no overall planning mechanism or oversight.

There have been efforts to link parts of the system. The business centers within the community college system clearly represent a linkage point. To be successful, such centers have to develop a close relationship with area business. WIA has tried to build some of this into their system as well. By statute, business needs to represent at least 50 percent of the Workforce Investment Board participants. The community college system is also represented on Workforce Investment Boards both locally and statewide, and local One-Stops make use of community colleges for their training.

But One-Stops do not represent a significant enough part of the community college market to have much influence over it. Take the example cited above of John Logan's Center for Business and Industry. The 15,000 clients it served in one year is more than five times the statewide number of adult "exiters" from the WIA system that actually received training, and Logan's CBI is only one of 38 such programs across the state.

From the viewpoint of the community college system, there appears to be no reason to coordinate its activities with the workforce development system underwritten by WIA. And from the viewpoint of the various workforce investment boards, there is no reason to think that the community colleges will seriously participate in their planning. Consequently real cooperation and real coordination remain unrealized. The system remains fragmented.

There are other reasons for the fragmentation. When programs are created, they become embedded in bureaucracies with staff and funding streams, cementing institutional allegiances. When another program is created that encroaches on the domain of the first, it requires new staff, different funding and new allegiances. Thus, bridging the divide between organizational universes becomes extremely difficult. Workforce development has seen just such layering of programs. In the 1930s the Wagner-Peyser Act brought in labor exchanges. In the 1960s there was the Comprehensive Employment and Training Act (CETA). In the 1980s the Job Training Partnership Act and in 1998 the Workforce Investment Act. In some cases, entire bureaucracies are scrapped as was the case with CETA. In other cases there is an attempt at reincorporating the old into the new. Such is the case today with WIA and Wagner-Peyser. Wagner-Peyser was specifically incorporated into the Workforce Investment Act, but it kept its employees as did WIA. Though both operate in the same office with the same clientele, they do not always share the same goals. In an interview with several resource personnel at the Evanston office of the Illinois Employment & Training Center (IETC), it was clear that while they were not aware of the legislative origins of their individual jobs, they were aware that they worked for essentially different organizations. They also felt that it was unusual that they got along so well with one another and worked together so well in their particular office.

Another source of fragmentation is “transition paralysis.” Setting up new programs and dismantling old programs at the same time inevitably creates problems, yet this often occurs. Not only is the federal government changing the parameters of their programs and periodically turning them over entirely, so is the State. This happens especially when new administrations come to power and decide it is time to reinvent the way government does business. The Blagojevich administration, for example, moved recently to consolidate workforce development programs under the newly titled Department of Community and Economic Opportunity. In this consolidation they moved the \$250-million federal workforce program, WIA-Title I, from the Illinois Department of Employment Security (IDES) to the Department of Commerce and Economic Opportunity (DCEO) along with the Trade Adjustment Assistance Program and the Welfare to Work program. Additionally, they moved the Prairie State 2000 Authority programs into DCEO, and they moved the Current Workforce Training Grant program out of the Illinois Community College Board into DCEO. While this no doubt makes sense on paper, and might in time make sense in practice, it means that for the next year or so many plans that have been in the works will be put on hold, while actual files are transferred and new staff are trained and brought up to speed on the issues. Transitions signal the end of certain initiatives that will fall out of favor in the new administration. This all plays havoc with the continuity and stability of programs. The Workforce Investment Act of 1998, for example, required an entirely new approach to workforce development. Illinois, like most states, was not really done with the changes required by it until 2001. Consequently, they scarcely had 18 months under that reorganization before the new administration decided on reorganizing it once again.

Finally, fragmentation is simply a matter of administrative necessity: Different programs affecting different populations get lodged in different administrative silos. In Illinois, workforce development has institutional connections with the Department of Employment Security, the Department of Commerce and Economic Opportunity, the Department of Human Services, the Department of Corrections, the State Board of Education, the Board of Higher Education, the Department of Labor and the Illinois Board of Community Colleges. In addition, because Chicago accounts for such a large part of the Illinois workforce, its local workforce development agency, the Mayor’s Office of Workforce Development, has an administrative center of its own. Each of these departments answers to different masters and has different cultures and allegiances.

3. The Role of Information in the System’s Fragmentation

Each fragment has its own set of information feedback loops. These are what govern its activities. The flow of information allows each fragment to function in isolation and helps to maintain its integrity as a system apart. Unfortunately, it is precisely because of this that the system as a whole fails to cohere. Information does not flow easily from one fragment to the other—and there are no higher-

level rules governing the use of information between fragments. As a result the information of one subset does not easily translate into information in another subset where it might be used to govern decisions.

The problem then is not collecting and analyzing the information—much is. The problem is its narrowness of use and its inability to translate to other fragments in the system. A quick look at some of the major efforts to collect workforce information will make this point.

Employment Tracking System (ETS) and Illinois Common Performance Management System (ICPMS)

In 1987, IDES proposed and launched an Employment Tracking System (ETS) as part of the Employ Illinois Initiative. The goal of ETS was to allow users to assess the impact of education, training and employment programs on the earning power, employment history and unemployment insurance experience of their participants. ETS brought together data from IDES' job-service activities, the Contributions Tax System (employer data), wage records and weekly unemployment insurance claims. In spite of high expectations at the start, the project petered out.

In 1994, the idea came to life again. The National Governor's Association initiated a project urging states to develop better workforce preparation program outcome tracking and analysis. Illinois was one of six states selected competitively to serve as a "national laboratory." For 15 months, NGA supported the creation of a "Common Performance Management System" (CPMS). Illinois pulled together its own project team made up of participants from the Governor's office, the Department of Commerce and Community Affairs (DCCA), the Illinois Community College Board (ICCB), the Illinois Department of Employment Security (IDES), Public AID and the Office of Rehabilitation Services of the Department of Human Services. In 1996, after the demonstration project concluded, DCCA took over funding the project. They also brought in as additional partners the Board of Higher Education, the Vocational Schools division of the State Board of Education and the Department of Corrections. A team of researchers from Northern Illinois University's Center for Governmental Studies, who had served as the national consultants to the original National Governor's Association (NGA) project, continued on the project. In 1997, the funding for the project was shifted yet again to a shared formula with each department chipping in a portion of the overall cost to maintain the system.

The Illinois Common Performance Management System (ICPMS) was the first system with the potential to reach beyond borders and embrace a more comprehensive notion of workforce development. IDES contributed data from the Job Training Partnership Act (JTPA) Program and Employment Services. ICCB contributed data on community college, adult education and vocational programs. DHS contributed data on its own vocational rehabilitation programs as well as on

the Aid to Family with Dependent Children (AFDC) Program and the newly created Temporary Aid to Needy Families (TANF) program. The Department of Corrections contributed data on its vocational programs, Prairie State 2000 on its individual training assistance program, the Illinois State Board of Education (ISBE) on its secondary vocational programs, and the Illinois Board of Higher Education added some limited data sets from its State University System. More significantly, a complete set of data-sharing agreements was worked out, as well as common definitions that could be used to analyze data across systems.

This was the highpoint of the system—departments worked together to define an information system that stretched across multiple departments and projects. Then the Workforce Investment Act came into being and the collaboration came to an end. During the first two years after WIA became law, IDES, which had taken the lead on the data project, focused all of its energy on reorganizing its programs to conform to the new federal requirements. ICPMS went on the back burner. IDES continued to contribute their data, and unemployment insurance (UI) data was regularly added to the archive. Participation by the other departments, however, became more sporadic and in some cases, stopped all together. By spring 2003, only the WIA and UI data were completely updated with some data sets four and five years out of date. Since then, the data has been fully updated, but it is still not being widely used, and the extraordinary collaborative spirit that marked the period just prior to the passage of WIA in 1998 has not returned.

Today, ICPMS is primarily used to generate the annual WIA reports and respond to ad hoc requests. In theory it could still be used to facilitate the flow of information across departmental and program borders and to create a broader picture of the whole, but it does not. There are still no higher-level rules in place to determine how the information it captures might be used to make this happen. It remains more or less confined to the narrow focus of the few programs that continue to use it.

Illinois Skills Match (ISM)

The Illinois Skills Match is another system that collects information. Available at terminals at all One-Stop Centers, it matches the individual skills of job seekers to job postings supplied by employers. This as it turns out constitutes a large portion of the traffic that passes through these centers. It is also accessible to people over the Internet.

Unfortunately, it is not widely used. Customer feedback indicates that many people have found it difficult to use. A new version was released in summer 2003, but it remains to be seen whether it will improve utilization.

One-Stops are supposed to be partnerships with other agencies. ISM has the potential to be useful to many of the onsite partners that also offer job referrals to

clients. Unfortunately, few partners use it, and as a consequence, different programs collect different pieces of information into different systems that cannot be easily compared. Thus, ISM only captures a small portion of the traffic through the centers.

ISM is also not used outside of the One-Stops in the community colleges, for example. Instead, the community colleges have their own job search and matching system and their own relationships with businesses.

WIA Performance Measures and Benchmarks

WIA mandates that each state report yearly on the success of the programs for which WIA pays. It asks states to measure the number of individuals that get jobs through WIA intensive and training services. It asks states to measure the number of individuals that hold jobs two quarters later. It asks states to measure the earnings change before and after users complete their program. And it asks states to measure the numbers attaining credentialing. In a more recent OMB circular, it started requiring states to measure the efficiency of these programs. Each of these four performance measures was applied to three target populations that the WIA addresses: adults, dislocated workers and 19- to 21-year-olds. The WIA has a different set of three measures for 14- to 18-year-olds. Since employment measures are less useful for this population, they substituted questions about the success in getting youth into training programs, obtaining certificates or diplomas and obtaining goals. In addition to these program measures, WIA also required that states measure customer satisfaction with the services provided. Since WIA envisions two principle audiences—job seekers and employers, this meant that they expected states to survey both populations.

In addition to the performance measures, WIA requires each state to negotiate a set of benchmarks—that is, levels of performance—with the federal government to which they expect their programs to perform. For example, Illinois has obligated itself to find employment for 67 percent of those adults exiting their programs in the first quarter after completion. Of those that find employment, they are expecting that three-quarters or 74 percent will still be employed six months later.

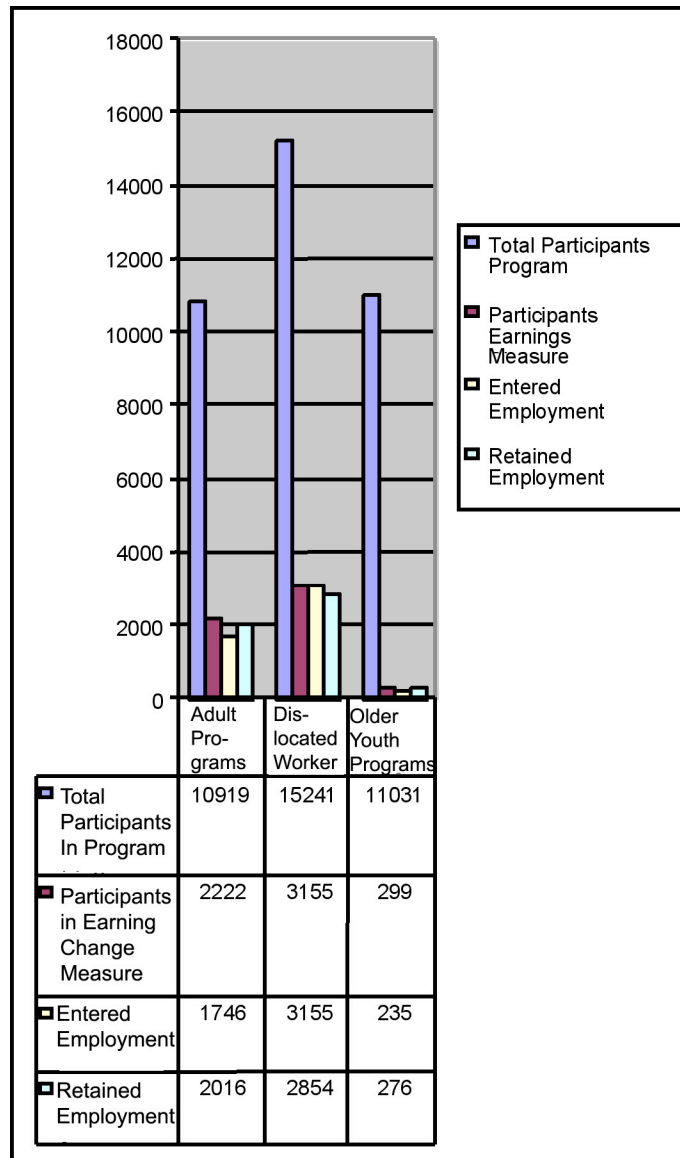
This is fairly straightforward in conception. There are, however, certain methodological problems that complicate the collection of such data. Not all users of services are actually incorporated into these performance figures. As we pointed out above, the largest number of service users are those taking advantage of the self-help services at the local One-Stop and on the Internet. Until recently, these individuals did not register for their services unless they were making use of the Illinois Skills Match system, although manual sign-in sheets are regularly deployed at One-Stops. Because this information was never assembled into a centralized database, there has been no way to measure the performance of this part of the system. This might change. Illinois is starting to

roll out a system that automates the check-in process so that individuals using the resource rooms or online resources register themselves even when using self-help services. But until that new system is implemented throughout the State, WIA benchmarking applies only to those partaking of intensive and training services.

But these aren't the only exclusions. When measuring "entered employment" rate and retention rate,⁴ it only makes sense to measure those who have completed their programs. So the first exclusion in the annual measures are those who have not yet completed their intensive service or training. Other exclusions are those who get sick and drop out, get arrested and end up in jail or prison, and of course, those who die. There are also certain individuals who get their training paid for out of special subsets of WIA funds that are tracked separately. They are excluded as well.

WIA performance measures cover a very small subset of workers. Remembering that there are six million employees in Illinois in the program year that ended in 2002, there were only 3,300 adult exiters. Of these, only 1,746 counted toward the "adult entered employment rate." There were

3,800 dislocated workers that exited the system during the year, of which only 3,155 counted towards the entered employment rate for dislocated workers. Youth counts were even smaller, numbering in the hundreds. During program year 2001, nearly 37,000 individuals (adults, dislocated workers and youth) participated in programs, and many others used the self-help services. But the system was able to track only 5,000 into employment.



⁴ "Entered employment rate" is the number of individuals who have been receiving training or intensive services that enter employment during a quarter divided by the total number of people exiting the training or intensive programs.

Six million workers. Five thousand jobs tracked. That leaves a lot to be desired in data on workforce development.

Many other criticisms have been leveled at the federal benchmarks. The data look backward rather than forward. The data do not differentiate between core and intensive services. The actual mandate to collect the data—that is, to attain the pre-established benchmarks—skews the results, so programs avoid serving difficult-to-train populations. The information cannot be compared to other employment arenas because key definitions are unique to the WIA framework. Yet all of these criticisms point to the same underlying problem. The benchmark information is all good information, but it is too narrowly focused on a small subset of the workforce population. As a result, it is not information that can easily flow across system borders and inform decision makers elsewhere in the system. Moreover, it can never be reliably linked to state legislative or executive discussion about Illinois' workforce needs. When people do use it as proxy for workforce needs in these higher-level discussions, it misrepresents the reality.

We encountered the same problem in most of the other major information collection efforts that were undertaken in the last several years.

One-Stop Benchmarks for Local Performance

Starting in summer 2001, four local area Workforce Investment Boards banded together to study One-Stop systems nationwide. They were looking to establish a list of best practices that would give them the capacity to evaluate the performance of individual workforce systems around Illinois. The partnership included participants from the Workforce Investment Board of Northern Cook County, Chicago Workforce Investment Board, Crossroads Workforce Investment Board and Central Illinois Workforce Development Board. The study looked at 20 centers across the country and came up with a list of ten critical success factors. Three focused on what made certain centers develop better programs for employers. Another three focused on what made for the most effective services to job seekers. Four dealt with management practices.

After completing the national study and arriving at a list of best practices for each critical success factor, they proceeded to assess the performance of Illinois' One-Stops with an eye towards identifying how local One-Stops measured up. They did this first by mapping processes—determining how each of the One-Stops they studied actually worked. Then they compared their process maps to the best practices they had collected during the national study. The result was an excellent bird's-eye view of the One-Stop system and its problems. The picture it paints is essentially the picture painted above, a system that is totally fragmented with no informational infrastructure or feedback-evaluation mechanism in place to stitch the pieces together. Here are some of the findings:

- “There are no unified data collection tools or processes. No common intake, common databases, common measures/indicators, common customer satisfaction tools, nor common assessment tools or processes are being used.”
- “Silo performance measures distract One-Stop operators from acting together to attain mutual goals.”
- “Many of the partners use their own job-placement system (especially the community colleges) and do not even pretend to place their candidates on the state system.”
- “Every partner housed in the center is using a different operating system, some with very old, antiquated software. It is impossible to share information from partner to partner, and much duplication exists for the user, as a result.”
- “There is nothing in place for measuring outcomes for the center as a whole, delivery systems, or even basic numbers (e.g., numbers in resource room per day/week).”
- “Data that are collected are generally not aggregated or analyzed for trends.”

In effect this internal critique of the One-Stop system is the same as our critique of the overall system.

Community College Accountability

Within the community college system, there seems to be less fragmentation. Every five years each program is reviewed and one of the things they focus on is the success of the colleges in preparing students for the workforce. The review has a more or less standard methodology. They use a combination of multiple qualitative and quantitative measures to assess programs and student learning, including completion rates, persistence, GPA, test scores, portfolios, capstone courses, internships, graduate and employer surveys and UI data. They use national and state estimates of labor market needs and compare these with success students are having in getting into jobs. But the reports are essentially program report cards. The analytic point of view is so focused on the individual program that very little is revealed about the overall structure of need. Moreover, there is a certain informality with which the assessments are conducted. In assessing program effectiveness, it is often difficult to find many program graduates. While they may have UI records, the analysis looks at many other outcomes, and interviews with former students are an essential part of the methodology. Unfortunately, it is often difficult to find students for follow-up interviews. As a consequence, they have set a standard that courses with more

than 50 graduates must find 50 percent of the graduates to conduct a valid assessment. Are such results valid? The 50 percent are not randomly selected. If the 50 percent who do participate in the reviews do so because they are essentially satisfied customers, then the results are interesting but not informative.

There is much that is excellent in these reports. To the extent that decisions need to be made about specific programs, the information is there and the mechanisms in place to follow through. In some respects, this is an accountability system that might well be emulated in the WIA programs.

But therein lies the problem with respect to managing and analyzing the workforce development system overall. This is one galaxy of the workforce universe. The method of analysis here is strikingly different from other parts of that universe and as such cannot be combined with the information from those other parts to reveal the system in full.⁵

4. Expanding the Analytic Point of View

There have, of course, been serious efforts to extend the analytic point of view beyond the narrow focus on WIA or the community colleges. The original intention behind ICPMS was to bring together information from multiple organizational silos. It is a pity that the effort did not survive intact to evolve into an entire information framework. More recently other efforts are in the works.

State Benchmarking

For example, the Evaluation and Accountability Committee of the Illinois Workforce Investment Board, recently helped to move through the legislature the adoption of a new set of State benchmarks, which they presented as a broader index of measures with which to assess the health of the workforce and help predict its future. The benchmarks comprise ten measures.

The first six benchmarks have to do with the education system. Three are lagging indicators of the quality of the workforce; three are leading indicators of the workforce's future quality. The assumption behind the first three indicators is that a more educated workforce is a more competitive workforce. The assumption behind the second three is that one can predict future problems in the workforce quality by tracking the current education system's success in getting current students to follow the path towards higher education and training.

⁵ This is not entirely true. According to ICCB's Results Report for fiscal year 2002, Wilbur Wright College is tracking the programs certified through WIA. Kaskaskia College is tracking core services and training provided to nontraditional students. Olive-Harvey College is tracking the individuals completing continuing education short-term certificate programs. Were this being done system wide there might be some potential for a more unified picture, but these are unique efforts.

New State Benchmarks

1. Educational level of working adults.
2. Percentage of the adult workforce in education and training.
3. Rate of adult literacy.
4. Percentage of high school graduates transitioning to education or training.
5. High school dropout rate.
6. Number of youth transitioning from 8th to 9th grade.
7. Percentage of individuals and families at economic self-sufficiency.
8. Average growth in pay.
9. Net job growth.
10. Productivity per employee.

Benchmarks #7 and #8 deal with earnings power. The assumption is that a workforce with a higher skill level will command a higher pay level. Hence, average wages will rise as Illinois improves its overall educational level. And higher average wages will bring an increased level of self-sufficiency.

The two final benchmarks deal with the business environment. Net job growth and employee productivity apparently indicate a successful workforce development program.

What is significant about these benchmarks is that they cull information from education as well as economic development and employment. What is missing is still any higher-level logic that unites the information into a single system.

Balanced Scorecard

One of the instruments developed by the Corporation for a Skilled Workforce to complete their study of Illinois “World Class One-Stop Delivery System” was a balanced scorecard analysis, or as they called it, a “balanced dashboard.” The purpose of the “balanced dashboard,” they wrote in the conclusion of their report, “is to develop system indicators that cross partner programs.” To a certain extent it was the use of this sort of analysis that led to their claim that One-Stops were extremely fragmented. What is significant about this charge is that it can only be seen when one shifts one’s perspective to a higher level and starts to view parallel operations as part of the same system.

Net Impact Studies and Return on Investment (ROI)

Another method of analysis that has been used recently to try to bridge information worlds has been the so-called “return on investment” (ROI) study. Dennis Benson of Appropriate Solutions recently conducted a preliminary ROI study of Chicago’s workforce development programs for the Chicago Workforce Investment Board. Though preliminary and incomplete, it nevertheless illustrates the point: Understanding a program’s impact requires understanding the entire context in which the program operates. Perhaps a better example is the net

impact analysis that is now a standard part of the assessment framework that the State of Washington uses to evaluate their workforce development efforts. They use a nonexperimental methodology that compares a sample of individuals that make use of one or more elements of the workforce development program against a statistically matched (nonrandom) control group of individuals that do not have a history of using any workforce development services. The study compares histories before, during and after the use of services. Impacts are largely measured in terms of net changes in quarterly earnings, but also include net changes in employee benefits, social welfare benefits and unemployment insurance benefits and taxes. Calculations are made to estimate lifetime impacts of program interventions on individuals. The point of the study is to estimate what happens to program participants as compared with what would have happened if they had not participated in a workforce development program.

A variation on this can be seen in an econometric analysis on the impact of community college education conducted by the Illinois Community College Trustees Association in October 2002. The study by Kjell Christophersen and Henry Robison⁶ looks at the direct economic impact of users of community college services and the positive externalities arising from that use. The analysis looks at the benefits in higher earnings—both current and present value of future earnings—that accrue to the students, which translate into higher tax revenues for the State. It also looks at the positive externalities that inure indirectly to the state's benefit: improved health and lifestyle habits that reduce absenteeism and worker compensation costs, lower crime, lower incidences of welfare and unemployment.

The “Socioeconomic Benefits” Report is an interesting one: Having established mathematically the relationships between variables and outputs, all that is needed to move forward is to plug in the annual values of the specific variables. It can be applied to individual community colleges or to the entire system.

All of these examples point to the fact that workforce development is part of a much larger system, and that to understand the impact of any part of the workforce development system, one needs to see it in a larger context. Yet each of these analyses are still constrained by too narrow a focus on the institutions that initiated them. While they point us in the direction we want to go, they do not get us there. Eventually, we will need to create a framework that breaks out of these constraints.

⁶ Christophersen, Kjell A., and M. Henry Robison. “The Socioeconomic Benefits Generated by 39 Community College Districts in Illinois.” ICCTA. October 8, 2002, 65 pp.

Perhaps no document illustrates the importance of why we need to expand our perspective than the recently completed inventory of workforce development programs by the Chicago Jobs Council. This project came out of the House Labor Committee hearings in fall 2002. At these hearings, it was commonly accepted that state workforce spending was an \$800 million annual investment.⁷ The problem was that everyone usually accompanied this “statement of fact” with the caveat that the number was probably higher. A year later the number was \$3.6 billion.

The CJC analysis is the first real articulation of the dimensions of the system as a whole. Consequently, it represents the first significant attempt to address workforce development in Illinois as a system. But more importantly, in laying out the broad structure of the system, it now challenges us to understand it and to ask questions about it. For example, we should now be asking whether the 31 programs that it identifies are the right programs to deal with Illinois’ workforce development problems? And whether the allocation of resources among these programs is the right allocation? The analysis indicates that only 18 of these programs actually use some of their money for job skills training, and the lion’s share of that money is state aid to the community colleges and universities. Overall, only about 28 percent of the resources are actually used for job skills training. Would a greater investment in job skills training improve the performance of the workforce system? And if so, in which part of the system? Right now 88 percent of job skills money flows through the education system. Is this too much? Or too little?

Summary of Job Skills Training Programs

Program	Total \$ (in millions)	% Used for ⁽¹⁾ Jobs Skills	Total \$ Used for Job Skills
Local Veterans Employment	3.6	0.5	1.8
Disabled Veterans Outreach	4.3	0.5	2.15
Wagner-Peyser 7-B	3.1	0.5	1.55
Trade Adjustment Assistance	4.4	1	4.4
WIA Title I	200.5	0.18	36.6
Re-Employment Services	1.3	1	1.3
Workforce Training Grants	4.3	1	4.3
Illinois Industrial Training Program	25.1	1	25.1
JTED	1.5	1	1.5
Youth Build	4.82	0.5	2.41
Vocational Rehab	104.4	0.31	32
Career and Technical Education (Perkins)	82.6	0.5	41.3
Workforce Dvlpmt Grants	6.1	1	6.1
State Aid: Com. Colleges, Public Universities	2,084.00	0.41	854.44
Workplace Skills	0.52	0.5	0.26
Making Work Pay Grant	0.16	0.5	0.08
Displaced Homemaker	0.86	0.5	0.43
School District 428	15.7	0.5	7.85
TOTAL Job Skill Expenditures	2,547.26		1,024
TOTAL Workforce Development Expenditures	3,637.86	% of Total Devoted to Job Skills	28.10%

⁷ The actual number presented by the Governor’s Office was \$711.59 million.

To answer these questions, of course, we need to understand the particular in the context of the entire, which means that we must understand what the overarching goal is. In “Developing A World-Class One-Stop System for Illinois: Moving Beyond WIA,” the Illinois Workforce Investment Board, the Local Workforce Investment Board Chairs and the previous governor’s Workforce Cabinet state their vision as follows:

“Illinois will have a high-quality, employer-driven, innovative, proactive workforce development system that supports economic development and offers universal access to skill development opportunities. This will ensure a competitive advantage for Illinois businesses and individual self-sufficiency through rising real incomes for Illinois residents.”

On the face of it, putting more resources into skills development should help Illinois at least achieve a more skilled workforce, and a more skilled workforce should be able to command a higher wage. But investment in education and training will only make Illinois more competitive if there is currently a shortage of the particular skilled workers that are being produced by the system. Hence, the Blagojevich administration’s decision to break Illinois into ten districts and to examine critical skills shortages in each of those districts seems an appropriate first step towards achieving their stated goal. But is this perspective still too narrow?

The importance of the CJC study is that we can now hold up the individual workforce programs that we fund and ask if they are helping us accomplish these system-level goals and understand their impacts in the context of the entire system.

In the past, no one has really been able to provide leadership to the system because there has been no system to lead. Instead, all that has existed have been local channels of control and feedback between programs and state administrative offices that operate as random clusters of activity somewhere in program space. What is needed is for someone to discover the laws of gravity that draw all of these disparate efforts into the same system.

Which brings us back to our original question: What sort of information system would help the Governor and the legislature make sense of Illinois’ workforce development programs? What would allow them to turn these programs into strategic instruments that will keep Illinois’ economy growing and prosperous?

5. Recommendations

In the period before Governor Blagojevich's inauguration, the Illinois Workforce Investment Board made a series of recommendations to the transition team. The very first recommendation was "to strengthen governance and accountability in the workforce system." The Board recommended that the way to do this was for the Governor to "to establish system goals and performance accountability standards across all of the programs in the workforce development system and develop measures of the effectiveness and efficiency of the public-private workforce development enterprise in achieving the state's workforce goals." In general, we are supportive of these recommendations, although there might always be serious problems with attempts to reduce everything to numbers, and simply having measures does not necessarily mean that you have the means to interpret them. What we have tried to suggest is that it is also important to have a framework for evaluation that provides the capacity to understand the numbers, and some confidence that the variables being measured are the important ones.

We also believe that history has demonstrated over and over that there are some inherent problems in expecting government bureaucracy to ever carry out this mandate consistently and effectively. This is not meant as a criticism of the many public servants that work long and hard to fulfill their responsibilities, performing their legislatively mandated chores. It is rather an acknowledgement of the reality that government policies frequently change — and with that change — legislators and administrators change their commitments to the activities that they want the bureaucracy to perform. In such an environment, long-term consistency and follow-through is frequently impossible. We would, therefore, like to conclude with a number of recommendations that we believe would go a long way toward achieving the level of understanding and control over Illinois' workforce development system that is needed to ensure a process of continuous improvement.

1. The Governor Must Take the Lead

We start by repeating a recommendation made by the Illinois Workforce Investment Board (IWIB) in its report to the Governor's transition team: The Governor must fully support any set of measures that are undertaken because it is the Governor alone who has the capacity—if anyone does—to challenge and change the institutional inertia of the bureaucracy. For our purposes, this is an essential first step in ensuring that all departments cooperate with those that are charged with evaluating the workforce development system.

2. Central Repository of Information

Following from this, we would also like to join the chorus of others who are recommending that all state departments be compelled to contribute their data in a timely manner to a centralized repository such as ICPMS.

3. Establish an Independent Workforce Development Research Center

We recommend that the Governor commission the creation of an independent workforce development research center. We stress the idea that such a center be independent because it must be isolated from the changing commitments of legislatures and bureaucracies.

The Role of the Independent Workforce Development Research Center

The role of such a Center is not to take over from the bureaucracy the responsibility of tracking and reporting on federally or state-mandated benchmarks or the like. In fact, we insist that it be free of those responsibilities because such measures might or might not have any relevance to the type of research questions that the Center might undertake.

Instead, we see its responsibility as the creation of an evaluation framework that can assess the overall performance of the workforce development system. The evaluation framework would then drive the development of indicators for each of the goals and sectors of workforce development in Illinois. Each of the system's components should be evaluated on a similar basis, while taking into consideration the important differences among the subpopulations that are served by the different agencies and services. In the end, the Center would create a complete and consistent set of workforce development measures, including leading indicators.

The creation of the evaluation framework would require input from a broad array of constituencies. The development of indicators that would be attached to the evaluation framework would also require input from multiple agencies and individuals who either hold the data or are expert in the use of the data necessary to calculate the indicators.

The framework would be longitudinal, meaning that individual success or failure—as well as the success or failure of service providers in the system—would be assessed over a period of time, which would allow policymakers to understand the real benefits and costs of federal and state investments.

Along the way, the Center would establish a standard set of reports issued on a regular basis that will provide lawmakers with the information they need to make intelligent policy decisions.

Being able to evaluate whether a system is succeeding or failing is always a matter of balancing information about the specific and the general, the program level and the system level. Managing this balance would be a primary goal of this Center. Consequently, it would both track the experiences of individuals with specific service providers and generalize from those experiences. For example, it

would track randomly selected case histories from their point of entry into the system and follow them through the ensuing years. Building on the information that One-Stops and community colleges provide, it would follow these individuals to determine the length of their employment and what happened to them when their employment ended. If their employment did end, did they use Unemployment Insurance, did they apply for TANF, food stamps, or their welfare programs, or did they go to a One-Stop again? This sort of information would then be aggregated up to municipal, county and Workforce Investment Board levels, so that very specific analyses could be conducted.

Similarly, it could examine the outcomes of the Governor's 10 economic development districts. As they devise new strategic plans and based on their analysis of critical skills shortages promote new training initiatives, someone needs to evaluate the impact of these plans and initiatives on workforce development.

An independent research center would promote a fuller appreciation of the success of various components of the workforce development system, allowing more information-based decision-making about where to invest the financial resources described in this paper.

Organizational Structure and Funding

We recommend that the State of Illinois underwrite the initial cost of establishing this institute. The governance of the institute would be similar to that of the state Workforce Investment Board, drawing together multiple constituencies including data and evaluation experts from the academic, government, nonprofit and for-profit sectors. These experts would include educators and social scientists. This body would help to shape the evaluation framework and provide oversight over the projects undertaken by the Center. This would help to guarantee that both policy and scientific needs are met.

We believe that this would be a far more cost-effective way of addressing these issues. The independence of the Center and the placement of the tools for evaluating workforce development in one place would streamline the production of information that could be used by policymakers. The current way of doing things has not resulted in policymakers having any information that speaks to the effectiveness of workforce development in Illinois.

6. Conclusion

In the course of the preceding pages we have highlighted half a dozen problems with the current system of data collection and analysis that we believe could be resolved with this Center.

Collaboration—At times, it is very difficult for parts of the system to collaborate with other parts. Each part of the system has its own set of responsibilities that forces it to stay focused. There are significant occasions where this problem has been overcome. The Workforce Investment Boards are a good example of this, and the Governor’s effort to create 12 districts that will come up with regional economic development plans that include an analysis of critical skills shortages and training needs is certainly one of them. We see the Center for Workforce Development Research as following these examples. The goal will be to draw in collaborators from all sectors of the system, state and municipal researchers, private sector researchers from both the corporate sector and the NGO sector, and of course, participants from Illinois’ academic institutions like Northwestern, Northern Illinois, University of Illinois at Chicago, Loyola University Chicago, University of Chicago-Chapin Hall and others—all have significant social research and analytic capabilities. Pushing such an array of disparate interests to think outside the box, we have in mind a Center that will foster new ways of looking at workforce development and analyzing its impact on Illinois.

Evaluation Framework—One of our principal criticisms of the current situation is the absence of a framework for evaluation, something that builds from the specific level a picture of the systems level. This is no easy task. We are only just now becoming aware of the dimensions of the system, and we are not even remotely close to understanding what we called above “the laws of gravity” of the system that hold the disparate parts of the system together. Perhaps the very first task of the Center could be to sponsor a colloquium on models of systems analysis, bringing together analysts from around the country that are currently engaged in creating such evaluation frameworks for other states.

Systems-Level Information—Lawmakers are regularly inundated with information about all kinds of things. Workforce development is one of them. Unfortunately, as we have pointed out above, the information tends to be too narrowly focused. Nowhere is workforce development information synthesized into something manageable and understandable. While the most recently adopted set of benchmarks are an attempt to stake out something like a systems-level overview, we do not believe that they yet achieve the level of synthesis needed to make clear what is happening in the system as a whole. As a result, it is still very difficult to predict the systems level impact of specific workforce interventions. To create a manageable and comprehensible picture of workforce development in Illinois is the point of establishing an evaluation framework. It is the framework that will determine what systems level information is.

Attribution—Yet this is not to suggest that we should abandon narrowly focused research. Benchmarking is a good way of monitoring change. It just happens to be a poor way of measuring impact. This is because benchmarks usually operate at such a high level of generality that attributing outcomes to specific interventions is nearly impossible. The only way to get beyond the problem of attribution is to drill down through the data to very specific activities. Fortunately, a lot of such research is already being done, although we believe that there are still several methods of analysis that would prove fruitful. For example, one could use statistical matching to compare the welfare population to the workforce development population.

Continuity—Even the best research and analysis will lose its utility if it is not carried out consistently over time. Above, we highlighted a number of instances in which political upheaval changed priorities that in turn led to the abandonment of information system projects. We pointed out the absence of any real standardized reports for any part of the workforce development system other than the annual WIA benchmarking reports. We see the Center as a way to overcome these problems. Once a framework is established, a set of standard reports becomes possible and continuity can be assured. There will always be some tension between the need to incorporate new ideas and approaches and the need retain established protocols, but it will be far easier to manage this tension in the context of an independent research center than in the shifting currents of a political bureaucracy.

Leadership—In the end, the whole point of this exercise is to put political and legislative leaders back in charge of the workforce development system. There are all too many instances of government leaders undertaking severely flawed strategic initiatives in the belief that the partial and inadequate information they are receiving dictates such strategies. We believe that a Center for Workforce Development Research will ensure that Illinois' leadership has the information they need to make the right decisions.

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