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A GOOD JOB AT THE END OF TRAINING
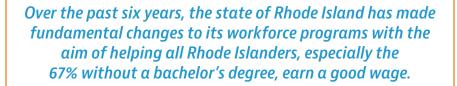
RHODE ISLAND'S OUTCOMES-FOCUSED APPROACH TO WORKFORCE DEVELOPMENT

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Americans acquire skills to succeed in the labor market from a wide range of sources. Educational institutions, including our K-12 schools, community colleges, four-year colleges, and universities, play an import part. So do businesses that provide on-the-job training and private sector training programs such as union apprenticeships, trade schools, and technology credentialing programs. Within this broad skill-acquisition ecosystem, public sector employment and training programs play a critical role, particularly for dislocated workers, English

language learners, recipients of public assistance, workers in need of vocational rehabilitation services, justice-involved individuals, workers in recovery, and youth who are entering the job market for the first time.

At their best, public sector workforce programs transform lives, while providing local businesses with the talent they need to expand. But too often these programs fall short. Programs fail to engage many of the people who need them the most. Services are often insufficient to help program participants overcome underlying barriers to employment, including mental health issues, substance use, lack of child care, or unstable housing. Program completion rates can be low. And those who complete training programs may find that there is no job available on the other end. The way government agencies have traditionally managed workforce programs—with too much focus on compliance and too little focus on performance—is a major contributor to these shortfalls.

Over the past six years, the state of Rhode Island has made fundamental changes to its workforce programs with the aim of helping all Rhode Islanders, especially the 67% without a bachelor's degree, earn a good wage. This chapter describes the thinking behind Rhode Island's changes and presents case studies of two key initiatives: Real Jobs Rhode Island

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[1] The authors are grateful to Sarah Allin, Danielle Cerny, Kevin Gallagher, Scott Jensen, Scott Kleiman, and many other members of their teams who developed the initiatives and ideas discussed in this chapter.

and Rhode Island TANF (Temporary Assistance to Needy Families) Work Supports.

RHODE ISLAND'S APPROACH TO WORKFORCE DEVELOPMENT

There are three fundamental problems with the traditional approach to managing public sector workforce programs, problems we call "train and pray," "fund and done," and "compliance over performance." Rhode Island has been working to overcome each of these problems by focusing on the outcomes it is trying to achieve: good wages for workers and a steady supply of talent for businesses.

Replacing "train and pray" with employer-focused partnerships

State agencies and local workforce boards have too often followed a "train and pray" model in which training programs are designed without sufficient input from employers or anticipation of changing labor market needs. The problem with the "train and pray" approach is that there is no guarantee that individuals who successfully complete training programs will be able to find jobs.[2]

Rhode Island has flipped the traditional model on its head. The new model starts by bringing employers to the table to identify the talent they need. From there, the state supports sectoral partnerships in tailor-making training programs to meet those needs. As we describe in further detail below, the state has funded more than 40 partnerships between employers and training programs. These programs are designed to provide participants with pathways to careers and businesses with a trained and talented workforce.

By analyzing data, talking to unemployed workers, and collaborating closely with service providers who know their customers and communities, Rhode Island now procures the right mix of services. This is a big change from simply "buying the same thing we bought last year."

Shifting from "fund and done" to active contract management

Agencies have traditionally followed a "fund and done" model in which they consider their mission accomplished once they sign a contract with a training provider and renew contracts year after year without assessing the success of the services. The problem with this approach is that it misses opportunities to improve service delivery during the life of the contract or to reallocate funds to more successful providers. In simply renewing contracts year after year, it also fails to adapt programming when there are service needs in the community that are not being met.

Rhode Island's new outcomes-focused approach to contracting for employment and training services has three key components. First, the state is purposeful about the mix of services that it purchases. By analyzing data, talking to unemployed workers, and collaborating closely with service providers who know their customers and communities, Rhode Island now procures the right mix of services. This is a big change from simply "buying the same thing we bought last year." Second, the state now monitors the performance of high-priority employment and training contracts in real time to assess whether they are meeting their intake, retention, and employment goals—something we call active contract

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[2] Gene Sperling describes two trust gaps in conventional skills training programs: workers do not trust that training programs will provide valuable skills and employers do not trust that workers will be adequately trained. *Economic Dignity* (New York: Penguin Press, 2020), 289.

management. By spotting issues early, the state is able to collaborate with providers to improve outcomes during the life of their contracts. Third, the state is measuring the long-term employment and wage outcomes of participants so that future funding decisions can be based on prior success.

Refocusing on performance

Workforce programs, especially federally funded ones, focus too much on compliance and too little on performance. Most of the $14 billion the federal government spends on workforce programs is administered by states. But federal restrictions can get in the way of state innovation.[3] A few years ago, a community in Tennessee wanted to spend federal funding for opportunity youth on a local initiative connecting high school students to careers. But the federal government refused to permit this use, stating that the fund could be spent only on youth who were unemployed and out of school.

When Rhode Island's Department of Labor and Training (DLT) wanted to blend several federal funding streams together to create the Real Jobs Rhode Island initiative, it eventually received permission from the U.S. Department of Labor to do so, but the process and uncertainty consumed agency resources for more than a year. The countless hours that state workforce agencies dedicate to documenting eligibility for federal reimbursement would be much better spent monitoring and improving program performance.[4]

Moreover, the data needed to meet federal reporting requirements is often too delayed to allow for real-time course corrections and rarely covers a long enough period to determine the lasting impact of programs. To gauge program performance and guide policy decisions, DLT developed a new strategy for data collection and performance management that tracks success at the participant, training program, and sector level. This approach helped the state align program goals with performance metrics and allowed DLT to monitor progress, detect and address performance issues in real time, and take advantage of administrative data to track long-term employment and wage outcomes. DLT then set up dashboards that show progress for each partnership in Real Jobs Rhode Island, and DLT staff met regularly with providers to discuss the data.

In assessing the overall effectiveness of different training initiatives, the state now compares training participants' employment and earnings outcomes two years after training to earnings two years before, both to see if earnings gains persist and to avoid being misled by the temporary earnings dips that typically happen in the calendar quarters just before and after enrolling in a job training program.[5] The state has also added a small performance-based payment

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[3] The federal government funds 43 different employment and training programs, each with its own rules and regulations. See U.S. Government Accountability Office, *Employment and Training Programs: Department of Labor Should Assess Efforts to Coordinate Services across Programs*, March 2019, www.gao.gov/assets/gao-19-200.pdf.

[4] While the 2014 Workforce Innovation and Opportunity Act (WIOA) was a step in the right direction in that it encouraged more focus on outcomes, it is still heavily bureaucratic. Two weeks after the regulations to implement WIOA came out in August 2016, Liebman was scheduled to speak in Washington as part of a panel on government innovation. Expecting a question on WIOA, he asked a Government Performance Lab team member for a two-page summary of the implications of the new regulations. The team member came back and said the new regulations were more than 900 pages long, and it was going to take months to figure out the implications.

[5] Orley Ashenfelter, "Estimating the Effect of Training Programs on Earnings," *The Review of Economics and Statistics* 60, no. 1 (February 1978): 47–57.

to some employment and training contracts managed by the Department of Human Services (DHS); these payments ensure regular measurement of performance, locking in a focus on outcomes both by the agency and by the provider for the period of the contract.

CASE STUDIES

Two initiatives, Real Jobs Rhode Island and Rhode Island TANF Work Supports, illustrate how the state has revitalized its approach to job training and workforce development. Both of these initiatives received technical assistance from the Harvard Kennedy School Government Performance Lab.[6]

Case Study

Real Jobs Rhode Island

In 2015, Rhode Island rolled out Real Jobs Rhode Island, a $14 million workforce development program that provides grants to industry-led partnerships—collaborations of employers, educators, and training providers—to create innovative training programs tailored to the current and anticipated workforce needs of employers. In setting up these partnerships, the state targeted industries with strong growth potential such as biomedical innovation, data analytics, shipbuilding, advanced business services, health care, and logistics. The partnerships could train potential new hires, upskill incumbent workers, or do both.

> *As of November 2020, Real Jobs Rhode Island had placed nearly 4,600 new hires and upskilled more than 6,000 incumbent workers, with new hires earning an average annual wage of $33,170.*

In the initial round of grants, 25 partnerships were funded. For example, the Marine Trades and Composites Partnership was formed by the Rhode Island Marine Trades Association—in conjunction with companies such as Bristol Marine and New England Boatworks and training entities such as the New England Institute of Technology and the IYRS School of Technology and Trades—to prepare workers for jobs in the marine trades and composites industry. The Health Care Training Collaborative was formed by several elder care providers—including Saint Antoine Residence, Genesis Center, and CareLink and educational institutions such as the University of Rhode Island and Rhode Island College—to tackle shortages of certified nursing assistants. The Residential Construction Workforce Partnership was assembled by the Rhode Island Builders Association in conjunction with career and technical education centers within Rhode Island high schools to align classroom curriculum with industry needs and address labor shortages.

As of November 2020, Real Jobs Rhode Island had placed nearly 4,600 new hires and upskilled more than 6,000 incumbent workers, with new hires earning an average annual wage of $33,170. A process evaluation of the program by scholars at the University of Rhode Island found that 17 of the partnerships resulted in fundamental changes in how training was delivered, while eight "modified existing programming to better meet employer needs."[7]

Setting up this initiative required a heroic effort by DLT Director Scott Jensen and his team to overcome barriers created by siloed federal funding streams. Most federal workforce programs have narrow eligibility requirements, such as restricting federal reimbursements to dislocated

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6   More information about the Harvard Kennedy School Government Performance Lab's work in Rhode Island is available at https://govlab.hks.harvard.edu/rhode-island.

7   Shanna Pearson-Merkowitz, Skye Leedahl, Aaron Ley, Bridget Hall, Kristin Sodhi, and Marissa DeOliveira, *Real Jobs Rhode Island: Case Studies and Process Evaluation* (The University of Rhode Island Social Science Institute for Research, Education and Policy, April 2018), https://web.uri.edu/ssirep/files/RJRI-final-report-August-2018-reduced.pdf.

> *By tapping into the state's existing information network, DLT was able to gather relevant data without requiring applicants to fill out time-consuming and unnecessary forms, allowing for faster placement into training programs and job pipelines.*

workers or veterans. These eligibility restrictions can create barriers to program enrollment and make it challenging to design programs that simultaneously serve multiple priority groups. The state's hypothesis was that, by reducing the burden of eligibility screening, the enrollment and employment outcomes of individuals from priority groups would actually increase.

The state, therefore, needed a way to receive reimbursement from multiple federal programs and braid in state funds for workers who did not meet any of the federal requirements. Traditionally, the state had required program participants to fill out lengthy intake forms and provide extensive documentation so that it could seek federal reimbursement. This approach imposed significant burdens on prospective trainees, training organizations, and employers—burdens that discouraged participation. In setting up Real Jobs Rhode Island, DLT decided to reduce the intake form to the bare minimum necessary for the state to administer the program, eliminating 66 questions and reducing the number of pages from three to one. The state then supplemented the information in the abridged form with data it already had access to, such as a person's wage, unemployment history, and engagement with other state supports. By tapping into the state's existing information network, DLT was able to gather relevant data

without requiring applicants to fill out time-consuming and unnecessary forms, allowing for faster placement into training programs and job pipelines.

As part of its increased emphasis on performance, DLT built the capacity to actively manage Real Jobs Rhode Island contracts in real time.[8] It created a dashboard for high-priority partnerships, tracking enrollment, progress within the training program, program completion, and subsequent employment placements against targets set at the beginning of the grant. These dashboards are reviewed quarterly both internally by DLT and in meetings between DLT staff and partnership leaders. Both the data reporting and participation in regular performance meetings are specified upfront as requirements for grant receipt. This process has enabled DLT and its grantees to collaborate in troubleshooting problems—such as insufficient enrollment or failure to reach targeted demographic groups—while there is still time to fix them, thereby contributing to improved service delivery and better job placements for participants. Finally, DLT didn't view program completion, or even initial job placement, as the final measure of Real Jobs Rhode Island's success. Instead, the goal of the program was to meet employer demand and connect individuals to well-paying jobs with career pathways. DLT therefore set up a process for using the state's quarterly unemployment insurance data to track the long-term improvements in participants' employment status and wages, comparing changes from two years prior to enrollment to two years after program completion. This long-term view allows the state to assess whether participants are receiving the targeted training they need to improve their career trajectories.

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[8] More information about active contract management is available through the Government Performance Lab's website at https://govlab.hks.harvard.edu/active-contract-management.

Case Study:

Rhode Island TANF Work Supports

Rhode Island Works (RIW) provides cash assistance and job search services as part of the state's TANF program. Before 2015, RIW consistently underperformed in long-term self-sufficiency outcomes of clients—few individuals achieved high quality jobs or sustained employment for more than one year.

Poor performance was driven by a mismatch between RIW's service array and client needs. The RIW service array focused on educational and training resources, but the population it served faced significant barriers to utilizing those services, including challenges with housing, behavioral health, and intimate partner violence.

To support low-income families in achieving greater economic self-sufficiency, DHS decided to redesign and reprocure RIW's $7 million array of services to offer a wider mix of individualized supports that addressed clients' underlying barriers to employment. When the initial procurement resulted in submissions of business-as-usual bids, DHS canceled the RFP and embarked on an extensive campaign to engage and educate community providers about the state's desire for new solutions.

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A second RFP produced several innovative proposals and resulted in the addition of a new set of supportive services focused on mitigating non-employment barriers, including services for behavioral health, substance use treatment, housing stabilization, and domestic violence support. The procurement also consolidated the number of contractors, decreasing the need for clients to switch providers to access additional resources and leading to more consistent case management experiences. As Figure 1 illustrates, this combination of changes enabled DHS to offer clients individualized service plans that more logically progress to meet needs: first removing barriers and stabilizing families, then increasing client education levels and skills, and finally moving clients into sustainable employment to help families move off benefits.

/ FIGURE 1 /

New TANF service array reflected in RFP

Supportive Services	Teen + Family Development	Vocational Training	Work Readiness
Behavioral health services	Services for pregnant teens + teen parents	Short-term industry-specific training	Job readiness activities
Substance use services	Services for youth needing to acquire a high school diploma or GED	Credential + certificate programming	Job search supports
Housing stabilization			Work experience + community service activities
Intimate partner violence support			Transitional jobs and on-the-job training

As part of the new contracts, DHS incorporated performance-based bonus payments to focus provider attention on a prioritized set of client outcomes. Each provider has at least two performance payments enumerated in its contract: one payment specific to each service component category and

one payment linked to client earnings that applies to all providers.

The category-specific payments were linked to client results that, if achieved, would position that client to progress to the next set of supports necessary for employment:

- Supportive service providers earn a bonus payment of up to $25 per month when a client maintains a minimum level of participation.

- Teen and family development providers earn a $500 bonus payment when a youth client achieves a high school diploma.

- Vocational training providers earn a $500 bonus payment when a client completes a training program.

- Work readiness providers earn a bonus payment of $500 when a client is employed six months after starting services. This bonus payment is $750 for clients who have been receiving RIW benefits the longest.

To incentivize vendor collaboration for clients' overall success in reaching unsubsidized employment, vendors earn a $1,000 bonus payment for any client with wages of $4,000 or more in the fifth quarter after program enrollment.

The composition of these performance-based payments reinforces the sequencing of services for clients while simultaneously creating a feedback loop for providers and DHS to regularly review long-term outcomes and monitor program success. Previously, providers had little information about client employment outcomes after services were completed, making it difficult to understand how programming might be improved. DHS has also implemented active contract management strategies across RIW services—monthly face-to-face meetings with

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contracted service providers to monitor key indicators and develop strategies to improve program implementation.

CONCLUSION

A steady, well-paying job is the lifeblood of a healthy and thriving family. Public sector workforce programs play a critical role in helping individuals obtain the skills they need to succeed and in helping businesses attract the talent necessary to grow.

It should be possible to hold state workforce programs accountable for results. Unlike many other government activities that have complex and sometimes conflicting objectives, it is straightforward to specify what workforce programs are trying to achieve: increases in employment and increases in earnings. Moreover, the data necessary to assess progress against these objectives is collected automatically as part of state unemployment insurance systems. Yet too many programs continue to "train and pray" and focus on compliance rather than performance.

It's time to flip the old workforce model on its head. By focusing on outcomes, states can build programs designed to get people into good jobs with strong career trajectories.

By establishing collaborative, data-driven meetings with providers, states can drive continuous improvements during the life of these critical contracts. And by leveraging existing data to track long-term outcomes, states can compare performance across providers to inform future funding decisions. The Rhode Island experience has demonstrated that all of these steps are feasible. As the needs of workers and companies continue to evolve, state approaches to workforce training need to do so as well.

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Gina M. Raimondo is the 40th U.S secretary of commerce. Secretary Raimondo most recently served as governor of Rhode Island from 2015-2021 and was its first woman governor. As governor, she brought unemployment down to its lowest rate since 1989 and helped spur a record number of new businesses in Rhode Island year after year.

This chapter came from the book *Workforce Realigned: How New Partnerships are Advancing Economic Mobility.*

Learn more at workforcerealigned.org