

1 **Discussion, Consideration and Possible Action Regarding Board Contract Year 2015 Local Workforce Development**
2 **Board Performance Measures and Targets**
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4 **Introduction** – Staff regularly evaluate performance to identify instances where it may be lacking and where
5 technical assistance or other action may be appropriate. However, sometimes that evaluation finds a different issue;
6 one related to an unexpected change in the system, the way targets were set or even the measure itself.

7 The move from a Job Openings Filled Rate to a hard count of Employer Job Openings Filled measure this year
8 originated with a suggestion from a Board a year earlier. The intent was to: 1) Emphasize making the Employment
9 Connection between the employer and the job seeker (i.e. the opening filled); and 2) Ensure that the only reason
10 anyone has to modify a posting is to improve the matches that come up. It was developed in part based on a Board
11 suggestion that we needed to be measuring numbers of employers served, people employed, and openings filled.

12 These were good ideas but what staff have since found is that there has been a fundamental shift in the way that
13 employers use the workforce system in Texas. Many employers are moving away from using WorkInTexas for their
14 postings and instead posting through US.jobs. These jobs are still available to job seekers in WorkInTexas but there
15 are fundamental differences between these postings and “true” WorkInTexas postings in terms of how well the
16 system can match them to job seekers. Boards report that employers do not seem interested in working to modify
17 US.jobs postings to improve the matches, because they are often posted by national HR departments that are
18 primarily interested in driving referrals to their own applicant systems.

19 Complicating matters further is that these postings often contain the information needed to apply for the positions
20 outside of WorkInTexas, which prevents TWC from using automation to confirm when a hire occurs. Although this
21 issue can exist in WorkInTexas postings, it is more prevalent in US.jobs. At the same time, US.jobs postings have
22 become an ever greater part of the openings listed in WorkInTexas. TWC now gets nearly 75% more US.jobs postings
23 than it gets WorkInTexas postings¹.

24 Another significant issue has been with the increase in “compliance” postings where employers who might prefer to
25 hire through their own systems post in WorkInTexas because they are required to. One of the places this can be seen
26 is in the increase in Federal Contractor Job Listings. In PY11, there were under 45K FCJL jobs. That rose to 91K in
27 PY12, 145K in PY13, and reached 223K in the year that just ended, PY14.

28 At the same time, the number of job seekers available to fill openings has been falling. The good economy coupled
29 with the increased number of online job posting options has shifted the focus of many job seekers away from the
30 public workforce system, at least as a first stop. In addition, more job seekers we are serving are currently employed
31 and are thus in a position to be more patient about accepting another position.

32 In summary: there are fewer job seekers searching through more job postings, many of which are less detailed,
33 others of which inform the user to apply directly through the employer (which is some employers’ clear preference).

34 **BY15 Performance** – When TWC set targets last summer, we did so with the goal of seeing improvements in
35 performance for many Boards who were seen as less “efficient” than others as measured by the ratio of Employer
36 Job Openings Filled to Employment Services FTEs. These targets did not account for the fundamental changes in the
37 way employers are interacting with the public workforce system as described above. Not surprisingly, 15 of 28
38 Boards are shown as failing performance in the June 2015 Monthly Performance Report.

39 **However, staff have been analyzing general employment connection data (not just Employer Job Openings Filled)**
40 **and have found that Boards are having strong success helping to make employment connections between**
41 **employers and job seekers.**

¹ 435K WIT postings from Jul14-June15 vs. 756K US.jobs postings.

1 **Employment Connections as a Unit of Measure** – While a Job Opening Filled recorded in WorkInTexas may be the
2 most direct form of helping to form employment connections, it is not the only such means. Local Boards may also
3 assist with specialized testing, job fairs, employer hiring events, job development, and even subsidized employment.
4 However, many of these services do not provide the direct evidence of a hire the way WorkInTexas openings did so in
5 the past. Fortunately, there is a way to evaluate job seeker and employer data to identify instances where an
6 employment connection has been made, even if there is no evidence of the hire in WorkInTexas.com.

7 Staff have been identifying probable new hires in the quarterly UI wage data for the past several years by comparing
8 quarterly files to one another and identifying instances where an employer reports wages on an individual in one
9 quarter where that employer had not reported wages in the prior quarter. Although a fairly computer intensive
10 process, the product have proven extremely useful.

11 Using this general concept, staff have developed a method to identify when those new hires can be reasonably
12 associated with the workforce system by merging the probable new hire data with TWC’s job seeker and employer
13 services data. Under this method we identify two sets of numbers:

- 14 1) Employment Connection (EC) – A Probable New Hire that involves a job seeker recently-served by the system
15 (recently served means either in the quarter that the connection occurred or in the quarter prior); and
- 16 2) Priority Employment Connection (PEC) – An EC that involves both the job seeker and the employer being
17 recently served by the system.

18 Both ECs and PECs represent system success, but the PEC more so, since both sides of the employment connection
19 are TWC customers. In a way, the PEC functions as a broader version of the Employer Job Opening Filled because it
20 represents an employer customer hiring a job seeker customer – it’s just that the PEC did not have a record of a
21 referral in WorkInTexas.

22 **What do ECs & PECs tells us about the system’s ability to help Job Seekers and Employers?** – Quite a lot. The data
23 show that while 15 Boards may be “failing” to meet their targets for filling employer job openings as the measure is
24 calculated, 12 of them are actually doing quite well and should not be seen as “failing” to meet their needs at all.

25 Staff ran the following data for each Board and the state to evaluate performance under the existing measure vs the
26 PEC and EC data:

- 27 • Measures of Raw Counts:
 - 28 ○ # of Employer Job Openings Filled (EJOF)
 - 29 ○ # of PECs
 - 30 ○ # of ECs
 - 31 ○ # of Job Seekers Served
- 32 • Measures of Efficiency:
 - 33 ○ Job Seekers Served per EJOF
 - 34 ○ Job Seekers Served per PEC
 - 35 ○ Job Seekers Served per EC
- 36 • Measures of Concentration:
 - 37 ○ PEC/EC (demonstrating the percentage of ECs that involved both job seeker and employer
38 customers)

39 The data was analyzed for two non-overlapping 4 quarter periods (Apr13-Mar14 and Apr14-Mar15) to consider the %
40 change in these factors. While these periods are not ideal since the new measure went into effect July of 2014, the
41 data show improvement when comparing the two periods once the changes in the job seeker population are
42 factored in.

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1 On the face of it, raw counts of EJOF, PECs, and ECs are generally down but the reductions are not nearly as great as
 2 the reduction in job seekers being served by the system:

3 **TABLE 1 % Changes in Employer Job Openings Filled/PECs/ECs/Job Seekers Served**

Based on Average Per Qtr		% Change in Raw #s			
		EJOF	PEC	EC	JS Served
1	Panhandle	-2.84%	6.26%	-1.35%	9.53%
2	South Plains	-14.75%	-14.38%	-9.80%	-12.40%
3	North Texas	-2.82%	8.72%	1.13%	3.61%
4	North Central	15.92%	-3.17%	-15.87%	-14.15%
5	Tarrant County	-7.99%	-3.34%	-9.27%	-11.32%
6	Dallas County	-6.36%	-2.93%	-0.05%	-10.42%
7	North East Texas	-13.31%	-0.91%	-9.19%	-8.32%
8	East Texas	12.67%	3.41%	-4.19%	-12.53%
9	West Central	-1.07%	-10.36%	-9.89%	-11.61%
10	Upper Rio Grande	59.91%	-5.69%	-5.95%	-14.12%
11	Permian Basin	17.61%	3.09%	-2.50%	2.62%
12	Concho Valley	-8.47%	-10.69%	-12.39%	-13.11%
13	Heart of Texas	12.67%	7.07%	0.20%	-3.46%
14	Capital Area	-6.17%	8.03%	0.02%	-3.11%
15	Rural Capital	-3.37%	-1.34%	-11.14%	-5.89%
16	Brazos Valley	17.61%	5.70%	-0.86%	-6.26%
17	Deep East Texas	-26.63%	-12.23%	-13.62%	-15.66%
18	Southeast Texas	8.98%	-6.50%	-4.41%	-14.12%
19	Golden Crescent	-14.07%	-4.83%	-6.87%	-2.97%
20	Alamo	5.33%	2.15%	-0.95%	-2.90%
21	South Texas	6.00%	0.08%	-5.77%	-3.36%
22	Coastal Bend	-18.02%	-0.01%	-0.45%	0.32%
23	Lower Rio Grande	31.25%	6.39%	5.44%	-2.93%
24	Cameron County	-22.79%	-5.29%	-8.18%	-12.16%
25	Texoma	13.03%	-5.46%	-0.17%	-8.09%
26	Central Texas	-26.45%	-10.73%	-5.64%	-13.92%
27	Middle Rio Grande	-13.98%	-12.03%	-13.59%	-23.41%
28	Gulf Coast	-5.35%	2.92%	3.67%	-7.74%
Total		0.52%	-5.88%	-3.18%	-13.00%

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 5 PECs and ECs are down statewide by 5.88% and 3.18% respectively but the number of Job Seekers served is down
 6 13%. As shown on Table 2 this represents a significant increases in efficiency. In addition, Table 3 shows that most
 7 Boards ECs were actually PECs and that most Boards saw improvement in this area.

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TABLE 2: Changes In Efficiency based on Job Seekers Served per EJOF/PEC/EC Ratio & TABLE 3: PEC/EC %

Based on Average Per Qtr		TABLE 2			TABLE 3		
		% Chg in Job Seekers Served Per			PEC/EC %		
		EJOF	PEC	EC	2013Q2	2014Q2	% Change
			2014Q1	2015Q1			
1	Panhandle	12.73%	3.08%	11.02%	62.04%	66.82%	7.71%
2	South Plains	2.76%	2.30%	-2.88%	49.93%	47.40%	-5.07%
3	North Texas	6.62%	-4.70%	2.45%	60.42%	64.96%	7.51%
4	North Central	-25.94%	-11.35%	2.05%	67.02%	77.15%	15.11%
5	Tarrant County	-3.63%	-8.26%	-2.26%	69.95%	74.52%	6.53%
6	Dallas County	-4.33%	-7.71%	-10.37%	62.60%	60.80%	-2.88%
7	North East Texas	5.75%	-7.48%	0.96%	63.02%	68.77%	9.12%
8	East Texas	-22.36%	-15.41%	-8.70%	54.61%	58.94%	7.93%
9	West Central	-10.65%	-1.39%	-1.90%	60.58%	60.27%	-0.52%
10	Upper Rio Grande	-46.29%	-8.94%	-8.69%	57.59%	57.75%	0.28%
11	Permian Basin	-12.74%	-0.45%	5.26%	49.13%	51.95%	5.74%
12	Concho Valley	-5.07%	-2.71%	-0.82%	57.65%	58.77%	1.94%
13	Heart of Texas	-14.32%	-9.84%	-3.65%	70.11%	74.92%	6.86%
14	Capital Area	3.26%	-10.31%	-3.13%	67.13%	72.51%	8.01%
15	Rural Capital	-2.60%	-4.61%	5.91%	61.83%	68.65%	11.03%
16	Brazos Valley	-20.30%	-11.32%	-5.45%	67.14%	71.58%	6.61%
17	Deep East Texas	14.96%	-3.91%	-2.36%	67.24%	68.32%	1.61%
18	Southeast Texas	-21.20%	-8.15%	-10.16%	54.68%	53.48%	-2.18%
19	Golden Crescent	12.92%	1.95%	4.19%	60.64%	61.97%	2.20%
20	Alamo	-7.81%	-4.94%	-1.97%	63.90%	65.90%	3.13%
21	South Texas	-8.83%	-3.45%	2.55%	56.32%	59.82%	6.21%
22	Coastal Bend	22.37%	0.33%	0.77%	54.61%	54.85%	0.44%
23	Lower Rio Grande	-26.04%	-8.75%	-7.94%	51.14%	51.59%	0.89%
24	Cameron County	13.76%	-7.26%	-4.34%	53.62%	55.31%	3.15%
25	Texoma	-18.68%	-2.77%	-7.93%	62.77%	59.44%	-5.30%
26	Central Texas	17.03%	-3.58%	-8.78%	60.74%	57.47%	-5.39%
27	Middle Rio Grande	-10.96%	-12.93%	-11.36%	46.12%	46.95%	1.81%
28	Gulf Coast	-2.53%	-10.36%	-11.01%	49.94%	49.58%	-0.72%
Total		-13.45%	-7.57%	-10.14%	49.75%	48.37%	-2.78%

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Conclusion – Staff believe that “# of Employer Job Openings Filled” data no longer represent an effective measure of the system’s success in helping employers meet their hiring needs and that the system should shift to rely more on PEC and EC data to measure system performance helping employers meet their hiring needs, by bringing employers and job seekers together.

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Commission Request – Staff request that the Commission remove “# of Employer Job Openings Filled” as a formally contracted measure for Board Contract Year 2015, with the understanding that staff will continue to report this information for management purposes and develop additional management measures based on the PEC/EC concepts for use in Board Contract Year 2016.