CareerSource Florida Performance Funding Model

Transcript of Webinar

YouthBuild Webinar Series

Meet the Workforce Innovation Fund Round Two Grantees:
Grant Project Presentations

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ROD LEWIS: All right. Thank you so much. Glad to be here today. I'm Rod Lewis and with CareerSource Florida. I have Dr. Rob White with us here for questions and answers. Otherwise, I think he'll probably remain silent, but it is a pleasure to join you and talk for a little bit about CareerSource Florida's performance funding model. As she noted, I do have a PhD and so it is tough for us to say anything in any short period of time but here it goes.

The CareerSource Florida performance funding model is led by us here at CareerSource Florida. We're a bit of a different beast because we're a public-private not-for-profit partnership, and so we are the state's policy making board essentially. That part of the Department of Labor comes to us. The state entity that leads this, the actual state institution, is the Department of Economic Opportunity. I wrote this grant probably two or three months after walking in the door at CareerSource Florida. So unencumbered by knowledge, I tried to toss out a good idea, and so you'll get the chance to judge that as we go.

We received $3 million in funding. It's really a mix method center up to time series approach on the back side for looking at evaluation. Policy Research Group and PPMA leading that on the back side there, but we also have internal to our house two or three good PhD econometricians and half a good one in me. So we'll look to see what we can come up with as well as we walk forward.

This really stems from the not – record setting motion that money matters in terms of performance, that one can incent performance utilizing dollars. And this really is the creation of local area based performance funding model. We have 24 local area boards across the state of Florida. So we decided to see if we could incentivize them to meet and or exceed expectations, if we defined a series of precise metrics here, and looked over time at how we measure those metrics, how to better measure those metrics, worked with the local areas to determine how best to do that. And that's essentially what we did. So it was a strong process of engagement. I think I did – I recorded 50 visits with local area partners in the last year, and here's where we arrived.

We arrived at a TIE model, which is what we call target improve and excel, and I'll talk a little bit more about that in a second. But on the left-hand side of the slide here you have the TIE model metrics in brief, and this is the seven metrics that we arrived at. Unemployed placement rate, you wonder how and if this is different from common measures, and indeed it is because it is unemployed placement rate. It's the number of folks in the system last quarter who had a zero wage that you transferred to a wage in the system.

So it really is going from no wage to a wage. That's what we consider placement. Time in placement, the number of zero wage quarters that elapsed before they got that wage, average earnings per exit. That's a two-quarter measure. Earnings per dollar spent, this is something new. This is how much do the folks who walk out of your system earn for every dollar that you inject into the local system? Cost per employed exit, again this is not per dollar spent, but this is how much you spend for every employed exit that you get out of the system. Intensive business engagement, that really is a regionally defined metric there.

It is whatever you think it is as a region, as a local area as long as you're willing to send that engagement contact an e-mail that says, tell Rod Lewis up at the state board how well we're
doing; right? Don't tell us. Tell Rod how well we're doing. And from that we derive business customer satisfaction. So if you're satisfied that that relationship is strong and steady, hit send on that survey. I'll count it engagement, and we'll keep moving.

The econometrically defined targets here, this is a bit of a complex process, but it really is what drives this. So we drive metric targets in a not dissimilar fashion from the way the feds do it, but we take a slightly different approach. And the goal here is to measure how hard it is for you to place someone, given the circumstances that you face.

So we take all of these things, national economy, state economy, all of these things that factor into how much money you have, that factor into whether you can place someone, how long it takes you to place someone, whether your businesses are satisfied or not, and we set a target based upon that.

So it is how well you would do, how well the average board would do, given the conditions that you're facing on this individual. And from there we say, well, as a minimum, we expect you to meet 75 percent of that target across these seven metrics that you see on the left-hand side. But those metrics themselves sum to a global target.

So we set each metric's value. We standardized them to be 100 points across these seven metrics, and we say, all right. You got to get to 75 on each of these metrics, but you got to get to 700 overall. Once you get past 75 on each metric, I don't care how you get to 700.

What's more, the further past 700 you go – right – you tell me where you're putting that foot on the gas. You tell me which metrics you're moving forward. The further past 700 you go globally, the more likely you are to be one of the most excellent boards in the state, one of the eight most excellent boards in the state. That's a different pot of money.

So you get a pot of money for receiving your target – for hitting your target. You get a pot of money for being among the top eight boards in terms of global scores in the state, and then you get a pot of money for being the most improved boards year over year, the top most eight improved boards.

So there's really ways to excel. There's three ways – three pathways to excellence in this model. There's three pathways to dollars, which is what's important there. And it really is a model that tries to say, you tell us where you ought to be. You tell us, given the resources you have, what are your strengths and weaknesses. You go you therefore and do, and we'll see it appear in the model and we'll reward you financially. And so that's what we really do here when talking about targeting, when talking about improvement, when talking about excellence.

And so our board allotted $5.65 million to this project across the state. One-third of that is about meeting your targets. One-third of that is about improvement, and one-third of that is excellence. And for those of you who have some background, I mean, this really is a equilibrium type model.

And so over time it should come to the point that improvement and excellence really is so hard to measure that it falls out of the model and we understand where your target is and we understand
that should be your target over time. We don't make any A priority assumption that by default we're intelligent enough to know what a regional board should be doing or how they should do it. We just set the targets and let you drive it where it needs to go.

Great successes here, data tools and interfaces, building – in the process of building what I think are really some great tools out there. You see the person when they walk in the door. They appear in the tool. You understand what their wage history is. You understand what the probability of placing them is within the model, what the probability of wage outcome is.

You understand how they holistically fit within this model, and you also understand as a second segment of this how they fit within the federal common measures suite of metrics as we develop those over time. So you get an understanding of how each individual case affects your outcome, how moving resources from one case to the other can speed up, can improve your outcomes within the model.

So that's a little bit about performance management. Again, these are all tools that we're developing. If a regional board says, hey, we don't want any part of that. We take them as they come. Take them as they come. We're not saying that. We're just saying, we're trying to give you the tools to get to where you need to be, if you choose to go there.

And then last is market intelligence, and I could spend the day on this. But this portal is designed to allow people to understand supply-demand analytics at the touch of a button. What we mean is the production of the supply of folks who are trained, who are qualified to meet a certain occupational series of guidelines in the market, this really is your CIPs, your classification or instructional programs, and how those line up in a modeling perspective with standard occupation codes and the sources of those demand.

So if you think about this holistically, this can really begin to allow regions to say, I've got this person walking in the door. I know they're typically good, given their characteristics, given where they walked in from, that they can fit into these segments of – to these market segments; right? And so on the back side of that you look to say, are we going to have demand there? Is it there? Do we have a place to put them? If the answer to that is yes, then you're really beginning to think holistically about how a workforce system should operate. So we're a ways away from getting all these tools into place, but this is where we're headed overall with this model.

So challenges, getting local areas – getting the data down to that level that they can utilize. It makes great sense to me. I happen to have a PhD in this stuff. So it should make sense to me. Getting it to the point that someone who doesn't can make sense of it is a challenge, but it's one that we're very quickly overcoming. And the second is we have a lot of antique data structures that live out there.

We have got to understand that this is 2016. We have got to migrate towards platforms that can talk to each other. We'll solve that problem. We're working hard to solve it here in Florida. I think we would need to work hard to solve it nationally. We need to make the best use of data that we spend millions and millions of dollars collecting. We need to make sure that we beat every single dollar worth of worth out of those data that we can.
So with that, that is all I have to say. I certainly thank you for your time. I realize that I'm just a few seconds over, which for a PhD, being just a few seconds over is nothing short of a miracle. So thank you so much.