Two Decades Overdue:

Growth Measures and the Future of WIOA Accountability

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In K-12 education, a revolution in methodology has transformed our understanding of how effectively schools serve students. The field has moved past considering a simple snapshot of how well students scored on an assessment: now we ask how much students improved over time. Workforce policy has not caught up. Two decades after Congress first tried to require growth measures in job training programs, Workforce Innovation and Opportunity Act (WIOA) still only measures where participants land, not how far they've come. As our country confronts the challenge of responding to a rapidly changing economy, policymakers should seek to strengthen and more accurately assess workforce development programs to ensure Americans have the training and skills necessary to secure quality jobs and drive our nation's economy.

The Workforce Innovation and Opportunity Act, last reauthorized in 2014, establishes the structure of our nation's workforce development system. Unfortunately, the performance accountability and transparency systems under WIOA struggle to distinguish between the workforce training programs that overperform, versus those that simply enroll people with the existing skills necessary to secure high-quality employment. For the most part, the system emphasizes *level-based* outcomes (e.g., how much a training participant earns), not *growth* (e.g., how much a participant's income or skills increased). This challenge has had severe ramifications for efforts to improve outcomes in the system and to ensure that participants most in need of services are able to participate.

However, policymakers have at least one new tool to address this problem: growth measures. In other policy domains, most notably K-12 education, policymakers have increasingly tested and adopted the use of growth measures that consider participants' trajectories in tandem with a threshold, or level-based, outcome. These measures can, for instance, track students' mastery of state learning goals over time, or assess the extent to which educators or schools are contributing to students' learning in addition to how well students do on annual assessments.[1]

The addition of these growth approaches could substantially improve the relevance of workforce performance measures, such as earnings and employment outcomes metrics, and address misaligned incentives in the system. However, growth measures also must be tested and refined before scaling them across the system to ensure they are robust, fair, and effective. Key takeaways from this policy brief include the following:

- Stakeholders widely attest that **WIOA's performance structure imposes a disproportionate emphasis on compliance, disincentivizes innovation, and can encourage workforce boards to serve participants perceived as "easier to serve,"** excluding those with greater needs from more effective services.
- Although a statistical adjustment measure attempts to alter threshold/level-based state and local board performance metrics to consider participant demographics, **the current adjustment measure is a blunt tool and essentially encourages states and localities to repeat past outcomes as opposed to guiding the way for attainable improvement.**

- **Growth measures in other fields, particularly K-12, demonstrate** the importance of growth measures as a performance tool and that there are multiple valid methodological approaches; that growth measures assess institutional impact, not individual effort; and that data availability is key.
- **As policymakers pursue WIOA reauthorization,** they should include earnings-based growth measures as an accountability measure for states and boards, and a transparency measure for providers and participants. Recognizing the need for additional research and development, policymakers should phase in these metrics over four years, beginning with a set of pilot states. In addition, the Department of Labor (DOL) could begin piloting these metrics now leveraging proven administrative flexibility.
- **When applying growth measures to the workforce setting,** policymakers should improve performance data reporting; account for pre-entry dips in participant earnings; establish appropriate lengths for earning trajectories; develop larger sample sizes; and consider whether a growth metric is appropriate for youth programs given greater challenges identifying appropriate comparison groups.
- **Other critical, complementary WIOA reforms** include administrative data and data system improvements; investing in accountability measure design, implementation, and research; and strengthening the statistical adjustment measure leveraging more recent, accurate methodology.

Our recommendations build on policymakers' recent efforts to develop and advance growth measures, including multiple provisions in last Congress's bipartisan WIOA authorization proposal, as well as related provisions in Workforce Pell and Higher Education Act Title IV accountability.[2]

We also consider lessons learned from the short-lived earnings growth measures incorporated under WIOA's predecessor, the Workforce Investment Act (WIA), and consider why the workforce system is now better-positioned to implement this approach two decades later. (We also note that WIA's own predecessor, the Job Training Partnership Act (JTPA) of 1982, had explicitly required growth measures but DOL effectively ignored that requirement.)

Moving forward, growth measures could empower actors across the workforce system to emphasize the programs that drive the greatest improvements in participants' economic outcomes while ensuring WIOA achieves policymakers' vision of serving those participants overcoming significant barriers to employment. Achieving a more effective accountability regime is critical to drive better outcomes and accessibility under WIOA: well-designed growth measures promise to add critical nuance and insight to pave the way for more effective performance management, transparency, and incentives across the workforce system.

I. The Problem

One of WIOA's core statutory purposes is increasing economic opportunities for people overcoming barriers to employment, including populations with distinct needs and experiences. WIOA explicitly defines 13 populations under its definition of "individual with a barrier to employment," ranging from "displaced homemakers" to "youth who are in or who have aged out of the foster care system" to "long-term unemployed individuals," and affords states the opportunity to identify additional groups.[3]

WIOA's performance regime involves regular negotiations between the federal government, states, and workforce boards to set performance levels on six metrics for WIOA participants, such as employment and earnings levels. (See overview in sidebar.) By statute, these negotiations must involve a "statistical adjustment model" that is supposed to account for diverse participant needs and economic conditions, while stakeholders work together to set realistic goals. Sanctions for missing these metrics first require support for improvement with more aggressive consequences – loss of funds or reorganization – only if the state or local board continually fails to improve despite assistance.

OVERVIEW OF WIOA PERFORMANCE SYSTEM

Congress established six primary indicators for WIOA performance: the percentage of participants in unsubsidized employment two and four quarters after program exit; median earnings of participants in unsubsidized employment two quarters post-exit; credential attainment within a year after program exit; "measurable skill gains" towards a recognized postsecondary credential or employment; and an indicator of effectiveness in serving employers, currently defined as participants retained in unsubsidized employment at the *same* employer in the second and fourth quarters post-exit.[4]

Every two years, states and DOL, and in turn states and local workforce boards, establish negotiated performance levels for these metrics across the six core WIOA programs. These negotiations must involve adjustments using a statistical adjustment model (SAM) that considers local economic conditions and participants' entering characteristics.[5] The negotiations must also consider other states' performance levels, the advancement of continuous improvement and return on investment of federal funds, and states' long-term performance goals.

States, local boards, and eligible training providers annually report on these metrics and other key details under a DOL template. States and local areas can leverage an array of tools, including eligibility criteria for training providers' participation in the state or local eligible training provider list, to pursue their performance goals.

States and local boards face sanctions if they fail to meet these levels.[6] States that miss for one year must receive technical assistance and complete a performance improvement plan; those that miss for consecutive years lose 5 percent of grant funding. Local boards also receive technical assistance for up to two years, and then face reorganization, prohibited use of training providers or one-stop partners, or other actions up to the state.

In practice, however, the WIOA performance regime has largely failed to work as hoped. Leaders across the system widely report that **WIOA's structure imposes a disproportionate emphasis on compliance and disincentivizes innovation.** In a series of recent interviews with workforce system stakeholders, we found that leaders are widely pessimistic, and even cynical, regarding the effect of WIOA's performance regime on state and local boards' behavior. As one state leader attested in a National Association of State Workforce Agencies (NASWA) 2021 report:

> WIOA's Performance Accountability and Reporting requirements consume an inordinate amount of resources with federal partners constantly making changes to their requirements or instituting new edits. …WIOA's vision of conducting high quality research to unlock the power of data to transform the national workforce system is being undermined by WIOA's rigid performance accountability model…the performance accountability model does not reward risk-taking and local Boards are loath to participate in them [experimental activities] for fear of what impact it would have on performance (i.e. that it would go down and they would fail and potentially be sanctioned because of weaknesses in the statistical models).

One major challenge is that the WIOA performance metrics involve *level-based* outcomes, such as the proportion of participants in unsubsidized employment or their median earnings after exiting, as opposed to the extent to which participants *improved* their economic position. Accordingly, it is difficult for policymakers, stakeholders, and participants to identify which programs or services are likely driving stronger outcomes, posing a serious challenge for transparency, improvement, and effective functioning of a market for training and career services.

Stakeholders across the system also widely believe that **WIOA's performance regime has limited access among participants overcoming the most barriers to employment.** Many interviewees attested that boards, and providers, face systemic disincentives to serve participants who might face greater perceived barriers or who need greater support, leading caseworkers to favor serving participants viewed as "easier to serve" (often referred to as "creaming" or "cream-skimming").

This issue has been a longstanding point of concern under WIOA and predecessor legislation.[7] For example, a 2018 Government Accountability Office (GAO) report found that the U.S. Department of Agriculture's Food and Nutrition Service widely believed that workforce boards avoided serving SNAP E&T participants – who have low incomes as a condition for eligibility – on account of the WIOA performance system. GAO wrote, "For example, officials in one region said that workforce agency staff had stopped serving SNAP E&T participants in the past when they realized the participants needed more supportive services or time in workforce programs to meet employment goals."[8] Research has also suggested that performance systems can encourage workforce boards to shunt "higher-need" populations to lower-cost, less intensive services like job search assistance as opposed to more robust services like job training – and particularly as workforce program funds have declined over time.[9] Notably, not all workers who interact with WIOA systems are counted under WIOA's performance metrics: those who only use the "self-service" system or "receive information-only services or activities" are not included.[10]

Policymakers intended to address these concerns through the statistical adjustment measure (SAM),[11] a logistic regression model that attempts to account for participant characteristics, introduced as part of the performance measurement system under WIOA.[12] Although the SAM does attempt to account for participant characteristics, it is unfortunately a relatively blunt tool, and stakeholders widely believe past challenges with the performance system have largely persisted despite the SAM's introduction. The SAM essentially predicts, based on past WIOA performance data, that participants with certain characteristics (e.g., race, past criminal justice system involvement) will do better or worse in terms of employment or earnings and adjusts states' future expectations based on their past participant characteristics in aggregate.[13] That is to say, the SAM turns WIOA performance measurement into a guessing game based on basic demographic characteristics – like race and ethnicity, gender, and a small list of barriers to employment – without considering participants' actual economic trajectories. The SAM simply is not robust enough to measure all the nuance it is trying to capture.

In addition, even if the SAM was able to perfectly adjust anticipated performance levels to account for participants' varied starting points, it cannot address broader challenges around improvement, transparency, and choice because the SAM only applies to state and board performance negotiations, and not to the reporting of provider- and program-level outcomes. **Decisionmakers need accurate information on program participants' full economic trajectories to understand which programs are driving the strongest outcomes.** It is also important to note that WIA, WIOA's predecessor program, **included a short-lived growth-based earnings measure – participants' average earnings change in 6 months post-exit – for the WIOA adult program *instead* of a threshold/level-based earnings measure from 2001 to 2005.**[14]

By 2006, DOL had replaced the growth-based measure with a level-based measure as part of an effort to standardize measures across workforce programs.[15] In fact, DOL asserted that growth measures created *too much* of an incentive to serve people with higher needs as opposed to those with higher wages:

> A number of states have expressed concern about the existing methodology for the earnings measure as previously defined, citing it as a disincentive to serving people with previous work experience, especially those with higher wages. The earlier definition focused on a comparison of pre-program and post-program earnings; the outcomes reflected more of the previous earnings history of the people served rather than the program's intervention. This limited its usefulness as a measure of a program's performance.

The design of the WIA earnings change metric exacerbated this issue. The metric was calculated by taking participants' total post-program earnings in quarters 2 and 3 post-exit, minus pre-program earnings in quarters 2 and 3 pre-entry.[16] By considering participants' earnings two and three quarters before program entry, DOL attempted to address the so-called Ashenfelter dip.[17] The dip is a common phenomenon under which participants' earnings generally dip just before entering training because, for instance, the participant reduces work hours to enter training, or because the training targets workers who recently suffered a job loss. However, the WIA design was insufficient to address the dip: as a result, in 2011, researchers Pascal Courty and Gerald Marschke commented that the WIA metric's design likely distorted impacts.[18]

In addition, data limitations posed significant challenges in effectively implementing the WIA growth measure.[19] In 2006, shortly following DOL's shift away from the earnings change metric, GAO found widespread data infrastructure and implementation issues "compromised states' early efforts to collect and report WIA performance data."[20] Notably, in addition to emphasizing earnings changes, WIA had changed how states tracked employment-related outcomes, requiring them to leverage unemployment insurance (UI) data instead of through surveys of participants. That is to say, this major change in performance metrics occurred at the same time states and boards were navigating an enormous shift in data collection and reporting, making it even more challenging to implement an earnings metric that involved multiple data points (entry and exit) as opposed to simply post-exit levels.

However, methodological and technological advances since 2006 offer policymakers new options for growth metrics for workforce programs that can address the challenges with the WIA earnings change metric.

II. Insights from Growth Measures

Over the past decade-plus, researchers and practitioners in K-12 education have demonstrated the potential of growth measures, in combination with more static proficiency measures, to better capture student achievement and inform decision-making. In fact, even though federal law does not require them specifically, nearly all states now incorporate measures of student longitudinal growth in their accountability system as part of the required "additional" measure of student achievement.[21]

As many researchers and policymakers have concluded over the years, the combination of achievement (annual assessment scores capturing point-in-time proficiency level) and growth measures (year-over-year improvement in those scores) captures both the contribution of the teacher and school on a student's yearly learning as well as acknowledging the diverse starting points and conditions of individual students. Together they provide a more comprehensive portrait of performance, providing credit to institutions that help students who started behind make the greatest gains. In short, growth measures can be a powerful way to support improvement, by identifying which educational methods, instructors, or schools are driving the greatest change.[22]

For example, a 2026 study from Ball State University of school performance in Indiana demonstrated that a value-added model more accurately and equitably assessed the impact a school plays on student academic achievement.[23] Looking at Indiana's data on third and eighth grade reading as well as the state's high-school college-ready assessment the

authors investigated the "effect of school corporations on student performance when controlling for factors outside the control of the school" using a model that controlled for socioeconomic characteristics of students. They found that 47% to 59% of school-wide test score variation was attributed to school inputs (e.g., curriculum choices, teaching methods, etc) not student characteristics.[24] **Thus, to accurately understand student outcomes - both the impact of the student themselves and the impact of school quality - the study found a measure of growth was needed. A simple threshold metric was insufficient**.[25]

When using a growth measure to assess institutional quality such as described in the Indiana study and others in the K-12 context, there are key considerations to keep in mind:

There are multiple valid approaches.

In K-12 education, states have used a variety of approaches to measure growth, depending on factors like the availability of relevant administrative data and how complex a method might be for policymakers, practitioners, and families to understand use.[26] These include value tables, student growth percentiles, and in some instances - but increasingly fewer - value-added models.[27] Each methodology has its pros and cons. Some are limited but clear, others are robust but complex and difficult for parents, teachers, and decisionmakers to understand or use to drive action. Some include student background characteristics and others compare students with similar achievement. None of the approaches are necessarily wrong, but they might be wrong for a particular state. Choosing a measure demands a clear understanding of a state's values, policy contexts, and intended goals.[28]

Growth measures assess institutional impact, not individual effort.

As the Indiana study demonstrated, a growth measure controls for student socioeconomic characteristics specifically because it is attempting to assess the impact of the program itself. To fully understand whether individuals are meeting expected outcomes a growth measure should be used in combination with a threshold requirement (in K-12 education this is measured through proficiency on statewide assessments). In that way, both individual achievement and the institution/program impacts are captured.

Data availability is crucial.

Accurate and timely data is required for any performance measure to operate properly, no less so for a growth measure. Given that a WIOA growth measure will include earnings data as a key component, ensuring that state and local boards as well as providers have access to timely, robust earnings data is essential. In particular, research demonstrates that leveraging individual-level data is analytically important,[29] as opposed to using purely aggregate totals for jurisdictions as does the SAM. For WIOA purposes, providers already submit individual-level records to the state through standard Participant Individual Record Layout (PIRL) reporting and these records could be used for calculating a growth measure (though aggregate data should still be the basis for public disclosure). There are current efforts underway to expand what is available in a wage record and to streamline the reporting of wage data for performance measurement purposes. These are important efforts for ensuring the data to calculate a growth measure is available.

Even though WIOA no longer includes a universal growth-based performance measure, a few states have begun testing approaches akin to a growth measure in the workforce context – their experiences so far illuminate what a new WIOA metric could involve. For example, Texas publishes pre-participation earnings as well as post-exit earnings data up to 20 months later, while Minnesota by statute requires the publication of pre- and post-program wages for all programs funded through the state's Workforce Development Fund.[30] Similarly, a recent difference-in-differences analysis of WIOA programs in Wisconsin considered Title I Adult and Title III Wagner-Peyser programs' relative returns on investment.[31]

Moving forward, growth measures offer a promising approach to better measuring and understanding WIOA training provider quality, but applying them appropriately will require additional research and testing. As we recommend in the next section, policymakers should take intentional, research-backed steps to develop and implement reliable growth measures in the workforce setting.

III. Policy Recommendations

More than 40 years after Congress originally intended for the workforce system to use growth measures, we recommend that policymakers take advantage of new methodological developments to effectively implement growth measures under WIOA at last. We suggest these legislative and administrative steps:

WIOA reauthorization, explicitly include earnings-based and employment-based growth measures as an accountability measure for states and boards, and a transparency measure for providers.

We suggest adding growth measures alongside threshold/level-based measures, recognizing, as does K-12 policy, that both measures are important and should be considered together. Congress should explicitly direct DOL to leverage up-to-date research methodology in implementing these measures, including, to the extent possible, counterfactual designs and longer look-back periods. (We suggest, however, that Congress and DOL afford room for flexibility in the design of these measures to avoid locking in an outdated approach for decades to come.) Congress should also explicitly require that DOL publish measures of growth for training programs, not simply as part of state and local performance measures, as a means to advance transparency and improvement across the system.

Phase in growth measures.

Especially in light of implementation difficulties under WIA, we recommend that WIOA reauthorization include a phase-in period for growth measures (e.g., 4 years) to count for accountability purposes, though they should be reported as soon as possible for transparency purposes. Applying these measures appropriately will require additional research and testing. In the meantime, Congress should explicitly afford DOL authority to identify a cohort of a set of states (e.g., 5 to 10) to pilot the use of growth measures alongside their present threshold measures. Recently, for example, Congress authorized five states to pilot new, more effective economic outcome measures under the Temporary Assistance for Needy Families (TANF).[32] And when the Department of Education (ED) implemented growth measures under the Every Student Succeeds Act (ESSA), it started with a pilot of 10 states before eventually opening up to all states.[33] This pilot enabled states to experiment and ultimately identified multiple models that could effectively measure student academic growth. We also urge Congress to include a rigorous evaluation of the impacts and implementation of these pilots to ensure that policymakers and stakeholders understand lessons learned.

Pilot growth measures through administrative action.

Finally, DOL could take administrative action now to implement growth measures. In 2000, DOL implemented growth measures under WIA under its interpretation of the WIA performance metric. The language for the relevant WIA metric, and the relevant WIOA metric, are very similar.[34] DOL could also do this by granting waivers to states interested in piloting such measures, recognizing that DOL has granted multiple sets of state waivers governing performance measures in the past.[35]

Expand measurable skills gain metric, including barrier removal.

The present measurable skills gain metric could capture a broader range of participant growth and progress in overcoming key barriers to employment, particularly to recognize growth among participants overcoming more significant or multiple barriers. For example, DOL could expand its guidance implementing the measurable skills gain metric to explicitly recognize key credentials, like Occupational Safety and Health Administration (OSHA) training, that can provide a pathway to a life-stabilizing job. Congress could also expand this measure for those participants with the most significant barriers to employment to include consideration of key barriers, such as stable housing and transportation, that are essential to long-term economic sustainability and that advance participants' economic power to build wealth and exercise control over their lives as Redefine Alliance has outlined.[36]

Model Language for WIOA Reauthorization

SEC. 116. Performance Accountability System.

(b) State Performance Accountability Measures.—

(2) Indicators of Performance.

(A) Primary Indicators of Performance.—

…

(III) the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;

(IV) a measure of growth in earnings of program participants who are in unsubsidized employment, relative to pre-program earnings, provided that–

(aa) The Secretary shall implement such measure no sooner than four years following the passage of this Act;

(bb) The Secretary shall adopt the most reliable, research-based approaches feasible to the measure's design, including, if possible, a counterfactual design; pre-participation and post-exit windows of appropriate length; any adjustments, as necessary, for adult, dislocated worker, and youth populations, and shall be informed by feedback from researchers and the workforce development field;

(cc) The Secretary shall carry out a pilot program for the design of such measure by selecting up to 10 states to test and evaluate appropriate designs.

…

(VI) the percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment, and overcoming significant barriers to employment (e.g., housing insecurity, lack of transportation);

To effectively develop and implement these workforce growth measures, DOL and states should adopt these design choices, drawing on lessons from K-12 and the workforce setting:

Improve data reporting.

DOL has mandated that states and local boards improve the quality of WIOA reporting.[37] However, reporting continues to be an issue with almost three-fourths of training programs reporting no earnings and employment outcomes data on the U.S. Department of Labor's WIOA data scorecard, TrainingProviderResults.gov.[38] While some data gaps could be a result of the suppression of data for small program cohorts, it is unlikely that this amount of missing data is solely due to suppressed cells because of small n-sizes.[39] If accurate data isn't reported and made transparent to WIOA program providers and future participants, it makes little difference what metrics are used to measure program quality and performance. One way to increase data reporting is for DOL to more seriously enforce WIOA's data reporting requirements. This, however, is likely to be ineffective where earnings data is concerned as many providers do not report that data simply because it is so difficult to obtain. Instead, DOL should do for WIOA providers what it and ED are doing for Workforce Pell programs: match the data for programs and report it at an aggregate level.

Account for the pre-entry dip in earnings.

As we discuss above, the Ashenfelter Dip – where participants in job training programs tend to experience a dip in earnings just before they enroll[40] – is one of the oldest findings in the workforce development literature on economic

outcomes measurement. Over the years since, economists have developed an array of strategies to address these dips and others when measuring performance in non-experimental contexts, such as leveraging a comparison group of a similarly situated group of workers, or considering a baseline for pre-entry earnings further back in time (e.g., quarters 9 to 12 before program entry, in contrast with the WIA measure's use of quarter 2 and 3 pre-entry).[41] Notably, Minnesota's earnings reporting incorporates earlier reporting pre-entry, from two to five quarters, that seeks to address this issue; policymakers should consider an even further look back.[42]

Establish an appropriate length for earnings trajectories.

Growth measures must account for a broad array of external factors that could affect post-program earnings, including labor market variation and inflation (that are, of course, also relevant to level-based measures). For example, relevant to growth measures, recent research demonstrates that hourly workers with low incomes experience tremendous variation in month-to-month earnings.[43] In general, considering longer time windows for assessment – both before workers enroll in programs and afterward – would lead to more accurate measures of growth in earnings. WIOA's very short window of second and fourth quarter post-exit assessment does not allow for a smoothing of the kinds of fluctuations WIOA program participants traditionally see in wages. At the same time, cutting-edge methodology promises to substantially improve projections of longer-term earnings gains based on shorter-term outcomes.[44]

Develop sufficiently large sample sizes.

Growth measures can be imprecise when sample sizes (e.g., program sizes) are relatively small because they involve statistical estimates.[45] In the workforce context, this is particularly notable because many WIOA-funded programs involve relatively small cohort sizes. These small group sizes have been a major issue for provider-level WIOA performance reporting,[46] but less so for state-level performance measure negotiations that involve much larger groups. Policymakers should consider options like rolling up programs across program years and combining outcomes for similar, small programs; approaches that have been used in the postsecondary context to deal with similar small sample size issues.[47]

Tailor growth measures for dislocated workers.

WIA also incorporated an earnings growth measure for dislocated workers that differed slightly from the measure for the adult program, calculating instead an "earnings replacement rate" that as the ratio of workers' earnings in quarters 2 and 3 post-exit divided by earnings in quarter 2 and 3 prior to dislocation.[48] This approach attempted to distinguish dislocated workers, who suffered a specific shock, from the broader adult WIOA population. As AI-driven shifts continue to affect the economy, considering dislocated workers' outcomes will be ever more important. Moreover, DOL has begun to broaden eligibility for dislocated worker programs beyond workers affected by a specific layoff or shock to include workers affected by "the broad and accelerating economic transformation driven by AI and the immediate needs related to America's economic resurgence," beginning with the 2026 Rapid Reskill Employment Recovery National Dislocated Worker Grants. Because this approach means workers may not have a specific "dislocation" event, leveraging a comparison group of similarly-situated workers would be more effective than simply considering earnings further before program entry.[49]

More research on growth measures for youth programs is critical.

Growth measures involve particular methodological considerations in the context of youth programs. As researchers Stephanie Cellini and Kathryn Blanchard considered in a 2022 paper, it is methodologically challenging to identify earnings trajectories for students who recently left high school – any earnings they report in high school (e.g., a part-time or informal job) do not provide nearly so strong a measure of their human capital and likely career trajectory as older workers.[50] In fact, WIA had also included an earnings gain metric for "older youth" age 19 to 21 identical to the adult measure,[51] DOL entirely eliminated an earnings-based youth metric in 2006[52] before WIOA reintroduced a level-based earnings metric for youth. Educational administrative data (e.g., K-12 student achievement scores) could help provide reliable growth estimates for youth, building on the current measurable skills gain growth-based measure that assesses "documented academic, technical, occupational, or other forms of progress, towards such a credential or employment."[53] That said, the need for more research for youth earnings measures is particularly critical as Cellini and Blanchard's analysis demonstrates.

At the same time, policymakers should incorporate complementary reforms in WIOA reauthorization that support growth measures as well as stronger accountability, transparency, and decision-making across the public workforce system:

Emphasize broader data infrastructure improvements.

Congress's A Stronger Workforce for America Act (ASWA) reauthorization proposals have incorporated critical administrative data reforms that would support the use of growth measures and the broader use of data for accountability, transparency, and improvement. Key measures include support for statewide longitudinal data systems, state data capacity, and wage data access, including ensuring workforce system access to the National Directory of New Hires (NDNH). Moving forward, it would be particularly helpful to provide for complementary privacy-protected, secure linkages to additional administrative data sets that provide for analysis by federal, state, and local actors as well as workforce providers, recognizing that different data sets have complementary coverage (e.g., years, employers and employees covered) beyond the data in NDNH. In addition, given WIOA's statutory emphasis on reentry support, it would be invaluable to incorporate linkages from the criminal justice system as well. This approach could involve direct linkages, an exchange, a FedRAMP approved secure platform or enclave, a National Secure Data Service, or a clearinghouse structure, and enable both public agencies and private providers to access this data for reporting, performance management, continuous improvement, and evaluation purposes.

Invest in accountability measures R&D.

We encourage Congress to provide deeper support for the development of effective workforce assessments, building on the complementary K-12 Competitive Grants for State Assessments (CGSA) program that most recently awarded grants to 10 states in 2024. As Transcend writes in a recent paper on K-12 assessment, "If states want to realize the possibilities [for assessment innovation], they will need to invest deliberately in assessment R&D that is grounded in what the system is trying to produce."[54] The same way CGSA supported R&D to catalyze new approaches to assessment, a similar program focused on WIOA accountability measure design would help address some of the major, outstanding methodological questions around WIOA, with relevance to publicly-funded education and workforce training programs more broadly. We encourage Congress to support both practitioner-led development as well as academic methodological analysis that support these efforts.

Strengthen the SAM.

Aligned with these efforts, we urge Congress to consider improvements to the SAM that would move it closer to a true value-added model for state and local accountability. While we recommend against legislating the technical design of statistical models, the SAM should, to the extent possible, incorporate individual-level participant data as opposed to the present aggregate model to avoid perpetuating bias.[55] Ideally, the SAM would also analyze data on individual-level participants' career trajectories and educational backgrounds, leveraging state and/or national administrative data, to provide a better prediction of their likely outcomes from WIOA-funded programs.

Complementary Growth Measure Proposals in the A Stronger Workforce for America Act

We appreciate the incorporation of complementary growth measure proposals under bipartisan, bicameral ASWA reauthorization bill, as well as the 2026 ASWA bill that passed the House Education and Workforce Committee. Our recommendations would complement and strengthen these approaches:

1. New statewide reporting on the median earnings gains of training participants, measured as the total earnings four quarters post-exit against earnings 4 quarters before entry.[56]
2. A new earnings-increase-to-cost measure as one of four new required state performance criteria for the Eligible Training Provider Lists (ETPL) that govern training providers' access to WIOA Title I formula funding. This measure is different from the statewide reporting measure, instead considering participants' earnings increase two- quarters post-exit to the quarter prior to entering the program, relative to the cost of the program.[57] However, while we believe this measure could be helpful, we also note that past cost-based measures led to gaming under the JTPA as boards prioritized lower-cost programs that achieved only fleeting gains and reduced services to "higher-need" participants.[58] To address these concerns, Congress could provide that this measure be calculated both leveraging longer-term earnings (at least 1 year) and, to the extent feasible, leverage value-added methodology.

Conclusion

The rapidly changing labor market demands a more effective, accessible, and responsive workforce development system. As policymakers have recognized, WIOA's present performance accountability structure struggles to support economic mobility and is often in fact counterproductive.

Growth measures, if implemented effectively, offer a powerful option to restructure accountability under WIOA and support stakeholders across the system in realizing our workforce system's potential. Alongside complementary reforms to expand funding for evidence-based services and to streamline WIOA's implementation, policymakers could achieve a workforce system that is capable of responding to today's challenges.

Building on a decade-plus of lessons learned across policy domains, policymakers now have the opportunity to leverage this critical tool to reorient our workforce development system towards improvement and opportunity instead of the present compliance-focused, stagnant status quo.

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America Forward unites social entrepreneurs with policymakers to promote a public policy agenda that fosters innovation, rewards results, and catalyzes cross-sector partnerships. America Forward leads the America Forward Coalition, a network of 100+ of the nation's most impactful and innovative non-governmental organizations that develop and advocate for more effective public policies to advance opportunity and move all of America forward. Since its founding more than 15 years ago, America Forward has emphasized the importance of evidence-based approaches and continued evidence-building across policy domains, including education and workforce development.

About DATA QUALITY CAMPAIGN

The Data Quality Campaign (DQC) is a nonprofit policy and advocacy organization that, since our founding over 20 years ago, leads the effort to ensure that data works for everyone navigating their education and workforce journeys. We envision a world where data is used to drive systemic change, economic mobility, and student success. To make this vision a reality, families, educators, communities, and policymakers must have access to the P–20W information they need to foster successful journeys through education and the workforce.

Endnotes

[1]Data Quality Campaign (2019), "Growth Data: It Matters, and It's Complicated," https://dataqualitycampaign.org/wp-content/uploads/2019/04/DQC-Growth-Data-Resources.pdf.

[2]Jessica Valand and Jeremy Avins (2026), "Fund What Pays: Five Actions for States to Get Results from Workforce Funding," Arnold Ventures, https://assets.arnoldventures.org/uploads/PDFs/AV_Career-Pathways_Fund-What-Pays-WIOA.pdf.

[3]WIOA Sec. 3(24).

[4]WIOA Sec. 116; see U.S. Department of Labor, Employment and Training Administration, "Performance Indicators," https://www.dol.gov/agencies/eta/performance/performance-indicators. The metrics are slightly tweaked for youth programs, allowing education in place of unsubsidized employment. Note that in 2024, DOL – after a decade – published a rule finalizing a definition of effectiveness in serving employers. U.S. Department of Labor, "Workforce Innovation and Opportunity Act; Effectiveness in Serving Employers Performance Indicator," 89 Fed. Reg. 13814 (Feb. 23, 2024), https://www.federalregister.gov/documents/2024/02/23/2024-03278/workforce-innovation-and-opportunity-act-effectiveness-in-serving-employers-performance-indicator.

[5]WIOA Sec. 116(b)(3)(a).

[6]WIOA Sec. 116(f).

[7]Note that an analysis of programs under the Job Training Partnership Act (JTPA), the predecessor to WIA, found suggestive though not definitive evidence of cream-skimming considering a subset of programs operating from 1987 to 1989. Heckman and Smith (2011), "Do the Determinants of Program Participation Data Provide Evidence of Cream Skimming?," in *The Performance of Performance Standards*, Upjohn Institute, https://research.upjohn.org/up_press/209/.

[8]U.S. Government Accountability Office, *Supplemental Nutrition Assistance Program: More Complete and Accurate Information Needed on Employment and Training Programs*, GAO-19-56, November 2018, https://www.gao.gov/assets/gao-19-56.pdf.

[9]Heinrich (2011), "Local Responses to Performance Incentives and Implications for Program Outcomes," in *The Performance of Performance Standards*, Upjohn Institute, https://research.upjohn.org/up_press/209/.

[10]U.S. Department of Labor (December 2023), Employment and Training Administration, Training and Employment Guidance Letter No. 10-16, Change 3, "Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Core Programs," https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2023/TEGL%2010-16%20Change%203/TEGL%2010-16%2C%20Change%203.pdf.

[11]GAO's 2018 report notes hopefully, "WIOA introduced changes to the way these workforce program performance levels are determined that may reduce financial disincentives for workforce agencies to serve those with employment barriers. Specifically, WIOA requires that state performance levels be adjusted using a statistical model that accounts for economic conditions and participants' characteristics." U.S. Government Accountability Office, *Supplemental Nutrition Assistance Program*.

[12]Such a universal adjustment model was not new in WIOA: the JTPA of 1982 also included one and it had the same aim as the SAM (though governors had discretion to use their own model rather than DOL's model). DOL did, however, move away from such a universal model when JTPA transitioned to WIA. DOL's decision to move away from a universal adjustment model was, as Barnow and Smith recount, "based on preferences rather than necessity." The Employment and Training Administration "wanted to signal that WIA was going to be different from JTPA, so change was considered good in its own

right." Barnow and Smith, "Performance Management of U.S. Job Training Programs: Lessons from the Job Training Partnership Act," Public Finance and Management 4(3) (2004): 247–287, available at https://users.ssc.wisc.edu/~jasmith43/PAPERS/Barnow%20and%20Smith%20(2004)%20PFM%20Performance%20Management%20of%20US%20Job%20Training%20Programs.pdf.

[13]U.S. Department of Labor, Employment and Training Administration, "Program Year 2026–2027 Model Selection," https://www.dol.gov/sites/dolgov/files/ETA/Performance/pdfs/Negotiations/state-model-summaries/PY26-27/PY2026-2027_Model_Selection.html.

[14]WIA's predecessor, the JTPA of 1982, specifically required DOL to prescribe a standard around "the increase in earnings" for participants with the goal of measuring "the basic return on investment" of job training. JTPA Sec. 106, available at https://www.govinfo.gov/content/pkg/STATUTE-96/pdf/STATUTE-96-Pg1322.pdf.

[15]U.S. Department of Labor (February 17, 2006), Employment and Training Administration, Training and Employment Guidance Letter No. 17-05, "Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues," https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2006/TEGL17-05.pdf.

[16]See page 13-14 in U.S. Department of Labor (March 3, 2000), Employment and Training Administration, Training and Employment Guidance Letter No. 7-99, "Core and Customer Satisfaction Performance Measures for the Workforce Investment System," https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2000/TEGL7-99.pdf.

[17]"The 2nd and 3rd quarters prior to registration were selected as the preprogram reference period because trends have shown that many program participants experience intermittent or stop-gap employment immediately prior to participating in employment and training programs." See page 14, id.

[18]Courty and Marschke (2011), "Measuring Government Performance," in *The Performance of Performance Standards*, Upjohn Institute, https://research.upjohn.org/up_press/209/.

[19]Courty and Marschke (2011), "The JTPA Incentive System," in *The Performance of Performance Standards*, Upjohn Institute, https://research.upjohn.org/up_press/209/.

[20]U.S. Government Accountability Office (2005), *Workforce Investment Act: Labor and States Have Taken Actions to Improve Data Quality, but Additional Steps Are Needed*, GAO-06-82, https://www.gao.gov/assets/gao-06-82.pdf.

[21]Education Commission of the States (2024), "50-State Comparison: School Accountability Systems," https://reports.ecs.org/comparisons/states-school-accountability-systems-2024-07.

[22]Data Quality Campaign (2019), "Growth Data: It Matters, and It's Complicated," https://dataqualitycampaign.org/wp-content/uploads/2019/04/DQC-Growth-Data-Resources.pdf.

[23]Hicks and Faulk (2026), *A Value-Added Measure of School Performance in Indiana*, Center for Business and Economic Research, Center for Business and Economic Research, available at: https://www.bsu.edu/-/media/www/departmentalcontent/cber/pdfs/k12-performance-2026-0505-ada.pdf?sc_lang=en&hash=33419E9F9073D45B895C450FE547F30627471DE3.

[24]*Id*. at page 3.

[25]*Id*. at page 6.

[26]Data Quality Campaign (2019), "Growth Data: It Matters, and It's Complicated"; Regional Educational Laboratory Mid-Atlantic, "Student Growth Measures Fact Sheet," prepared for the Institute of Education Sciences, https://ies.ed.gov/sites/default/files/migrated/rel/regions/midatlantic/app/Docs/Infographics/RELMA_student_growth_measures_fact_sheet.pdf.

[27]Id.

[28]National Center for the Improvement of Educational Assessment (February 2026), Response to the U.S. Senate HELP Committee RFI on Academic Growth, https://www.nciea.org/wp-content/uploads/2026/02/Academic-Growth-Senate-HELP-RFI-response-FINAL_A11Y.pdf.

[29]See, e.g., Sanders and Horn (1998), "Research Findings from the Tennessee Value-Added Assessment System (TVAAS) Database," Journal of Personnel Evaluation in Education 12(3): 247-256, available at https://new.every1graduates.org/wp-content/uploads/2021/01/Research-findings-from-Tenn-Value-Added-System-Sanders.pdf.

[30]Valand and Avins, "Fund What Pays."

[31]Purin and Zumbrunnen (July 2025), "Wisconsin Workforce Innovation and Opportunity Act (WIOA) Title I-B Adult Program Return on Investment Report," https://dwd.wisconsin.gov/wdis/pdf/250710-wioa-title-1b-adult-report.pdf.

[32]Social Security Act Sec. 441(e). See Administration for Children and Families (2025), "ACF Launches Redesigned Welfare Pilot," https://acf.gov/media/press/2025/acf-launches-redesigned-welfare-pilot.

[33]Hoffer et al. (2011), *Final Report: Evaluation of the Growth Model Pilot Project*, National Opinion Research Center (NORC), prepared for U.S. Department of Education, https://www.ed.gov/media/document/final-report-evaluation-of-growth-model-pilot-project-2011-106891.pdf.

[34]From WIA: "(III) earnings received in unsubsidized employment 6 months after entry into the employment." Workforce Investment Act of 1998, Sec. 136(b)(2)(A)(i)(III), available at https://www.govinfo.gov/content/pkg/COMPS-8156/pdf/COMPS-8156.pdf. From WIOA: "(III) the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program." WIOA Sec. 116(b)(2)(A)(i)(III), available at https://www.govinfo.gov/content/pkg/COMPS-11135/pdf/COMPS-11135.pdf.

[35]For example, an ongoing waiver to Texas has provided flexibility to address challenges with the WIOA post-exit employment metric effectively discouraging subsequent education. Texas instead, with DOL's approval, considers a combined employed or enrolled in postsecondary education measure and has incorporated changes to incentivize connection even sooner than two quarters post-exit. U.S. Department of Labor (May 30, 2024), "Signed Texas 2024 Waiver Response Letter," https://www.dol.gov/sites/dolgov/files/ETA/wioa/pdfs/Signed%20TX-2024%20Waiver%20Response%20Letter%20and%20incoming.pdf; Texas Workforce Commission, "Discussion, Consideration, and Possible Action on Changes to Board Contract Years 2024 and 2 2025 Performance Measures," https://www.twc.texas.gov/sites/default/files/ogc/mtg24/commission-meeting-material-041624-item9-bcy24-bcy25-bd-contracted-measures-twc.pdf; U.S. Department of Labor, "Approved WIOA Waivers," https://www.dol.gov/sites/dolgov/files/ETA/wioa/pdfs/Approved_WIOA_Waivers.pdf.

[36]See Redefine Alliance, "Economic Power Hub," https://redefinealliance.org/economic-power/.

[37]U.S. Department of Labor (December 1, 2025), Employment and Training Administration, Training and Employment Guidance Letter No. 23-19, Change 3, "Guidance for Validating Required Performance Data Submitted by Grant Recipients of U.S. Department of Labor (DOL) Workforce Programs," https://www.dol.gov/agencies/eta/advisories/tegl-23-19-change-3.

[38]As we note above, data limitations likely contributed to DOL's move away from the WIA earnings growth metric.

[39]See America Forward (October 2022), "Response to U.S. Department of Labor 2022 Open Data RFI on a National Employment Metrics System," https://www.americaforward.org/wp-content/uploads/2022/10/America-Forward-Coalition-DOL-2022-Open-Data-RFI-Response-National-Employment-Metrics-System.pdf.

[40]Ashenfelter (1978), "Estimating the Effect of Training Programs on Earnings," Review of Economics and Statistics 60(1): 47–57, available at https://www.jstor.org/stable/1924332.

[41]See footnote 16 in Andersson et al. (2024), "Does Federally Funded Job Training Work? Nonexperimental Estimates of WIA Training Impacts Using Longitudinal Data on Workers and Firms," Journal of Human Resources 59(4): 1244–1284.

[42]See page 6, Valand and Avins, "Fund What Pays."

[43]Ganong et al. (2025), "Earnings Instability," Becker Friedman Institute Working Paper No. 2025-114, University of Chicago, https://bfi.uchicago.edu/wp-content/uploads/2025/09/BFI_WP_2025-114-1.pdf.

[44]See, e.g., Athey et al. (2025), "The Surrogate Index: Combining Short-Term Proxies to Estimate Long-Term Treatment Effects More Rapidly and Precisely," The Review of Economic Studies 93(4): 2284–2312, https://academic.oup.com/restud/article/93/4/2284/8268796.

[45]Regional Educational Laboratory Mid-Atlantic, "Student Growth Measures Fact Sheet,"

[46]Deming et al. (2023), *Navigating Public Job Training*, The Project on Workforce, https://pw.hks.harvard.edu/post/publicjobtraining.

[47]See U.S. Department of Education (July 1, 2026), "Accountability in Higher Education and Access Through Demand-Driven Workforce Pell for Short-Term Programs," 91 FR 40136, https://www.federalregister.gov/documents/2026/07/01/2026-13286/accountability-in-higher-education-and-access-through-demand--driven-workforce-pell-student-tuition. See also discussion at page 8 to 9 at America Forward, "Response to U.S. Department of Labor 2022 Open Data RFI on a National Employment Metrics System."

[48]U.S. Department of Labor, "Core and Customer Satisfaction Performance Measures for the Workforce Investment System."

[49]See footnote 16 in Andersson et al., "Does Federally Funded Job Training Work? Nonexperimental Estimates of WIA Training Impacts Using Longitudinal Data on Workers and Firms."

[50]Cellini and Blanchard (2022), "Using a High School Earnings Benchmark to Measure College Student Success: Implications for Accountability and Equity," Postsecondary Equity & Economics Research Project (PEER), https://www.american.edu/spa/peer/upload/2022-3-3-peer_hsearnings-updated.pdf.

[51]U.S. Department of Labor, "Core and Customer Satisfaction Performance Measures for the Workforce Investment System."

[52]U.S. Department of Labor, "Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues."

[53]U.S. Department of Labor, Employment and Training Administration, "Performance Indicators," https://www.dol.gov/agencies/eta/performance/performance-indicators.

[54]Nitkin, Gist, and Colwell (2026), A Bridge to the Future of State Assessment, Transcend, https://transcendeducation.org/wp-content/uploads/2023/04/Future-of-Assessment-Report_042726.pdf.

[55]See Cellini and Blanchard at page 4 on this point in the postsecondary accountability context regarding demographics-based estimates. "Such estimates could be problematic if different "predicted" earnings are used for different demographic groups, generating concerns around the inequity of applying different standards for different students and/or risk creating a culture of lower expectations for different groups." Cellini and Blanchard, "Using a High School Earnings Benchmark to Measure College Student Success: Implications for Accountability and Equity."

[56]A Stronger Workforce for America Act of 2026, H.R. 8210, 119th Congress, https://www.congress.gov/bill/119th-congress/house-bill/8210/text#H1DCE120E6E784C06AA585B4EEACCB885.

[57]Id., see text at https://www.congress.gov/bill/119th-congress/house-bill/8210/text#HEDF9B05EB4E34DEFA6CF3854D52D35AC.

[58]Courty & Marschke, "The JTPA Incentive System."