

**HOUSE . . . . . No. 4685**

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**The Commonwealth of Massachusetts**

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HOUSE OF REPRESENTATIVES, August 19, 1999.

The committee on Commerce and Labor, to whom was referred the petition (accompanied by bill, House, No. 3616) of Stephen P. LeDuc relative to the collection of certain information for the improvement of workforce development, reports recommending that the accompanying bill (House, No. 4685) ought to pass.

For the committee,

PETER J. LARKIN.

## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Ninety-Nine.

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AN ACT RELATIVE TO THE COLLECTION OF INFORMATION TO IMPROVE THE  
WORKFORCE DEVELOPMENT SYSTEM IN THE COMMONWEALTH.

*Be it enacted by the Senate and House of Representatives in General  
Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Purpose:

2 The purpose of this legislation is to develop a set of three types  
3 of information to assist the citizens of the Commonwealth in  
4 understanding important developments in state and sub-state labor  
5 markets. The information produced under these provisions would  
6 be used to formulate a wide range of employment, unemployment  
7 insurance, dislocated worker, contingent employment, labor  
8 shortage, and education and training programs directly linked to  
9 labor market outcomes.

1 SECTION 2. Establishing a Household Based Labor Force  
2 Survey.

3 (a) Purpose of the survey:

4 This section will establish a new household based labor force  
5 survey in the Commonwealth in order to develop policies and pro-  
6 grams which will improve the material level of well-being of  
7 Massachusetts workers and their families. This survey will be  
8 modeled after the National Current Population Survey (CPS)  
9 which provides policy makers with up to date and accurate infor-  
10 mation on a wide range of labor force, employment and earnings  
11 developments. Because the CPS sample size in Massachusetts has  
12 been cut nearly in half there is a need for a state based survey. The  
13 reduced sample sizes means that little up to date information on  
14 the economic well-being of State residents is available. A direct  
15 result of this lack of information is that since January, 1996, the  
16 unemployment rates released each month by the Massachusetts  
17 Department of Employment and Training are no longer based on  
18 the direct findings of the CPS. Instead, the data are derived indi-

19 rectly from an administrative method that is not based on the  
20 actual employment status of state residents in any given month.  
21 This legislation would establish a household survey designed to  
22 measure important labor force developments in the state and  
23 inform public leaders about the level of labor market well-being in  
24 the Commonwealth.

25 (b) Methodology:

26 (i) The household survey shall be conducted on a semi-annual  
27 basis and shall be overseen by the Massachusetts Jobs Council  
28 and the Business Labor Workforce Development Data  
29 Commission (hereinafter “the commission”). The state agency and  
30 the commission jointly shall oversee all aspects of the survey  
31 design and implementation, assure impartiality in the development  
32 and interpretation of the findings from the survey, and direct the  
33 development of the publication and dissemination of the survey  
34 findings.

35 (ii) The household survey shall be conducted with a sample size  
36 of 5,000 households and will be conducted twice each year. Of  
37 this sample a total of 3,000 household units will be allocated to  
38 produce statistically reliable labor force employment and unem-  
39 ployment estimates using concepts and measure employed in the  
40 Current Population Survey to the extent practical. The remaining  
41 2,000 units will be used to produce similar data at the sub-state  
42 level. Each survey cycle the commission will identify a particular  
43 urban community or rural area where the 2,000 units of sub-state  
44 sample will be allocated. Each year two different sub-state areas  
45 will be included in the sample. The basic concepts and measures  
46 employed in the sub-state sample will be the same as the  
47 statewide sample. The state agency and the commission may add  
48 additional questions that are specific to the sub-state areas as it  
49 deems necessary.

50 (iii) The household survey questionnaire shall, to the extent  
51 practical, use labor force concepts and earnings measures that are  
52 identical to those employed in the Current Population Survey. The  
53 data derived from the survey will be conceptually comparable  
54 with the national measure of labor market activity and permit  
55 comparison of state and sub-state findings with the nation as a  
56 whole. The survey questionnaire will be developed and approved  
57 by the state agency and the commission and shall utilize any tech-  
58 nical advice and assistance as they deem appropriate.

59 (iv) The household survey will be administered under the direc-  
60 tion of the state agency and the commission who may choose to  
61 contract with either a public or private vendor experienced in the  
62 conduct of household surveys in the Commonwealth.

63 (v) The state agency and the commission shall ensure that sta-  
64 tistically reliable estimates and the public release of these esti-  
65 mates are conducted in a neutral and responsible manner, shall  
66 establish data quality and publication standards in order to assure  
67 high quality information is produced and may release reports and  
68 special studies as it sees fit.

69 (c) The Business Labor Workforce Development Data  
70 Commission shall consist of 16 members, six of whom shall be  
71 representatives of the Massachusetts Business Roundtable, six of  
72 whom shall be representatives of the Massachusetts AFL-CIO,  
73 two of whom shall be representatives of higher education, one of  
74 whom shall be a member of the Senate appointed by the Senate  
75 President and one of whom shall be a member of the House of  
76 Representatives appointed by the Speaker of the House.

77 (d) Total annual funds for the survey will be \$500,000.

1 SECTION 3. Establishing a Job Vacancy and Labor Turnover  
2 Survey of Business Establishments.

3 (a) Purpose of the Survey:

4 This survey would establish a systematic survey of business  
5 establishments across the State in order to measure the number  
6 and composition of job vacancies and in order to measure  
7 employer skill needs. The need for this survey has been estab-  
8 lished by a growing number of businesses that have reported how  
9 shortages of skilled labor impedes their long term growth. While  
10 employers continue to report difficulty in hiring workers, little  
11 data exists to document the problems of recruiting and hiring  
12 skilled workers. A well designed job vacancy-labor turnover  
13 survey will provide important information to the Commonwealth's  
14 post-secondary education system and to its workforce develop-  
15 ment programs so that they can better target their resources.

16 (b) Methodology:

17 (i) The job vacancy labor turnover survey shall survey 2,000  
18 business establishments and shall be conducted on a quarterly  
19 basis. The state agency and the Commission shall oversee all

20 aspects of the survey design and implementation, assure impar-  
21 tiality in the development and interpretation of the findings from  
22 the survey and direct the development and dissemination of the  
23 survey findings.

24 (ii) The survey will be statewide in nature and be capable of  
25 producing statistically reliable estimates of job vacancies, new  
26 hires and worker separations by industry and occupation. The  
27 survey will use concepts and measures similar to those developed  
28 by the U.S. Bureau of Labor Statistics in developing both prior  
29 and current job vacancy and labor turnover data at the national  
30 level.

31 (iii) The Division of Employment and Training will make avail-  
32 able to the state agency and the Commission current listings of  
33 business establishments organized by industry and firm size  
34 derived from Unemployment Insurance tax reports.

35 (iv) The job vacancy-labor turnover survey will be adminis-  
36 tered under the direction of the state agency and the commission.  
37 The commission may choose to contract with either a private or  
38 public vendor experienced in the conduct of business establish-  
39 ment surveys in the Commonwealth.

40 (v) The state agency and the commission shall ensure that sta-  
41 tistically reliable estimates and the public release of these esti-  
42 mates are conducted in a neutral and responsible manner, shall  
43 establish data quality and publication standards in order to assure  
44 high quality information is produced and may release reports and  
45 special studies as it sees fit.

46 (vi) Total funds for the survey will be \$375,000.

#### 1 SECTION 4. Establishing a Standard Evaluation System for 2 Workforce Development Programs.

##### 3 (a) Purpose of the evaluation:

4 Considerable federal and state resources are devoted to pro-  
5 viding employment and training services to incumbent workers,  
6 dislocated workers, the economically disadvantaged, welfare  
7 recipients, high school students and adults seeking to upgrade  
8 their literacy skills. While resources are devoted to serve these  
9 populations in the state, little information is available to elected  
10 officials on the effectiveness of the programs in generating a set  
11 of positive employment outcomes for participants. A systematic  
12 evaluation system using standard measures and concepts that can

13 be compared across programs and geographic regions in the  
14 Commonwealth needs to be put in place.

15 This section establishes a statewide workforce program evalua-  
16 tion system, authorizes the use of Department of Revenue records  
17 to ascertain the employment status and earnings experiences of  
18 persons who have participated in a workforce development pro-  
19 gram in the Commonwealth and requires organizations that  
20 receive state funds for workforce development to participate in the  
21 state evaluation system.

22 (b) Methodology:

23 (i) The state agency and the commission will establish a work-  
24 force development program evaluation system in Massachusetts in  
25 order to provide common measures of employment and earnings  
26 outcomes for all state supported workforce development pro-  
27 grams. Considerable federal and state resources are devoted to  
28 providing employment and training services to incumbent  
29 workers, dislocated workers, the economically disadvantaged,  
30 welfare recipients, high school students and adults seeking to  
31 upgrade their literacy skills. While resources are devoted to serve  
32 these populations in the state, little information is available to  
33 elected officials on the effectiveness of the programs in generating  
34 a set of positive employment outcomes for participants. This sys-  
35 tematic evaluation shall use standard measures and concepts that  
36 can be compared across programs and geographic regions in the  
37 Commonwealth in order to inform state and local officials about  
38 the employment and earnings outcomes generated by the array of  
39 workforce development programs in the state.

40 (ii) The evaluation system established under this statute will  
41 utilize payroll employment records submitted by Massachusetts  
42 employers as part of their regular tax reporting activities. The  
43 system will match social security numbers of persons who partici-  
44 pated in workforce development or related education and training  
45 programs with employer payroll tax reports. The system will  
46 determine the employment rate and earnings experiences of all  
47 participants in the state's workforce development system.

48 (iii) All participants in workforce development programs and  
49 related education and training programs will be included in the  
50 evaluation system. Regional Employment Boards will submit the  
51 social security number of all program terminees from their pro-

52 grams as specified by the committee. All Adult Basic Education  
53 programs and programs receiving funds from the Workforce  
54 Development Fund will also provide terminée social security  
55 numbers.

56 (iv) The state agency and the commission shall develop a set of  
57 employment and earnings outcomes measures. These measures  
58 will include employment rates, monthly earnings estimates and  
59 information on industry of employment as available from the  
60 Department of Revenue records. The data produced by this system  
61 will include program by program comparisons and comparisons  
62 across geographic regions within the state.

63 (v) The state agency and the commission shall ensure that sta-  
64 tistically reliable estimates and the public release of these esti-  
65 mates are conducted in a neutral and responsible manner, shall  
66 establish data quality and publication standards in order to assure  
67 high quality information is produced and may release reports and  
68 special studies as it sees fit.

69 (vi) Total funds for the evaluation will be \$125,000.

1 SECTION 5. There is hereby established a Special Commission  
2 on Proprietary School Work Training Programs.

3 Said Commission is charged to investigate and study the effec-  
4 tiveness and cost of said training programs, the schools' pricing  
5 systems and policies for such programs, the public funding  
6 streams that support such programs, the licensing requirements for  
7 proprietary schools, the placement rates of trainees graduating  
8 from proprietary schools, the drop out rates of trainees from said  
9 programs and any other aspect of proprietary schools that may be  
10 relevant to the workforce development system. Said Commission  
11 shall consist of the Chair of the Massachusetts Job Council or  
12 his/her designee, a member of the Massachusetts Association of  
13 Regional Employment Boards to be appointed by their associa-  
14 tion, a member of the Job Training Partnership Association of  
15 Massachusetts to be appointed by their association, two State  
16 Representatives to be appointed by the Speaker of the House, one  
17 State Representative to be appointed by the Minority Leader of  
18 the House, two State Senators to be appointed by the Senate  
19 President, one State Senator to be appointed by the Minority  
20 Leader of the Senate, the Commissioner of the Department of

21 Education or his/her designee, the Deputy Director for the  
22 Division of Employment and Training or his/her designee; the  
23 Director of the Office of Consumer affairs or his/her designee,  
24 two representatives of proprietary schools to be appointed by the  
25 Governor, two Vocational Technical School Superintendents to be  
26 appointed by the Governor, and a person to be appointed by the  
27 Governor who has substantial academic experience in analyzing  
28 the effectiveness of industrial training programs. Said  
29 Commission shall be co-chaired by the Commissioner of the  
30 Department of Education and the Deputy Director of the Division  
31 of Employment and Training. The Massachusetts Job Council  
32 shall provide technical support for the Commission. The  
33 Commission shall report its findings to the House and Senate  
34 Committees on Commerce and Labor and Ways and Means within  
35 120 days after the enactment of this act.

1 SECTION 6. Notwithstanding any specific or general law to the  
2 contrary, and subject to appropriation, the Massachusetts Jobs  
3 Council is hereby authorized and directed to conduct a study with  
4 each of the regional employment boards of regional economic  
5 development needs in order to: 1) identify industries or occupa-  
6 tions that have or expect growth or the loss of skilled workers;  
7 2) create a profile and analyze the characteristics of the region's  
8 unemployed and underemployed population, including educa-  
9 tional attainment, barriers to employment, geographic concentra-  
10 tions, self-sufficiency needs and access to needed support  
11 services; 3) identify the entry-level education and skills require-  
12 ments for the industries that have or expect need for workers;  
13 4) analyze the entry-level wage and benefits in the growing indus-  
14 tries; 5) develop a profile of the education, training and support  
15 services already in place to prepare workers for the growth indus-  
16 tries which have emerged; 6) identify the gaps where growth is  
17 projected, wages and benefits match the needs of the unemployed,  
18 and education and training resources are not currently available;  
19 and 7) identify opportunities for collaboration among regional  
20 employment boards, community-based organizations, institutions  
21 of higher education and local economic development agencies.  
22 Said corporation shall issue a report to the general court detailing  
23