Program Evaluation Narrative

DESCRIPTION OF EVALUATION PLAN

Evaluation Design Type  The Kentucky Workforce Investment Board is applying for a Type A grant to support new and untested ideas. At a high level, the evaluation will focus on answering the following research question: *Does implementing a more unified approach to business services improve employer satisfaction and engagement with the workforce system?*

Given the lack of research evidence supporting the type of intervention we are proposing, we plan to work with an independent evaluator that will be required to conduct a three-part evaluation. First, the evaluation will include an *implementation study*. The implementation study will focus on how the program was put into place, how the program affected collaboration among workforce system stakeholders, how the program affected the way the workforce system serves employers in the state, and implementation factors contributing to program success or challenges experienced. Second, the evaluation will include an *outcomes analysis*. The outcomes analysis will focus on documenting and analyzing key quantitative outcome measures over the grant period. It will examine not only the grant performance data that will be reported to DOL, but also key measures of employer engagement and satisfaction with the workforce system. Data on outcomes related to employer sentiment will be gathered via a statewide survey of employers that will be implemented at three points during the grant period. Third, the evaluation will include a *cost allocation analysis* that will document and analyze how grant funding was spent, focusing on major categories of expenditure.

The remainder of this section is organized as follows. Next, we discuss the lack of evidence regarding the effectiveness of programs like ours. Then we describe our logic model, which will guide our chosen evaluator’s research design. Following this discussion, we describe each of the
three components of our evaluation plan in turn. For each component we identify the main research questions, the data sources our evaluator is expected to use, and our understanding of appropriate methods that our evaluator will use to analyze the data. At the end of this section, we provide a timeline of major evaluation activities.

**Evidence Base for Intervention.** Our review of existing research in workforce development did not reveal any scholarly studies reporting on the effectiveness of employer-based interventions similar to the one we are proposing. This lack of research is understandable for two reasons. First, we are planning to implement substantial changes to an entire state workforce system. Opportunities have likely been limited for serious study of this type of program. Second, most research in workforce development focuses on understanding the effects of programs on job seekers. The main focus of our initiative will be to improve employer outcomes. As a Type A project, the evaluation of our innovation can provide some of the first evidence of how a more unified, cohesive approach to serving employers affects employer engagement with the workforce system.

**Description of Evaluation Components**

**Program Logic Model.** Figure 1 presents the logic model for our unified business services approach. As shown in the figure, the overall goal of the program is to create a comprehensive, cohesive, unified business services approach. Our theory of change is that by better serving the needs of employers in the state, the workforce system will increase employer satisfaction, leading to more employer engagement with state workforce system stakeholders. As employer perception of the workforce system improves, employers with prior relationships with the workforce system will engage more regularly and in other ways. Also, other employers that had
no experience working with the workforce system will be more likely to engage, increasing the total number of employers in the state that consider the workforce system an active partner in their businesses. Over the long term, stronger relationships between the workforce system and
employers will lead to improvements in the state’s workforce, as more employment opportunities are made available to job seekers through the workforce system and as workforce training programs are more informed by the needs of employers.

As shown in the figure, the key inputs to our program are industries and businesses in the commonwealth, capacity among grant partner organizations, and resources provided by the grant and from grant partners. These inputs will support several main activities. The first four activities listed focus on the data crosswalk. Other activities are geared toward developing a statewide, cohesive approach to serving employers. The result of grant activities will be key outputs, including the data crosswalk, a new software platform for managing relationships with employers, and new internal processes. The outputs will result in a workforce system better aligned to identify employer workforce needs and to respond accordingly. Ultimately, we expect our innovation to lead to a number of positive outcomes, including increased collaboration among workforce system stakeholders and a more employer-focused approach to delivering business services. In the longer term, the Unified Business Services effort will impact both employers and job seekers in the commonwealth, by fostering better connections between the demand side of the labor market and the state’s workforce system.

**Implementation Study.** We expect the implementation study to address the following key research questions: 1) did the program result in a more unified approach to business services; 2) how did the initiative affect the degree of collaboration and communication among workforce system stakeholders; 3) what were the main challenges faced during implementation; and 4) what factors contributed to program success?

To address these research questions, we anticipate that our evaluator will gather detailed information on how the workforce system delivers business services, the degree of collaboration
among workforce system partners, and how our program was put into place and how it operated. We expect qualitative data on these topics to be gathered during two rounds of site visits to the state. The timeline in Figure 2 on page 10 shows the timing of the two rounds of site visits, one before our program is implemented and the second near the end of the grant period. The site visit data will be complemented by program documents and other relevant materials, such as publicly available reports and meeting agendas or minutes.

We plan for the first round of site visits to occur shortly after the Evaluation Design Report (EDR) has been approved by the National Evaluation Coordinator (NEC) in the fourth quarter of 2015. In this round of site visits our evaluator will travel in person to Kentucky and speak with grant leadership, representatives from key grant partners, and other relevant stakeholders. We will also arrange for the evaluator to speak with employers about their perceptions of the business services provided by the workforce system. The focus of the first round of site visits will be to document how business services are delivered, the degree of collaboration among stakeholders, and employer sentiment before the program is implemented. The second round of site visits will be similar to the first. The evaluator will gather qualitative data through interviews with the same stakeholder groups. However, the focus of the second round of site visits will be to understand the same topics after grant operations have finished. We plan for the second round of site visits to occur early in Grant Year 5, the beginning of the 12-month evaluation period. Conducting the site visits soon after grant activities have ended will minimize the risk that staff being interviewed might have difficulty recalling grant operations and that documents to be reviewed will be readily available.

We will expect our evaluator to use qualitative data analysis techniques to analyze the information derived from interviews and documents collected during the site visits. The
Evaluator will be expected to describe the overall implementation of the initiative, challenges faced, and lessons learned. This qualitative analysis will also provide context for the results of the second evaluation component—the outcomes analysis.

**Outcomes Analysis.** The outcomes analysis will consist of a quantitative examination of key outcome data collected throughout the grant period. The main research questions to be addressed by the outcomes analysis are: 1) how did overall employer satisfaction with the workforce system change over time, 2) how did the depth of employer engagement with the workforce system change over time, 3) did the initiative increase the number or proportion of employers served by the workforce system, 4) was the data crosswalk analysis completed, and 5) how much business services facilitation took place?

Data to support the outcomes analysis will come from two sources. First, we will collect performance outcome data regarding the progress toward key outcomes, such as the completion of the data crosswalk, the number of employers served by the workforce system, and the amount of business services facilitation. The number of employers served will be identified based on administrative records of interactions with employers, including activities such as posting job openings, arranging for a customized training program, and other such interactions. Data on the amount of business services facilitation will be collected by the grant team and will capture the number of facilitation meetings and the total hours of facilitation provided. These outcome measures will be finalized in consultation with the NEC upon grant award.

One of the key purposes of the evaluation is to provide evidence of the effects of our program on employer-related outcome measures. To that end, a critical source of evaluation data will be an employer survey to be implemented by the evaluator. We will provide the evaluator with a list of employers in the state, which will be provided by Department of Workforce Investment.
this list, the evaluator will choose a random sample of employers to participate in the survey. We will work with our evaluator to choose the survey mode that will maximize survey response rates. Our tentative plan is for a mixed-mode survey, with both a paper survey instrument mailed to employers and an online version of the survey instrument. Under this scenario, the paper instrument would include a link to the web-survey, giving respondents the option of completing the survey online.

The evaluator will be expected to develop the survey instrument in consultation with grant program staff and the NEC. To minimize the burden on respondents and maximize the likelihood that employers will respond, the survey will include only a small number of questions. Specific questions will be developed by the evaluator, but we expect the survey to include questions related to: 1) the employer’s overall satisfaction with the workforce system in general; 2) the amount of contact the employer has had with the workforce system; 3) the types of interactions the employer has had with the workforce system; and 4) how well the employer thinks that the workforce system serves his or her business.

As indicated in the evaluation timeline in Figure 2, we plan to administer three waves of the employer survey. The first wave will occur early in the grant period, at the beginning of Grant Year 2. The results from this wave will serve as a baseline from which to measure improvements. A second wave will be implemented during the same calendar months, but in Grant Year 3. This first follow-up survey will provide intermediate evidence of one-year trends in key employer outcome measures. A final wave of the survey will occur late in the evaluation period, after Grant Year 4 has concluded. This wave will provide data on employer measures post-intervention.
Using the employer survey data, the evaluator will be tasked with performing a pre/post analysis of changes in the outcomes measured by the survey. We will require the evaluator to use statistical techniques to assess whether any changes observed are statistically significant. Although the results of the employer survey analysis will not provide evidence of the causal impacts of our program (because other factors may influence the results), it will nonetheless provide new evidence on how a more cohesive approach to business services affects employers. Such results will prove useful to other states considering whether to implement similar programs, and will grow the evidence base for this type of workforce system innovation.

**Cost Allocation Analysis.** The purpose of the cost allocation analysis will be to document how grant funds were spent among major expenditure categories. These categories will include, at a minimum, staff salary expenses, equipment costs, and travel expenses. Internal accounting systems in place in grant partner organizations will allow us to track grant expenditures at a detailed level. Our expectation is that most of our funding will pay the salaries of staff working on the program. Therefore, it may be worthwhile to classify staff salaries into sub-groups. For example, we can track costs associated with the staff time of business services facilitators separately from grant management staff. The grant management team will be responsible for managing the process of gathering cost data from all grant partners on a regular basis.

We expect the evaluator will use the data gathered over the grant period to describe how grant funding was spent. During the preparation of the EDR, we will work with our evaluator and the NEC to finalize the expenditure categories to track for the cost allocation analysis, as well as procedures for transmitting the data to the evaluator. Because our program does not provide services to participants, it is not obvious how to construct a per-participant cost measure. One possibility will be to examine the average cost of the program per employer served by the
workforce system. Such a measure would no doubt be of interest to other states considering similar initiatives. We will work with our evaluator and the NEC early in the grant period to finalize a per-participant cost measure, if appropriate.

**Evaluation Timeline and Schedule** Although specific details of the timing of evaluation activities are subject to change pending input from both the WIF NEC and our selected third-party evaluator, Figure 2 on the next page provides a timeline of the major evaluation activities described above. We have organized evaluation activities into five main tasks.

In Grant Year 1, the primary evaluation activity will be to develop, refine, and obtain approval for the EDR. We expect to procure an independent evaluator quickly after grant award—no later than the first calendar quarter of 2015. This will allow the evaluator 3-5 months to develop the first draft of the EDR and Performance Data Template, which will be submitted to the NEC by the second quarter of 2015. Any necessary revisions will be made and the final report and template will be submitted as required by the end of the year. We also assume the evaluator will attend a WIF conference in Washington, DC, in this year. For this and all subsequent years, we will require the evaluator to submit regular monthly reports documenting evaluation activities in the prior month, expected evaluation activities for the upcoming month, an update on the financial status of the evaluation, and any issues requiring immediate attention. The evaluator will also be required to work with the NEC as necessary throughout the grant period.
In Grant Year 2, the evaluation will focus on gathering baseline data. The first round of site visits will occur at the beginning of the year. At the same time, we plan for the evaluator to develop and field the first wave of the employer survey. During the remainder of the year, we will provide the evaluator with regular updates on our performance outcome data.

In Grant Year 3, the main evaluation activities will be continued data collection and the production of the Interim Evaluation Report. We will continue to provide our evaluator with performance outcome data. We also expect the evaluator to implement a second wave of the employer survey. The data from the employer survey will provide our grant team with early indications of how key employer measures are evolving as our program is implemented. We will require the evaluator to produce a final version of the Interim Evaluation Report no later than the
end of Grant Year 3. We also expect the evaluator to attend another grantee conference in Washington, DC.

Data collection will continue in Grant Year 4, as we will continue supplying the evaluator with our performance outcomes data on a regular basis. Otherwise, we anticipate few evaluation activities during this year.

In Grant Year 5, program operations will be finished. Final data collection for the evaluation will occur in this year, including the second round of site visits and the third and final wave of the employer survey. The evaluator will also collect all final performance outcome data. At the end of the evaluation period, the evaluator will be required to produce the Final Evaluation Report and the Public Use Dataset. These will be delivered to the NEC by the third quarter of 2019, at the end of the grant period. Once we have confirmed that the deliverables have been received and are acceptable, we will close out the project.

CONTRIBUTION TO EVIDENCE BASE

As described in the Project Narrative and summarized above, a thorough search of extant scholarly literature on research in workforce development shows that no evidence exists on the effects of the kind of broad initiative we propose. This is not surprising. Because our proposed innovation is not a participant-level intervention, but instead involves reorienting and enhancing an entire statewide workforce system, there have no doubt been few opportunities to rigorously evaluate this type of systems change. Furthermore, few studies have examined how workforce programs affect employers—rather, most workforce research focuses on understanding programs that directly target job seekers.

Building on the Evidence Base This evaluation will provide some of the first available evidence on the effects of a major change to the way the workforce system serves employers. To our knowledge, the most relevant studies of this type of change are currently ongoing. Three
Round 1 WIF grantees are implementing programs that aim to improve overall collaboration among workforce system stakeholders with similar goals of increasing employer satisfaction and engagement. In Wisconsin, the workforce system is implementing a software tool and taking other steps to create a unified approach to serving employers.¹ Though more industry-specific, the Oh-Penn Pathways to Competitiveness WIF grant seeks to bridge a skills gap in the manufacturing sector of Pennsylvania and Ohio through manufacturing employer engagement initiatives.² Finally, the Business Resource Network Expansion WIF grant project in Ohio also seeks to improve employer engagement by implementing a unified communication network in the Ohio workforce system.³ Though these programs are somewhat similar to the Unified Business Services program we propose, evaluation results are not yet available for any of them.

The evaluation of our program will add to what is known about these types of systems change efforts by: 1) documenting how our approach was implemented; including the challenges faced and the lessons learned; and 2) providing quantitative evidence of whether changes in employer attitudes and engagement are consistent with the innovation having positive effects on employers. Moreover, the results of this evaluation will complement the evidence produced by the ongoing evaluations of Round 1 grantees in Wisconsin and Ohio, providing an opportunity to compare the effectiveness of somewhat similar programs implemented in three different settings. Such additional evidence produced by the evaluation of Kentucky’s Unified Business Services effort may reveal important similarities or differences across the three states, which could further enhance the knowledge produced by both the evaluation of our program and the new evidence produced by the WIF program overall.

Enhancing Knowledge about the Broader Workforce System The findings of this study will increase the knowledge base of the workforce system as a whole by providing evidence of the effectiveness of a relatively untested strategy, a unified approach to business services, on employers. As highlighted by Round 1 WIF grant projects in Wisconsin and Ohio, a recent trend in workforce development is to implement changes aimed at making the workforce system more “demand-driven”—in other words, to focus on reforming the way the workforce system meets the needs of employers, as a way of improving outcomes both for employers and job seekers.

After evaluating Unified Business Services in Kentucky, the combined evidence of similar strategies in three states will serve as a significant resource to help inform workforce system stakeholders in other states that may consider implementing similar changes. Other states will be able to understand which aspects of each program were most critical to program success, and can plan ahead for overcoming challenges they are likely to encounter. Importantly, the evidence produced by this evaluation will inform decision-makers in other, similar states regarding whether a similar program in their state would be a worthwhile investment.

EVALUATOR PROCUREMENT AND DELIVERABLE PLAN

Process for Procuring the Evaluator Immediately after grant award, we will move quickly to begin the process of procuring an evaluator. As shown in Figure 2, we will work to publish a formal solicitation for third-party evaluation services on the state’s eProcurement website (https://emars.ky.gov/online/s/vss/AltSelfService) no later than the fourth quarter of 2014. We will also attempt to identify potential evaluators to whom we may send the solicitation directly.

The solicitation will require bidders to describe four main topics: 1) corporate qualifications—bidders must demonstrate experience in project evaluation, with proven experience in the evaluation of DOL grants or other similar grants, conducting implementation
studies, and fielding surveys of employers; 2) *technical approach*—bidders must describe their approach to conducting all aspects of the evaluation, including the implementation study, the outcomes analysis, and the cost allocation analysis; 3) *key staff credentials*—bidders must present their proposed project staff and describe the experience and qualifications of all key personnel; and 4) *references*—bidders will be required to provide contact information for at least three clients who can attest to the firm’s ability to deliver services with a similar scope. We will give potential bidders approximately three weeks from the date the solicitation is issued to submit their responses.

We will review all responses to the solicitation and score them using a single rubric. We will award the evaluation contract to the bidder that offers the commonwealth the best value. Our scoring rubric will be weighted to favor bidders who demonstrate relevant experience evaluating WIF grants and those that have successfully completed high-quality EDRs for DOL in a timely fashion. We will also favor evaluators with experience designing rigorous evaluations of workforce programs that focused on changes to the workforce system aimed at better serving employers.

**Conveying Requirements to Potential Bidders** Our team is familiar with program evaluation, as Kentucky is currently participating in a multi-year evaluation of the Accelerating Opportunity initiative. To augment our understanding of evaluation, we will use language from the WIF Solicitation for Grant Applications and the WIF evaluation toolkit to prepare our solicitation, making all relevant evaluation requirements explicit. In particular, we will include a schedule of deliverables that requires the evaluator to: 1) submit a draft EDR and Performance Data Template to our grant team and the WIF NEC no later than Month 9 of the grant period; 2) obtain approval of the EDR and Performance Data Template from the WIF NEC no later than
Month 12 of our grant period; 3) submit an Interim Evaluation Report no later than the end of the third year of the grant (with a draft to be submitted at least one month prior to the final version); and 4) submit a Final Evaluation Report no later than the third quarter of 2019 (with a draft version submitted at least two months prior to the final version). Moreover, we will require the evaluator to work with the WIF NEC throughout the grant period, providing all reports to the WIF NEC and responding to WIF NEC comments and suggestions. Lastly, the evaluator will be expected to travel to Washington, DC for up to two WIF conferences.

To aid us in our ability to judge the reasonableness of bids we receive, prior to the scoring of bids, we will attempt to contact the three WIF Round 1 grantees mentioned above. We will arrange brief telephone calls with the managers of these grants to discuss their evaluation contracts, how they are structured, the number and types of evaluator staff that are part of the evaluation team, and any suggestions they may have for us.
**EVALUATION BUDGET NARRATIVE**

Figure 3 shows our budget for the evaluation activities described in our program evaluation plan, broken down by major task and by year. Though the timeline of evaluation activities in Figure 2 includes the task of procuring the evaluator, funding for that task is not included in Figure 3 because it will not be part of the contract negotiated with our selected vendor.

**Figure 3: Evaluation Budget by Activity and Year**

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<th>Grant Year</th>
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<th>Task 2</th>
<th>Task 3</th>
<th>Task 4</th>
<th>Task 5</th>
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<td>Procure Third-Party Evaluator</td>
<td>Project Kickoff and Evaluation Design</td>
<td>Data Collection</td>
<td>Analysis and Reporting</td>
<td>Project Management</td>
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<td>$225,000 (50%)</td>
<td>$30,000 (7%)</td>
<td>$450,000</td>
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Our overall budget for the evaluation is $450,000, equal to 15 percent of the total funding we are requesting. The timing of our proposed evaluation budget translates to 10 percent of evaluation funding being distributed during Phase I of the grant.

**Project Kickoff and Evaluation Design.** We have budgeted 10 percent of the total, $45,000, to support the development of the EDR and Performance Data Template during the first Grant Year. This amount will cover all costs associated with developing these materials, including a project kickoff meeting in Frankfort, Kentucky.

**Data Collection.** One-third of the evaluation budget, $150,000, will support data collection. We expect data collection costs to be highest in Grant Years 2 and 5, each of which will include a round of site visits and one wave of the employer survey. This funding will cover all necessary evaluator expenses, including travel costs for evaluator staff to make trips to Kentucky.
**Analysis and Reporting.** Half of the evaluation budget, $225,000, will fund all analysis and reporting activities. These activities include:

- Analysis of regular performance outcome data throughout the grant;
- Analysis of the qualitative data gathered from the site visits in Grant Years 2 and 5;
- Analysis of employer survey data in Grant Years 2, 3, and 5;
- Preparation of the Interim Evaluation Report in Grant Year 3;
- Preparation of the Final Evaluation Report in Grant Year 5.

**Project Management.** We estimate that seven percent of the total evaluation budget, $30,000, will be used to manage the evaluation. This funding will support internal project management by the evaluator, including regular project review meetings and communication with us. It will also pay for the evaluator to attend WIF grantee conferences in Washington, DC. Our budget assumes that the evaluator attends these conferences in Grant Years 1 and 3. We have also allowed for slightly higher management costs in Grant Year 5, which will be the last year of the evaluation contract.

**Refining the Budget with the Evaluator.** As described above, we will release a formal procurement requesting proposals from qualified vendors to enter into a contract for third-party evaluation services, with the contract value not to exceed $450,000. As part of the procurement, all bidders will be required to submit detailed pricing proposals. Our review of proposals from potential evaluators will include an assessment of the reasonableness of the cost structure of the pricing proposal and the overall level of effort associated with the services being offered. During contractual negotiations with our preferred vendor, we will review the pricing proposal and seek the most favorable contract terms we can secure. Once we have executed a contract with the
vendor, the evaluation budget will only be modified in the event of a substantial change in the scope of work for the evaluation.