

Employing **WRIS2**

Sharing wage records across states to track program outcomes

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The challenge:

Assessing outcomes when students leave the state

Students, workers, employers, educators and policymakers are keenly interested in the labor market outcomes of graduates from our nation's workforce development and postsecondary programs.

Straightforward aggregate measures of graduates' employment and earnings are fundamental to evaluating these outcomes. In order to track outcomes, an increasing number of education and training programs are conducting data matches with unemployment insurance (UI) wage records. Employers must submit wage records for each employee on a quarterly basis to their state in order to determine the amount of unemployment benefits an individual is entitled to if he or she were to lose his or her job. UI wage records are maintained in secure databases, often overseen by the state workforce agency, and state rules govern how the data is submitted and how it can be used.

Data sharing agreements negotiated with state education, workforce and social service agencies allow programs to match participant information with their state's UI wage records to track whether graduates obtained employment and calculate their average earnings. This outcome information is compiled into aggregate reports that protect individual privacy.

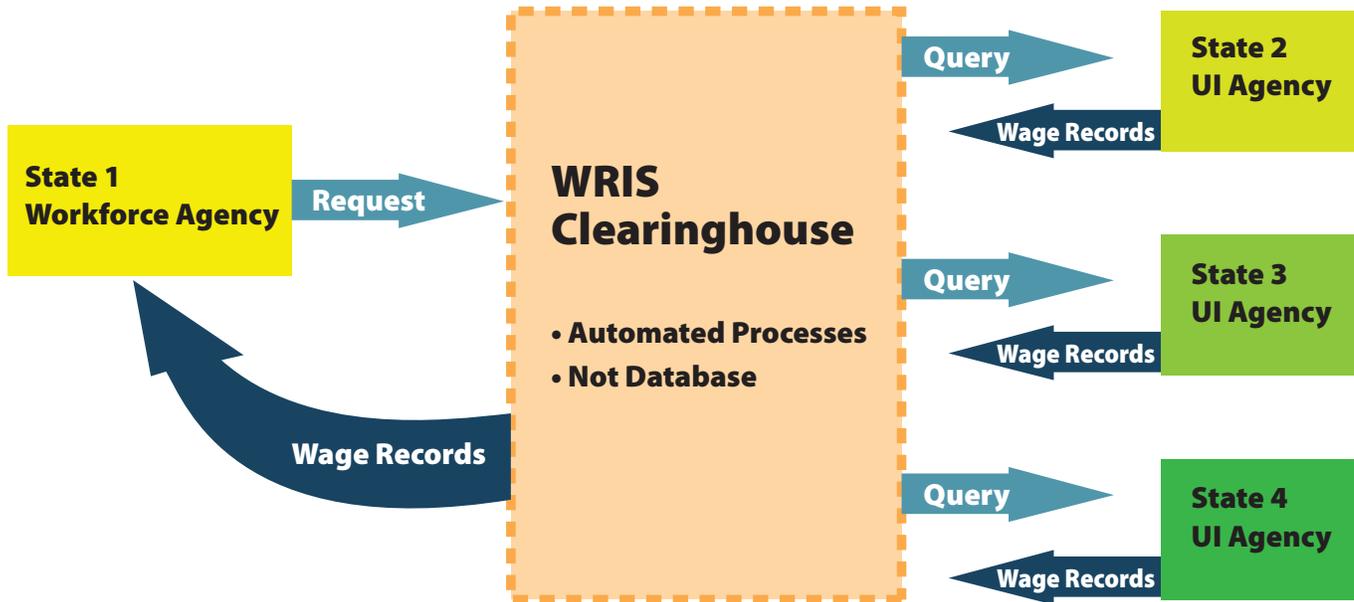
These *in-state* agreements are very useful, but they are not sufficient. They do not capture outcomes for past participants who work *outside the state* in which they had originally received training or other services. In-state wage records would not show the more than 5 million workers with a job in a state different from where they live.¹ Over time, these wage records also miss people who move. Last year alone, over 4.5 million households relocated to a different state.²



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Toward a solution: Wage Record Interchange Systems

Wage Record Interchange System (WRIS)



To capture more complete outcome data, the Workforce Investment Act (WIA) directs the U.S. Department of Labor (DOL) to establish a state wage record exchange. The Wage Record Interchange System (WRIS), operated by DOL through a cooperative agreement with the state of Maryland, allows states to exchange wage data to report on state and local performance for employment and training programs funded by DOL. In addition to program reporting, WRIS may be used to assess the performance of eligible training providers under WIA.

WRIS is not a national database of earnings information. UI wage records remain in separate state databases, but WRIS offers a process for states to share them. Terms of sharing data are specified under the WRIS Data Sharing Agreement, which includes multiple safeguards to protect confidential information about individuals.³

Participation is voluntary, and all states are currently signed on to the data sharing agreement. Here's how the process works:

1) State workforce agencies that want to obtain out-of-state wage records submit requests to the WRIS clearinghouse with Social Security Numbers (SSNs) and the desired wage record quarter(s), which can be any or all of the previous eight quarters. The clearinghouse uses automated processes to handle requests.

2) The WRIS clearinghouse uses a nationwide index to identify which states have the requested wage records. The index contains three data elements for every wage record: SSN, quarter for which wages were reported, and the state that holds the wage record. State UI agencies update their information quarterly, and this index has nationwide coverage.

3) The WRIS clearinghouse periodically sends consolidated queries with all the relevant requests to the appropriate state UI agency.

4) State UI agencies pull the queried wage records and send them to the WRIS clearinghouse, which consolidates the data into one file and sends the records to the state workforce agencies that requested them. The wage records contain eight data elements: SSN, wages, employer name, employer address, federal employer identification number (FEIN), the six digit industry code (NAICS), quarter and year for which wages were reported, and the state that holds the wage record.

WRIS has proven helpful for performance reporting on DOL-funded programs, but it does not allow cross-state wage record access for many education and workforce development programs administered by other agencies, such as Perkins career and technical

education, adult basic education and Temporary Assistance for Needy Families (TANF). Beginning in 2010, DOL worked with some states to develop an expanded version of this exchange — WRIS2 — that would allow for the preparation of aggregate statistical reports and analyses to satisfy reporting and performance requirements for federal or state training and education programs. WRIS2 operations are similar to the original system, but WRIS2 has a separate data sharing agreement that permits the system to be used for reporting on more programs.

The encouraging news is that 34 states have already committed to participating in WRIS2, of which 28 are actively sending and responding to queries. Some of these states are successfully using the system to assess

employment outcomes for education and training programs.

The **Texas** Workforce Commission submitted its first query to WRIS2 in December 2013 on behalf of the state's technical college system. The query was conducted to satisfy legislative reporting and performance requirements. About two percent of the 7,000 student records submitted⁴ could be matched with out-of-state UI wage records. For each individual found through WRIS2, the system showed the quarter in which wages were reported, the amount of wages and the state where the wage record was found. The Texas Workforce Commission is currently compiling program-level aggregate reports on employment and earnings for the colleges, using data from WRIS2, Texas UI wage records and information contained in student records. The colleges can use these reports as part of efforts to establish performance-based funding, and start to understand why some students may be leaving the state to find employment.⁵

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What programs can receive aggregated reports using WRIS2?

Allowable programs include, but are not limited to:

- Secondary and postsecondary education programs
- Adult basic education
- Perkins career and technical education
- Community Services Block Grant
- Temporary Assistance for Needy Families (TANF)
- Supplemental Nutrition Assistance Program Employment & Training (SNAP E&T)
- Vocational Rehabilitation
- Ex-offender programs
- Housing and Urban Development (HUD) employment & training programs
- National Community Service Act programs



Getting to 50

There are still 16 states that have yet to join WRIS2, including states with large numbers of workers like California and New York. The incomplete membership in WRIS2 means participating states are restricted in determining employment and earnings outcomes for graduates.

For example, **Oregon**, through its state workforce reporting system (PRISM), uses WRIS2 to improve data on employment outcomes for several workforce programs, including adult basic education, vocational rehabilitation, community colleges and TANF. But its neighboring states of California and

Washington are not yet signed up for WRIS2, so state officials suspect they are still missing a lot of information on program completers who get jobs out of state. However, they see the potential of the system. For the workforce programs that are allowed to calculate outcomes using the original WRIS, which includes all states, capturing out-of-state outcomes increased employment placement rates within some areas of the state by more than 10 percent for some completer cohorts.⁶

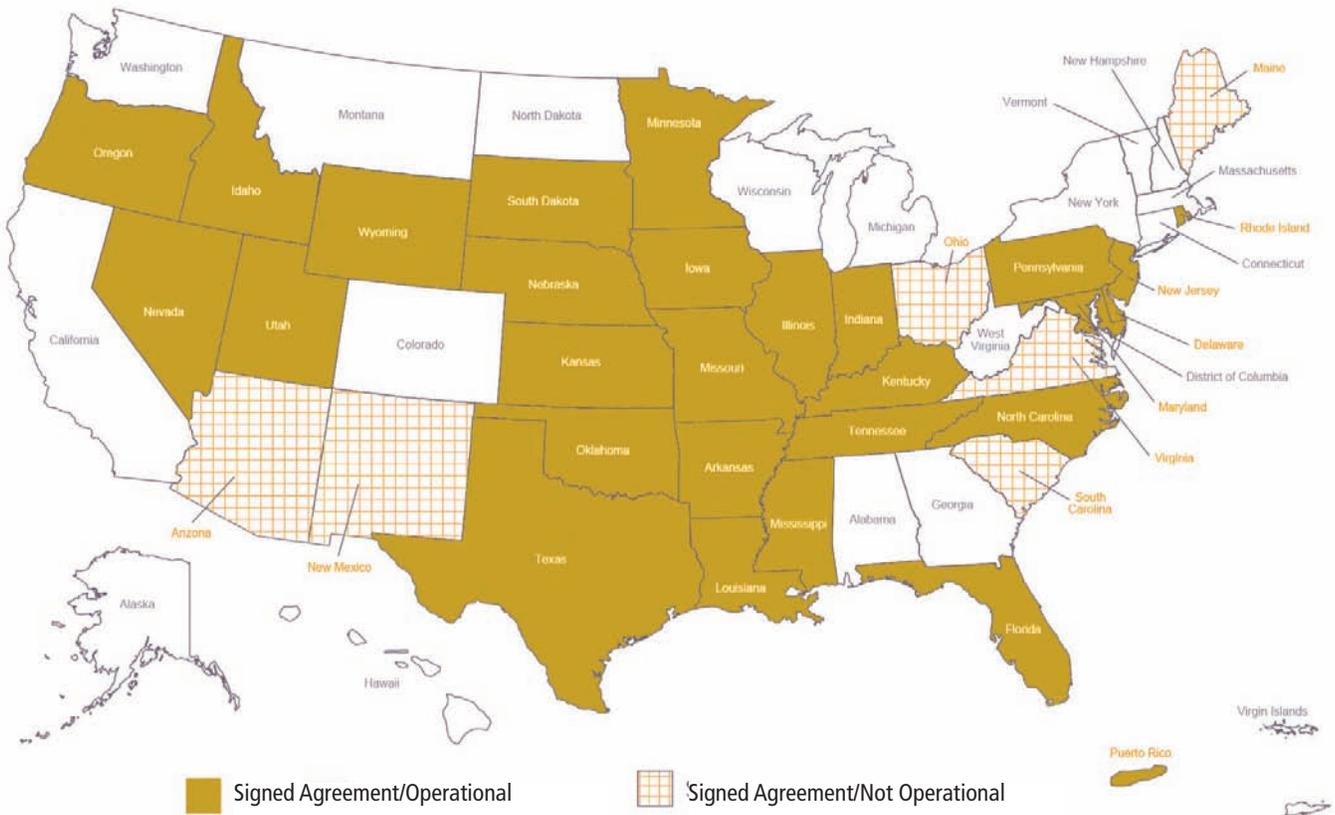
If we're going to have accountability systems for our postsecondary and workforce programs that reflect the



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realities of a mobile, 21st century U.S. workforce, then we need to convince all 50 states to share wage records with each other. The WRIS2 system provides an opportunity to achieve that end, if we can convince the remaining 16 states to participate.

WRIS2 Data Sharing Agreement Status



Source: U.S. Department of Labor, March 2014

Limitations of WRIS2

In addition to the difficulty of some states not participating, the utility of WRIS2 is limited by the terms of the data sharing agreements and the information in UI wage records. Limitations include:

Narrow access to individual data.

Only a state agency designated by the governor and responsible for oversight of WIA programs, which is usually the state workforce agency, may receive individual wage records from WRIS2. Other entities, such as state education agencies, community colleges or for-profit career schools, may only get reports with data aggregated at the program or institution level. These reports are useful to show group metrics like percent of graduates who got a job and average earnings. They are less helpful when colleges or research organizations want to conduct more detailed studies using individual-level data, such as running a regression analysis to assess the impact of student support services on earnings.

Restrictions on usage for

performance reporting. WRIS2 may be used for reporting on an array of programs, but only if this reporting is required by federal or state laws or rules. For example, the federal government does not currently require reporting on employment outcomes for bachelor's degree programs, so if a higher education consortium wanted to use WRIS2 for this purpose, it would need to have state laws or regulations in place requiring this reporting.

Limits on research and evaluation.

Wage data obtained through both WRIS and WRIS2 cannot be used for research and evaluation (i.e. analysis separate from mandated performance reporting) without the specific consent of each state



UI wage records do not include data for people who work for the military or the federal government.

contributing data. In addition, research must be related to the programs specified in the WRIS2 agreement.

Data must be destroyed. The WRIS and WRIS2 data sharing agreements require that a state may keep wage data it received through the exchange systems “only for the period of time required to utilize it for assessment and reporting purposes, or to satisfy applicable federal records retention requirements.” This could make it difficult for a state to do long-term longitudinal analysis, such as examining earnings trajectories over many years.

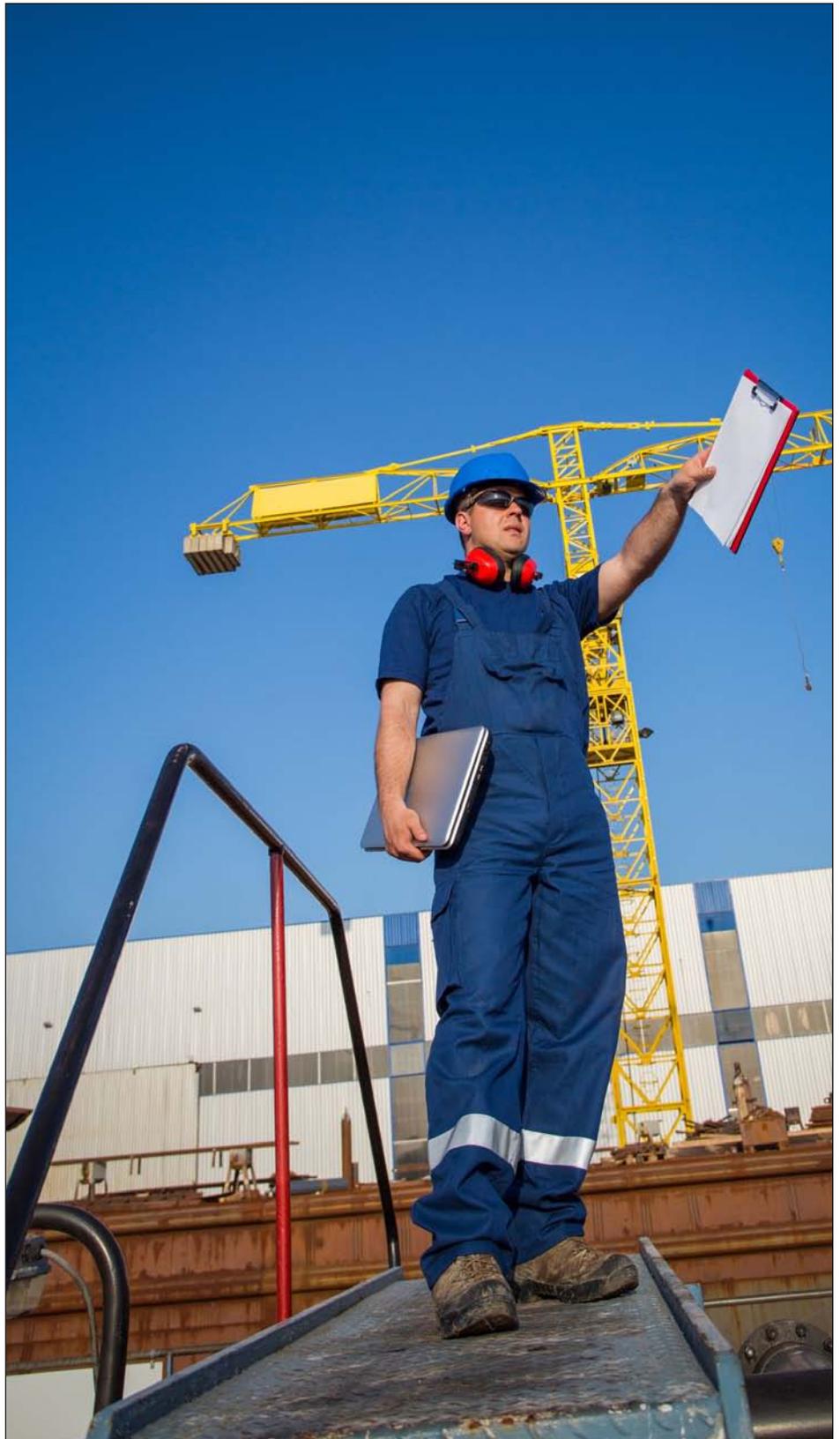
Missing data on some workers.

The limitations of UI wage records persist when they are exchanged through WRIS and WRIS2. Because they are reported by businesses, UI wage records do not include data for people who are self-employed or work for the military or the federal government. States can fill the gaps in data on military and federal personnel by using the Federal Employment Data Exchange System (FEDES), which is funded by DOL and operated by the state of Maryland and the Jacob France Institute at the University of Baltimore. FEDES can provide access to federal and military wage records to 44 participating states to assist with mandated performance reporting.

Another Multi State Data Sharing Arrangement

While we recognize that limitations of WRIS2 exist because states face restrictions and challenges in sharing wage records, it should be noted that similar restrictions were previously overcome in constructing the Local Employment Dynamics Partnership (LED). This voluntary federal-state partnership started in 1999 and now includes all 50 states. All states have agreed to share their wage records on a quarterly basis with the U.S. Census Bureau. The Census Bureau in turn matches state wage records with critical data drawn from Social Security records to produce a collection of enhanced labor market statistics known collectively as Quarterly Workforce Indicators (QWI). These records are “subject to strict protection of the identity and confidentiality of the individual respondents.”

In order to build the LED, a number of states with restrictions on the sharing of wage records were required to amend state laws and modify state regulations. This effort has resulted in an impressive system for capturing labor market and workforce dynamics. This partnership and the analytics that have been created through this data sharing effort offer a precedent for those shaping WRIS2.



Fully Employing WRIS2

Workforce Data Quality Campaign (WDQC) believes that WRIS2 is an important tool for implementing our policy agenda, which includes accurately and completely reporting short- and long-term employment outcomes across the range of education, training and workforce development programs.

Many states are currently underutilizing WRIS2, or getting questionable results when they do use it. In order to encourage states to use the system effectively, WDQC offers the following recommendations for action by federal leaders.

Recommendations

Interagency guidance: DOL should issue guidance clarifying the allowable uses of WRIS2, supporting expanded usage of the system in compliance with the data sharing agreement, and explaining — in plain language — the step-by-step process for using the system. Prior on-line information sessions organized by DOL have focused on WRIS2, but states need more education to fully understand how WRIS2 can be used. In addition, multiple agencies should work together to promote the use of WRIS2 for reporting on employment outcomes for non-DOL programs, such as Perkins, TANF and SNAP E&T.

Incentives for participation: In the latest rounds of its Workforce Data Quality Initiative grants to support state data systems, DOL has required participation in WRIS2 as a prerequisite for applicants. We applaud this effort, and encourage federal agencies to look for more ways to promote WRIS2 through grant programs, such as the upcoming SNAP E&T pilots which will necessitate tracking employment outcomes.

Examine data on current use: DOL can help investigate how WRIS2 is currently being used by states by examining the system's confidential usage reports. How many states are submitting queries? Are states responding to queries? What are the match rates? Right now a few states that are using WRIS2 are reporting poor match rates, so more information could help figure out whether the exchange system is working properly. The usage reports could also help DOL and other groups, such as WDQC, target technical assistance and outreach to states that are not regularly using the system.

Assist with research/evaluation: DOL has expressed interest in facilitating agreements between states that allow their data to be used for specific research and evaluation projects. WDQC supports this effort, and also suggests that DOL work with state leaders to assess the feasibility of amending the data sharing agreement to allow more flexibility for research and evaluation, or developing a "WRIS3" whose likely membership would start with motivated states who are leaders in this area, and could demonstrate the potential of such an option.

Legislative revisions: Laws that authorize education and workforce programs could include requirements that wage data be the primary source for reporting on employment outcomes, which would give states an incentive to use WRIS2 to capture out-of-state workers. Also, WIA (which authorizes WRIS/WRIS2) could mandate that states participate in data sharing agreements to obtain out-of-state wage records as a condition of funding.

WDQC commits to helping on this issue by:

Demonstrating benefits: We will work with states to document and promulgate how states have effectively used WRIS2, and provide opportunities for state leaders to talk about how cross-state data sharing has assisted in efforts to improve education and workforce development policy.

Individual state outreach: WDQC will reach out to workforce and education agencies in non-participating states, to try to understand if there are particular issues that have prevented their participation, or if it has just been a matter of priority and focus. Similarly, we will talk to policymakers (governors, state legislators, et.al.) in these states to assess if they would be interested in learning more about WRIS2 and its potential benefits.

Keep score: WDQC will publicly report and celebrate as each additional state decides to join WRIS2. We will use this approach to galvanize interest in states not yet participating.

Advocate for resources: Effectively operating WRIS2 requires resources at both the state and federal levels. WDQC can advocate for adequate funding to support data sharing across states.



We will work with states to document and promulgate how states have effectively used WRIS2.

Notes

- 1 Brian McKenzie, U.S. Census Bureau, “Out-of-State and Long Commutes: 2011,” accessed December 22, 2013, www.census.gov/hhes/commuting/files/2012/ACS-20.pdf.
- 2 U.S. Census Bureau, “Geographic Mobility: 2012 to 2013,” accessed March 26, 2013, www.census.gov/hhes/migration/data/cps/cps2013.html.
- 3 WRIS Data Sharing Agreement (as amended, February 17, 2011), accessed on April 14, 2014, www.doleta.gov/performance/pfdocs/WRIS_Data_Share_Agree_Amended_Febr_17_2011.pdf.
- 4 The Texas Higher Education Coordinating Board submitted technical college student records to the Texas Workforce Commission by designating the commission as an “authorized representative” under the Family Educational Rights and Privacy Act (FERPA) to evaluate its educational programs. These student records contained SSNs that were used to query WRIS2.
- 5 Texas state officials, in discussion with WDQC, March 2014.
- 6 John Glen, Oregon Employment Department, in discussion with WDQC, October 2013. Oregon’s workforce reporting system (PRISM) was established during 2001 Oregon Legislative Assembly and is administered by the Oregon Employment Department.

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