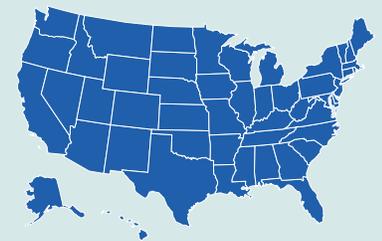


State Wage Interchange System: Better data for stronger workforce programs

BY JENNA LEVENTOFF

Students, workers, employers, program managers, educators, and policymakers all want to understand the employment outcomes of those completing postsecondary education or workforce training programs. This information can help stakeholders formulate good state policies, improve programs, decide which program to attend, or find qualified employees. This information can also help states and other entities satisfy reporting requirements for the nation's primary workforce training legislation – the Workforce Innovation and Opportunity Act (WIOA).

In order to understand employment outcomes, states and eligible outlying areas should participate in the State Wage Interchange System (SWIS). SWIS is a data sharing tool jointly managed by the Department of Education (ED) and the Department of Labor (DOL) that allows states to exchange anonymized employment and earnings data—wage data, for short—with other states. National Skills Coalition (NSC) encourages all eligible states and outlying territories to participate by signing the SWIS data sharing agreement. Compared to earlier wage record exchange systems, SWIS enables states to access individual-level information about more program participants, simplifies the query process for states, and enables states to more efficiently and accurately report the performance of workforce training and education programs.



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Background

State agencies can provide information on employment and earnings outcomes to stakeholders by utilizing the records collected through the administration of the unemployment insurance program. Most employers within a state are required to submit wage records for each employee to the state, so that the state can determine what unemployment benefits an individual is entitled to if they were to lose their job.¹ These records are maintained in secure databases, and when connected with data about participants in workforce training and education programs, can show program outcomes, such as whether participants are finding jobs and how much they are earning at different intervals after completion.

Despite the value, data about students and other program participants can't always be connected with data about workers. A state's wage records only contain employment information about those who are working within that state. Students who receive training in one state and work in another would not be found. This can happen when students move after completing a program, or when they commute to another state for work. According to the U.S. Census Bureau, in 2011, almost 5 million workers lived and worked in different states.² In some states, this can be a sizeable percentage of their population. Five states and the District of Columbia had 10 percent or more of

their populations who commuted to another state.³ Some particularly common state-to-state commutes are New Jersey to New York, and Maryland or Virginia to the District of Columbia, both of which account for more than 400,000 workers.⁴

WIOA requires states to use wage records to measure the performance of WIOA's six core programs: Title I programs for youth, adults, and dislocated workers; Title II for adult education; Title III for Wagner-Peyser, and Title IV for vocational rehabilitation. To help states comply with WIOA, DOL and ED created SWIS. SWIS allows states who agree to participate to exchange wage records for reporting, research, and evaluation of WIOA's core programs, as well as for one-stop partner and related programs.

SWIS replaces earlier exchange systems, the Wage Record Interchange System (WRIS) and WRIS 2. WRIS allowed states to exchange wage record data for reporting, research, and evaluation of DOL-funded programs only.⁵ WRIS 2 expanded WRIS's data exchange to allow programs authorized as one-stop programs to receive aggregate statistical reports.⁶ Aggregate reports contain data (on at least three individuals, for privacy purposes) that have "been stripped of any information that would identify the individual(s) and employers to whom the data pertains," whereas individual-level data contains identifying information.⁷ The aggregate reports provided through WRIS 2 can show

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the percentage of graduates who got a job, and can show somewhat granular information about subpopulations of interest, but cannot be easily used for more detailed reporting, such as the evaluation of the impact of support services on employment outcomes. States often queried both WRIS and WRIS 2 for WIOA reporting.

SWIS allows states to access individual-level data about all of the WIOA core programs, the Trade Adjustment Assistance Act, certain other DOL-funded programs, and career and technical education, and aggregate data about other one-stop partner and related programs.⁸ SWIS may also be easier to use than WRIS and WRIS 2, because states need only query one system for wage data. By enabling states to get individual-level information about more programs than under WRIS and WRIS 2, as well as by simplifying the query process for states, SWIS will enable states to more accurately and efficiently report the performance of workforce training and education programs.

What is SWIS?

SWIS allows states to access wage data from other states in order to (1) comply with DOL or ED reporting requirements for WIOA, one-stop partner, and related programs; (2) research and/or evaluate WIOA, one-stop partner, and related programs; and (3) assess the performance of training provider programs to determine their eligibility to receive WIOA funds.

States can use SWIS to get individual-level wage data from other states about participants in WIOA's six core programs, as well as some other state and local programs administered by DOL or ED (see table for details). States can also get individual-level data to assess the performance of training providers on the eligible training provider list (although they can only share aggregate data with these providers).

States can only use SWIS to get aggregate data about one-stop partner programs not administered by DOL or ED — such as Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), and employment and training programs managed by the Small Business Administration. While this aggregate data enables less detailed research and reporting than individual-level data, it nevertheless allows states to know significantly more about the outcomes of these programs than they otherwise could. Since aggregate data can be broken down by subpopulations of interest, states can use it to understand the average earnings for certain subpopulations of interest participating in SNAP or TANF.

Select data available under SWIS

Data Available to State or Local Agency Administering Program	
Title I Youth	Individual Level
Title I Adult	Individual Level
Dislocated Workers	Individual Level
Adult and Family Literacy	Individual Level
Wagner-Peyser Employment Service	Individual Level
Vocational Rehabilitation	Individual Level
Career and Technical Education	Individual Level
Trade Adjustment Assistance	Individual Level
Community Services Block Grant	Aggregate
Temporary Assistance for Needy Families	Aggregate
Supplemental Nutrition Assistance Program	Aggregate
Small Business Administration E&T Programs	Aggregate
Registered Apprenticeship	Aggregate

The process of data sharing for reporting

1. Each State Unemployment Insurance Agency (SUIA) that has signed on to participate in SWIS must submit the social security numbers of all individuals who have wage records in their states during a specified period of time. SWIS administrators will use this information to create an index of the states that hold wage record information for particular people during particular calendar quarters.
2. Requests for employment data from other states can only come from certain agencies, called an Access Performance Accountability and Customer Information

Agency (Access PACIA). To be eligible to serve as an Access PACIA, an agency must be responsible for coordinating or facilitating the performance reporting of one or more of the state's WIOA core programs and/or assessing the performance of WIOA eligible training providers. Governors are responsible for designating which state agency(s) are the state's PACIA(s), often a state workforce agency, educational authority, or vocational rehabilitation agency. Governors can designate up to six Access PACIA's. To request data, an Access PACIA must provide SWIS with the social security numbers of everyone for whom they want to find wage data.

3. Access PACIAs must also request individual-level data on behalf of other entities responsible for assessing performance under WIOA ("Non-Access PACIAs") upon request. Governor's may designate up to five Non-Access PACIAs. The Access PACIA may require the Non-Access PACIA to reimburse it for the costs associated with submitting their query to SWIS.

SWIS is a significant improvement over WRIS and WRIS 2 because it expands and streamlines state wage record collection.



4. In addition, Access PACIA's may provide aggregate data to Third-Party Entities (TPEs), which is "any public body, public agency, or private provider of training services required by law to meet state and/or federal performance measures," for WIOA or related programs, that isn't eligible to be a PACIA.⁹ TPE's can include ETP's, as well as the agencies administering SNAP or TANF. Access PACIAs can only query SWIS on behalf of a TPE if it chooses to do so, if the cost to SWIS is *de minimis*, and if the TPE has a data sharing agreement with the Access PACIA. There is no limit to the number of TPEs in a state.
5. Once an Access PACIA submits the social security numbers of everyone for whom they want to find wage data, SWIS can determine what other states have wage data associated with those social security numbers, and will periodically send SUIA's a consolidated list of queries. Then each SUIA with data must send replies containing wage data to the SWIS clearinghouse, which will then forward that data to the requesting Access PACIA. Data will be removed from SWIS after the requesting PACIA has downloaded it, or after ten business days of being made available.
6. If an Access PACIA submitted the query on behalf of a Non-Access PACIA or TPE, it can then transmit the appropriate data to the requesting entity. The Access PACIA would be responsible for aggregating the data it sends to entities only eligible to receive aggregate data.

The process of data sharing for research and evaluation

It's more difficult for states to use SWIS to conduct research and evaluation than it is to use the system for reporting. In order to use wage data for research and evaluation, each state from whom data is requested must consent to share it. An Access PACIA seeking data for research and evaluation of an authorized program must give notice of the intent to conduct a research or evaluation project to a SWIS advisory group. The notice must include the purpose of the study, which states they are requesting data from, and some information about privacy and security procedures. Once received, DOL will send the notice of intent to the states from whom data is requested, and convene a meeting so that states and the advisory group can request clarification or further explanation. States must provide explicit consent to share data for the research/evaluation project. If a state does not consent, the requesting Access PACIA cannot get wage information from that state. If a state does consent, the same process as above would apply.

SWIS VS. WRIS and WRIS 2

SWIS is a significant improvement over WRIS and WRIS 2 because it expands and streamlines state wage record collection. Unlike WRIS and WRIS 2 it enables states to get individual-level data about programs administered by ED, including adult education, career and technical education, and vocational rehabilitation. Under WRIS, states could not get any data about programs administered by ED. Under WRIS 2, states could only receive aggregate data about these programs. To see a comparison of data collection differences between WRIS, WRIS 2 and SWIS, please see the table below.

In addition to allowing broader data collection, according to some state users of WRIS/WRIS 2, SWIS will streamline the process of requesting data. Previously, some states would submit requests for wage data on behalf of DOL administered programs through WRIS, and then submit a separate request for wage data on behalf of ED-administered

programs through WRIS 2. Although states could use WRIS 2 to get data about all of these programs, states would submit separate requests because, particularly in the early years of WRIS 2, more states had agreed to participate in WRIS than in WRIS 2, and states can only get wage data from other participating states.

Although by 2016 forty-five states, the District of Columbia, and the commonwealth of Puerto Rico participated in WRIS 2,¹⁰ large states, like California, Massachusetts, and New York chose not to participate. Not only did this make participation in WRIS 2 less useful for states with large percentages of their trainees working in a non-participating state, but it also led some states to submit separate requests for data. Because WRIS had more signatories, states would query wage data for eligible programs through WRIS. They would then only use WRIS 2 to get wage data about programs that weren't eligible under WRIS. By combining two separate wage data exchange systems, SWIS streamlines the query process for Access PACIAs.

Select data availability to reporting agency compared

	WRIS	WRIS 2	SWIS
Title I Youth	Individual Level	Individual Level	Individual Level
Title I Adult	Individual Level	Individual Level	Individual Level
Dislocated Workers	Individual Level	Individual Level	Individual Level
Adult and Family Literacy	None	Aggregate	Individual Level
Wagner-Peyser Employment Service	Individual Level	Individual Level	Individual Level
Vocational Rehabilitation	None	Aggregate	Individual Level
Eligible Training Provider Reporting Agency	Individual Level	Individual Level	Individual Level
Eligible Training Providers	Aggregate	Aggregate	Aggregate
Career and Technical Education	None	Aggregate	Individual Level
Trade Adjustment Assistance	Individual Level	Individual Level	Individual Level
Community Services Block Grant	None	Aggregate	Aggregate
Temporary Assistance for Needy Families	None	Aggregate	Aggregate
Supplemental Nutrition Assistance Program	None	None	Aggregate
Small Business Administration E&T Programs	None	None	Aggregate
Registered Apprenticeship	None	None	Aggregate



NSC urges all eligible states, commonwealths, and territories to participate to foster a better understanding of how WIOA and partner programs are functioning.

Data privacy and security provisions

SWIS takes great care to ensure that data is kept private and secure. Signatories to the SWIS data sharing agreement “[recognize] that confidentiality of wage data, [personally identifiable information] from education records and personal information from [vocational rehabilitation] records, is of paramount importance.”¹¹ Among the various privacy and security provisions are that data can only be held by SWIS and participating state agencies for limited periods of time. SWIS can only keep data until a state downloads it, or until ten business days have passed. State unemployment agencies can only keep the queries with social security numbers for up to ten business days, while PACIAs can’t duplicate or disseminate wage data obtained through SWIS, except in limited circumstances. Entities participating in SWIS must also agree to comply with all relevant state and federal laws and regulation regarding data privacy and security.

Limitations of SWIS

Limited coverage: SWIS does not cover every education and workforce training program. For example, states cannot use SWIS to get information about programs at two or four-year colleges that do not apply to be on the eligible training provider list or funded under the Perkins Act.¹² Moreover, SWIS cannot be used to get individual-level wage data about all one-stop partner programs. While aggregate data can provide the information necessary to understand program performance, it can nevertheless prevent states from conducting certain detailed analysis and having a clear understanding of resident’s transitions between programs and into the workforce. Even some programs that are covered by the SWIS agreement may not be able to get information from SWIS if the state doesn’t add statutory or regulatory reporting requirements. This could occur for authorized programs that don’t have any federal reporting requirements.

Limited purposes: SWIS can also be used for only limited purposes. Because SWIS can only be used for federally or state required reporting for programs listed in the SWIS data sharing agreement – states cannot conduct any reports about relevant programs that are not legally mandated, or that are, for example, locally required. Moreover, states cannot do research about or evaluate programs specified in the agreement without the specific consent of every state contributing data. This can make it difficult and time consuming for states to use SWIS for research and evaluation.

Optional data sharing with TPE's: Access PACIAs are under no obligation to request data from SWIS on behalf of a TPE. Instead, Access PACIA's have the option to enter into data sharing agreements with TPE's that will allow the Access PACIA to request data on their behalf. Moreover, Access PACIAs cannot agree to query SWIS on behalf of a TPE if the cost is more than de minimis to the SWIS system. This could jeopardize a TPE's ability to get aggregate data from SWIS.

Voluntary participation in SWIS: States are not required to participate in SWIS. If a state chooses not to participate, other states cannot receive employment and earnings data about their program participants working in the non-participating state. This could create gaps in the information available to other states and could be particularly problematic for states with a large percentage of their population working in another state. For this reason, it is essential that all states and outlying areas eligible to participate in SWIS do.

Conclusion

SWIS enables states to get wage data about former participants in their workforce development programs who are working in other states. NSC urges all eligible states, commonwealths, and territories to participate to foster a better understanding of how WIOA and partner programs are functioning.



Endnotes

- ¹ Because the federal government, military, and the self-employed do not participate in the unemployment insurance program, these groups of people are not included in unemployment insurance wage records.
- ² McKenzie, Brian, *Out-of-State and Long Commutes: 2011*, U.S. Census Bureau: February 2013, last accessed 23 May 2019, available at <https://www2.census.gov/library/publications/2013/acs/acs-20.pdf>
- ³ Brian, *Out-of-State*.
- ⁴ Brian, *Out-of-State*.
- ⁵ U.S. Department of Labor Employment and Training Administration, *Wage Record Interchange System 2*, last accessed 23 May 2019, available at: https://doleta.gov/performance/wris_2.cfm
- ⁶ Letter from Michael Jones to WRIS State Contacts, *Voluntary, Opt-In Wage Record Interchange System Data Sharing Agreement*, 13 October 2011, last accessed 23 May 2019, available at: https://doleta.gov/performance/pfdocs/WRIS2_TransmittalEmail_Voluntary_Opt-in_10132011.pdf
- ⁷ *WRIS Data Sharing Agreement*, 11 February 2011, last accessed 23 May 2019, available at https://doleta.gov/performance/pfdocs/WRIS_Data_Share_Agree_Amended_Febr_17_2011.pdf
- ⁸ U.S. Department of Labor, *State Wage Interchange System (SWIS) Data Sharing Agreement*, 6 May 2019.
- ⁹ U.S. Department of Labor, *State*.
- ¹⁰ U.S. Department of Labor Employment and Training Administration *Wage*.
- ¹¹ U.S. Department of Labor, *State*
- ¹² NSC urges postsecondary institutions to apply to be an eligible training provider so that they can receive aggregate wage data from other states.



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