

TRAINING AND EMPLOYMENT NOTICE	NO. 8-02
	DATE March 27, 2003

**To:** ALL STATE WORKFORCE AGENCIES  
ALL STATE WORKFORCE LIAISONS  
/s/  
**From:** EMILY STOVER DeROCCO  
Assistant Secretary  
**Subject:** Implementation of Common Performance Measures for Job Training and  
Employment Programs

**1. Purpose.** To inform the workforce investment system of the implementation of common performance measures for job training and employment programs in 2004.

**2. Background.** In 2001, the President announced a Management Agenda to improve the management and performance of the federal government. One of the five government-wide goals, budget and performance integration, emphasizes program effectiveness. As part of the President's budget and performance integration initiative, the Office of Management and Budget (OMB) has developed common performance measures for programs with similar goals. In explaining this initiative, OMB has stated:

“Such measures are not determinative of whether a program is effective nor does such a comparison automatically mean one program is necessarily better or worse than another. However, such measures help raise important questions and can help managers improve certain aspects of their programs. This information can then be used to inform decisions about how to direct funding and how to improve performance in specific programs.”

**3. Common Measures.** In coordination with federal agencies, OMB has developed uniform evaluation metrics, called “common measures,” for job training and employment programs as well as four additional crosscutting, government-wide functions, including housing assistance, wildland fire management, flood mitigation, and disaster insurance. The common measures are intended to institute uniform definitions for performance. The common measures for job training and employment will be applied to 31 programs administered by six federal agencies. Attachment A provides a list of covered programs. These programs are expected to implement the common measures (begin information collection and reporting) in 2004.

Four performance measures for adults and four indicators for youth have been established for job training and employment programs:

#### Adult Measures

- Entered Employment – Percentage employed in the 1st quarter after program exit.
- Retention – Percentage of those employed in the 1st quarter after program exit that were still employed in the 2nd and 3rd quarters after program exit.
- Earnings Increase – Percentage change in earnings: (i) pre-registration to post-program and (ii) 1st quarter after exit to 3rd quarter after exit.
- Efficiency – Annual cost per participant.

#### Youth and Lifelong Learning Measures

- Placement in Employment or Education – Entered employment or enrolled in education and/or training in the 1st quarter after program exit.
- Attainment of a Degree or Certificate – Percentage of participants that earned a diploma, GED or certificate.
- Literacy and Numeracy Gains – Attainment of literacy and numeracy skills by participants.
- Efficiency – Annual cost per participant.

Attachment B further describes these measures. The common measures will affect the current performance measurement systems of all covered programs. For example, the following are some key differences between the common measures and the current performance indicators for Workforce Investment Act Title IB programs:

- Exclusive use of Unemployment Insurance (UI) wage records – supplemental sources of data will not be permitted for employment-related measures.
- One set of indicators for both adult and dislocated worker programs.
- Earnings measure for both adults and dislocated workers will be the percentage change in earnings at two points – the 1st and 3rd quarters after exit. The common measures do not include a wage replacement rate for dislocated workers.
- One set of measures for youth – eliminates distinction between older and younger youth.
- New cost efficiency indicator added to both adult and youth measures.

There are similar differences between the common measures and the current performance indicators for Wagner-Peyser, Trade Adjustment Assistance, and the other job training and employment programs administered by ETA.

To the extent possible, ETA will administratively implement the common measures within the existing statutory framework to minimize reporting on multiple sets of measures. For all covered programs, when current program indicators and common measures are similar, the definitions of current indicators will be replaced by the common measure definitions. For current program indicators that are not comparable to the common measures, programs will continue to report on the current indicators as well as the common measures.

The Department will provide guidance and assistance to the grantees and program operators in the implementation of these measures. A workgroup of representatives from the federal agencies implementing common measures for job training and employment programs has been established by OMB. This workgroup will facilitate communication among agencies and will serve as a forum to work on common implementation issues. A notice providing a single set of instructions on implementing the common measures for all covered programs administered by ETA will be published in the Federal Register for public comment in spring 2003. Final guidance on the implementation of common measures will be published by fall 2003.

**5. Action Required.** Please make this information available to appropriate program staff.

**6. Inquiries.** Questions regarding the common measures should be directed to the appropriate regional office or grant administrator.

**7. Attachments.**

Attachment A: Job Training and Employment Programs Impacted by Common Measures

Attachment B: Common Measures for Job Training and Employment Programs

## **Attachment A: Job Training and Employment Programs Impacted by Common Measures**

### **DEPARTMENT OF LABOR (17)**

#### Adults:

Dislocated Workers  
Adult Employment and Training  
Trade Adjustment Assistance  
NAFTA Transitional Adjustment Assistance (TAA)  
Employment Service  
Native American Employment and Training  
Community Service Employment for Older Americans  
Migrant and Seasonal Farmworkers  
H-1B Technical Skills Training  
Programs for Veterans (4):  
    Veterans Workforce Investment Program  
    Disabled Veterans Outreach Program  
    Local Veterans Employment Representatives  
    Homeless Veterans

#### Youth and Lifelong Learning:

Youth Activities  
Job Corps  
Youth Opportunity Grants  
Responsible Reintegration of Youthful Offenders

### **DEPARTMENT OF EDUCATION (10)**

#### Adults:

Adult Education  
Vocational Education (3):  
    Basic Grants  
    Trially Controlled Post-Secondary Vocational & Technical Institutions  
    Tech-Prep Education  
Rehabilitation Services (5):  
    Vocational Rehabilitation Grants to States  
    American Indian Vocational Rehabilitation Services  
    Supported Employment State Grants  
    Projects with Industry  
    Migrant and Seasonal Farmworkers

#### Youth and Lifelong Learning:

State Grants for Incarcerated Youth Offenders

### **DEPARTMENT OF HEALTH AND HUMAN SERVICES (1)**

Temporary Assistance to Needy Families

### **DEPARTMENT OF VETERANS AFFAIRS (1)**

Vocational Rehabilitation and Employment Services and Benefits

### **DEPARTMENT OF THE INTERIOR (1)**

Job Placement and Training

### **DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (1)**

Youthbuild

## Attachment B: Common Measures for Job Training and Employment Programs

ADULT PROGRAMS				
Measures	Definition	Methodology	Data Set	Comment
Entered Employment	Percentage employed in the 1 <sup>st</sup> quarter after program exit.	<p><u>Numerator</u>: Of those who are not employed at registration, the number of adults who have entered employment by the end of the 1<sup>st</sup> quarter after exit. [1]</p> <p><u>Denominator</u>: Of those who are not employed at registration, the number of adults who exit during the quarter. [2]</p>	Unemployment Insurance (UI) Wage Records	
Retention	Percentage of those employed in the 1 <sup>st</sup> quarter after program exit that were still employed in the 2 <sup>nd</sup> and 3 <sup>rd</sup> quarters after program exit.	<p><u>Numerator</u>: Of those who are employed in the 1<sup>st</sup> quarter after exit, the number of adults who are employed in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters after exit. [3]</p> <p><u>Denominator</u>: Those who are employed in the 1<sup>st</sup> quarter after exit. [4]</p>	UI Wage Records	All agencies will move toward using UI Wage Records. However, agencies currently using survey data will measure retention at the 1 <sup>st</sup> and 3 <sup>rd</sup> quarters only until they adopt UI wage records as their data set.
Earnings Increase	Percentage change in earnings: (i) pre-registration to post-program; and (ii) 1 <sup>st</sup> quarter after exit to 3 <sup>rd</sup> quarter after exit.	<p><u>Numerator 1</u>: Participants' earnings 1<sup>st</sup> quarter after program exit minus participant's earnings 2 quarters prior to registration. <u>Numerator 2</u>: Participants' earnings 3<sup>rd</sup> quarter after program exit minus participant's earnings 1<sup>st</sup> quarter after program exit. [5]</p> <p><u>Denominator 1</u>: Participants' earnings 2 quarters prior to registration. <u>Denominator 2</u>: Participants' earnings 1<sup>st</sup> quarter after program exit. [6]</p>	UI Wage Records	All agencies will move toward using UI Wage Records. However, agencies currently using survey data will measure earnings change at one point only (either pre-enrollment to 1 <sup>st</sup> quarter after placement or 1 <sup>st</sup> to 3 <sup>rd</sup> quarter) until they adopt UI wage records as their data.
Efficiency	Annual cost per participant.	<p><u>Numerator</u>: Appropriation level. [7]</p> <p><u>Denominator</u>: Number of participants. [8]</p>	Administrative records	Federal resources: both mandatory and discretionary. Budget authority will be used for discretionary programs. Outlays will be used for mandatory programs.

**YOUTH AND LIFELONG LEARNING PROGRAMS**

<b>Measures</b>	<b>Definition</b>	<b>Methodology</b>	<b>Data Set</b>	<b>Comment</b>
Placement in Employment or Education	Entered employment or enrolled in education and/or training 1 <sup>st</sup> quarter after program exit.	<p><u>Numerator</u>: Of those who are not in education or employed at registration, the number of participants who have entered employment, the military or enrolled in postsecondary education and/or advanced training/occupation skills training by the end of the 1<sup>st</sup> quarter after exit. [9]</p> <p><u>Denominator</u>: Of those who are not in education or employed at registration, the number of participants who exit during the quarter.</p>	Administrative records and UI Wage Records	
Attainment of a Degree or Certificate by Participants	Percentage of participants that earned a diploma, GED or certificate.	<p><u>Numerator</u>: Of those who are enrolled in education, the number of participants who attain a diploma, GED or certificate. [10]</p> <p><u>Denominator</u>: Those who are enrolled in education.</p>	Administrative records	Certificate is defined as a credential awarded by an agency, educational institution, organization or association to an individual upon completion of an organized program of study in recognition of the individual's attainment of industry-recognized, nationally-validated technical or occupational skill standards. Such skill attainment is measured using a valid and reliable assessment.
Literacy and Numeracy Gains	Attainment of literacy and numeracy skills by participants.	Measures the increase in literacy and numeracy skills of participants through a common assessment tool administered at program registration and regular intervals thereafter.	Standard assessment instrument	This measure applies to all participants in youth programs with the exception of ED's Vocational Education, Secondary students. Also, for English-as-a-Second-Language students, this measure includes English.
Efficiency	Annual cost per participant.	<p><u>Numerator</u>: Appropriation level.</p> <p><u>Denominator</u>: Number of participants.</p>	Administrative records	Federal resources: both mandatory and discretionary. Budget authority will be used for discretionary programs. Outlays will be used for mandatory programs.

**Footnotes:**

- [1] For the TANF program, the Entered Employment numerator is "Of those who receive TANF cash assistance in a quarter, the number who became employed in that quarter after being unemployed in the previous quarter."
- [2] For the TANF program, the Entered Employment denominator is "The total number of unemployed TANF cash assistance recipients from the "previous quarter" identified in the numerator."
- [3] For the TANF program, the Retention in Employment numerator is "Of those who received TANF cash assistance and are employed in a quarter (Q-a), the number of adults who were employed one (Q-b) and two quarters (Q-c) later (regardless of TANF assistance status)."
- [4] For the TANF program, the Retention in Employment denominator is "The number of participants employed in Q-a."
- [5] For the TANF program, Earnings Increase Numerator 1 is "For those who received TANF cash assistance and who had earnings from employment in Q-a, their earnings in Q-a minus their earnings two quarters prior to being determined eligible for TANF cash assistance." Earnings Increase Numerator 2 is "For those who received TANF cash assistance and who had earnings from employment in Q-a, their earnings in Q-c minus their earnings in Q-a."
- [6] For the TANF program, Earnings Increase Denominator 1 is "TANF cash assistance recipients' earnings two quarters prior to being determined eligible for TANF cash assistance." Earnings Increase Denominator 2 is "TANF cash assistance recipients' earnings in Q-a."
- [7] For the TANF program, the Efficiency numerator is "Total federal TANF and State Maintenance of Effort expenditures, as reported by the states, on work-related activities/expenses, transportation, and a proportional amount on administration and systems."
- [8] For the TANF program, the Efficiency denominator is "Number of adults receiving TANF."
- [9] "Not in Education" includes those participants who have completed high school or its equivalent and have not yet entered post-secondary education.
- [10] In the case of DOL programs, attainment of a degree/certificate will be determined within the one year follow-up period that exists for those programs. In the case of ED programs, the completion rates for secondary and postsecondary vocational education are calculated by each State using a methodology and time period it determines.

**General Notes:**

- A. The Adult Education Program includes participants with both employment and educational outcomes. As a result, the program will be measured under the Adult measures; however, the Department may opt to use the "Attainment" and "Literacy/Numeracy" measures from the Lifelong Learning measures in addition.
- B. The Vocational Education Program for post-secondary students includes participants with both employment and educational outcomes. As a result, the program will be measured under the Adult measures; however, the Department may opt to use the "Attainment" measure from the Lifelong Learning measures in addition.
- C. VA's Vocational Rehabilitation Program follows-up on cases for 60 days after placement before closing the case and declaring rehabilitated status. To be consistent with other programs in the job training common measures, VA will use the date of employment as the program exit point.
- D. Education's Vocational Rehabilitation: an employment outcome is defined as competitive employment (at least the minimum wage) in the integrated labor market, and other outcomes as determined by the Secretary, which include homemakers/unpaid family workers.
- E. Tribal programs will move toward use of UI wage records. In the meantime, there may be some reliance on administrative records as tribes make the shift to UI wage records.
- F. Where UI Wage Records are cited as the data set, UI records are either the sole source of data or the source against which administrative records must be verified.
- G. All programs will need to use a unique client identifier that can calculate the unduplicated count of program participation but it will not specify what that identifier is.