

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**PERFORMANCE INDICATORS IN THE
JOBS PROGRAM**



**Richard P. Kusserow
INSPECTOR GENERAL**

JUNE 1992

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OEI-12-91-01380

EXECUTIVE SUMMARY

PURPOSE

This report provides precursory information from States on the identification and use of performance indicators in the JOBS program. It was requested by the Assistant Secretary for Planning and Evaluation. It includes: 1) information on State perspectives on performance indicators; 2) baseline information on State initiatives and capacity to develop the data systems required to regularly collect and use performance data; and 3) information on State perspectives on the development of Federal performance standards.

BACKGROUND

The Department has a statutory mandate to propose recommended performance standards for the Job Opportunities and Basic Skills Training (JOBS) program to the appropriate Congressional committees by October 1, 1993. The first step in this process will be reaching consensus on key indicators that are appropriate for standards.

Given the significant variation in JOBS program characteristics and goals from State to State, and sometimes from county to county within States, the process of reaching consensus on appropriate indicators will be particularly challenging. Presently, the Department has convened a task force composed of representatives from several States, program offices, interest groups, representative and research organizations, and academics to identify indicators with broad support, and to determine the nature of standards that would be most appropriate.

While the statutory language mandates standards relating to "specific measures of outcome," the Department has expressed an interest in associating impact with the performance standards. This report focuses on output and outcome indicators, and does not address the issue of impact.

The following terms are used throughout this report. A **performance indicator** is a variable or measure designated as a key program feature to monitor; a **performance standard** establishes a benchmark or quantitative target on a given indicator.

METHODOLOGY

We conducted telephone interviews with respondents from the 50 States and the District of Columbia in August - October of 1991. We did not independently verify information provided to us by respondents.

FINDINGS

States appear to be supportive of the need to measure performance in the JOBS program. However, they disagree on the best indicators to use to accomplish this.

Most respondents indicated interest and conveyed ongoing State initiatives relating to identifying and using performance indicators. Many had strong opinions on which indicators should be developed and readily identified issues relating to performance measurement. Five output and outcome indicators were identified by a majority of States as important in understanding and monitoring JOBS program performance. These include: earnings or wage at placement, job placement, job retention/number of months employed, and number served or participation rates. However, States mentioned 57 other output and outcome indicators as important.

States have undertaken a number of initiatives to develop and use performance indicators.

We found a number of surprisingly varied and sophisticated initiatives, given the newness of the JOBS program and its administrative complexity. Most States are tracking JOBS participants after they leave the program. Twelve States are using some form of family-based outcome measures to evaluate the impact of JOBS on families. Twenty-two States have developed performance standards relating to key indicators, and fifteen have developed a system for rewarding and/or sanctioning program managers or staff based on the performance standards.

Many States currently have systems that provide some data to support performance tracking, but identify barriers to the development of comprehensive systems.

We found that almost all States have an automated system for collecting data on JOBS participants, but a small number still collect data manually. Fifty percent of the States use an additional data system to track JOBS participants who have left the program; 25 percent use more than one other data system for tracking. States identified data systems, time, and cost as the greatest barriers to collecting and using data on performance indicators. While tracking and follow-up are particularly challenging, respondents have or anticipate having difficulty collecting data on a broad range of indicators.

States are looking to the Federal Government to act as a clearinghouse for information on what other States are doing.

Interests in technical assistance from the Administration for Children and Families are mixed, but most States want a clearinghouse function.

While no consensus emerged on appropriate Federal performance standards, most States want flexibility in their development and use.

No indicator was recommended by the majority of States as a potential basis for Federal performance standards. However, of those mentioned, job placement, earnings, and educational improvements or credentials had the greatest support. They are concerned that the Federal performance standards will not consider State variation and that the focus will be too narrow.

TABLE OF CONTENTS

EXECUTIVE SUMMARY	i
INTRODUCTION	1
FINDINGS	
General support for the concept	7
State initiatives	8
State systems	10
Federal role	12
Performance standards	13
APPENDIX	15

INTRODUCTION

PURPOSE

This report provides precursory information from States on the identification and use of performance indicators in the JOBS program. It was requested by the Assistant Secretary for Planning and Evaluation. It provides: 1) information on State perspectives on performance indicators; 2) baseline information on State initiatives and capacity to develop the data systems required to regularly collect and use performance data; and 3) information on State perspectives on the development of Federal performance standards.

BACKGROUND

The Family Support Act of 1988 created the Job Opportunities and Basic Skills Training (JOBS) program for recipients of Aid to Families with Dependent Children (AFDC). The JOBS program is designed to assist recipients become self-sufficient by providing needed employment-related activities and support services. States must provide educational activities, vocational classroom training, job readiness activities, job development, and job placement. States must also provide at least two of the following activities: group and individual job search, on-the-job training, work supplementation, or community work experience.

The Department has a legislative mandate to develop performance standards for the JOBS program and propose them to the appropriate Congressional committees by October 1, 1993. A performance *standard* denotes a benchmark or level of performance on a key indicator that is expected and thereby serves as the basis for assessing how well a program is performing. Section 203 of the Family Support Act of 1988 requires the Secretary to recommend performance standards that provide specific measures of outcomes and not solely levels of activity or participation. The recommended standards are to be based on the degree of success that may be reasonably expected of States in helping individuals to increase earnings, achieve self-sufficiency, and reduce welfare dependency. The statute requires the Department to consult with various representative organizations in developing these recommended standards.

While the statutory language mandates standards relating to "specific measures of outcome," and, conventionally, performance monitoring systems focus on short-term and medium-term outcomes of program activities, the Department has expressed an interest in associating impact with the performance standards, or the extent to which programs caused observed outcomes. This report focuses on output and outcome indicators, and performance monitoring, in general. We did not prompt respondents to address the issue of impact, consequently impact is not addressed in this report.

While the Department ultimately is required to develop recommended performance standards, the first step in this process will be reaching consensus on key indicators that are appropriate for standards. Given the significant variation in JOBS program characteristics and goals from State to State, and sometimes from county to county within States, the process of reaching consensus on appropriate indicators will be particularly challenging. Presently, the Department has convened a task force composed of representatives from several States, program offices, interest groups, representative and research organizations, and academics to identify indicators with broad support, and to determine the nature of standards that would be most appropriate.

Definition of Terms Used in This Report	
Performance Indicator	Variable or measure designated as key program feature to monitor
Outputs	Services provided through JOBS program, including quantity of services, process measures, and transitional support services
Intermediate Outcomes	Early indicators that show progress toward program goals by identifying changes in the participant's skills, competencies, and/or abilities
Outcomes	Status at termination or some time following participation in JOBS program activities relating to ultimate goals, including job placement and IV-A (AFDC) program effects
Performance Standard	Benchmark or quantitative target on a given indicator

Performance Indicators

Program managers and policymakers at all levels of government are increasingly interested in establishing performance management systems that provide data on service efforts and accomplishments, or performance indicators. The designation of performance indicators occurs as part of a broader effort to develop a performance monitoring system that will periodically provide data on the quantity and quality of service delivery and the outcomes (results) achieved in a program. Such systems include - but go beyond - the more typical measurements of program costs and activities, though they stop short of identifying actual impact, or the extent to which the program caused observed outcomes.

There are various uses for performance indicators. Fundamentally, they are used to improve performance, ensure cost-effectiveness, and enhance credibility and

accountability. Analysis techniques for performance data may include identifying trends, examining variance between expected and actual performance, comparisons between entities, and identifying factors causing changes.

One important dimension of performance indicators is the presumed ability to convey "good" and "bad" performance. While a *performance standard* may take several forms, it essentially provides a benchmark or quantitative target to measure a program's progress towards certain goals. A performance standard may provide an absolute standard, or specified level of performance that must be attained in order to receive rewards or avoid sanctions. Alternatively, a standard may provide a relative basis for comparing current performance with that of previous years or with targets set at the beginning of the year. In this relative context, performance relative to a standard may serve to trigger technical assistance to programs not achieving the standard. Efforts to mitigate issues relating to different units, geographical areas, or "case-mix" of services rely on relative standards or provide an optional adjustment model to modify national standards to more accurately reflect local circumstances.

While the utility of performance indicators is persuasive, the process of reaching consensus on appropriate indicators can be quite challenging. It requires agreement between policymakers and various levels of program management on appropriate indicators of service effort, quantity of services delivered, service quality, and program outcomes. Given multiple and conflicting program goals held by policymakers, program managers, staff, and interest groups, an appropriate performance monitoring system typically requires multiple performance indicators. Additionally, any set of program performance measures requires balancing the value of specific program information against the feasibility and cost of data collection.

Several Government-wide initiatives reflect the increasing interest in establishing performance monitoring systems. Most significant on the Federal level is the Chief Financial Officers Act of 1990. This statute, currently implemented on a pilot basis, establishes a new financial management system for all executive agencies. Within the context of an annual report, it requires operating divisions to develop and regularly report performance indicators and measures as part of their financial statements. Additionally, pending legislation in the U.S. Senate would require the development of performance standards and goals in each Federal agency, with annual performance reports to the President and the Congress. Further, the Government Accounting Standards Board adopted a resolution that strongly encourages State and local governmental entities to become familiar with service efforts and accomplishments (SEA) measurement and reporting and to experiment in identifying and using these indicators.

Performance Standards in Other Federal Employment and Training Programs

There is strong interest in federally-funded employment and training programs operating under performance standards. The Job Training Partnership Act (JTPA), established in 1982, has had outcome-based performance standards in effect since

1983. Initially, the performance standards focused primarily on the outcomes attained upon completion of training. Gradually, the Department of Labor added measures to capture the longer-term effects of JTPA training. As of July 1990, the standards focus exclusively on post-program outcomes based on a 13-week follow-up period, including wages, job placement, and retention. States are encouraged to adjust the performance standards to reflect the influence of client characteristics and local economic conditions. States use the JTPA performance monitoring system to reward high performance and penalize poor performance by local service delivery areas.

The Food Stamp Employment and Training program, mandated by the Hunger Prevention Act of 1988, included specific instructions on the development of performance standards relating to job placement rates, wage rates, job retention rates, households ceasing to need food stamp benefits, improvements in household members' educational levels, and the extent to which persons elect to participate. The proposed regulations, issued in August 1991, offered two alternative approaches to measuring outcomes for comment. Comments received were significant and negative.

In response to concern about the administrative burden of requiring States to implement potentially varying performance standards for overlapping programs, Congress imposed a moratorium on these performance standards until at least a year after the JOBS program issues its regulations on performance standards.

Performance Indicators in the JOBS Program

Within the general parameters of the JOBS program, States have considerable flexibility in program design. The statute establishes a structure of mandates and optional JOBS program components that allow for significant State variation in the emphasis of their JOBS services. Some States emphasize longer-term "human capital investment" and stress basic skills education, job readiness training, and vocational skills training that can take months to complete. Other States emphasize "labor force attachment" and stress services that provide job search assistance that can be accomplished in a few weeks. The performance indicators that make sense to a particular State will reflect, for the most part, the program design and emphasis in that State.

Agreement between policymakers and program managers on appropriate performance indicators is the first step in this process of monitoring program performance. The next step is collecting data on those indicators. The implementation of the JOBS program included significant reporting requirements for States and extensive effort to develop systems capable of capturing the required data. Currently, there are standards relating to participation rates and targeting services on several groups of those who are, or who are likely to become, long-term recipients. Initially, all data collection requirements focused on output indicators. With the most recent data collection initiative, effective October 1, 1991, States are providing some outcome data in the required monthly reports. The required outcome data includes job entry, hourly

wage rate, and occupation. States must provide initial information on education and literacy levels, and may provide information on follow-up levels, if available.

Caveats are in order, however, regarding the use of outcome measures in the JOBS program, as with any job training program. While outcome measures, such as job placement, capture the *desired* effect of the program, the correlation between these indicators and net impacts may not be strong. Studies have found that many AFDC recipients find jobs and leave welfare in the absence of training. Outcome measures of performance in job training programs overstate true impact and cannot provide meaningful comparisons of performance across programs. For example, some programs' high rates of job entry may result from their having a relatively "job-ready" target population or a strong labor market, while those experiencing a lower rate of job entry may stem from the reverse conditions.

METHODOLOGY

We collected data from respondents in the 50 States and the District of Columbia through telephone interviews conducted in August - October of 1991. The initial contact was a letter to the JOBS coordinator suggesting that both program and research/evaluation staff might be present for a conference call to collect information. A copy of the discussion guide was sent along with this letter.

We had a total of 89 respondents. Six States had a single respondent, and most had two or three present for a conference call. Most respondents were managers, including JOBS directors, coordinators, or managers (23), managers of training and employment services (22), and deputy directors or assistant managers (6). Other respondents included policy staff (9), management information systems staff (5), department of labor staff (4), and smaller numbers representing research, the Commissioner's office, AFDC staff, and field office staff.

In all cases, we are reporting information provided to us by respondents. We did not independently verify this information.

Analysis

Despite this escalating interest in improving the management of government programs by identifying and tracking key measures and indicators, the process is still in the formative stages. There is still significant resistance to the process of identifying key measures, as well as confusion about the terminology. The distinction between various types of indicators is not always immediately apparent.

In our survey, there was some confusion about the classification of several types of indicators. In a few cases, our schematic classifies indicators differently than respondents. Responses have been categorized to reflect the flow of clients through the program and their achievement of stated program goals, for the most part. As we

considered how to present this information, we assumed that the respondent was clear on the particular element mentioned and not clear on the terminology we were using.

More importantly, we determined that an additional category of "intermediate outcomes" would both better reflect the data we collected and the concern that many respondents expressed about the importance of incremental gains, particularly given the economic conditions and unemployment rate in many States. Some of the elements in the categories we have identified may be subject to differences of opinion about where they most appropriately belong.

FINDINGS

FINDING 1: STATES APPEAR TO BE SUPPORTIVE OF THE NEED TO MEASURE PERFORMANCE IN THE JOBS PROGRAM. HOWEVER, THEY DISAGREE ON THE BEST INDICATORS TO USE TO ACCOMPLISH THIS

Most respondents indicated an interest and conveyed ongoing State initiatives relating to identifying and using performance indicators. Many had strong opinions on which indicators should be developed and readily identified issues relating to performance measurement. Respondents indicate that almost all States have in place a system for collecting and using data on output and outcome indicators for purposes other than meeting federal reporting requirements.

Five Output And Outcome Indicators Were Identified By A Majority Of States As Important In Understanding And Monitoring JOBS Program Performance

We asked respondents to identify the output and outcome indicators their State believes are the key measures that should be used to understand and track JOBS program performance.

The five indicators suggested by a majority of respondents include: earnings or wage at placement (mentioned by 85% or 43 of 51 State respondents), entered employment or placement (65%), job retention or number of months employed and educational credentials (both 59%), and number served or participation rates (52%). However, 13 States objected to the use of job placement as an indicator. Responses explaining this aversion include "we need to show progress, not just the end goal of employment," and "employment is the easiest measure, but not the best indicator that the program is successful...the program isn't structured to focus on job placement - its focus is on skills and long-term outcomes."

States Mentioned 57 Other Output And Outcome Indicators As Important In Assessing JOBS Program Performance.

While most respondents suggested five indicators for both outputs and outcomes, the range of responses reflects considerable divergence of opinion regarding which indicators are most appropriate. One respondent listed 11 indicators, while another was unable to recommend any output indicators. Of the 62 indicators suggested, 46 indicators were mentioned by less than 10 States. The appendix shows the overall responses, using a schematic to categorize responses. The 24 indicators mentioned by one State only have been collapsed into an "other" category.

AFDC grant reductions and case closures, job placement with medical benefits provided, educational gains, and JOBS completion ratios were all mentioned by close to half of the States.

Negative views about indicators are also dispersed. While 80 percent of the States' respondents indicated that there are output and outcome indicators that they have negative views about, no single indicator stands out. Only three indicators were identified by more than eight States: job placement or entered employment (13), the federally defined participation rate (10), and welfare savings or grant reductions (8).

FINDING #2: STATES HAVE UNDERTAKEN A NUMBER OF INITIATIVES TO DEVELOP AND USE PERFORMANCE INDICATORS

While the first finding explores respondents' views about performance indicators, we also asked about what States are doing to collect and use data on program performance for their own purposes, beyond the Federal reporting requirements. We found a number of surprisingly varied and sophisticated initiatives, given the newness of the JOBS program and its administrative complexity.

Most States Are Tracking JOBS Participants After They Leave The Program

Respondents indicated that 35 States are tracking JOBS participants after they leave the program. In half of these States (19 of 35 States), the case manager or IV-A worker is responsible for tracking. Other States use a variety of mechanisms. Four States contract out this function. Three mentioned it as part of a longitudinal study or evaluation, and two others identified planning and evaluation staff as having this responsibility. Other States have JTPA or the contracting agency conduct follow-up.

There is significant diversity in the frequency of contact and duration of tracking among States. Of the 30 States that provided specific information, we found that 15 States track participants for 90 days or less, and the other 15 track participants for 6-months to 2-years. The most frequently mentioned length of time was 10 States who track participants for 12 months. On the frequency of contact with post-JOBS clients, we found that most States have one or two contacts over the duration of the tracking period. Respondents from the other five States report that the tracking is done through an evaluation on a sample basis.

Twelve States Are Using Some Form Of Family Outcome Measures To Evaluate The Impact Of JOBS On Families

While most States are not collecting this kind of data, respondents reported that almost 25 percent of the States have underway a variety of initiatives to identify the impact of the JOBS program on families. Four States are focusing on teens and repeat pregnancies. Another five States have an evaluation or demonstration program that includes family outcome data. Two States indicated that they are looking at family outcome measures "holistically", and one State is looking at reduced substance abuse, school retention, and reduced child abuse.

Twenty-two States Have Developed Performance Standards Relating To Key Indicators

We asked if any States had developed performance standards, or a specified level of activity on a particular indicator that local programs must achieve in order to consider their program successful. The following table reflects the responses of the 22 States that have developed standards.

Participation rate and placements are the most frequently mentioned standards. It may be significant that the JOBS program currently has a participation rate standard, and the JTPA program has performance standards on placement rates, retention, and wages. The JTPA program serves many AFDC recipients, and coordination between JTPA and JOBS is required and encouraged in the regulations implementing the JOBS program. We did not get information on the level involved with these standards. They may be higher than those standards established by JTPA and JOBS, or may only reflect the State's determination to meet existing Federal standards by imposing a State-based incentive system.

Table 1: Performance Standards Developed by States

Response	Total (N=22)
Number Served/Participation Rate	9
Placements	8
Wages	4
Educational Achievement	3
Caseworker Caseload	3
Expenditures	2
Retention	2
Number of Hours/Minimum Wage Placement	2
Pre-/Post-Testing for Training	1
Number in Educational Component	1
Percent Target Group in Educat. Activity	1
Resolution Rate	1
Percent in Unsubsidized Employment	1
Sanctions	1
Penetration Rate	1
Hours of Participation	1
Number in Post-Secondary Education	1
Off AFDC	1
Number Client Contacts by Caseworker	1
Number of Referrals	1

*Range: Eight States identified only one standard; three States identified five standards; seven States identified three or more standards in place.

Fifteen States Have Developed A System For Rewarding/Sanctioning Program Managers Or Staff

Respondents reported that about 75 percent of the States that have developed standards have gone on to develop a system to reward or sanction program managers or staff for meeting or failing to meet a performance standard. Twelve States are reportedly using only one mechanism to reward or sanction program managers or staff, while three States are using two mechanisms and one State is using three.

The most frequently mentioned system for rewarding or sanctioning managers or staff was incentives and rewards, reportedly used by six States. For example, one State has a \$500,000 pot, \$400,000 of which is provided as incentives and \$100,000 is available for technical assistance. Respondents indicated that five States distribute a quarterly or yearly report that includes performance information by county or district. Respondents from another five States considered rewards and sanctions as built into the annual performance evaluation or contract review process. For example, one State has county offices develop goals and notes that while there are no sanctions for failing to achieve these goals, there is some effect on personal performance reviews.

Defunding or sanctioning managers and/or staff was listed by respondents from three States. One example of this is a State that requires 22 percent placement by providers. If the provider fails to meet this standard, 5 percent of funds may be withheld and allocated on a pro-rated basis to those that do meet the standard. One State reportedly uses data on meeting or failing to meet a performance standard in its distribution of JOBS funds. Another State provides "hands-on training" on data collection to every county office that fails to meet its standards.

FINDING #3: MANY STATES CURRENTLY HAVE SYSTEMS THAT PROVIDE SOME DATA TO SUPPORT PERFORMANCE TRACKING, BUT IDENTIFY BARRIERS TO THE DEVELOPMENT OF COMPREHENSIVE DATA COLLECTION SYSTEMS

Almost All States Have An Automated System For Collecting Data on JOBS Participants, But A Small Number Still Collect Data Manually

We asked about State systems for collecting data in localities where JOBS operates. According to respondents, 40 States have a common system among all localities, and five States have a common system in some localities, but not all. Six States do not have an automated data collection system. All six of these States have a State-administered JOBS program.

Of the States with an automated system, respondents indicated that 16 States analyze output or outcome data by demographic information on clients, such as AFDC history, work history, age, literacy. Respondents indicated that 18 States analyze output and/or outcome data by target groups. While most States are not adjusting for other factors

that might affect JOBS program outcomes in their data analysis, respondents indicate that 11 States are attempting to control for economic conditions.

We asked if the system was capable of sharing data with Adult Education and Employment and Training (JTPA) data systems. Respondents from the 45 States with an automated data system indicated that while most States cannot share data with either system (23 States or 51 percent of those with automated systems), a number of States at least have or are working towards the capacity to do so. Six States share data with both systems. Nine States share data with JTPA only, while two share data with JTPA and have a limited exchange with Adult Education. Most of these States have some system interface, with four States indicating their systems are integrated. The most frequently mentioned mechanisms for this interface were tape matches and exchanges (7). Respondents from four States indicated they were capable of exchanging data but were not yet doing so.

Most States Use A Number Of Data Systems To Track Participants

Respondents indicated that half of the States are using data systems to track JOBS participants who have left the program. While ten States are using only one system, 11 States are using two systems and four States are using three systems. The most frequently mentioned response was a combined use of the unemployment insurance wage data and IV-A data systems, reportedly used by seven States. Four States are using IV-A data only. Three States are using employment services/unemployment insurance data. Two States are using IV-A, Food Stamps, and Medicaid data systems, while two States are using transitional child care data systems.

States Identify Data Systems, Time, And Cost As The Greatest Barriers To Collecting And Using Data On Performance Indicators

The single most frequently mentioned barrier was time and the labor intensive nature of collecting and using data (18). However, 60 percent of the respondents (30 States) listed some aspect of the data collection system as a barrier. Respondents from 16 States listed the data system, without any elaboration. The other significant response was data collection and concern about the lack of consistency and quality of the data, mentioned by respondents from 12 States. No statewide or automated system was mentioned by six States' respondents, and competing system priorities was mentioned by two. Administrative costs and resource limitations were mentioned by respondents from 14 States, with a budget and/or staffing crisis mentioned by another eight. One respondent observed that her State currently spends more on data collection than on serving clients.

States have varied responses to these barriers. The most frequently mentioned response was developing an automated system or implementing FAMIS or JAS (JOBS automated system). Some States are providing technical assistance or training to counties exhibiting problems with data collection. Other initiatives mentioned less

frequently include further developing or simplifying their system, providing personal computers, and coordinating with or developing cooperative agreements with other agencies.

While Tracking And Follow-Up Are Particularly Challenging, Respondents Have Or Anticipate Having Difficulty Collecting Data On A Broad Range Of Indicators

While respondents indicated that most States (42) have had or anticipate having difficulty developing a reliable data collection system for certain indicators, there is little agreement on which indicators are most troublesome. Twenty indicators were mentioned, with a range of 16 State respondents mentioning one indicator, another 16 mentioning two indicators, and respondents from one State mentioning five.

Tracking and follow-up were mentioned by respondents from 18 States, followed by monitoring participation mentioned by respondents from 11 States. Other mentions include family data or outcomes (6), satisfactory or incremental progress (5), welfare savings (5), the FSA 108 (4), and 14 other indicators that were mentioned by one, two or three States' respondents.

FINDING #4: STATES ARE LOOKING TO THE FEDERAL GOVERNMENT TO ACT AS A CLEARINGHOUSE FOR INFORMATION ON WHAT OTHER STATES ARE DOING

Interests In Technical Assistance From ACF Are Mixed, But Most Want A Clearinghouse Function

We asked States what kind of technical assistance they would like from the Administration for Children and Families (ACF) on two areas: evaluating the JOBS program, and identifying and collecting data on performance indicators.

On evaluating the JOBS program, 37 percent of those that responded (18 of 48 States) requested information on what other States are doing. Fourteen States are interested in ACF serving as a clearinghouse on State information and effective practices, and six are interested in getting together with other States (two mentioned both). Among the suggestions offered are "make information available on what's working: how are other States meeting participation rates, what type of programs do they have, how are they defining participation," and "bring States together that have similar needs, not by region or convenience."

Twenty percent of the respondents are not interested in any technical assistance. Typical of the comments these respondents offered is "they have no in-house expertise to provide; the best they can do is be a facilitator for those that do have it and act as a clearinghouse." Other responses included obtaining resources to fund the data system (4), explain why they're set the way they are (3), how to develop an automated system (3), how to develop valid measures (3), how to market to and coordinate with other agencies (2). Three States' respondents indicated "anything."

On identifying and collecting data on performance indicators, the most frequently mentioned response was for ACF to sponsor conferences or provide information on what other States are doing (12). Again, respondents from 10 States indicated they are not interested in any technical assistance from ACF. Advance notice on what ACF is thinking was requested by respondents from eight States. How to develop and assess an outcomes system was mentioned by respondents from five States. Four States are reportedly interested in a packaged program for the data system. One respondent noted "the system [requirements] is constantly changing and 50 States are going crazy trying to develop their own system." Other kinds of assistance mentioned include interface with other automated systems (3), feedback on how the State's are doing (2), family-based outcome measures (2), and how to set standards (2). Six States' respondents indicated "anything."

FINDING #5: WHILE NO CONSENSUS EMERGED ON INDICATORS APPROPRIATE FOR FEDERAL PERFORMANCE STANDARDS, MOST STATES WANT FLEXIBILITY IN BOTH THEIR DEVELOPMENT AND USE

No Indicator Was Identified By The Majority Of States As A Basis For Standards. Of Those Mentioned, Job Placement, Earnings, And Educational Improvements Or Credentials Had The Greatest Support As Potential Federal Performance Standards

When asked about performance indicators they believe are most indicative of success in the context of the Federal performance standards, only five indicators are mentioned by more than 10 States. Those include job placement, earnings, educational improvements or credentials, and AFDC case closures. It is interesting that respondents from 15 States mentioned a category, long-term self-sufficiency measures, rather than a specific indicator. Although it is unclear what this means, it may reflect general discomfort with sending a message to Federal policymakers that is too specific in the absence of information or strong views. Table 2 on the following page shows the range of responses provided and frequency of mentions.

States Are Concerned That The Federal Performance Standards Will Not Consider State Variation And That The Focus Will Be Too Narrow

While there is significant variation in the concerns conveyed by respondents about the Federal performance standards, the most frequently mentioned concern was that they will not give States flexibility or consider State variations (mentioned by 18 of 51 State's respondents). For example, one respondent said "we're worried about comparisons among States when programs differ so greatly." Another common concern is that the focus will be too narrow (16). A number of respondents expressed concerns that the performance standards will be developed without State input (10). One respondent stated "they have to include State and local representatives, not just academicians and researchers...MDRC [the Manpower Demonstration Research Corporation] doesn't speak for States...they have valuable information, but they have a different perspective."

Other concerns mentioned include that the standards won't reflect the long-term focus of the program (9). For example, one respondent is concerned that "the standards will be generic, easy to measure things, like departure rates and wage rates, without looking at the demographics of clients and the political economy."

The most frequent suggestion for how the Department can structure its recommendations to make the standards more fair to States was that they be flexible and account for State and/or local variation, offered by 66 percent of the States' respondents (32 of 47 respondents). The second most common response was that they include State input (13), closely followed by the suggestion that they be weighted based on population or demographics (11). Respondents from six States suggested both that they should be established as sets, or some combination of indicators, and that States should be allowed to get waivers to set their own goals.

Table 2: Performance Indicators Most Indicative Of Success For Federal Performance Standards, According To Respondents

Response	Total # States Mentioned (N=49)
Job Placement	20
Earnings	17
Educational Improvements/Credentials	16
Long-Term Self-Sufficiency Measures	15
AFDC Case Closures	11
Retention	9
Incremental Measures	8
Skills Training/Competency Improve/Certificate	8
Recidivism Reduction	7
AFDC Grant Savings	5
Literacy	5
Improved Life Skills	4
Time in Program/On Assistance	4
Placement with Benefits	3
Completion of Training	3
Repeat Pregnancies	2
High School Dropout Reduction	2
Good Progress	2
Removal of Barriers	2
States That Did Not Respond	2
Other*	9

* "Other" includes all responses provided only once. Most respondents suggested three or four indicators, with a one to seven variance.

Appendix: State Perspectives On Output & Outcome Indicators

	Response	Total Number States Mentioned
<i>Outputs</i>		
<i>Quantity of Services</i>	Number Served/Participation	26
	JOBS Completion Ratios	21
	Target Group Participation	13
	Percent Sanctions	8
	Number of Referrals	7
	Number Receive Support Services	6
	Effectiveness/Cost	5
	Percent AFDC Served	3
<i>Process Measures</i>	Length of Stay/Hours	9
	Satisfactory Completion of JOBS	7
	Client Flow	7
	Satisfactory Progress	6
<i>Transitional Support</i>	Transitional Benefits	5
<i>Intermediate Outcomes</i>		
	Educational Credentials	30
	Educational Gains	21
	Training Completion/Certification	16
	Literacy Gains	14
	Skills Competency	12
	Barrier Removal/Reduction	5
	Life Management Skills	2
	Intermediate Outcomes	2
	Family Measures	2
<i>Outcomes</i>		
<i>Job Placement</i>	Earnings/Wage at Placement	43
	Enter Employ/Placement	33
	Number Months Employ/Retention	30
	Placement w/ Medical Benefits	22
	Full-/Part-time Placement	11
	Employ Related to Training	6
	Promotional Opportunity	4
	Quality of Placement	3
	Target Group Success	3
	Average Weekly Wages	3
	Unsubsidized Employment	3
	Short- or Long-Term Employment	2
	<i>Program Effects</i>	Grant Reduction/Welfare Savings
AFDC Case Closures		22
Recidivism		16
Cost Per Participant/Cost Benefit		9
<i>Other*</i>		24

* "Other" includes all responses provided only once.