

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	<b>CLASSIFICATION</b> ETA-Performance Accountability System
	<b>CORRESPONDENCE SYMBOL</b> OWI - PROTECH
	<b>DATE</b> February 17, 2006

**TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 17-05**

**TO:** ALL STATE WORKFORCE AGENCIES  
ALL STATE WORKFORCE LIAISONS  
ALL STATE TRADE COORDINATORS

**FROM:** EMILY STOVER DeROCCO  
Assistant Secretary

**SUBJECT:** Common Performance Measures Policy for the Employment and Training Administration (ETA)'s Performance Accountability System

- Purpose.** To provide revised guidance on the common performance measures policy for ETA workforce programs and to incorporate this policy into the overall performance accountability system for state formula-funded programs.

This Training and Employment Guidance Letter (TEGL):

- Rescinds and replaces the common measures policy outlined in TEGL 28-04, and the definitions for the core performance measures for the Workforce Investment Act (WIA) in TEGL 7-99, and the customer satisfaction measures in TEGL 6-00 and TEGL 6-00 change 1;
- Provides revised guidance on the common performance measures policy for ETA and Veterans' Employment and Training Service (VETS) workforce programs, clarifies reporting requirements, and incorporates this policy into the overall performance accountability system for state formula-funded programs;
- Incorporates the public comments received from Federal Register Notice published on July 13, 2005 seeking revisions to reporting requirements for WIA, Wagner-Peyser Act, Veterans' Employment and Training Service, and Trade Adjustment Assistance programs;

<b>RESCISSIONS</b> TEGL 7-99; TEGL 6-00; TEGL 6-00 change 1; TEGL 28-04;	<b>EXPIRATION DATE</b> Continuing
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- Modifies and broadens the common measures definition of “participant” to include any individual who has been determined eligible and has received a program-funded service either at a physical location or remotely, via electronic technologies;
  - Provides additional guidance to clarify the point when program participation commences and terminates;
  - Clarifies when participants are counted and when they are excluded from WIA Adult and Dislocated Worker performance measures calculations by distinguishing self-service and informational activities that are staff assisted from other core services; and
  - Modifies the methodology for calculating the Adult Earnings measure by removing the use of pre-program earnings in the calculation and, instead, focusing on the average earnings achieved over a 6-month period following program participation for those who were retained in employment.
2. **References.** President’s Management Agenda, [http://www.whitehouse.gov/omb/budintegration/pma\\_index.html](http://www.whitehouse.gov/omb/budintegration/pma_index.html); Office of Management and Budget (OMB) Director’s Memorandum M-02-06, <http://www.whitehouse.gov/omb/budintegration/common.html>
3. **Policy Objective.** The common performance measures are an integral part of ETA’s performance accountability system. The value of implementing common measures is the ability to describe in a similar manner the core purposes of the workforce system: how many people found jobs; did they stay employed; and what their earnings were. Multiple sets of performance measures have burdened states and grantees, as they are required to report performance outcomes based on varying definitions and methodologies. By minimizing the different reporting and performance requirements, common performance measures can facilitate the integration of service delivery, reduce barriers to cooperation among programs, and enhance the ability to assess the effectiveness and impact of the workforce investment system.

The workforce investment system is transforming into a demand-driven system with strategic investments in workforce solutions that result in more individuals being trained for highly skilled jobs in high-growth, high-demand industries. The performance accountability system, with common performance measures at its core, needs to be aligned with the specific demand-driven strategies identified both at the state and local levels. Demand-driven strategies may require unique approaches to training and service delivery. For example, depending on the specific skills and credentials identified as necessary by industry, training may be shorter and targeted in some instances and longer term in others. In all cases, the workforce investment system continues to focus on connecting employers with skilled workers, and connecting workers with good jobs, as reflected in the common performance

measures. To minimize burden on states and local areas as ETA programs are reauthorized, ETA will work to ensure that the common measures are consistent with the statutory performance measures.

Please note that these measures provide only part of the information necessary to oversee the workforce investment system effectively. ETA will continue to collect from states and grantees data on spending, program activities, participants, and outcomes that are necessary for program management and to convey full and accurate information on the performance of workforce programs to policy-makers and stakeholders.

4. **Background.** In March 2005, ETA announced its intent to implement a set of common performance measures on July 1, 2005 for several workforce programs. ETA implemented these measures by revising the reporting requirements for WIA Title IB, Wagner-Peyser Act, Jobs for Veterans Act, and Trade Adjustment Assistance programs. Based on review of the public comments received in response to the Federal Register Notice published on July 13, 2005 (Vol. 70, No. 133) on the final revisions for these programs, ETA has made the following modifications and clarifications to its policies. In general, these modifications to ETA's performance accountability system are effective upon the publication of this TEGL, unless otherwise noted.

- To more fully measure and report to Congress, stakeholders, the public, and other interested parties on how the public workforce investment system is meeting the needs of business and the workforce and contributing to economic growth, ETA has modified and broadened the common measures definition of “participant” to include any individual who has been determined eligible and has received a program-funded service either at a physical location or remotely, via electronic technologies (see Section 5.A.).
- To address public comments received and ensure consistent implementation of its reporting policies, ETA has made the following adjustments to the common measures policy:
  1. Defined the point of participation for reporting and specified activities and/or services that do not cause participation to commence or cause an extension of the point of exit from the program (see Section 5.A. and 5.B.).
  2. Clarified that the phrase “a determination of eligibility” does not apply to individuals who receive core services in either a self-help, facilitated-self help or staff-assisted modality funded by the Wagner-Peyser Act (see Section 4.A.).
  3. Clarified that individuals who are age 18 and older and who receive WIA self-service or informational activities only are to be counted as participants

- under the WIA Adult and the Dislocated Worker programs, as appropriate (see Section 5.A.).
4. Provided additional clarification on circumstances that trigger a gap in service (see Section 5.B.).
  5. Provides additional information on the exclusion of some participants from performance measures calculations (see Section 5.C.).
  6. Modified the methodology for calculating the Adult Earnings measure by removing the use of pre-program earnings in the calculation and, instead, focusing on the average earnings achieved over a 6-month period following program participation for those who were retained in employment (see Section 6.B.).
  7. Clarified that the date of first youth program service will be the date on which the one-year timeframe for measuring achievement of literacy/numeracy gains will commence (see Section 6.C.).
  8. Provided additional guidance to clarify which participants are covered and which participants are excluded under WIA performance measures to reduce inconsistencies in reporting among the states by distinguishing self-service and informational activities from the remaining core services (see Attachment D).

ETA's statutory and regulatory authority to administer job training and employment programs includes provisions allowing for the requirement of performance reporting from states and grantees. 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, OMB and other Federal agencies developed a set of common performance measures for programs with similar goals. OMB Director's Memorandum M-02-06 and subsequent OMB documents outline broad indicators of performance for job training and employment programs.

Programs administered by six Federal agencies -- the Departments of Labor, Education, Health and Human Services, Veterans Affairs, Interior, and Housing and Urban Development -- will implement the common measures. Attachment E contains a list of Federal programs outside of ETA impacted by the common measures. It is important to note that this policy guidance applies to Department of Labor funded programs only.

Three common measures apply to programs serving adults and three common measures apply to programs serving youth:

Adult Measures

- Entered Employment
- Employment Retention
- Average Earnings

Youth Measures

- Placement in Employment or Education
- Attainment of a Degree or Certificate
- Literacy and Numeracy Gains

Although program efficiency was identified as a common measure for Federal job training and employment programs in earlier policy guidance, states and grantees will not be required to report on this measure at this time. Instead, ETA will study and discuss with its partners how best to measure efficiency and return on investment in an integrated system where multiple programs contribute to results.

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## 5. Program Participation and Exit.

### A. Point of Participation for Reporting

*What is the definition of a participant?*

A participant is an individual who is determined eligible to participate in the program and receives a service funded by the program in either a physical location (One-Stop career center or affiliate site) or remotely through electronic technologies.

*When does program participation occur?*

Following a determination of eligibility (if required), participation in a program commences when the individual begins receiving a service funded by the program. This phrase has the same meaning as the “date of participation” used in some of the measures. If the participant receives services from multiple programs, then states and grantees may use the earliest date of service as the “date of participation” when reporting on the measures in each program.

#### Operational Parameters:

- The criteria that are used to determine whether an individual is eligible to participate will be based on the guidelines for the program.
- The phrase “determined eligible to participate in the program” does not apply to individuals who receive core services in either a self-service, facilitated self-help, or staff-assisted modality funded by the Wagner-Peyser Act.
- Individuals who are age 18 and older and who only receive self-service or informational activities are to be counted as participants under the WIA Adult program.
- Self-directed job search is a service, and individuals who use self-directed tools for job search are participants.
- In accordance with Section 101 (34) of the Workforce Investment Act, post employment follow-up services designed to ensure job retention, wage gains and career progress are not counted as a service and do not result in the commencement of a participation period.
- Examples of other services and activities that do not commence participation in a program include the following:
  - A determination of eligibility to participate in the program;
  - Caseload management activities of an administrative nature that involve regular contact with the individual or employer to obtain information regarding his/her employment status, educational progress, or need for additional services; and
  - Income maintenance or support payments (e.g., Unemployment Insurance (UI) benefit payments, Temporary Assistance for Needy Families (TANF)

(cash assistance, food stamps); ETA expects and encourages states to assure that UI claimants will be actively engaged in the search for new employment while they receive UI benefits and that the workforce investment system will provide reemployment services and job search assistance to speed their return to work. However, trade readjustment allowances and other needs-related payments funded through the Trade Adjustment Assistance program, WIA, or National Emergency Grants are elements of a training program that should delay program exit because these allowances and payments are tied to continuous participation in training and other activities.

- Individuals who visit a physical location for reasons other than its intended purpose (e.g., use of restrooms or ask staff for directions) are not participants.

Please note: Although states will be reporting the number of participants receiving only self-service or informational activities, section 136(b)(2)(A)(i) of WIA requires such participants to be excluded from performance calculations.

### **ETA's Policy on Reporting and Inclusion of Participants in Performance Calculations**

One of the purposes for the introduction of common measures was to reflect more accurately the true number of individuals who benefit from the One-Stop system. ETA recognizes that states are dedicating numerous resources to ensuring that services (including core self-service and informational activities) are available to remote customers who access the workforce investment system via electronic technologies. ETA intends to provide Congress, the public and other interested stakeholders with more complete and accurate information on participation levels and types of services being provided through the nation's workforce investment system, including data on customers who access services via electronic technologies. However, confusion still exists as to when an individual must be reported to ETA as having received a program-funded service. This confusion has resulted in a significant undercount of the number of individuals who benefit from funded services, as well as a distorted view of system outcomes, efficiency, and efficacy of WIA, Wagner-Peyser Act, Jobs for Veterans Act, and other programs.

#### **Who needs to be reported?**

ETA's policy requires State Workforce Agencies (SWAs) to report all participants who receive a service, including self-service and informational activities, in either a physical location (One-Stop career center or affiliate site) or remotely through electronic technologies.



### Who needs to be included in the performance measures calculations?

All participants who receive a core, intensive, or training service who exit the program are to be included in the performance measures calculations. The exception is WIA adult and dislocated workers program participants who only receive self-service or informational activities. (See the performance measures calculation exclusion policy discussion in section 5.C. of this TEGL)

The statutory and regulatory exclusion of participants receiving only self-service or informational activities from the performance calculations has been a major source of the confusion and misinterpretation at the state and local level and has resulted in large numbers of participants being improperly excluded from the outcome performance calculations. ETA is clarifying its interpretation of self-service and informational activities in order to promote greater accountability and consistency among the states in their performance computations for WIA adults, dislocated workers, Wagner-Peyser Act, Jobs for Veterans Act, and Trade Act programs.

### Self-Service and Informational Activities

According to WIA and the regulation at 20 CFR 666.140(a)(2), **self-service** and **informational activities** are those core services that are made available and accessible to the general public; that are designed to inform and educate individuals about the labor market, their employment strengths and weaknesses, and the range of services appropriate to their situation; and that do not require **significant staff involvement** with the individual in terms of resources or time.

ETA interprets the critical terms above as follows:

*Self-service* occurs when participants serve themselves in accessing workforce investment system information and activities in either a physical location, such as a One-Stop Career Center resource room or partner agency, or remotely via the use of electronic technologies.

*Informational activities* in a workforce investment setting may include both self-services and staff-assisted core services that are designed to inform and educate a participant about the labor market and to enable a participant to identify his or her individual employment strengths, weaknesses, and the range of services appropriate for the individual.

### Clarification of Significant Staff Involvement

Significant staff involvement is fundamental to determining if a participant will be considered in performance calculations. The critical distinction is determining

when a participant has received a level of service that requires significant staff involvement.

*Significant staff involvement* in a workforce investment setting is any assistance provided by staff beyond the informational activities described above regardless of the length of time involved in providing such assistance. Significant staff involvement includes a staff member's assessment of a participant's skills, education, or career objectives in order to achieve any of the following:

- Assist participants in deciding on appropriate next steps in the search for employment, training, and related services including job referral;
- Assist participants to assess their personal barriers to employment; or
- Assist participants in accessing other related services necessary to enhance their employability and individual employment related needs.

**A participant who receives this level of service has received a service that involves a significant level of staff involvement and therefore this participant would be included in the performance measures calculation.**

On the other hand, when a staff member provides a participant with readily available information that does not require an assessment of the participant's skills, education, or career objectives, the participant is a recipient of informational activities. This includes information such as labor market trends, the unemployment rate, information on businesses that are hiring or reducing their workforce, information on high growth industries, and occupations that are in demand. A participant is also a recipient of informational activities when a staff member provides the participant with information and instructions on how to access the variety of other services available in the One-Stop Career Center, including the tools in the resource room.

**A participant who only receives this level of service has not received a service that involves a significant level of staff involvement and therefore is a participant who would be excluded from the performance measures calculation.**

## **B. Point of Exit for Reporting**

*What is the definition of program exit?*

The term program exit means a participant has not received a service funded by the program or funded by a partner program for 90 consecutive calendar days, and is not scheduled for future services. The exit date is the last date of service.

Operational Parameters:

- In accordance with Section 101 (34) of the Workforce Investment Act, post employment follow-up services designed to ensure job retention, wage gains and career progress do not count as a service that would extend the participation period. Such follow-up services that do not extend the period of participation could include, but are not limited to: **additional** career planning and counseling; contact with the participant's employer, including assistance with work-related problems that may arise; peer support groups; information about additional educational opportunities; and referral to supportive services available in the community. Although these services should not extend the participation period or delay program exit, states are reminded that these services will have a direct and proven positive impact on the employment retention and wage gains of participants that enter employment.
- Examples of other activities that do not extend the period of participation or delay program exit include the following:
  - A determination of eligibility to participate in the program;
  - Case management services and any other required administrative case load management activities that involve regular contact with the participant or employer to obtain information regarding the participant's employment status, educational progress, or need for additional services; and
  - Income maintenance or support payments (e.g., Unemployment Insurance (UI) benefit payments, Temporary Assistance for Needy Families (TANF) cash assistance, food stamps); ETA expects and encourages states to assure that UI claimants will be actively engaged in the search for new employment while they receive UI benefits and that the workforce investment system will provide reemployment services and job search assistance to speed their return to work. However, trade readjustment allowances and other needs-related payments funded through the Trade Adjustment Assistance program, WIA, or National Emergency Grants are elements of a training program that should delay program exit because these allowances and payments are tied to continuous participation in training and other activities.
- Many grantees have the capability to track participants across partner programs. At a minimum, these grantees must track participant services across the DOL-funded required One-Stop partner programs until the individual exits all services, to the degree possible.
- Grantees are encouraged to fully integrate Workforce Investment Act programs and services with all of the required and other appropriate partner programs to provide comprehensive business and participant services. In addition, ETA encourages states to develop integrated data and reporting systems to support program integration and shared performance accountability.
- The phrase "and is not scheduled for future services" does not apply to a participant who voluntarily withdraws or drops out of the program. In these circumstances, once a participant has not received any services funded by the

program or a partner program for 90 consecutive calendar days and has no gap in service, the date of exit is applied retroactively to the last day on which the individual received a service funded by the program or a partner program.

*Are there any exceptions to the definition of exit?*

A participant should not be considered as exited if there is a gap in service of greater than 90 days in one of the following circumstances:

- Delay before the beginning of training;
- Health/medical condition or providing care for a family member with a health/medical condition;
- Temporary move from the area that prevents the individual from participating in services

A gap in service must be related to one of the three circumstances identified above and last no more than 180 consecutive calendar days from the date of the most recent service to allow time to address the barriers to continued participation. However, grantees may initiate a consecutive gap in service for the participant that follows the initial 180-day period to resolve the issues that prevent the participant from completing program services that lead to employment. Grantees must document all gaps in service that occur and the reasons for the gaps in service.

*When does exit from the program occur?*

Once a participant has not received any services funded by the program or a partner program for 90 consecutive calendar days and has no gap in service and is not scheduled for future services, the date of exit is applied retroactively to the last day on which the individual received a service funded by the program or a partner program. If the participant receives services from multiple programs, then states and grantees may use the last or most recent date of service as the “date of exit” for use in reporting on the measures in each program.

#### Discussion:

To encourage service integration and recognize shared contributions toward performance outcomes, workforce programs, and at minimum the required DOL funded One-Stop partner programs, should share accountability under the common measures when the participant has exited all services funded by the program or funded by a partner program. Some methods for tracking a participant across programs include specifying services financially assisted by partner programs in the individual’s service plans, coordinating service tracking through integrated data systems or other technologies, and providing coordinated follow-up services to individuals.

### **C. Performance Calculation Exclusions**

This section will clarify the distinction between participants who are included in performance measurement calculations and participants who are excluded from performance measurement calculations. Exclusion from outcome performance calculation does not apply to all programs.

Although the WIA adult and dislocated worker participants who access or receive only self-services or informational services are excluded in the WIA performance calculations, these participants should be included in the Wagner-Peyser Act reporting and performance calculations to the degree that Wagner-Peyser Act funds contributed to the core employment and workforce information services the participant received.

In accordance with the policy principles articulated in this TEGL, if a participant is served by a specific funding stream, he or she will be counted as a participant in that funding stream's reporting and/or performance measures. For example, Wagner-Peyser Act funds are often used to support and maintain One-Stop Career Center operations, electronic tools, job banks, and workforce information services. In these situations, it would be appropriate to include participants who accessed or received Wagner-Peyser Act funded services in the Wagner-Peyser Act reporting system and performance calculations. Where WIA program funds are used in similar ways, participants who receive self-service or informational activities would only be included in the WIA reporting system, but would not be counted in the WIA performance measures.

The existence of multiple funding streams of workforce investment services needs to be invisible to customers of the system. An individual may be participating in several programs simultaneously and may be counted as a participant in each of those programs. For example, a customer who accesses information on a computer purchased/leased from one funding stream and is assisted by an employee who is paid from yet another funding stream may be considered as a participant in those funding streams, as appropriate and with consideration to the programs' eligibility definitions.

SWAs are in the best position to assist local workforce investment boards and One-Stop Career Centers in making these determinations to assure uniform application of ETA policy.

Occasionally, circumstances arise that are beyond the control of both the participant and the program. The intent here is to identify a common list of specific circumstances as to when a participant can be excluded from performance

measures calculations. A participant in any of the following categories, either at the time of exit or during the three-quarter measurement period following the exit quarter, may be excluded from the computation of the measures:

- *Institutionalized* – The participant is residing in an institution or facility providing 24-hour support, such as a prison or hospital, and is expected to remain in that institution for at least 90 days. This reason does not apply to individuals with disabilities (as defined in 29 CFR 37.4) residing in institutions, nursing homes, or other residential environments; individuals participating in the Responsible Reintegration of Youthful Offenders program; and individuals participating in the Prisoner Reentry Initiative.
- *Health/Medical or Family Care* – The participant is receiving medical treatment or providing care for a family member with a health/medical condition that precludes entry into unsubsidized employment or continued participation in the program. This does not include temporary conditions or situations expected to last for less than 90 days.
- *Deceased* – Self-explanatory.
- *Reserve Forces Called to Active Duty* – The participant is a member of the National Guard or a military Reserve unit and is called to active duty for at least 90 days.
- *Relocated to a Mandated Program* – For youth participants only, the participant is in the foster care system or another mandated (residential or non-residential) program and has moved from the area as part of such a program.
- *Invalid or Missing Social Security Number* – Because the measures require grantees to match personally identifiable client records with wage and other administrative data in order to obtain outcome information, grantees may exclude from all the measures those participants who do not voluntarily disclose a valid social security number.

## **6. ETA Common Performance Measures Policy.**

Workforce programs administered by ETA and VETS are subject to the common performance measures policy. Designation that a program is subject to the adult and/or youth measures will be implemented through modifications to each program's reporting and recordkeeping system. This however does not impact the existing eligibility requirements of the program.

### **A. Introduction to Common Performance Measures Methodologies**

The methodologies of the common measures are written as an equation, clearly identifying who is in the numerator and who is in the denominator. In cases where there are conditions that apply to both the numerator and denominator, the condition is represented in italics at the beginning of the measure. For example, the adult entered employment rate is defined as:

*Of those who are not employed at the date of participation:*

The number of adults who are employed in the first quarter after the exit quarter divided by the number of adults who exit during the quarter

The condition “of those not employed at the date of participation” applies to both the numerator and denominator as follows: the number of adults who *are not employed at the date of participation* and are employed in the first quarter after the exit quarter divided by the number of adults who *are not employed at the date of participation* and exit during the quarter. In addition, the phrase “who exit during the quarter” is used frequently in the denominators of the measures. This phrase has the same meaning as the term “exit quarter” used in some of the numerators.

## **B. Adult Measures**

### **Entered Employment**

Methodology:

*Of those who are not employed at the date of participation:*

The number of adult participants who are employed in the first quarter after the exit quarter divided by the number of participants who exit during the quarter.

Operational Parameters:

- Individuals who are employed at the date of participation are excluded from this measure (i.e., programs will not be held accountable for these individuals under this measure).
- Individuals who, although employed at the date of participation, have either received a notice of termination of employment or whose employer has issued a Worker Adjustment and Retraining Notification (WARN) or other notice that the facility or enterprise will close, or who are transitioning service members are considered not employed at the date of participation and are included in the performance measure.
- Employment at the date of participation is based on information collected from the individual, not from wage records.

Discussion:

This measure provides an assessment of program impact in increasing employment for those who were not employed. ETA recognizes concerns that have been raised related to the exclusion of individuals who are employed at the date of participation from this measure. However, including individuals with jobs at program entry is not fully consistent with the concept of an entered employment

indicator. The positive impact of services provided to incumbent workers and the underemployed can be demonstrated in both the retention and earnings measures.

### **Employment Retention**

#### Methodology:

*Of those who are employed in the first quarter after the exit quarter:*

The number of adult participants who are employed in both the second and third quarters after the exit quarter divided by the number of adult participants who exit during the quarter.

#### Operational Parameters:

- This measure includes only those who are employed in the first quarter after the exit quarter (regardless of their employment status at participation).
- Individuals who are not employed in the first quarter after the exit quarter are excluded from this measure (i.e., programs will not be held accountable for these individuals under this measure).
- Employment in the first, second, and third quarters after the exit quarter does not have to be with the same employer.

#### Discussion:

By defining a positive outcome as employment in the first, second, and third quarters after the quarter of exit, the measure approximates retention for at least six months following participation in the program. However, a positive outcome on the retention measure does not necessarily indicate continuous employment with the same employer.

### **Average Earnings**

This methodology for calculating the Average Earnings measure will become effective July 1, 2006.

#### Methodology:

*Of those adult participants who are employed in the first, second, and third quarters after the exit quarter:*

Total earnings in the second quarter plus total earnings in the third quarter after the exit quarter divided by the number of adult participants who exit during the quarter.



Operational Parameters:

- To ensure comparability of this measure on a national level, wage records will be the only data source for this measure.
- Individuals whose employment in either the first, second, or third quarters after the exit quarter was determined solely from supplementary sources and not from wage records are excluded from the measure.

Discussion:

ETA is implementing a new methodology for calculating the average earnings measure for PY 2006. A number of states have expressed concern about the earnings measure as previously defined, citing it as a disincentive to serving people with previous work experience, especially those with higher wages. More than any of the other common performance measures, the earlier definition focused on a comparison of pre-program and post-program earnings, the outcomes reflected more of the previous earnings history of the people served rather than the program's intervention. This limits its usefulness as a measure of a program's performance.

In response, the revised adult earnings measure looks at the six months' wages of those exiters who are working in the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> quarters after exit. ETA believes this earnings measure is more straightforward than the previous approach, and the results will be easier to understand and explain to stakeholders than measures that compare the percentages or rates of pre-program and post-program earnings or changes in post program earnings. By excluding the pre-program measurement point, agencies can develop more realistic and meaningful targets for the earnings measure, since programs do not have control over the pre-program earnings of the individuals they serve.

ETA will continue to collect the pre-program earnings as well as other information on participants and supplement this measure when describing program outcomes.

**SPECIAL NOTE:** Currently, mechanisms are not in place to provide access to wage records for all grantees operating ETA national or discretionary grant programs, including, but not limited to, programs such as the Migrant and Seasonal Farm Workers, Native American Employment and Training, and Senior Community Service Employment programs. For these grantees, supplemental sources of data will be permitted as an interim means of reporting on the earnings increase measure until all grantees in a program have access to wage records. Any adjustments necessary for the implementation of this measure using supplemental information as the data source will be addressed in separate program guidance.

## C. Youth Measures

### **Placement in Employment or Education**

#### Methodology:

*Of those who are not in post-secondary education or employment (including the military) at the date of participation:*

The number of youth participants who are in employment (including the military) or enrolled in post-secondary education and/or advanced training/occupational skills training in the first quarter after the exit quarter divided by the number of youth participants who exit during the quarter.

#### Operational Parameters:

- Individuals who are in post-secondary education or employment at the date of participation are excluded from this measure (i.e., programs will not be held accountable for these individuals under this measure).
- Employment and education status at the date of participation are based on information collected from the individual.
- Individuals in secondary school at exit will be included in this measure.

#### Discussion:

Participants who enter ETA-funded youth programs while already in post-secondary education, employment, or the military have achieved the desired outcome under this measure. Thus, these individuals are excluded from this measure. Successfully returning young people to school or alternative education is desirable, but secondary school enrollment does not qualify as a placement under this measure. Individuals in secondary school at exit are included in this measure. This policy is consistent with ETA's vision to ensure youth successfully complete their secondary education, which will ultimately lead to better long-term success in the workforce.

### **Attainment of a Degree or Certificate**

#### Methodology:

*Of those enrolled in education (at the date of participation or at any point during the program):*

The number of youth participants who attain a diploma, GED, or certificate by the end of the third quarter after the exit quarter divided by the number of youth participants who exit during the quarter.

Operational Parameters:

- Education refers to participation in secondary school, post-secondary school, adult education programs, or any other organized program of study leading to a degree or certificate.
- Individuals in secondary school at exit will be included in this measure.
- The term diploma means any credential that the state education agency accepts as equivalent to a high school diploma. The term diploma also includes post-secondary degrees including Associate's Degrees (AA and AS) and Bachelor's Degrees (BA and BS).
- Diplomas, GEDs, or certificates can be obtained while a person is still receiving services or at any point by the end of the third quarter after the exit quarter.
- Work readiness certificates will not be accepted under this measure.

Discussion:

Individuals in secondary school at exit are included in this measure. This policy is consistent with ETA's vision to ensure youth successfully complete their secondary education, which will ultimately lead to better long-term success in the workforce.

Literacy and Numeracy Gains

Methodology:

*Of those out-of-school youth who are basic skills deficient:*

The number of youth participants who increase one or more educational functioning levels divided by the number of participants who have completed a year in the youth program (i.e., one year from the date of first youth program service) **plus** the number of participants who exit before completing a year in the youth program.

Operational Parameters:

- In-school youth are excluded from this measure. (Note: determination of in-school or out-of-school status is only made at point of program participation.)
- It is allowable to use pre-tests that are administered up to six months prior to the date of first WIA youth service, if such pre-test scores are available. If prior pre-tests are not available, the pre-test must occur within 60 days following the date of first youth program service.
- This measure is based on "date of first youth program service" rather than date of participation because date of participation is defined as the earliest date of service from any program if a participant receives services from multiple programs. It is possible for the participation date of a youth to be prior to the date of first WIA youth service if such a youth is served earlier by a different program. Therefore, date of first WIA youth service is used to ensure that this

measure is based on a “youth participation date” rather than the initial participation date.

- Individuals who are determined not to be basic skills deficient at pre-test are excluded from this measure (i.e., programs will not be held accountable for these individuals under this measure).
- In-school youth are excluded from this measure. (Note: determination of in-school or out-of school youth is determined at the point of participation.)
- When administering assessment tools, individuals with disabilities (as defined in 29 CFR 37.4) should be accommodated according to: (1) section 188 of WIA, (2) guidelines associated with the assessment tool used to determine functioning levels, and (3) state law or policies. Further guidance can be found in this Section under *Testing Youth with Disabilities*.
- The measure includes individuals who are given an initial assessment but either: (1) do not post-test before exiting the program, or (2) exit before completing a year in the youth program (i.e., one year from the date of first youth program service).
- To be included in the numerator, a participant must demonstrate through post-test that he/she has advanced one or more educational functioning levels beyond the level in which he/she was initially placed at pre-test within one year from the date of first youth program service. (Note: the one-year time period is from date of first youth program service, not date of pre-test.)
- All out-of-school youth must be assessed in basic reading/writing and math.

Discussion:

The literacy and numeracy gains indicator measures the increase in the skills of participants through a common assessment tool administered at program entry and regular intervals thereafter. Youth participants for whom the goal of literacy and/or numeracy gains is most appropriate are those with basic skills deficiencies. Participants who are not basic skills deficient cannot achieve a positive outcome because they have attained basic literacy and numeracy. Exclusion of individuals who are not basic skills deficient focuses the measure on the participants with the greatest need for remediation, and minimizes the burden of testing individuals who, by virtue of their existing skill level, will not achieve a positive outcome under this measure.

In-school youth already undergo a number of assessments within the school system in order to comply with state standards of learning and, in many states, graduation exams. Requiring in-school youth to receive further academic assessments outside of the school system is redundant since it is the responsibility of local school districts to ensure proper academic assessment of in-school youth. Therefore, in-school youth are excluded from this measure.

Under a normal distribution of pre-test scores, most participants' scores will place the individuals in a range where they have completed some of the skills in that particular educational functioning level. Therefore, for a majority of participants, a positive outcome for this measure (i.e., completion of one educational functioning level and an increase to the next level) is not likely to require the equivalent of completing two grade levels, but will average to the equivalent of one grade level.

*National Reporting System (NRS):*

- To maintain consistency with the implementation of the common measures by the Department of Education (ED), ETA is adopting policies for the ED outcome measure of educational gain, as outlined in the NRS. The NRS was developed by ED's Division of Adult Education and Literacy for implementation of an accountability system for federally funded adult education programs under WIA Title II.

*Educational Functioning Levels:*

- Unless a previous assessment was conducted within six months prior to participation, programs must assess participants at intake or within 60 days following the date of first youth program service to determine their initial educational functioning level. As outlined in the NRS, there are two sets of educational functioning levels – six levels for Adult Basic Education (ABE) and six levels for English-as-a-Second language (ESL) students. The ABE levels roughly equate to two grade levels. Further guidance on the educational functioning level descriptors can be found in Attachment C.
- Each ABE and ESL level describes a set of skills and competencies that students entering at that level demonstrate in the areas of reading, writing, numeracy, speaking, listening, functional, and workplace skills. These descriptors provide guidelines for placing participants in educational functioning levels, based on performance on standardized tests. After a participant has completed a uniform, standardized assessment procedure, programs use these descriptors to determine the appropriate initial ABE or ESL level in which to place students.
- If a participant is functioning at different levels in reading, writing, numeracy, speaking, listening, functional, and workplace areas, the individual is placed in different ABE and ESL levels across the functioning areas. In the post-test assessment, if the participant demonstrates an increase to the next functioning level in any of the areas – reading, writing, numeracy, speaking, listening, functional, and workplace areas – he/she has made an educational gain and should be included in the numerator. For example, an individual is placed in the Beginning Basic Education level (the second ABE level) in math and the Low Intermediate Basic Education level (the third ABE level) in reading at pre-testing. The individual achieves an educational gain if he/she places in either the third ABE level in math or the fourth ABE level in reading at post-testing.

*Assessment Tool:*

- To measure the increase in skills of individuals, programs must use an assessment procedure comprised of a standardized test or a performance assessment with standardized scoring protocols that crosswalk directly to the NRS educational functioning levels. Therefore, programs must use one of the assessment tools listed in Attachment C. or submit a request to the department of Labor to use and assessment not listed in Attachment C.
- States, grantees, or contractors are not required to use the same assessment tool throughout their jurisdictions. However, programs must adhere to the following in choosing an assessment tool:
  1. The same assessment tool is administered to the participant for pre-testing and post-testing;
  2. The assessment tool and its scores must crosswalk directly to the educational functioning levels so that educational gains can be reported in terms of increase in one or more ABE or ESL levels; and
  3. Tests must be administered in a standardized manner throughout the jurisdiction (i.e., used consistently and reliably across programs and produce observable results).
- Tests must be administered to individuals with disabilities (as defined in 29 CFR 37.4) with reasonable accommodations, as appropriate (see additional guidance under *Testing Youth with Disabilities*).
- The NRS provides test benchmarks for educational functioning levels (see Attachment C). The benchmarks are provided as examples of how students functioning at each level would perform on the tests. Inclusion of these tests in this guidance in no way implies that they are equivalent or that they should be used as the basis for assessment. In addition, these tests do not necessarily measure the same skills.

*Testing Interval:*

- Participants identified as basic skills deficient must be post-tested at least once by the end of one year following the individual's date of first youth program service.
- For participants who have completed one year following the date of first youth program service, if more than one assessment is administered after the initial test, the latest assessment within one year of first youth program service should be used to determine if the participant has demonstrated an increase in at least one educational functioning level.
- Individuals who remain basic skills deficient and continue to participate after completing a full year in the program, including pre-test and post-test, must continue to receive basic skills remediation services. These participants must be included in the measure for the first year of participation. They are not included again in the measure until they have completed a second full year in the program. At the completion of the second year, these participants must be

included in the measure using the latest post-test score during the second year. To determine an increase of one or more levels, the participant's latest post-test score from the second year in the program must be compared to the score from the test that was administered at the latest point during the first year. If an individual remains basic skills deficient following the second year of the program, that individual must be included in the measure a third time if they complete a third full year in the program. This rule applies for the entire time they are in the program.

*Testing Youth with Disabilities:*

When administering assessment tools, individuals with disabilities are to be provided with reasonable accommodations, as appropriate, according to:

1. Section 188 of the WIA;
2. Guidelines associated with the assessment test; or
3. State laws or policy.

The Department's regulations implementing WIA section 188, found at 29 CFR 37, provide a general definition of "reasonable accommodation" for individuals with disabilities. In essence, such accommodations are "[m]odifications or adjustments," made on a case-by-case basis, "that enable a qualified individual with a disability . . . to receive aid, benefits, services, or training equal to that provided to qualified individuals without disabilities." (See 29 CFR 37.4, definition of "reasonable accommodation.") In the assessment context, therefore, accommodations are changes that are made to the materials or procedures used for the assessment in order to "level the playing field" to ensure that the assessment tool measures the individual's skills and abilities, and not his or her disabilities. Because youth with disabilities are expected to achieve the same gains as other youth, it is critically important that appropriate accommodations be provided for the assessment process, to ensure that the gains achieved by these youth can be determined accurately.

Accommodations for the assessment process generally fall into the following categories:

1. Changes to the methods of **Presentation** of the test used as an assessment tool: e.g., providing Braille versions of the test, or orally reading the directions or test questions to test-takers;
2. Changes to the methods of **Response** to the test questions: e.g., having the test-taker point to a response or use a computer for responding;
3. Changes to the **Setting** in which the test is provided: e.g., permitting the test to be taken at home, or in small groups, rather than in a large-group or institutional setting; and

4. Changes to the **Timing/Scheduling** of the test: e.g., extending the amount of time generally provided for completion of the test, permitting frequent breaks, etc.

Thurlow, M., House, A., Boys, C., Scott, D., & Ysseldyke, J. (2000). *State participation and accommodation policies for students with disabilities: 1999 update* (Synthesis Report No. 33). Minneapolis, MN: University of Minnesota, National Center on Educational Outcomes. Retrieved on 04/01/2005 at the following Web site:

<http://education.umn.edu/NCEO/OnlinePubs/Synthesis33.html>

ETA fully expects that most youth with disabilities can and should be assessed using tests that specifically crosswalk to the educational functioning levels, with the use of accommodations where needed. We also recognize that in very limited instances, use of these testing instruments, even with appropriate accommodations, may not provide a valid or reliable evaluation of the literacy and numeracy skills of a youth with one or more disabilities. These instances may arise because of the nature or extent of a particular individual's disability, and/or because of limitations in the testing instruments themselves. In those rare instances, service providers and grant recipients may use alternate assessment tools to measure gains in numeracy and literacy for youth with disabilities, if those alternate tools have been deemed by the individual state to provide valid and reliable indicators of information that are comparable to the information provided through the educational functioning levels. Such alternate tools may include, but are not limited to, (1) portfolio assessments; (2) one-on-one performance assessments; and (3) alternative standardized tests. If such alternative assessment tools are used, the state should determine, based on the type of assessment, what constitutes a successful gain for the literacy/numeracy measure.

It is advisable that youth professionals receive specific guidance and training in the administration of alternate assessments to youth with disabilities to ensure they have the necessary skills and knowledge to appropriately administer the tests and accurately interpret results.

## **7. Data Sources.**

This Section describes data sources and methods to collect data for the common measures. The data source(s) applicable to each measure are as follows:



PERFORMANCE MEASURE	DATA SOURCE
<b>Adult Measures</b>	
Entered Employment	Wage records and supplemental data sources
Retention	Wage records and supplemental data sources
Average Earnings	Wage records Supplemental data sources ( <u>only</u> for grantees that do not have access to wage records)
<b>Youth Measures</b>	
Placement in Employment or Education	Wage records and supplemental data sources for placement in employment and military Administrative records for placement in education or training
Attainment of a Degree or Certificate	Administrative records
Literacy and Numeracy Gains	Assessment instrument

### A. Wage Records

To ensure comparability of the common measures on a national level, wage records are the primary data source for the employment-related measures (except as noted in this Section).

#### **Unemployment Insurance Wage Records**

To the extent it is consistent with state law, UI wage records will be the primary data source for tracking the adult entered employment, retention, and earnings increase measures and the employment portion of the youth placement in employment or education measure.

#### **Additional Wage Records**

While most forms of employment in a state's workforce are "covered" and will be in the UI wage records, certain types of employers and employees are excluded by Federal UI law or are not covered under states' UI laws. States may use record sharing and/or automated record matching with other employment and

administrative data sources to determine and document employment and earnings for “uncovered” workers.

Additional wage record data sources include the following:

- Wage Record Interchange System (WRIS)
- U.S. Office of Personnel Management (OPM)
- U.S. Postal Service
- U.S. Department of Defense
- Railroad Retirement System
- State government employment records
- Local government employment records
- Judicial employment records
- Public school employment records
- State New Hires Registry
- State Department of Revenue or Tax (for individuals who are self-employed, information must be obtained through record-sharing or automated matching of state tax records)

ETA, in collaboration with the Office of Personnel Management, U.S. Postal Service, and the Department of Defense, has created a pilot data exchange system to provide access for all states to wage record information on Federal and military employment. Updates are available at <http://www.doleta.gov/performance>.

## **B. Supplemental Sources of Data**

Supplemental data will be used for program management purposes and to gain a full understanding of program performance and activities. Although a majority of employment situations will be covered by wage records, certain other types of employment, particularly self-employment, are either excluded from the sources of data identified under Subsection A above or very difficult for grantees to access due to data confidentiality issues (e.g., access to State Department of Revenue or Tax records).

Grantees should not be discouraged from providing entrepreneurial training or assisting the hard-to-serve simply because the subsequent employment is not covered by wage records. Therefore, in order to convey full and accurate information on the employment impact of ETA programs, grantees may use supplemental sources of data to document a participant’s entry and retention in employment. For grantees that do not have access to wage records, supplemental

sources of data will be permitted as an interim means of reporting on the earnings increase measure until all grantees in a program have access to wage records.

Allowable sources of supplemental information for tracking employment-related outcomes in the performance measurement periods include case management notes, automated data base systems, One-Stop operating systems' administrative records, surveys of participants, and contacts with employers. All supplemental data and methods must be documented and are subject to audit.

### **C. Administrative Records**

Administrative records will be the data source for the education and training portion of the placement in employment or education measure and the attainment of a degree or certificate measure. All data and methods used to determine placement in education and training or achievement of a degree or certificate must be documented and are subject to audit.

#### **Placement in Post-Secondary Education or Advanced Training/Occupational Skills Training**

The following data sources can be used to determine whether participants in youth programs are placed in post-secondary education and/or advanced training/occupational skills training:

1. Case management notes and surveys of participants to determine if the individual has been placed in post-secondary education and/or advanced training/occupational skills training; or
2. Record-sharing agreements and/or automated record matching with administrative/other data sources to determine and document that the participant has been placed in post-secondary education and/or advanced training/occupational skills training. These data sources may include:
  - State board governing community colleges
  - State board governing universities
  - State education associations
  - Integrated post-secondary or higher education reporting unit
  - Training institutions/providers

#### **Degree or Certificate**

The following data sources can be used to determine whether participants in youth programs attain degrees or certificates:

1. Case management notes and surveys of participants to determine that the individual has received a degree or certificate; or

2. Record sharing agreements and/or automated record matching with administrative/other data sources to determine and document that the participant has received a degree or certificate. These data sources may include:

- State board of Education
- State board governing community colleges
- State board governing universities
- State licensing boards for private schools
- State education associations
- Integrated post-secondary or higher education reporting unit
- State Department of Professional or Occupational Regulation (possibly other units such as health care administration or specific boards like the “Board of Nursing”)
- Professional, industry, or employer organization or a product manufacturer or developer
- Training institutions/providers
- Adult Basic Education providers (GED/equivalent testing agencies)

8. **Action Required.** In general, these modifications to ETA’s performance accountability system are effective upon the publication of this TEGL. Please make this information available to appropriate program and technical staff.

9. **Attachments.**

Attachment A: Common Measures At-A-Glance

Attachment B: Definitions of Key Terms

Attachment C: Educational Functioning Level Descriptors

Attachment D: WIA Title 1B Core Performance Measures for PY 2005 and PY 2006

Attachment E: Federal Job Training and Employment Programs Impacted by  
Common Measures