

A PRIMER ON COMMON MEASURES AND TEGL 17-05

BACKGROUND & PURPOSE

On Feb 17, 2006, USDOL issued new guidance on Common Measures (TEGL 17-05 http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2195) The changes reflected in this new TEGL were made based on comments received from the workforce community following the July 13, 2005 Notice in the Federal Register and various policy objectives of USDOL.

FutureWork Systems (www.futureworksystems.com) provides technical assistance and web-based decision-support technology to over 50 WIBs and four states in support of WIA and the Common Measures. We attended all three USDOL Sessions in late February and early March, assisting OR, NJ and MN in presenting Performance Matters as a best practice for managing performance.

The purpose of this primer is to highlight the most significant changes covered in the DOL sessions and contained in TEGL 17-05 and present some issues, policies and practices to be considered in light of these changes. We welcome your comments and questions and will continue the dialogue on these changes. All documents will be posted on your website.

SOME LIMITATIONS

- This is not meant to be a substitute for a very careful reading of the TEGL and attachments. (70+ pages!)
- Some of our interpretations are subject to change...DOL will be posting all training material including Q & A's by the end of March, some things will change or be clarified.

CONTENTS

The following matrix summarizes the 20 measures WIA agencies are responsible for in PY 06. Following this matrix, this Primer addresses three of the most significant changes addressed in this TEGL.

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In addition, a summary of strategies related to the Youth Common Measures is included with a matrix of measures that apply to selected youth groups. The final page in this document is a summary of the exit/activity cohorts for all measures.

WIA Performance & Common Measures

Overview of Changes From TEGL 17-05 – Effective PY 06*

Common/WIA Measure		What is Different from Old WIA Measure
ADULT		
Entered Employment Rate		0
Employment Retention Rate		Must be employed in both 2 nd and 3 rd qtr. after exit
Average Earnings		Avg Earning Q-2&3 post for employed Q-1,2,3
Employment and Credential/Certificate Rate		Adds new Certificate definition for those starting services after 7-1-06
DISLOCATED		
Entered Employment Rate		Excludes those employed at Registration/participation
Employment Retention Rate		Must be employed in both 2 nd and 3 rd qtr. after exit
Average Earnings		Avg Earning Q-2&3 post for employed Q-1,2,3
Employment and Credential/Certificate Rate		Adds new Certificate definition for those starting services after 7-1-06
OLDER YOUTH		
Entered Employment Rate		0
Employment Retention Rate		0
Earnings Change		0
Employment and Credential/Certificate Rate		Adds new Certificate definition for those starting services after 7-1-06
YOUNGER YOUTH		
Retention Rate		0
Diploma Rate		0
Skill Attainment		0
CUST. SAT. – Jobseeker		0
CUST. SAT. – Employer		0
New Youth Common Measures		
Placement in Employ/Ed		All Youth – new
Attain Degree/Certificate		All Youth – new
Literacy & Numeracy Gains		All Youth - new

**For PY 06 -All retention & earnings measures include exit cohorts from 4-1-05 to 3-31-06
For Entered Employment & Credential Rates exit cohorts are 10-1-05 to 9-30-06. See last page for exit/activity cohorts for all measures.*

1. WHO COUNTS AS A PARTICIPANT - Wagner-Peyser & WIA

Perhaps the most significant change is the requirement to now “count” customers in a new way. The terminology and guidelines are complicated but in many ways it is quite simple. The objective is to count and, if appropriate, double count, ALL customers that use workforce services. The following is an overview followed by some specifics.

WHO MUST BE COUNTED?

Any individual that physically visits a One Stop center or affiliate site **OR** accesses services remotely through electronic technologies e.g. Internet, and receives ANY workforce service and provides (or you provide) an individual identifier.

WHAT INFORMATION IS REQUIRED?

To be counted, an individual must provide:

- a. A social security number. If she/he refuses, individual or agency can provide a unique pseudo-identifier
- b. The opportunity to provide the following self-identified EEO information: ethnicity, race, disability and date of birth for age
- c. Current employment status

WHAT PROGRAM OR AGENCY COUNTS THE PERSON?

It depends...If “services, staff, facility or activity” is solely funded by Wager-Peyser, the person counts as served by Wagner-Peyser. If “services, staff, facility or activity” is solely funded by WIA, the person counts as served by WIA. If “services, staff, facility or activity” is jointly funded at any level, both Wagner-Peyser and WIA count the same person as served by each agency.

HOW DOES THIS AFFECT MY PERFORMANCE MEASURES?

It depends...For Wagner-Peyser, **all** counted individuals are participants and are included in the Common Measure calculations (unless a social security number was not provided). For WIA, the individual counts as served but only counts in the performance measures if “**significant staff involvement was provided**”. See below from TEG-17-05 for further discussion on this key condition.

[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 in assessing 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 by the staff member 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.

FUTUREWORK SYSTEMS COMMENTS/OBSERVATIONS

1. WIA universal access, core A (core-not registered) customers must now be reported. In determining the “true number of individuals that benefit from One-Stop system”, policy makers may want to also consider and track the following:
 - a. The number of individuals that visit a One-Stop more than once and the average number of visits per individual.
 - b. For the vast majority of One-Stops with both Wagner-Peyser & WIA resources, WIA will also count every labor-exchange customer, since these individuals would not count in performance measures for WIA but could count as served. Since WIA and Wagner-Peyser can, and many will “double-count” such participants, policy makers may also want a “single count” of participants to more accurately reflect the volume of customers served by One-Stops.

2. For customers that access services though the Internet, what incentive could be provided to encourage individuals to provide the required information to be counted? How will the required data elements be collected and will a distinction be made in reporting participants using remote access?

3. Significant Staff Involvement is critical to the determination of whether the person counts in the WIA measure. Taken literally, a ten-minute personal interview with an individual in which employment and/or education background is discussed would trigger being in the WIA measure. At the recent USDOL sessions, this issue was discussed in detail and further clarification is expected from USDOL.

WHO COUNTS FOR WHAT IN A ONE-STOP?

Level Of Service	Wagner-Peyser Funded	Wagner-Peyser & WIA Funded (can double count)	WIA Funded
1. Internet Self-Service Or Information	Performance	Wagner-Peyser = Performance	Served
		WIA = Served	
2. Internet-Significant Staff Involvement	Performance	Wagner-Peyser = Performance	Performance
		WIA = Performance	
3. Onsite Self-Service Or Information	Performance	Wagner-Peyser = Performance	Served
		WIA = Served	
4. Onsite Significant Staff Involvement	Performance	Wagner-Peyser = Performance	Performance
		WIA = Performance	

2. THE NEW EARNINGS MEASURE FOR ADULT & DISLOCATED WORKERS

The following new definition disregards pre-program earnings and will be used beginning in July 2006 or PY 06. It is important to note that due to lagging measures, this new measure will be applied retroactively to exiters from 4-1-05 through 3-31-06 for PY 06. It is not clear how targets will be established although discussions at the DOL sessions referenced average wages in the area from BLS.

Average Earnings

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.

The new TEGL provides the following rationale for this significant change:

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 existing methodology for 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 1st, 2nd, and 3rd 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.

FUTUREWORK SYSTEMS: COMMENTS/ISSUES

1. POTENTIAL IMPACT OF THE NEW EARNING MEASURE:

Since the new earnings measure is calculated solely on the total earnings in the 2nd & 3rd quarter after exit for those employed in the 1st, 2nd & 3rd quarter after exit, some possible unintended effects of this new measure on targeting practices include:

- a. Register adults with a work history and high pre-wages since they are most likely to obtain comparable wages at exit.
- b. Since these same individuals require less intensive services, decrease allocations to training and enroll more job-ready individuals and provide just core and intensive services.
- c. Avoid serving public assistance, low-income and other groups with barriers since anticipated post-program earnings will be relatively low.
- d. For Dislocated workers, give priority to high-wage dislocated workers, since low-wage dislocated workers will lower your average earnings.
- e. One Stops could consider co-enrolling dislocated workers in adult funding since this would increase the new average earnings of adults. Unless such policies and practices are uniformly applied, the validity of benchmarking any performance results with this measure would be suspect.

2. THE CURRENT PRE-POST EARNINGS GAIN MEASURE FOR ADULT & DW:

The current earnings gain measure for adult and dislocated has been the most difficult measure to achieve throughout the country. Based on our ongoing work with over 100 local WIBs, the reasons for underperformance can be directly traced to the characteristics of exiters (i.e. work history, pre-wage, educational level) and the level of services provided (i.e. Core, Intensive or Training). Local areas that pre-screen applicants based on pre-wage and give priority to adults with little or no pre-wages are the most successful at meeting and exceeding this measure. This pre-screening for low pre-wage is, in fact, recommended by USDOL in its technical assistance and training material and is consistent with WIA's mandate that if resources are limited, priority for intensive and training services must be given to low-income individuals and public assistance recipients.

A QUICK LOOK AT THE NUMBERS

The following table illustrates the actual adult values for the old and new earnings measure for PY 05 YTD for a present state client.

ADULT PY 05 YTD EARNING MEASURES *SAMPLE STATE X – RESULTS ROUNDED*

Location	Earnings Change (Old)	Average Earnings(New)
LWIA 1	\$7,400	\$10,900
LWIA 2	7,300	9,800
Statewide	5,600	11,200
LWIA 3	4,100	7,900
LWIA 4	2,800	10,600

OBSERVATIONS ON THE NUMBERS:

- A. There is often little or no correlation between the old & new measure
- B. The new measure correlates to the pre-wage of the exiters
- C. The new measure can be difficult to explain to policy makers

FutureWork Systems clients can now review this new measure on your Performance Matters website. We have provided calculations for PY 03 and PY 04 as if this new measure was in place.

POLICY IMPLICATIONS FOR THE NEW EARNINGS MEASURES:

State and local policy makers should carefully review the implications of this new measure and establish clear policies to insure that the WIBs, and not this new measure, determine who is served and what services are provided. Some suggestions include:

- A. Continue to carefully track pre-wage and earnings gain and benchmark with historical data.
- B. Based on targeting and training policies, carefully prepare regression models and aggressively negotiate with USDOL and/or the State to establish a reasonable average earning target that is driven by WIB targeting policies and not by the unintended effects cited above.

3. EXIT POLICIES – REVISITED

TEGL 17-05 makes some subtle but very significant changes in policies that determine the exit date. The most significant change relates to what constitutes post-program services **that do not result in “extending”** the exit date. The following provides the applicable language from the old & new TEGL.

THE OLD TEGL

Operational Parameters:

* The term “service” does not include a determination of eligibility to participate in the program, self-directed job search that does not result in a referral to a job, services and activities specifically provided as follow-up services or regular contact with the participant or employer to only obtain information regarding his/her employment status, educational progress, need for additional services, or income support payments (except for trade adjustment allowances and other needs-related payments funded through the TAA program or NEGs).

THE NEW TEGL

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.

FUTUREWORK SYSTEMS’ COMMENTS/QUESTIONS

The new TEL is much more restrictive and appears to give little or no flexibility in “extending” the exit data. Presumably, although not explicit, placement in a job or dropping out is the final trigger for exit, which is then applied retroactively, 90 days later.



With the exception of a new assessment or placement in a training activity, virtually any service after placement or dropping out would not extend the exit date, even if a person lost a job and came back for additional assistance.

YOUTH STRATEGIES AND COMMON MEASURES

BACKGROUND

The implementation of Common Measures for WIA youth programs will have a significant impact on the design of youth programs and enrollment and exit policies. The timing of Youth Common Measure implementation further complicates these issues since local boards will be held accountable for the existing WIA youth measures at least for PY 05 and possibly PY 06. However, during PY 05, states and local boards are reporting on the 2 or possibly 3 new youth measures. The reported actual performance on the new youth measures will then serve as the baseline for negotiating performance targets for PY 06.

An additional factor is that two of the new Youth Common Measures, (Placement in Emp/Ed and Attain Degree/Certificate) will apply *retroactively* to youth exiters, beginning with October 1, 2004 exiters. The Literacy and Numeracy Gains measure will begin (at the state's discretion) with participants enrolled after July 1, 2005 or July 1, 2006.

RECOMMENDED APPROACH

Since current WIA Youth Performance Measures are what you will be held accountable for through PY 05 and likely PY 06, one priority is to maximize performance in the existing measures. A second priority is to understand and forecast how program design, enrollment and exit policies will impact the new Youth Common Measures for which you are accountable in PY 06.

Your planning strategy should start with the groups to be targeted for service. Policies should be developed for priority of service given the needs in your community – in-school, out of school, dropouts, disabled, and other barriers to employment. Based on these target groups, programs and services should be designed based on what has worked best in your area. Do not let performance measures (WIA or Common Measures) drive your program mix. Meeting and exceeding required levels or expectations for performance measures is not difficult if you have a thorough understanding of the measures.

DISCUSSION OF YOUTH MATRIX

Although the Common Measures were intended to simplify performance management, in many ways the Common Measures are more complex than the current seven WIA youth measures. An understanding of the definitions of key terms is essential for managing these new measures. The following matrix is an attempt to summarize the measures and the positive outcomes that apply to different groups of youth. During this first reporting year, some definitions are changing or are being further clarified by USDOL (see TEGL 17-05 issued Feb 17, 2006 for latest updates). We plan to continually update this document based on new information and user feedback.

Note: Detailed definitions, timing charts and other key terms can be found on your Performance Matters website.



YOUTH COMMON MEASURES

	Age 14-21 At Participation (Target Groups)	Applicable Measure(s)	Design/Program Considerations
IN SCHOOL	✓ In secondary school	1. Placement in Emp/Ed ----- 2. Attain Degree/Certificate	
	✓ In post-secondary ✓ <u>Not</u> BSD	1. Attain Degree/Certificate	
OUT OF SCHOOL	✓ In post-secondary & BSD	1. Attain Degree/Certificate ----- 2. Literacy & Numeracy Gains	
	✓ Employed or in military ✓ <u>Not</u> BSD ✓ <u>Not</u> in education at or during participation	NONE	
	✓ Employed or in military ✓ <u>Not</u> BSD ✓ In education at or during participation	1. Attain Degree/Certificate	
	✓ Employed or in military ✓ BSD ✓ <u>Not</u> in education at or during participation	1. Literacy & Numeracy Gains	
	✓ Employed or in military ✓ BSD ✓ In education at or during participation	1. Attain Degree/Certificate ----- 2. Literacy & Numeracy Gains	
	✓ <u>Not</u> employed ✓ <u>Not</u> BSD ✓ <u>Not</u> in education at or during participation	1. Placed in Emp/Ed	
	✓ <u>Not</u> employed ✓ <u>Not</u> BSD ✓ In education at or during participation	1. Placed in Emp/Ed ----- 2. Attain Degree/Certificate	
	✓ <u>Not</u> employed ✓ BSD ✓ <u>Not</u> in education at or during participation	1. Placed in Emp/Ed ----- 2. Literacy & Numeracy Gains	
	✓ <u>Not</u> employed ✓ BSD ✓ In education at or during participation	1. Placed in Emp/Ed ----- 2. Attain Degree/Certificate ----- 3. Literacy & Numeracy Gains	

Measure Definition of Positive Outcome

1. Placed in Emp/Ed	During the 1 st qtr after the exit qtr was: a. Employment, Military or b. Post-secondary Ed or c. Advanced Occup/Skill Train
2. Attain Degree/Certificate	By the end of the 3 rd qtr after exit: Diploma, GED or Certification
3. Literacy & Numeracy Gains	Increase 1 or more educational levels in 1 year

Key Terms

<p>BSD = Basic Skills Deficient, which is at or below 8th grade level.</p> <p>Education – refers to participation in secondary school, post-secondary school, adult education programs, or any other organized program of study that leads to a degree or certificate.</p>

**Exit / Activity Cohorts For WIA & Common Measures
PY 06, 07**

	Apr-Jun 2005	Jul-Sep 2005	Oct-Dec 2005	Jan-Mar 2006	Apr-Jun 2006	Program Year 2006				Program Year 2007			
						Jul-Sep 2006	Oct-Dec 2006	Jan-Mar 2007	Apr-Jun 2007	Jul-Sep 2007	Oct-Dec 2007	Jan-Mar 2008	Apr-Jun 2008
Total Participants (Adult, DW, OY, YY)						Jul. 2006 – Jun. 2007				Jul. 2007 – Jun. 2008			
Total Exitors (Adult, DW, OY, YY)					Apr. 2006 – Mar. 2007				Apr. 2007 – Mar. 2008				
Diploma Attainment Rate (YY)													
Skill Attainment Rate (YY)													
Entered Employment Rate (Adult, DW, OY)			Oct. 2005 – Sept. 2006		Oct. 2006 – Sept. 2007								
Credential/Certificate Rate (Adult, DW, OY)													
Retention Rate (Adult, DW, OY, YY)	Apr. 2005 – Mar. 2006				Apr. 2006 – Mar. 2007								
Earnings Gain (OY)													
Average Earnings (Adult, DW)													
YOUTH COMMON MEASURES													
Placement in Employ or Ed (All Youth)			Oct. 2005 – Sept. 2006		Oct. 2006 – Sept. 2007								
Attain Degree/Cert. (All Youth)													
Literacy & Numeracy Gain (All Youth)						Jul. 2006 – Jun. 2007				Jul. 2007 – Jun. 2008			