

## **OREGON WORKFORCE INVESTMENT BOARD**

### **Policy -- Performance Accountability Policy to Implement System-Wide Measurement of Outcomes for Oregon's Workforce Development System**

#### **Purpose**

Definition of policy for implementing system-wide performance accountability to tell us about the results of Oregon's Workforce Development System including:

- that job seekers got jobs, kept jobs, increased their wages and skills; and
- that employers needs are being met.

#### **Background**

Oregon has long realized – Oregon Shines, Oregon's workforce vision to have the best-educated and prepared workforce, and the Oregon Workforce Option – that shared accountability for results is the key to serving Oregon's workforce customers – its job seekers and employers. To effectively measure results, workforce partners need common performance measures and indicators to which they are accountable. While the Workforce Investment Act recognized the principle of shared accountability for results, it did not provide system-wide measures. Governor Kitzhaber has charged Oregon's workforce development system to go beyond the Federal performance silos and to construct a performance accountability system to measure the success of Oregon's system as a whole.

The Performance Accountability Policy Group met regularly since early August 1999 to further the work of its predecessor task force and formulate State policy for Oregon's performance accountability system. The policy group continued to be guided by the Governor's charge to define the key components of an accountability system that will measure the outcomes of the workforce system.

Guided by this charge and the realization that the task is, at its core, an exercise in system building, every effort was made to identify reasonable and achievable policy objectives. It became clear that because the various partner agencies and programs have different non-aligned Federal performance requirements, it is not possible at this time to align Oregon's system-wide measures with the Federal to create a single measurement system. Although several indicators are similar on the surface, they are defined and calculated differently by the various Federal agencies. This and the fact that Oregon's system-wide

performance measurement and accountability system is in its infancy, demands an incremental approach to system-wide policy development and implementation.

**Policy**

The attached document is a description of performance accountability policy for the implementation of System-Wide Measurement of Outcomes for Oregon’s Workforce Development System. The attached document identifies the key components of Oregon’s performance accountability system and proposes an incremental implementation of Oregon’s system-wide indicators of performance that link to the Oregon Benchmarks.

Attached Material

- Summary – Oregon Workforce Development Performance Accountability Policy
- Section 1 – Shared Accountability
- Section 2 – Performance Measure Categories/Indicators
- Section 3 – Establishing Performance Targets (Levels)
- Section 4 – Continuous Improvement
- Section 5 – Incentives

Approved by:	Annette Talbott, Workforce Policy Coordinator
Date:	
Effective Date:	December 17, 1999

This policy will remain in effect until amended or rescinded by the Oregon Workforce Investment Board.

**SUMMARY**  
**OREGON WORKFORCE DEVELOPMENT**  
**Performance Accountability Policy**

**SHARED ACCOUNTABILITY**

Details of the following recommendations are found in Section 1.

- The principle of shared accountability is the glue that holds together Oregon's collaborative workforce development system and helps it produce desired results.
- The ultimate objective of shared accountability is consistent, positive results for customers.
- Shared accountability and the establishment of performance targets are companion components in Oregon's Workforce Development Performance Accountability System.
- Shared accountability assumes accountability for agreed upon outcomes articulated as indicators of performance and the established levels of performance (targets) to be attained for these indicators.
- Shared accountability speaks to partners' levels of responsibility for specific system outcomes.
- Partners have direct or indirect responsibility for a given outcome (measure/indicator).
- Shared accountability does not mean that partners have given up their own specific missions, it means they recognize their connection to the whole system.
- Partners are accountable (directly or indirectly) for the outcomes that fit with the mission of their agency.
- Shared accountability is a principle that applies across the entire workforce development system, but implementing it requires an incremental approach.
- For the first five years beginning July 1, 2000 the implementation of shared accountability includes, but is not limited to, the following programs administered by core state and local workforce partners: WIA Title I; WIA Title II (Adult Education and Family Literacy); WIA Title III (Wagner-Peyser (Job Service, UI, MSFW, Veterans, TAA/NAFTA); WIA Title IV (Vocational Rehabilitation); TANF/JOBS, Food Stamps Employment and Training Program; Carl Perkins/ post-secondary, School-to-Work; and Title V of the Older Americans Act. The ultimate goal of the Oregon Workforce Development system is the inclusion of all workforce programs.

**PERFORMANCE MEASURE CATEGORIES/INDICATORS**

Details of the following recommendations are found in Section 2.

The policy group in its deliberations considered sixteen indicators – the original 14 proposed Oregon workforce performance indicators and two new indicators. A total of 13 indicators are recommended for implementation and/or development. These include 11 of the original 14 plus the two new indicators. Implementation timelines vary for these recommended indicators. The policy group recommends dropping two of the original 14 indicators. The policy group recommends not dropping the original Return on Investment indicator at this time, but to explore its feasibility.

Oregon’s original five performance measure categories are Skill Gain/Workforce Preparation; Employment and Earnings; Customer Satisfaction; Movement from Public Support to Self-Sufficiency; and Cost Effectiveness. The policy group recommends retaining the first four and evaluating whether the fifth – Cost Effectiveness should be retained or dropped.

- The following indicators are recommended under Skill Gain/Workforce Preparation: Increase in Basic Skills Proficiency; Demonstrated Competency in Workforce Readiness Skills; Completion of an Educational Degree/Certificate; a new indicator - Placement in Post-Secondary Education or Training. Another new indicator – Completion of Occupational Skills Training is recommended for development. The Employer Investment in Workforce Development indicator is recommended for further development. One of the original 14, The Completion of Integrated Work/Community-Based Learning Experiences indicator is not recommended for implementation.
- The following indicators are recommended for implementation under Employment and Earnings: Employment (Placement); Employment Retention; and Wage Gain.
- The following indicators are recommended under Customer Satisfaction: Customer Satisfaction (Job Seekers); Customer Satisfaction (Employers).
- The following indicators are recommended under Movement from Public Support to Self-Sufficiency: Welfare Caseload Reduction; and Recidivism. The “Up with Wages” Continuum indicator has been replaced by the Wage Gain indicator.
- The Return on Investment indicator under the Cost Effectiveness measure is not recommended for implementation at this time. The policy group recommends that the feasibility of this complex measure be explored to determine whether it is possible to develop such a measure.

### **ESTABLISHING PERFORMANCE TARGETS (LEVELS)**

Details of the following recommendations are found in Section 3.

- Establishing performance targets and shared accountability are companion components in Oregon’s Workforce Development Performance Accountability System.
- The establishment of performance targets is the concrete expression of shared accountability.

- For the first five years beginning July 1, 2000 participation in establishing performance targets will include, but is not limited to, the following programs administered by core state and local workforce partners: WIA Title I; WIA Title II (Adult Education and Family Literacy); WIA Title III (Wagner-Peyser (Job Service, UI, MSFW, Veterans, TAA/NAFTA); WIA Title IV (Vocational Rehabilitation); TANF/JOBS, Food Stamps Employment and Training Program; Carl Perkins/ post-secondary, School-to-Work; and Title V of the Older Americans Act. The ultimate goal of the Oregon Workforce Development system is the inclusion of all workforce programs.
- Performance targets or levels will be established for performance indicators between a representative of the Governor and regional partners (WIBS and partner agencies).
- Establishment of performance targets by the partners and the Governor's representative does not nullify an agency's expectations for its own area of responsibility.
- Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels.
- Recommendations regarding when performance targets are established and for what indicators are spelled out in Section 2 Oregon's Workforce Performance Measure Categories/Indicators.

## **CONTINUOUS IMPROVEMENT**

Details of the following recommendations are found in Section 4.

- The continuous improvement process is a necessary component of the performance accountability system.
- Continuous improvement means ever better services to customers. While this may result in increased outcome levels, that is not the only aspect of continuous improvement.
- Continuous improvement focuses on identifying what is necessary to assure positive impact for customers.
- Evaluation of results is an essential tool of continuous improvement and must be incorporated into the performance accountability system.

## **INCENTIVES**

Details of the following recommendations are found in Section 5.

- Incentives that encourage continuous improvement in services to customers would be an effective part of the performance accountability system.
- Various alternatives for financial and non-financial incentives should be explored.
- The incentive award system should be developed incrementally and implemented during the five year period beginning July 1, 2000.

**SECTION 1**  
**OREGON WORKFORCE DEVELOPMENT**  
**PERFORMANCE ACCOUNTABILITY POLICY**

**Shared Accountability**

**Shared Accountability – The Underlying Principle**

Under the Oregon Workforce Option, “accountability” was explained as “...the responsibility accepted by each individual or organization for promised results and the commitments they make...the glue that holds together our collaborative system and helps it produce desired results.” The ultimate objective of “shared accountability” is consistent, positive results for customers.

Oregon workforce development policy recognizes that shared accountability is the underlying principle that will make Oregon’s workforce performance accountability system a reality. For Oregon’s workforce development programs to move from a collection of separate programs to a system of inter-related, interdependent parts of a whole, with the customer at their center, the concept of shared accountability must become an intrinsically held value.

**As stated in the Interagency Agreement for Oregon’s Workforce System, although developed for state-level partners, the following commitments have wider applicability. Partners are individually and mutually accountable for:**

- **meeting or exceeding the targets they have set at the regional and state levels**
- **helping other partners, locally and at the state level, to achieve their objectives**
- **holding their staff and contractors accountable for their contributions to collective success.**

**Shared accountability may be viewed as broadly as all workforce partners having responsibility for the success of the system, but in the more practical sense, shared accountability speaks to a partner’s level of responsibility for specific system outcomes. A partner’s accountability is direct or indirect. At this level the concept is useful in helping partners to identify their connections with other partners in setting and achieving targets for the various performance measures and indicators.**

**Shared Accountability – Policy Recommendations**

**It is recommended that the following statements become Oregon’s policy regarding the shared accountability component of Oregon’s Workforce Development Performance Accountability system.**

- **Shared accountability is the underlying principle that forms Oregon’s Workforce Development performance accountability system, holds its collaborative system together, and helps it produce desired results.**
- **Shared accountability rests upon the provision of consistent, positive results for customers.**

- Shared accountability and the establishment of performance targets are companion components in Oregon's Workforce Development Performance Accountability System.
- Shared accountability assumes accountability for agreed upon outcomes articulated as indicators of performance and the established levels of performance (targets) to be attained for these indicators.
- Shared accountability speaks to partners' levels of responsibility for specific system outcomes.
- Partners have direct or indirect responsibility for a given outcome (measure/indicator).
- Shared accountability recognizes that partners' specific missions and program responsibility remain intact while they recognize their connection to the whole system.
- Partners have responsibility (direct or indirect) for the outcomes that fit with the mission of their agency.
- Shared accountability is a principle that applies across the entire workforce development system, but implementing it requires an incremental approach.
- For the first five years beginning July 1, 2000 the implementation of shared accountability includes, but is not limited to, the following programs administered by core state and local workforce partners: WIA Title I; WIA Title II (Adult Education and Family Literacy); WIA Title III (Wagner-Peyser (Job Service, UI, MSFW, Veterans, TAA/NAFTA); WIA Title IV (Vocational Rehabilitation); TANF/JOBS, Food Stamps Employment and Training Program; Carl Perkins/ post-secondary, School-to-Work; and Title V of the Older Americans Act. The ultimate goal of the Oregon Workforce Development system is the inclusion of all workforce programs.

**SECTION 2**  
**OREGON WORKFORCE DEVELOPMENT**  
**PERFORMANCE ACCOUNTABILITY POLICY**

**Performance Measure Categories/Indicators**

Oregon seeks to define outcomes that reflect its success in preparing and sustaining a world class workforce. It links these outcomes to state-level benchmarks. Oregon's proposed five system-wide performance measure categories and 14 performance indicators were the starting point for the Performance Accountability Policy Group's work. The policy group recommends retaining four of the five performance measure categories and evaluating the fifth – Cost Effectiveness to determine whether this measure is feasible. It recommends adopting 11 of the original indicators and two new indicators; dropping two of the original 14 indicators; and exploring the feasibility of one of the original indicators before determining whether to implement or drop it. A table is provided to show at a glance the recommendations regarding Oregon's system-wide measures and indicators.

**Because Oregon's partner agencies and programs have different non-aligned Federal performance requirements, it is not possible at this time to align Oregon's system-wide measures with the federal to create a single measurement system. Although several indicators are similar on the surface, they are defined and calculated differently by the various Federal agencies. Additionally Oregon's system-wide performance measurement and accountability system requires development over time. For these reasons, an incremental approach to system-wide policy development and implementation is recommended.**

Detailed policy recommendations for each of the performance indicators are provided in this section. The recommendations include defining the indicator; identifying the method of calculation; identifying the implementation timetable including establishing performance targets (levels); and identifying the availability of data for establishing baselines.

## **OREGON WORKFORCE DEVELOPMENT PERFORMANCE INDICATORS**

### **INCREASE IN BASIC SKILLS PROFICIENCY INDICATOR**

#### **DEFINITION**

- ✓ Percentage of participants with increased basic skills as a goal who demonstrate one or more level gains in reading, math (numeracy), writing and/or speaking/listening using the skill level descriptors in Title II, Adult Education and Family Literacy, Workforce Investment Act.
- ✓ A basic skills goal is defined based on a participant's objective and standardized skill assessment tools which must be approved by the state Department of Community Colleges and Workforce Development.

#### **CALCULATION**

Total number of participants who had a goal to attain a basic skill level gain during the reporting period and who attained it

Total number of participants who had a goal to attain a basic skill during the reporting period

- ✓ Data collection systems will need to collect the same data elements.
- ✓ Goals may be cancelled or revised only if external events preclude the goal from being attained, e.g., pregnancy, illness, etc.
- ✓ Reporting period = program year (July 1 – June 30)

#### **ESTABLISHING PERFORMANCE TARGETS (LEVELS)**

- ✓ Title II programs will establish performance targets for Year 1 using 1998-99 baseline data; reestablish Year 2 and 3 using 1999-2000 data. Years 4 and 5 will be reestablished prior to the 4<sup>th</sup> Year.
- ✓ Other adult and youth programs will gather data during Year 1 (7/1/2000 – 6/30/2001) and Year 2. Targets will be established in Year 2 for Year 3 (7/1/2002 – 6/30/2003) and reestablished for Years 4 and 5.
- ✓ Provide the systems development technical assistance and capacity for all providers not currently using state-approved assessment systems beginning Year 1.
- ✓ Expand data collection capacity using common data elements beginning Year 1.
- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels.

#### **DATA AVAILABILITY**

**One year of baseline data, 1998-99, exists for Title II programs. Youth and other adult programs are using pieces of the assessment system, but are not currently using common definitions, instruments, and reporting data elements.**

OREGON WORKFORCE DEVELOPMENT  
PERFORMANCE INDICATORS

DEMONSTRATED COMPETENCY IN WORKFORCE READINESS SKILLS  
INDICATOR

**DEFINITION**

Percent of participants who successfully completed one or more workforce readiness skills.

**CALCULATION**

$$\frac{\# \text{ who successfully completed one or more Workforce Readiness Skills}}{\# \text{ who had one or more Workforce Readiness Skill goals}}$$

- ✓ Successful completion of one or more workforce readiness skills for those for whom workforce readiness is a goal.
- ✓ “Successful completion” = attainment of a recognized achievement standard (e.g., Work Keys, Pre-Employment/Work Maturity competency system, Workforce Readiness Training Standards).
- ✓ Denominator = those who had a completion goal within the reporting period (7/1-6/30)
- ✓ An individual may have more than one workforce readiness goal; goals may extend into the next reporting period and would be counted in that period.
- ✓ Goals may be cancelled or revised only if external events preclude the goal from being attained, e.g., pregnancy, illness, etc.

**ESTABLISHING PERFORMANCE TARGETS (LEVELS)**

- ✓ No targets set for Year 1 and Year 2 of the 5-year plan
- ✓ Reporting against the indicator will begin in Year 1 (7/1/2000) for the development of a database
- ✓ Set targets for Year 3 (7/1/2002); reset targets for Year 4 and Year 5
- ✓ Complete identification of minimum standards for “successful completion” in Year 1
- ✓ Identify systems for testing, measurement, and documentation in Years 1 and 2
- ✓ Develop database in Years 1 and 2 for establishing performance levels for Year 3
- ✓ Identify needs and assist in system-wide design development in Years 1 and 2
- ✓ Each agency’s performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels.

**DATA AVAILABILITY**

Existing data is very limited and not easily aggregated or comparable (Adult Ed/Family Literacy, JTPA, AFS, Perkins).

## **OREGON WORKFORCE DEVELOPMENT PERFORMANCE INDICATORS**

### **COMPLETION OF EDUCATIONAL DEGREE/CERTIFICATION INDICATOR**

#### **DEFINITION**

Percent of individuals whose goal included completion of an educational degree within the reporting period (July 1 – June 30) including a H.S. diploma, GED, CAM, Associate Degree, Bachelor's Degree; or a certificate including any other state-approved certificate – and who achieved the degree or credential and exited the program during the reporting period (July 1 – June 30).

#### **CALCULATION**

**# of individuals whose goal during the reporting period included achieving an educational degree or certificate and who completed an educational degree or certificate either within the reporting period or within 2 quarters of exiting and who exited within the reporting period**

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# of individuals for whom a degree or certificate was a goal during the reporting period and who exit in the reporting period

- ✓ Goal = those enrolled in an activity leading to the completion of an educational degree or certificate. Assume “goal” existed if an individual was enrolled in such an activity.
- ✓ Exit = termination from program services.
- ✓ Goals may be cancelled or revised only if external events preclude the goal from being attained, e.g., pregnancy, illness, etc.

#### **ESTABLISHING PERFORMANCE TARGETS (LEVELS)**

Establish performance targets for the Completion of Educational Degree/Certificate for the Program Year beginning 7/1/2000. Reestablish targets for Years 2 and 3. Performance targets for the remaining 2 years of the 5-year plan will be reestablished prior to the 4<sup>th</sup> year of the 5-year plan.

- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels.

#### **DATA AVAILABILITY**

GED and OCCURS data match is available for Title II WIA and Carl Perkins, and JTPA and AFS contracts for GED. JTPA data available for “completed major level of education.”

OREGON EDUCATION AND WORKFORCE DEVELOPMENT  
**PERFORMANCE INDICATORS**

**PLACEMENT IN POSTSECONDARY EDUCATION OR TRAINING**

**DEFINITION**

- ✓ Percentage of participants with postsecondary education or training as a goal who enroll in an occupational skills training, certificate, professional technical, or a transfer postsecondary education program.

**CALCULATION**

Total number of participants who enrolled in postsecondary education or training either in the reporting period or within 2 quarters of exiting and who had postsecondary education or training as a goal during the reporting period

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Total number of participants who have postsecondary education or training as a goal during the reporting period

- ✓ Exit = termination from program services.
- ✓ Goals may be cancelled or revised only if external events preclude the goal from being attained, e.g., pregnancy, illness, etc.

**ESTABLISHING PERFORMANCE TARGETS (LEVELS)**

- ✓ Title II programs will establish performance targets for Year 1 using 1998-1999 baseline data and reestablish performance for Years 2 and 3 using 1999-2000 data. Year 4 and 5 performance will be established prior to the fourth year.
- ✓ Other adult and youth programs will develop baseline data in Years 1 and 2 and establish performance targets beginning Year 3. Performance targets will be reestablished for Years 4 and 5.
- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels.

**DATA AVAILABILITY**

**Data matching with the Oregon Community College Unified Reporting System, OCCURS, is available for enrollments in community colleges.**

- ✓ No data is available for private employment and training enrollments.
- ✓ The definition of "occupational skills training" needs to be completed for the Oregon Education and Workforce system.

Timeline – Years 1 and 2:

- ✓ Complete the definition and identification of occupational skills training for the Oregon Education and Workforce system.
- ✓ Set baseline data for "Occupational Skills Training" performance to be included in the indicator data set.

- ✓ Develop system for coordinating collection of data from the Certified Training Providers.

## **OREGON WORKFORCE DEVELOPMENT PERFORMANCE INDICATORS**

### **COMPLETION OF OCCUPATIONAL SKILLS TRAINING INDICATOR**

This is a newly proposed indicator and is not proposed for implementation until Year 3 (7/1/2002). Reporting only placement into post-secondary education and training and completions of certificates and degrees gives an inadequate picture of workforce system performance.

#### **DEFINITION**

- ✓ Definition needs to be developed for completion of occupational skill training based on state-established, industry-validated career and technical skill standards.
- ✓ Definition needs to be developed for “training services” and the ITA, youth outcomes, Perkins 3, and for documentation of how adults acquire occupational skills.

#### **TIMELINE**

- ✓ 2000-01: Complete the definition and identification of occupational skills training for the Oregon Workforce system
- ✓ 2000-02: Clarify the measurement and documentation processes
- ✓ 2002-04 Incremental implementation across the workforce system
- ✓ 2002-05 System fully implemented, including K-12 and post-secondary Perkins

OREGON WORKFORCE DEVELOPMENT  
PERFORMANCE INDICATORS

**COMPLETION OF INTEGRATED WORK/COMMUNITY BASED LEARNING  
EXPERIENCES INDICATOR**

**CURRENT DEFINITION**

Percentage of participants in education or training who successfully complete integrated work/community-based learning experiences.

**ISSUES**

- ✓ Of all the original Oregon “14” indicators, this indicator is not an outcome indicator. It singles out one service strategy and asks what percentage of individuals successfully complete activities in that service strategy, e.g., structured work experience, school based enterprises, community service.
- ✓ There is no state workforce policy that singles out, identifies, or requires preferred service strategies.
- ✓ Oregon Benchmark #25 tracks performance on the percentage of high school students completing a structured work experience.
- ✓ Information regarding the extent to which individuals successfully complete activities in a service strategy can be obtained and compared with such outcomes as: post-secondary education or training, completion of an educational degree or certificate, employment, wage gain, retention in employment, etc. This kind of evaluative information can be used to make decisions regarding the types of service strategies that might be employed.

**RECOMMENDATIONS**

- ✓ Do not include this indicator among Oregon’s system-wide indicators.
- ✓ Capture data on this service strategy for evaluative purposes.

OREGON WORKFORCE DEVELOPMENT  
PERFORMANCE INDICATORS  
**EMPLOYER INVESTMENT IN WORKFORCE DEVELOPMENT**

**CURRENT DEFINITION**

- a) Current – Percentage of employers who invest in workforce development by providing training/skill upgrade to current employees
- b) Comprehensive – Percentage of employers who invest in workforce development by sponsoring integrated workplace learning experiences to participants in education and training

**ISSUES**

- ✓ There is no current system-wide program that would produce the kinds of outcomes identified in either of the two definitions – “a” and “b” above.
- ✓ A statewide current worker strategy is under development at this time that will address how government can provide a supportive role in brokering services for employers to make strategic investments in training and upgrading their current employees. A state level Current Workforce Task Force is being formed to address these issues.
- ✓ While some programs, e.g., JTPA and School to Work, might work with employers on a limited basis (definition “b”), programs do not capture the data that would measure employer involvement or allow setting performance levels.

**RECOMMENDATIONS**

- ✓ Whether the indicator addresses employer involvement, services to employers, market penetration, or current workforce strategies, Oregon’s Workforce Development system should include employer-related performance measures.
- ✓ Form committee to develop relevant employer-related measures for Oregon’s Workforce Development system.
- ✓ Include on committee, at a minimum, representatives of: the Current Workforce Task Force, the Economic and Community Development Department, the Employment Department, AFS, the Department of Community Colleges and Workforce Development, Oregon Workforce Advisory Committee (employer representation), Community College and local workforce service delivery representation.

**TIMELINE**

- ✓ Year 1-2: Committee identifies and defines viable employer-related performance indicator.
- ✓ Year 2: System begins reporting against indicator(s); measurement and documentation processes are clarified.  
Performance targets established for Year 3.
- ✓ Years 4-5: Performance targets are reestablished for Years 4 and 5 in Year 3.



**OREGON WORKFORCE DEVELOPMENT  
PERFORMANCE INDICATORS**

**EMPLOYMENT (PLACEMENT) INDICATOR**

**DEFINITION**

Percent of participants who were employed or got another job after receiving services.

**CALCULATION**

# of participants who were employed at program entry but got a new job either during the quarter of exit or in the first quarter after the exit quarter **or** who were unemployed at program entry but got a job either during the quarter of exit or in the first quarter after the exit quarter

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#of participants who exit during the reporting period (7/1 –6/30)

- ✓ Employed at program entry but got a new job either during the quarter of exit or in the first quarter after the exit quarter.
- ✓ Unemployed at program entry but got a job either during the quarter of exit or in the first quarter after the exit quarter.
- ✓ Individuals = those for whom employment is a goal.

**ESTABLISHMENT OF PERFORMANCE TARGETS (LEVELS)**

Establish levels of performance for the Employment (Placement) Indicator for the Program Year beginning 7/1/2000. Reestablish targets for Years 2 and 3. Performance targets for the remaining 2 years of the 5-year plan will be reestablished prior to the 4<sup>th</sup> year of the 5-year plan.

- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels.

**DATA AVAILABILITY**

The Shared Information System can provide baseline data for setting performance levels for the following programs: Wagner/Peyser, JTPA, TANF/JOBS, Vocational Rehabilitation, and Adult Ed/Family Literacy.

**OREGON WORKFORCE DEVELOPMENT  
PERFORMANCE INDICATORS**

**EMPLOYMENT RETENTION INDICATOR**

**DEFINITION**

Percent of participants who have been employed in 4 continuous quarters after the quarter of exit.

**CALCULATION**

$$\frac{\text{\# of participants who earn covered wages during the quarter of exit or in the 1<sup>st</sup> quarter after exit and who earn wages for 4 continuous quarters after the quarter of exit}}{\text{\# of participants who earn covered wages during the quarter of exit or in the 1<sup>st</sup> quarter after exit}}$$

- ✓ Wages earned during the quarter of exit and for 4 continuous quarters after the quarter of exit.
- ✓ Wages must be reported in each of the 4 quarters.

**ESTABLISHING PERFORMANCE TARGETS (LEVELS)**

Establish levels of performance for the Employment (Placement) Indicator for the Program Year beginning 7/1/2000. Reestablish targets for Years 2 and 3. Performance targets for the remaining 2 years of the 5-year plan will be reestablished prior to the 4<sup>th</sup> year of the 5-year plan.

- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels.

**DATA AVAILABILITY**

The Shared Information System can provide baseline data for setting performance levels for the following programs: Wagner/Peyser, JTPA, TANF/JOBS, Vocational Rehabilitation, Adult Ed/Family Literacy, Carl Perkins.

OREGON WORKFORCE DEVELOPMENT  
PERFORMANCE INDICATORS  
**WAGE GAIN INDICATOR**

**DEFINITION**

Average hourly wage gain of those employed.

**CALCULATION**

Total hourly wages for those employed in the 5<sup>th</sup> quarter LESS their total hourly wages in either the quarter of exit or the quarter after exit

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# employed in the quarter of exit or the quarter after exit and the 5<sup>th</sup> quarter after exit

- ✓ Includes both employed and unemployed at entry
- ✓ Exit = termination from program services
- ✓ Employed = wages more than 0 for the exit quarter or the quarter after exit and the 5<sup>th</sup> quarter after exit
- ✓ Wage = hourly wage
- ✓ Wage Gain = the average increase in hourly wage after termination from program, i.e., the indicator measures the increase in wages from either the quarter of exit or the quarter after exit to the 5<sup>th</sup> quarter after exit as determined from wage records

**ESTABLISHING PERFORMANCE LEVELS**

Establish levels of performance for the Employment (Placement) Indicator for the Program Year beginning 7/1/2000. Reestablish targets for Years 2 and 3. Performance targets for the remaining 2 years of the 5-year plan will be reestablished prior to the 4<sup>th</sup> year of the 5-year plan.

- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels.

**DATA AVAILABILITY**

The Shared Information System can provide baseline data for setting performance levels for the following programs: Wagner/Peyser, JTPA, TANF/JOBS, Vocational Rehabilitation, Carl Perkins, Adult Ed/Family Literacy.

OREGON WORKFORCE DEVELOPMENT  
PERFORMANCE INDICATORS

**CUSTOMER SATISFACTION INDICATOR  
JOB SEEKERS AND EMPLOYERS**

**DEFINITION**

A core set of questions that index customer satisfaction with services received.

**CALCULATION**

The following questions (1-3) are those being considered by the U.S. Department of Labor (DOL) for WIA Title I. One or all could possibly be changed by DOL when they are finalized. These questions are in line with the American Customer Satisfaction Index (ACSI). The five questions or their final version are recommended as Oregon's core set to index customer satisfaction.

1. Overall, on a scale of 1 to 10 where "1" means "Very Dissatisfied" and "10" means "Very Satisfied" how satisfied are you with the services?
2. Considering all of the expectations you may have had about the services, to what extent have the services met your expectations? "1" now means "Met None of my Expectations" and "10" means "Met All Of My Expectations."
3. Now I want you to think of the ideal program for people in your circumstances. How well do you think the services you received compare with the ideal set of services? "1" now means "Not Very Close To The Ideal" and "10" means "It Was An Ideal Set Of Services For My Circumstances."
4. How likely would you be to refer others to these services? (Ranging from "1" – Not Very Likely to "10" – Very Likely)
5. If you were in a similar situation again, how likely would you be to use these services? (Ranging from "1" – Not Very Likely to "10" – Very Likely)

Desired characteristics of a system-wide customer satisfaction indicator:

- ✓ A core set of questions that are used to obtain standardized system-wide responses from customers to determine how well the workforce development system is meeting their expectations.
- ✓ Programs may add to the core set of questions.
- ✓ The core set of questions should align with Federal Customer Satisfaction indicators/questions to the extent possible and meaningful for Oregon's Workforce Development System.

**ESTABLISHING PERFORMANCE TARGETS (LEVELS)**

- ✓ January-June 2000: Develop the infrastructure for the indicators.
  - Establish methodology for collecting data, e.g., state might produce data for regions through sampling.

- Clarify measurement and documentation processes
- ✓ Year 1 (2000-2001): Begin customer surveys
  - Begin development of baseline data
  - Develop local program customer input systems
  - Provide training for system
- ✓ No performance levels set for Year 1 (2000) of the 5-year plan
- ✓ Establish performance targets for Year 2 (2001) and Year 3 (2002)
- ✓ Reestablish targets for Years 4 (2003) and 5 (2004)
- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels

### **DATA AVAILABILITY**

Only limited data currently exist; there are no data available for the proposed questions. Some experience exists in the JTPA system and Employment Department with customer surveys.

# **OREGON WORKFORCE DEVELOPMENT PERFORMANCE INDICATORS**

## **WELFARE CASELOAD REDUCTION INDICATOR**

### **DEFINITION**

The number of TANF cases reduced during a period of time.

- ✓ The TANF caseload is the number of families receiving a TANF payment in a given month.
- ✓ The TANF caseload is budgeted at a specific caseload reduction level throughout the biennium.
- ✓ The budgeted caseload is converted to caseload targets for each district with a roll-up for the state.

### **CALCULATION**

The number of actual TANF cases (in a month, year, or biennium) compared to the targeted number (in a month, year, or biennium).

- ✓ Targets are initially set biennially and then translated into monthly targets using historical caseload levels for each district expressed as a percent of the state caseload. A district's historical percent is then applied to the budgeted caseload to arrive at targeted levels.

### **ESTABLISHING PERFORMANCE TARGETS (LEVELS)**

The Welfare Caseload Reduction indicator is an Adult and Family Services (AFS) Division indicator. Alternative targets for the caseload reduction indicator would not be established between workforce partners. Workforce partners would need to consider the levels for this indicator, however, in the establishment of performance targets for other indicators, e.g., the Employment (Placement) indicator.

- ✓ The AFS sets targets (levels of performance) for welfare caseload reduction for its districts based on budgeted levels and actual historical data of the district.
- ✓ Caseload reductions not achieved by Adult and Family Services in one district must be covered by the remaining AFS districts.
- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels

### **DATA AVAILABILITY**

Monthly case counts from AFS Client Maintenance System.

# **OREGON WORKFORCE DEVELOPMENT PERFORMANCE INDICATORS**

## **RECIDIVISM INDICATOR**

### **DEFINITION**

The percent of families that left TANF due to employment that have returned to TANF eighteen months after leaving.

### **CALCULATION**

The number of families that left TANF due to employment and are active on TANF at 18 months after leaving

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The total number that left TANF due to employment

The number is calculated monthly and then added to a cumulative average.

### **ESTABLISHING OF PERFORMANCE TARGETS (LEVELS)**

The recidivism indicator is an Adult and Family Services (AFS) Division indicator. The recorded recidivism rate for each AFS district represents an average of monthly rates over an extended period of time.

- ✓ Since the rate is determined over an extended period of time, month to month rates have very little impact on rate.
- ✓ Each agency's performance target levels called for by the Legislature or its Federal funding source will be incorporated into the establishment of performance levels

### **DATA AVAILABILITY**

AFS Client Maintenance System.

# OREGON WORKFORCE DEVELOPMENT PERFORMANCE INDICATORS

## RETURN ON INVESTMENT INDICATOR

### CONCERNS/ISSUES

The Performance Accountability Policy Workgroup members had a number of concerns regarding the fundamental definitional approach to be taken and the apparent negative consequences accompanying each. Some of these concerns are:

1. A **technically accurate return on investment indicator** reflects total net impact on the economy based on extremely complex econometric model(s) over extended lengths of time. These models can contain dozens of variables and as many "assumptions" which are built into them. This can render them non-understandable to the layman, and subject to gross misinterpretation and misuse. For these reasons, many state economists recommend against use of such measures - unless mandated by the legislature or other high authority.
2. Due to their incompleteness, **less complex econometric models** can be subject to such levels of technical criticism that their value again becomes questionable.
3. Though more "**common sense**" approaches are possible, they also generate concerns. For example, the National Workforce Development System Performance Management Initiative (WDSPM) uses a "proxy" indicator which is more properly described as a cost/benefit ratio for a one year time frame. This measure can be described as follows:

*"Net Increase in Earnings (in Post-Program 4 Qtrs.) + Net Decrease in Public Support Payments (departure from 4 full Pre-Program Qtrs.) / Costs (Total annual program and administrative costs)".* The WDPM Initiative proposes tracking separately for 1.) New-to-work 2.) Return-to-work 3) Welfare-to-work, and 4.) Work-to-work on a pilot basis.

Some concerns generated in the Performance Accountability Policy group on this "common sense" approach included:

- a. The proxy indicator does not actually measure "return on investment";
- b. The measure could drive program design and implementation such that it discourages serving the more difficult customers and it encourages "creaming" by serving customers who need only relatively brief, low cost services.
- c. "Common Sense" approaches such as this one are criticized for not taking into account appropriate variables. For example, even the most simplistic "COST PER" attempts by DOL have been very problematic (e.g. "cost per entered employment" figures established by DOL have been subject to attack by states maintaining that they were being unfairly compared due to different variables not accounted for in their states).

It was clear to a number of members of the Performance Accountability Policy Workgroup that sound recommendations for a course of action on this measure would need much more thoughtful attention and deliberation than time constraints allowed.



## **DATA AVAILABILITY**

The data required is not currently available either in the Shared Information System (SIS) or in accounting systems.

## **RECOMMENDATIONS**

- 2000-01: Join with other states and the U.S. Department of Labor (DOL) to explore possible models that will successfully calculate Return on Investment or some other cost effectiveness indicator.
- 2001-02: Evaluate possible models and should good models exist, choose one best suited to Oregon.
- 2001-02: Clarify definition, implementation process and cost.
- 2001-03: Partners' systems/state systems modified as necessary.
- 2001-03: Baseline set as system begins reporting.
- 2004-05: Performance levels established for Years 4 and 5.