DIRECTIVE

JOB TRAINING PARTNERSHIP ACT

Number: D97-12

Date: January 20, 1998
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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: TITLE II PERFORMANCE STANDARDS FOR PY 1997-98

EXECUTIVE SUMMARY:

Purpose:

This Directive provides performance standards data and instructions for Program Year (PY) 1997-98.

Scope:

The performance standards requirements contained in this Directive are applicable to the Title II-A 77 percent adult and the Title II-C 82 percent youth programs.

Effective Date:

This Directive is effective July 1, 1997.

REFERENCES:

- Job Training Partnership Act (JTPA) Section 106
- 20 Code of Federal Regulations, Sec. 626-629, Final Rule
- Guide to JTPA Performance Standards for Program Years 1996 and 1997 (TAG), transmitted by Training and Employment Information Notice (TEIN) No. 26-96, dated April 22, 1997
- Job Training Partnership Act Title II and Title III Performance Standards for Program Years 1996 and 1997, transmitted by the Training and Employment Guidance Letter (TEGL) No. 4-95, Change 2, dated August 20, 1996

STATE-IMPOSED REQUIREMENTS:

This document contains state-imposed requirements which are printed in ***bold italic type.***

FILING INSTRUCTIONS:

This Directive supersedes JTPA Directive D96-12, dated October 21, 1996. Retain this Directive until further notice.

BACKGROUND:

Section 106 of the JTPA requires that the Secretary of the Department of Labor (DOL) prescribe performance standards for adult and youth training programs under Title II. The Secretary has provided multiple regression models for use by the Governors to accomplish this provision. In addition, Section 106 (d) further provides that each Governor shall prescribe, within parameters established by the Secretary; 1) variations in the performance standards based upon specific economic, geographic and demographic factors in each Service Delivery Area (SDA); 2) the characteristics of the population to be served; 3) the demonstrated difficulties in serving the population; and 4) the type of service to be provided. If an SDA fails to meet its performance standards for two consecutive program years, the Governor is required to impose a reorganization plan.

In May of 1996, the DOL modified the definition of exceeding and failing standards overall in response to the cuts in the youth program funding. SDAs will no longer be penalized for failing both youth standards as long as they meet at least four of the six core standards.

POLICY AND PROCEDURES:

The SDA standards for Title II-A 77 percent, and Title II-C 82 percent programs are set by using the Secretary's multiple regression models. Regression models account for local factors which affect performance such as participant characteristics, program mix, and unemployment rate.

Terminees who receive only objective assessment services are excluded from the calculations of performance measures.

I. MEASURES

For PY 1997-98, the Secretary retained the same 11 Title II measures used in PY 1996-97. Six of these measures are core standards that the Governor is required to use in awarding incentive grants and applying sanctions. The Governor may also use any or all of the five optional measures for incentive purposes, or other standards developed by the Governor. For PY 1997-98 the Governor elected to use only the six core measures. These are:

A. Adult Follow-Up Employment Rate - the total number of adult respondents who were employed, for at least 20 hours per week, during the 13th full calendar week after termination, divided by the total number of adult respondents (i.e., terminees who completed follow-up interviews).

B. Adult Follow-Up Weekly Earnings - the total weekly earnings for all adult respondents employed, for at least 20 hours per week, during the 13th full calendar week after termination, divided by the total number of adult respondents employed, for at least 20 hours per week, at the time of follow-up.

C. Adult Welfare Follow-Up Employment Rate - the total number of adult welfare respondents who were employed, for at least 20 hours per week, during the 13th full calendar week after termination, divided by the total

number of adult welfare respondents (i.e., terminees who completed follow-up interviews).

D. Adult Welfare Follow-Up Weekly Earnings - the total weekly earnings for all welfare respondents employed, for at least 20 hours per week, during the 13th full calendar week after termination, divided by the total number of welfare respondents employed, for at least 20 hours per week, at the time of follow-up.

E. Youth Entered Employment Rate - the total number of youth who entered employment (of at least 20 hours per week) at termination, divided by the total number of youth who terminated, excluding potential dropouts who are reported [on the Standardized Program Information Report (SPIR)] as remained-in-school (but did not also enter employment of at least 20 hours per week) and dropouts who are reported (on the SPIR) as returned-to-school (but did not also enter employment of at least 20 hours per week).

   Youth terminees who remain-in-school or return-to-school, and entered employment (of at least 20 hours per week) will not be excluded from the termination pool reflected in the denominator of the Youth Entered Employment Rate.

F. Youth Employability Enhancement Rate - the total number of youth who attained one of the employability enhancements at termination, whether or not they also entered employment, divided by the total number of youth who terminated. (Note: when calculating this rate, a youth is counted only once, regardless of how many outcomes are attained. Youth employability enhancements include:

   1. Attained two or more Private Industry Council-recognized youth employment competencies;
   2. Completed major level of education;
   3. Entered and retained in non-Title II training;
   4. Returned to and retained in full-time school; and
   5. Remained in school.

   For performance standards purposes, the definition of employment of 20 or more hours per week <u>is to be understood as a condition of employment</u>.

G. MEASURES NOT SELECTED

   The five optional measures not selected for Title II are: Adult Entered Employment Rate; Adult Wage at Placement; Welfare Entered Employment Rate; Adult Follow-Up Weeks Worked; and Youth Positive Termination Rate. In addition, there are two Older Workers performance measures which are calculated on a statewide basis, these are: Older Workers Entered Employment and Older Workers Average Hourly Wage at Placement. Although performance will be tracked and reported, no incentives or sanctions will be applied to any of the above measures.

H. COST MEASURES

The Secretary prohibits using cost measures for incentives and sanctions purposes. Worksheets for these two measures, the Adult Cost per Entered Employment Rate and the Youth Cost per Positive Termination Rate are included in this Directive for informational purposes only.

II. PERFORMANCE LEVELS

Three levels of performance have been established for PY 1997-98. These criteria apply only to the six core measures selected for incentives and sanctions purposes.

EXCEEDS STANDARDS - an SDA's performance exceeds standards on at least five of the six core standards.

MEETS STANDARDS - an SDA's performance equals or exceeds standards on four of the six core standards.

FAILS STANDARDS - an SDA's performance equals or exceeds standards on fewer than four of the six core standards.

III. INCENTIVE AWARDS

To be eligible for an incentive award, an SDA must ensure that at least 65 percent of the Title II-A 77 percent participants and 65 percent of the Title II-C 82 percent participants (in-school and out-of-school combined) receiving services beyond objective assessment are hard-to-serve. The definition of hard-to-serve is drawn from Sections 203(b), 263(b) and 263(d) of the Act. Participants in school-wide projects under Section 263(g) and Title II 5 percent incentive funded projects are included in the 65 percent calculations.

The SDAs which exceed Title II performance standards, as defined above, <u>and</u> meet the 65 percent hard-to-serve criteria for both the adult and the youth participants, are eligible to receive an incentive award. **Eligibility is predicated on SDA compliance with minimum data submission requirements for post program follow-up.**

For PY 1997-98, the awards will be made in the following manner:

* ***SDAs which exceed all six core standards will receive not less than $135,000 and not more than $600,000.***
* ***SDAs which exceed five of the six core standards will receive not less than $100,000 and not more than $500,000.***

The minimum, maximum or overall award amounts may be reduced based on SJTCC recommendations and funding availability.

Taking into consideration these minimum and maximum amounts, awards will be calculated based on the number of standards exceeded and the size of the SDA's Title II-A 77 percent and Title II-C 82 percent allocations.

An SDA's award may be reduced if that SDA has had funds recaptured in the prior two consecutive program years due to under-utilization. Please refer to the Title II directive on funds utilization.

IV. TECHNICAL ASSISTANCE AND CORRECTIVE ACTION

The SDAs which fail standards overall must submit a Technical Assistance (TA) plan.

The Governor is required to impose a reorganization plan upon any SDA which fails its overall standards in two successive years.

V. POSTPROGRAM FOLLOW-UP

Four of the six Title II core measures that will be used for incentives and sanctions in PY 1997-98 are adult follow-up standards. Therefore, postprogram follow-up reporting and data collection is of vital importance to the state and SDAs. ***SDAs that fail to submit at least 85 percent of their terminees each month for postprogram follow-up may be considered ineligible to receive an incentive award.***

VI. SETTING STANDARDS

A. REGRESSION MODEL WORKSHEETS

Regression model worksheets and instructions for the calculation of performance standards for this program year are contained in Attachments I, II and III. These worksheets were issued by the DOL in TEIN 26-96. The worksheets were generated using a statistical technique called multiple regression analysis. This method estimates the factor weights presented on the worksheets. The weights represent the simultaneous influences of various participant characteristics and local economic conditions on SDA program performance.

Attachment VI provides the SPIR equivalent of the worksheet local factors.

B. DATABASE

For initial planning, local factor values for terminee characteristics in the performance standard worksheets (i.e., planned standards) should correspond to the values indicated in the Job Training Plan. However, when calculating performance standards during or at the end of a program year, local factor values are based on the participant characteristics reported quarterly, to the state, on the JTPA 11, Participant Characteristics Summary (i.e., based on actual performance).

Local economic data for PY 1997-98 are provided on Attachment IV. These data are based upon the latest available information prepared by the Employment Development Department's Labor Market Information Division, or by the DOL.

C. EXTREME VALUES

Although the regression models produce meaningful performance standards for most SDAs, under some circumstances the results are unacceptably extreme. Each year, the Secretary publishes tables of extreme values for model-adjusted standards and for local factors. Extreme values are listed in Attachment V, Tables I, II and III.

Extreme local factor values may indicate the need for adjustments beyond the model. Whenever an SDA has one or more extreme local factor values, we encourage a request for an adjustment. The JTPD staff will unilaterally adjust any model-adjusted standards with extreme values (unless the adjustment will have no effect on whether or not the SDA exceeds the standard). Adjustments using a tolerance range (as referenced in Part IV of the DOL performance standards guide) will not be considered.

D. ADJUSTMENTS BEYOND THE MODEL

The regression models do not necessarily take into account every factor that may affect performance. Further, weights applied to local factors in the models are based on national performance levels, and this may not reflect California experience. Therefore, requests for adjustments to performance standards are encouraged whenever local circumstances make such adjustments appropriate. Adjustments are applied to core measures only. Please refer to JTPA Directive D95-10, Adjustment of SDA Performance Standards, dated August 17, 1995.

Since there is no bonus award for the extent to which a standard is exceeded, the state will not adjust standards already being exceeded.

VII. CALCULATION

A. DATA

Actual performance will be calculated on the basis of termination data contained in the fourth quarter SDA reports due July 25 (or revised SDA fourth quarter reports due August 20) and on follow-up data for JTPA terminees from April 1st through March 31st (the fourth quarter of the prior program year through the third quarter of the actual program year). The core standards for Title II adults, which are all postprogram measures, will be calculated using the data derived from the UCB postprogram follow-up interviews.

Both the Title II-A and Title II-C performance outcomes will be judged on the basis of their 77 percent and 82 percent terminees, respectively. If an SDA elects to combine incentive funds with either adult and/or youth program funds (as approved in the two-year plan), the 5 percent incentive funds and participants will lose their 5 percent fund identity.

B. WELFARE MEASURES

For performance standards purposes, participants are considered as welfare recipients only if they are listed on the welfare grant. Welfare recipients include individuals receiving Temporary Assistance to Needy Families (TANF), Aid to Families with Dependent Children (AFDC), General Assistance (GA) or Refugee Cash Assistance (RCA) as collected or confirmed at eligibility termination. Supplement Security Income/State Supplemental Payments recipients are not counted as welfare recipients for performance standards purposes.

The state will continue to use Method II, the ratio method, to calculate standards on the welfare measures. The PY 1997-98 ratios are as follows:

Follow-Up Employment Rate	= .75
Welfare Follow-Up Weekly Earnings Ratio	= .77
Adult Welfare Entered Employment Rate	= .92

These ratios are issued by DOL (TEIN 26-96, “State Welfare Ratios”) and have been preprinted in the appropriate spaces on the worksheets incorporated in Attachments I and II.

C. VARIANCE

Variance is the degree by which a standard is exceeded, met or failed.

For the Title II rate measures (entered employment, positive termination, and employability enhancement rates and weeks worked), the variance will be the difference between the standard and the actual performance.

For the Title II earnings measures (weekly earnings and wages at placement) the variance will be calculated by dividing the standard into the difference between the standard and the actual performance.

EXAMPLES

Follow-Up Employment Rate Performance		73.50 %
Follow-Up Employment Rate Standard		- 65.50 %
Difference		+ 8.00 %
Variance	(equal to the difference)	8.00 %

Follow-Up Weekly Earnings Performance		$244.10
Follow-Up Weekly Earnings Standard		- 234.10
Difference		+ 10.00
Variance	($10.00 ÷ $234.10) x 100 =	4.27 %

ACTION:

It is the SDA's responsibility to establish, maintain, and exercise ongoing controls to ensure compliance with these requirements.

INQUIRIES:

Please direct comments to Deborah Cusimano, Manager, Data Analysis Unit, at (916) 653-4292.

/S/ BILL BURKE
Acting Assistant Deputy Director

Attachments available on Internet:

1. Economic Data for Performance Standards PY 1997-98

Attachments are not available online. To obtain a copy e-mail JTPD at JTPDLIB@EDD.CA.GOV or contact Gia Valla at (916) 654-7686.

2. Worksheets for Calculating Title II Core Performance Standards PY 1997-98
   a) Follow-Up Employment Rate (Adult)
   b) Welfare Follow-Up Employment Rate (Method II)
   c) Follow-Up Weekly Earnings (Adult)
   d) Welfare Follow-Up Weekly Earnings (Method II)
   e) Youth Entered Employment Rate
   f) Youth Employability Enhancement Rate
3. Worksheets for Calculating Title II Non-Core Performance Standards PY 1997-98
   a) Entered Employment Rate (Adult)
   b) Welfare Entered Employment Rate (Method II)
   c) Wage at Placement (Adult)
   d) Follow-Up Weeks Worked (Adult)
   e) Youth Positive Termination Rate
   f) Entered Employment (Older Worker)
   g) Average Wage at Placement (Older Worker)
4. General Instructions for Completing JTPA Performance Standards Worksheets PY 1997-98
5. Extreme Values PY 1997-98
6. Calculations of Factors on Performance Standards Worksheets from SPIR Data Items PY 1997-98

PY 97 ECONOMIC PLANNING DATA

SDA	Population Density (1,000s/sq. mi.) (LMID: CY 1997)	Percent Family Income Below Poverty Level (LMID: CY 1997)	Employee/ Resident Worker Ratio (DOL: CY 90)	3-Year Growth Rate in Earnings in Retail/Wholesale Trade (DOL CY 92- CY 95)
Anaheim	6.52	7.4	100.2	-0.7
Butte	0.12	12.2	97.7	-3.3
Carson/Lomita/Torrance	2.31	11.6	105.6	-4.0
Contra Costa	1.13	4.6	83.0	-2.9
Co. of Alameda	1.43	4.9	99.6	-1.2
Foothill	2.31	11.6	105.6	-4.0
Fresno	0.13	16.8	102.5	-5.3
Golden Sierra	0.08	5.6	80.3	-2.7
Humboldt	0.04	12.8	101.4	-7.6
Imperial	0.03	20.8	100.7	-2.1
Kern/Inyo/Mono	0.03	13.4	102.2	-2.6
Kings	0.09	15.0	99.2	-8.9
Long Beach	2.31	11.6	105.6	-4.0
Los Angeles City	7.00	14.9	105.6	-4.0
Los Angeles County	2.31	11.6	105.6	-4.0
Madera	0.05	13.1	86.9	0.0
Marin	0.46	3.0	84.1	-3.8
Mendocino	0.02	11.0	99.4	-7.1
Merced	0.10	15.4	94.1	-2.9
Monterey	0.11	8.5	98.7	1.4
Mother Lode	0.03	7.3	89.5	-21.0
Napa	0.16	4.6	93.2	-1.7
NoRTEC	0.01	11.9	96.6	3.1
NCC	0.05	13.3	94.0	-2.9
NOVA	4.59	2.9	108.2	0.6
Oakland	6.35	16.7	99.6	-1.2
Orange	2.32	4.1	100.2	-0.7
Richmond	3.06	13.5	83.0	-2.9
Riverside	0.19	8.4	84.4	-2.5
Sacramento	1.16	9.8	104.4	-3.2
San Benito	0.03	7.3	77.4	-7.9
San Bernardino City	3.30	19.5	83.9	-1.7
San Bernardino County	0.07	9.1	83.9	-1.7
San Diego	0.64	8.1	98.8	-2.3
San Francisco	7.00	9.7	148.3	-3.7
San Joaquin	0.38	12.0	94.8	-4.6
San Luis Obispo	0.07	6.8	98.4	-4.3
San Mateo	1.54	4.3	92.3	-0.6
Santa Ana	7.00	12.5	100.2	-0.7
Santa Barbara	0.14	7.4	102.5	-8.9

SDA	Population Density (1,000s/sq. mi.) (LMID: CY 1997)	Percent Family Income Below Poverty Level (LMID: CY 1997)	Employee/ Resident Worker Ratio (DOL: CY 90)	3-Year Growth Rate in Earnings in Retail/Wholesale Trade (DOL CY 92- CY 95)
Santa Clara	0.99	5.7	108.2	0.6
Santa Cruz	0.55	6.2	89.1	-4.0
SELACO	2.31	11.6	105.6	-4.0
Shasta	0.04	11.0	100.3	-6.3
Solano	0.45	6.0	76.2	-3.6
Sonoma	0.27	5.2	87.3	-0.6
South Bay	2.31	11.6	105.6	-4.0
Stanislaus	0.28	11.4	93.7	-3.6
Tulare	0.07	18.0	94.7	-0.2
Ventura	0.39	5.0	83.5	-1.2
Verdugo	2.31	11.6	105.6	-4.0
Yolo	0.15	9.8	107.4	5.7
State	0.21	9.3	100.0	-3.3

PY 97 ECONOMIC PLANNING DATA

SDA	Ave. Annual Earnings in Retail/Wholesale Trade (1,000s) (LMID: 1990 Census)	PY 1997-98 Unemployment Rate (LMID)	Percent Employed in Mining, Manufacturing & Agriculture (LMID: 1990 Census)
Anaheim	20.6	4.2	20.3
Butte	15.1	8.7	12.5
Carson/Lomita/Torrance	23.7	7.6	17.2
Contra Costa	22.6	4.0	9.6
Co. of Alameda	26.7	3.7	14.8
Foothill	23.7	7.6	17.2
Fresno	18.4	13.1	28.6
Golden Sierra	17.6	5.6	11.2
Humboldt	14.4	7.1	16.9
Imperial	16.4	28.1	32.7
Kern/Inyo/Mono	17.3	12.1	27.3
Kings	16.2	12.8	32.4
Long Beach	23.7	7.6	17.2
Los Angeles City	23.1	8.7	15.6
Los Angeles County	23.7	7.6	17.2
Madera	16.5	14.0	40.4
Marin	21.6	3.0	5.7
Mendocino	14.7	8.2	22.8
Merced	15.3	15.6	36.3
Monterey	18.7	10.8	29.1
Mother Lode	14.0	8.5	10.1
Napa	17.2	5.7	22.8
NoRTEC	14.0	10.7	17.8
NCC	15.4	14.0	25.6
NOVA	32.6	2.5	30.9
Oakland	22.9	7.4	10.6
Orange	27.2	3.1	17.3
Richmond	17.5	8.5	11.2
Riverside	17.3	7.8	15.9
Sacramento	19.2	5.7	6.6
San Benito	16.5	11.6	39.2
San Bernardino City	16.5	9.6	8.4
San Bernardino County	19.7	6.3	14.6
San Diego	19.1	4.8	12.9
San Francisco	26.6	4.2	6.7
San Joaquin	18.9	10.8	22.0
San Luis Obispo	14.7	5.1	12.1
San Mateo	28.6	3.0	11.8
Santa Ana	14.5	6.5	25.4
Santa Barbara	17.8	5.4	19.9

SDA	Ave. Annual Earnings in Retail/Wholesale Trade (1,000s) (LMID: 1990 Census)	PY 1997-98 Unemployment Rate (LMID)	Percent Employed in Mining, Manufacturing & Agriculture (LMID: 1990 Census)
Santa Clara	27.8	3.7	27.0
Santa Cruz	17.8	8.0	25.7
SELACO	23.7	7.6	17.2
Shasta	16.2	9.3	9.9
Solano	18.1	7.0	10.3
Sonoma	19.6	4.0	17.8
South Bay	23.7	7.6	17.2
Stanislaus	17.3	13.5	28.2
Tulare	16.9	15.5	36.9
Ventura	19.9	6.8	19.2
Verdugo	23.7	7.6	17.2
Yolo	23.0	6.0	13.9
State	22.2	6.8	17.3