PERFORMANCE STANDARDS FOR JTPA IN KANSAS:

ASSESSMENT AND EVALUATION

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1. **PERFORMANCE STANDARDS UNDER JTPA**

   In JTPA, Congress has required that the ultimate criteria of program
   success are "increased employment and earnings of participants and
   the reduction in welfare dependency." Performance standards are to
   be developed to determine whether these objectives are being met. The
   Governor is to use the national performance standards to reward through
   incentive grants Service Delivery Areas that exceed standards and to
   impose sanctions on SDAs that fall below the standards.

2. **ASSESSMENT OF DOL STANDARDS**

   The DOL-established performance standards DOL for JTPA are the same as
   were used under CETA. These standards rely exclusively on placement
   data and, therefore, cannot be used to determine whether the human
   capital objectives set by Congress are being met. In addition, the DOL
   standards create incentives for SDAs to emphasize short-term payoffs
   which do not provide optimal human capital investment opportunities.
   Thus, application of the national DOL performance standards to indi-
   vidual SDAs may not be appropriate in all cases.

3. **PROPOSALS FOR ALTERNATIVE AND ADDITIONAL STANDARDS**

   Additional performance standards should be developed to assess the
   aquisition of human capital by JTPA participants. The Impact Evaluation
   System previously used in Kansas under CETA should be modified for use
   under JTPA. This system would include meaningful standards to measure:

   1) the increase in earnings for participants,
   2) the earning increase per program dollar expanded, and
   3) reductions in welfare expenditures for participants.

   Additional standards are also recommended to insure that statewide goals
   are met through JTPA. These include standards to measure:

   1) Job Creation - placements in new firms or discrete expansions,
   2) Priority Industries - placements in high growth industries,
   3) Priority Occupations - placements in shortage or high
      opportunity occupations, and
   4) Target Populations - enrollments from target populations
      identified as having labor market problems in Kansas.

4. **ADJUSTMENT OF NATIONAL PERFORMANCE STANDARDS**

   The national performance standards for Title IIA adults and youth may be
   adjusted by the Governor of Kansas to account for local conditions.
   These adjustments may be based on a nationally developed or locally
   developed methodology. The national adjustment methodology is deficient
   in that several factors, identified by Congress to be used in making
   adjustments, have been left out. Further development at the national
   level is required. Nonetheless, application of the national adjustment
   to Kansas SDAs for the transition year provides better standards than if
   no adjustments were made to the national performance standards. We
   recommend use of the transition year methodology.

5. DISLOCATED AND OLDER WORKERS

The Department of Labor has not set performance standards for either dislocated or older workers. Such standards must be set by the Governor. Our recommendation is that the same standards should be used for these groups as for adults under Title IIA. These include the entered employment rate, average hourly wage placement, and cost per entered employment. The specific standards for dislocated workers should be no lower than for adults under Title IIA.

6. YOUTH COMPETENCIES

The Department of Labor has no role in setting youth competencies; instead, each PIC is responsible for certifying competencies for its area's youth. These competencies can include basic education skills, job specific skills, and per employment and maturity skills. Youth competencies will have a definite impact on the attainment of standards and, therefore, should be developed in Kansas. The development is best done at the state level with the assistance of a PIC-represented youth competencies advisory committee. It is advantageous for Kansas to have uniform and consistent competencies throughout all PICs.

Table of Contents

List of Appendices

KANSAS LABOR MARKET INFORMATION PROGRAM:
PERFORMANCE STANDARDS FOR JTPA IN KANSAS: ASSESSMENT AND EVALUATION
INSTITUTE FOR ECONOMIC AND BUSINESS RESEARCH/SCHOOL OF BUSINESS
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In the Job Training Partnership Act (JTPA), Congress recognized that job training is an investment in human capital. The return oN this investment is to be measured by the increased employment and earnings of the participants and by reductions in welfare dependency. The U.S. Secretary of Labor and the Governor of Kansas share responsibility for setting specific performance standards in Kansas. The purpose of this report is to provide recommendations on the most appropriate performance standards for Kansas. The major parts of this report are (1) performance standards under JTPA, (2) an assessment of the performance standards set by the U.S. Secretary of Labor, (3) recommendations for additional standards specific to Kansas, (4) an analysis of the recommended methodology for adjusting national performance standards, (5) recommendations on performance standards for dislocated and older workers, and (6) a discussion of youth competencies.

I. PERFORMANCE STANDARDS UNDER JTPA

In JTPA, Congress has explicitly required that the ultimate criteria of program success are "increased employment and earnings of participants and the reductions in welfare dependency." This is a very strong statement of Congress' concern with the program's effectiveness in increasing the human capital of participants. It implies that performance standards should be set to measure the net impact of JTPA on participant earnings, employment, and use of welfare.

Further, program impacts are to be considered within a cost-benefit framework. Section 106(b)(4) states:

> "The Secretary shall prescribe performance standards relating gross program expenditures to various performance measures."

This statement reflects congressional concern that the performance standards system established under JTPA be capable of relating program benefits to costs, with the further implication that benefits should exceed costs. The legislation clearly indicates that the performance standards for JTPA should exceed those established under CETA, which only measured program efficiency and

not net program impacts. The challenge is to respond to congressional concerns by developing a system for measuring JTPA impacts and costs at the Service Delivery Area (SDA) level.

Performance standards are important in JTPA implementation for several reasons. First, the standards are to be used both to evaluate program performance at the national level and to assess the program's overall effectiveness at the state level. Secondly, they are also to be used by each Governor to reward superior performance. Six percent of the state's allocation under Title IIA is to be used by the Governor. . .

> "to provide incentive grants for programs exceeding performance standards, including incentives for serving hard-to-serve individuals. . .if the full amount (available for incentive grants) is not needed to make incentive grants under this subparagraph, the Governor shall use the amount not so needed for technical assistance to service delivery areas in the state which do not qualify for incentive grants. . ."

Thus, how well SDAs perform relative to the standards will determine whether they will receive incentive funds or are provided with technical assistance.

Finally, performance standards are also to be used by the Governor to impose sanctions on SDAs with poor performance. If an SDA fails to meet its performance standards for a second year, Section 106(h)(1) of the Act requires the Governor to impose a reorganization plan which could include restructuring the PIC, prohibiting the use of designated service providers, or selecting an alternate administrative agency.

Clearly, performance standards are intended to be more important under JTPA than under CETA. The attachment of meaningful rewards and sanctions to the attainment of standards is expected to affect SDA performance in a positive way. It is possible, however, that inappropriate standards could provide incentives for SDAs to preferentially select participants from among those persons eligible and to emphasize short-term results.

<u>Summary:</u>

1. Performance standards under JTPA are intended to measure the increased employment and earnings of participants and the reductions of welfare dependency.

2. Performance standards are intended to be more significant under JTPA than under CETA.

3. Performance standards are to be used by the governor both to reward superior performance and to impose sanctions on SDA's which have poor performance.

II. ASSESSMENT OF DOL STANDARDS

The U.S. Department of Labor has established performance standards to serve as bench marks in evaluating the performance of SDAs in providing training under JTPA. Each SDA meeting appropriate performance standards (due to local area adjustments, individual SDAs may have variances from the national standards) is eligible for "incentive funds" under allocation schemes developed and applied at the state level. Thus, the performance standards are not only bench marks for evaluation but also guides for resource allocation among SDAs.

The national standards developed by the U.S. Department of Labor for the transition year for the Title IIA adult programs are based on standards previously in effect under the Comprehensive Employment and Training Act of 1973 (CETA). Transition year standards for adults are:

- Entered Employment Rate--58%. To meet the national standard, 58% of adults terminating JTPA programs need be placed in employment.

- Average Wage at Placement--$4.90. This applies only to the subset of terminated adults actually placed.

- Welfare Entered Employment Rate--41%. This is calculated as is the overall entered employment rate. The welfare entered employment rate, however, is calculated using only that subset of JTPA participants who are welfare recipients. "Welfare" is defined as any form of cash public assistance, local, state, or federal.

- Cost per Entered Employment--$5,900. Total adult program cost divided by those who enter employment at termination should be no more than $5,900.

JTPA national performance standards applicable to "youth" participants (participants aged 16 through 21 years) under Title IIA in the transition year are:

- Youth Entered Employment Rate--41%.

- Youth Positive Termination Rate--82%. To meet the national performance standard, 82% of those 16-21 years of age who enter JTPA-sponsored programs must terminate positively, as defined by the Act.

- Cost per Positive Termination--$4,900. Total youth program costs divided by the number of youths positively terminated should be no more than $4,900.

3

Performance standards should be guides for determining how well SDAs are meeting the goals of the Act. As such, the standards should be related to the purposes of the Act. Further, the standards should represent levels of performance that SDAs, through diligent application of effort, can reasonably expect to meet. The current standards fail to meet these tests in several respects. Section 2 of JTPA states the purpose of the Act:

> "It is the purpose of this Act to establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment."

JTPA, then, is to encourage human capital investment [1] on the part of those now experiencing low earnings and frequent unemployment. However, unless modified, the national performance standards developed for evaluation of SDAs will not assess the degree to which those SDAs are assisting in human capital formation.

To assess the effects of SDA activities, one needs to determine the post-participation experience of JTPA participants, relative to what that experience would have been in the absence of JTPA participation [2]. As such, a direct comparison cannot be made: either a control group of similar non-participants must be identified or a long time-series of pre- and post-participation wage/employment observations must be collected (simple before-after comparisons are not valid for inferring effectiveness). The development of such an applicable evaluation scheme is the purpose of updating the University of Kansas Impact Evaluation System [11]. Current JTPA performance standards do not address the effect of participation on lifetime earnings (a concept included in the Impact Evaluation System).

Further, the established performance standards do not address the variables of principal concern in evaluating human capital investment. The adult performance standards were based on standards applied under the Comprehensive Employment and Training Act of 1973 (CETA). Yet after exhaustive study of the CETA standards, Gay and Borus [3] concluded that "(the) performance indicators presently being used, which are primarily constructed from placement data, provide no useful information for judging relative program effectiveness."

In addition, JTPA performance standards are based primarily on placement data. Data on placement after program termination fail to capture such effects as frequency and duration of unemployment and quality of placement after termination (in terms of future earnings and opportunities for on-the-job training).

Indeed, entered employment standards provide an incentive for SDAs to engage in "quick-and-easy" placements, rather than to seek high quality placements.

The achievement of the one standard designed to assess quality of placement (average wage at placement) may have additional adverse consequences. By mandating a minimum average wage at placement, the standard discourages placement in positions for which a portion of compensation is provided in the form of training rather than wages: the standard encourages rather flat post-participation age-earnings profiles, encouraging returns to on-the-job training and, thus, discouraging upward sloping age-earnings profiles [5],[10]. Age-earnings profiles plot earnings over working life. Figure 1 shows model profiles for alternative human capital investment patterns.

Establishing cost per entered employment (adult) and cost per positive termination (youth) provides incentives for SDAs to select only those participants most likely to successfully complete training

There is, in addition, a difficulty in applying national standards to individual SDAs, even after allowing for local plans and conditions. Variances from the national standards are based on local deviations from national averages by a set of factors. If, however, important factors (factors which may affect SDA performance in meeting standards) are omitted, then the model used to determine variances in the standards is "unfair" to some SDAs (in statistical terms, it is biased due to underspecification) [4, pp. 168-169].

As an example of the problem discussed above, if one assumes (reasonably) that rural job placements are more costly to achieve than urban job placements, and one also assumes that no measure of "ruralness" is used in determining variances from the national standards (in fact, no such measure is used), then the cost per entered employment standard which standard-adjusting model generates will be unfairly low (difficult to meet) for rural SDAs and, at the same time, unfairly high (easy to meet) for urban SDAs.[1]

Summary:

1. Current performance standards do not measure variables that are relevant to the human capital investment as intended by the Act.

2. Current performance standards imply incentives for SDAs to provide other than optimal human capital investment opportunities.

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[1] Refer to Appendix 1 for a technical description.

EARNINGS

Lower initial wage;
some compensation in
the form of on-the-job
training

High early wage; little
on-the-job training

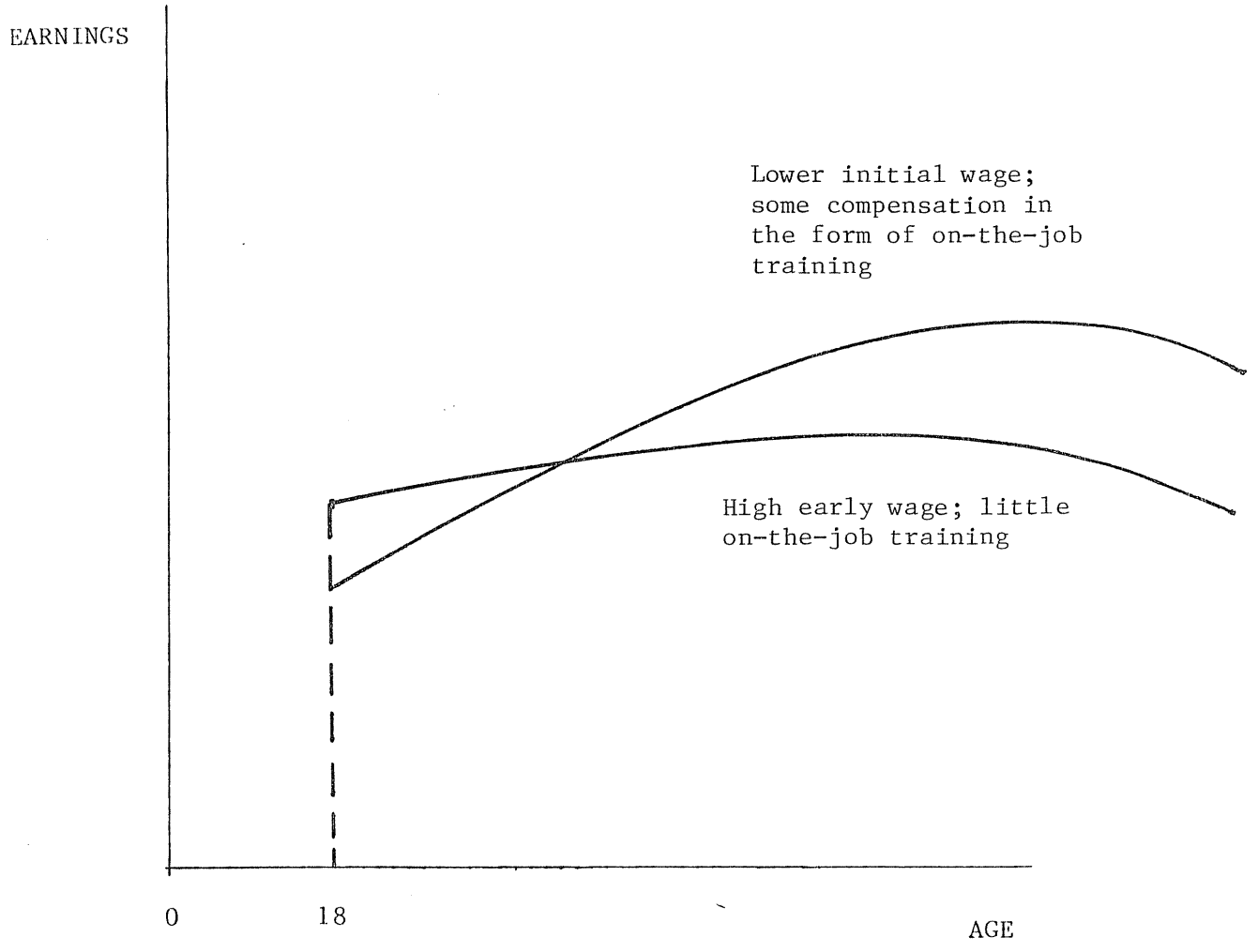0   18   AGE

Figure 1

Model Age-Earnings
Profiles for Alternative
Human Capital Investment Pattern

3. Some current performance standards, while generating incentives for efficiency, may provide SDAs with incentives to preferentially select the most qualified (in the labor market sense) from the pool of applicants.

4. Even after adjustment, some current performance standards may be biased against some SDAs. These potential biases are due to the omission of important variables from the models used to adjust national performance standards for local economic conditions and SDA plans.

III. PROPOSALS FOR ALTERNATIVE AND ADDITIONAL STANDARDS

Before one can suggest alternative performance standards, one must consider what sorts of behavior performance standards evaluate. In principle, performance standards are bench marks against which to evaluate the degree to which SDAs are fulfilling the legislative mandate of the JTPA. That legislative mandate is to provide training which will enhance the quality of the labor market experience for the disadvantaged—in short, to provide opportunities for investment in human capital. Also, implicit in any taxpayer-supported program is a mandate to achieve the stated program goal in an efficient, cost-effective manner [9, ch. 6]. We consider both effectiveness standards and efficiency standards.

A. Effectiveness Standards

The ultimate test of the efficiency of a program such as JTPA is whether the present value of total benefits to all participants and nonparticipants is at least as great as the present value of total program costs (public and private) at an appropriate rate of discount [8]. Such a test, however, can only be based on a time-series of post-participation data and, thus, is not appropriate in the establishment of performance standards for current evaluation of SDAs' training delivery.

Our principal recommendation is that additional performance standards should be developed to assess the aquisition of human capital by JTPA participants. The acquisition of human capital cannot be directly measured, but can only be inferred by the stream of subsequent returns. As is well known, to make this inference, one must test for the presence of post-participation earnings that exceed what they would have been in the absence of program participation. Such a test is usually accomplished by means of comparison to a control group [2]. The University of Kansas Human Resources Program "Impact Evaluation System" was created to perform precisely such test [11]. This system is to be updated during 1984 and applied to the five SDAs in Kansas.

This system should be the major evaluation program in the state. Standards to be developed would include:

   1) earnings increase for participants,

   2) earnings increase per program dollar expended, and

   3) reduction in welfare expenditures for participants.

Such standards would allow for relative performance comparisons across Kansas SDAs. Absolute standards could also be set (e.g. a 10% increase in earnings); however, it is not possible to set such standards at this time.

B. Efficiency Standards

Performance standards can also measure the extent to which SDA activities are consistent with state goals not directly reported to the federal legislation. The Governor has discretion to set additional standards as a means of insuring that statewide goals are met through JTPA. We recommend four such standards:

   1. Job Creation The state has set a high priority on economic development, actively encouraging new firms to locate in Kansas and existing firms to expand in Kansas. JTPA could be coordinated with this effort. Firms seeking to locate or expand in Kansas could use JTPA to assist in providing a skilled labor force [6].[2] Such cooperation with the private sector is a fundamental objective of JTPA and would contribute greatly to the state's economic development. One possible standard is that a fixed percentage of JTPA placements should be in jobs within new firms or expanded operations. The percentage to be set--e.g., 25%--will be influenced by the importance of the objective and perceived feasibility.

   2. Priority Industries. Placement in growing industries optimizes the trainees' opportunities for earnings growth. A performance standard could be developed (but will not be specified here) to place a fixed percentage of positive terminations in priority industries. Prior to developing such a standard, a list of priority industries must be identified (See [7]). Such priority industries would be consistent with state plans and strategies for economic development. The encouragement of such economic development would also assist in the reversal of the state's well-documented "brain drain." Given

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2 In this study of new establishments in Kansas, it was found that 49.4% of the firms surveyed cited availability of workers with appropirate skills as a factor on deciding to locate in Kansas.

8

current trends, Kansas will continue to produce more workers with high skills than the state will be able to employ. Without economic development of high-tech and education intensive industries, such workers will leave the state.

3. _Priority Occupations._ Worker shortages in certain skilled occupations can also retard economic development. A performance standard could be developed (but will not be specified here) to train a fixed percentage of enrollees for identified shortage occupations. This standard would encourage SDAs to be sensitive to the demand for labor as they plan their training programs.

4. _Target Populations_ Eligibility standards for JTPA are very broad and SDAs have considerable discretion in deciding whom to serve. The state could identify segments of the Kansas population that are particularly in need of JTPA services. For example, Kansas has a higher proportion of highly educated women than the nation as a whole. There is much hidden unemployment in this segment of the population. One possible standard would be that each SDA enroll a certain percentage of more highly educated women. Such target population standards would be useful to insure that SDAs address statewide problems.

Summary:

1. Additional performance standards should be developed to assess the aquisition of human capital by JTPA participants.

2. The Impact Evaluation System, previously used in Kansas under CETA, can be modified for use under JTPA.

3. Additional standards should be developed to insure that statewide goals are met through JTPA.

4. Standards are recommended to measure Job Creation (i.e., the percent of placements in new jobs), placements in priority industries, placements in priority occupations, and enrollment of target populations.

IV. ADJUSTMENT OF NATIONAL PERFORMANCE STANDARDS

A. _The Regression Model._ The performance standards for adults and youths set by the Secretary of Labor for the transition year (October 1, 1983-June 30, 1984) may be modified at the Governor's option. The Department of Labor has recommended that a nationally-developed adjustment methodology be used by the states when adjustments are made to the national standards. This, however, is not required. Section 106(e) states:

"Each governor may prescribe, within parameters established
by the Secretary, variations in the standards under this
subsection based upon specific economic, geographic, and
demographic factors in the state, and in Service Delivery
Areas within the state, the characteristics of the population
to be served, and the type of services to be provided."

The purpose of this section is to determine whether use of the nationally-
developed adjustment methodology is appropriate in Kansas.

The national standards were set in a three step process:

1) The actual third quarter FY 1982 national average performance
    level for each of measures was determined;

2) The national average performance levels were adjusted to
    reflect program differences in CETA and JTPA. For example,
    it was assumed the average weeks enrolled for adults would
    be reduced from 29.5 to 20 weeks; and

3) A 10% productivity improvement factor was added to each
    performance level except the average cost standards.

Standards for Program Year (PY) 1984 have been set in the same way except that
fourth quarter FY 1982 CETA data was used. Standards for PY 1984 are lower than
for the transition year.

We concluded above that the national performance standards are inadequate to
accurately assess program outcomes. In contrast, the Impact Evaluation System
contains conceptually correct measures of program outcomes and, therefore,
should be used in Kansas. Nonetheless, states must use the seven national
performance standards.

We now consider how specific standards can best set for Kansas SDAs. Our
basic conclusion is that the nationally developed adjustment methodology should
be used for the transition year in Kansas.   The nationally-developed adjustment
methodology consists of a cross-sectional multiple regression analysis to
estimate the relationship between the performance standards and certain
independent variables which measure conditions in an SDA.

Independent variables used in the regression for entered employment rate
are presented in Table 1. As can be seen, the first ten variables measure
participant characteristics and the last two measure economic characteristics of
the individual SDA. (See Appendix 2 for a list of variables for all models.)
This model does not include all of the variables identified by Congress as
important. Specifically, the DOL model does not include any measures of

Table 1

NATIONAL REGRESSION MODEL FOR
ENTERED EMPLOYMENT RATE (ADULT)
TRANSITION YEAR

Independent Variables	National Average Factor Value	Weight (Regression Coefficient)
Percent female	51.7	.03
Percent 45-55 years old	4.5	-.56
Percent 55 years & older	2.2	.21
Percent black	29.9	-.07
Percent Hispanic	9.4	.08
Percent other minority	4.9	.18
Percent drop out	30.2	-.08
Percent handicapped	10.1	-.20
Percent UI claimant	7.0	.20
Percent welfare recipient	30.7	-.26
Average wage for area (000)	15.3	-.68
Unemployment rate	9.3	-1.53

geographic or demographic factors in the state or SDA or of the types of services to be provided. These categories of variables have been completely ignored.

The rationale for the model is that the statistical relationship between the performance standards and independent variables that existed during the first nine months of FY 1982 for CETA should continue to exist under JTPA. For example, the experience of CETA through the third quarter of FY 1983 showed that female participants were harder to place than males. The national model, therefore, provides for a lower performance standard on entered employment rate if an SDA has a higher percentage of females than the CETA program did through the first three quarters of FY 1982. Similarly, it was found under CETA that lower area unemployment rates were associated with a higher entered employment rate. Therefore, states with an unemployment rate below the national average will have a higher performance standard.

The third column in Table 1 shows the weights attached to each variable. For example, SDAs with an unemployment rate of 8.3 (one point below the national value) will have its performance standard in entered employment rate increased by 1.53 points, in comparison to an SDA with an unemployment rate of 9.3. The adjustment factor for each SDA is obtained by summing the product of each weight

and the difference between the national value and the SDA value for each independent variable. The work sheet for adult entered-employment rate is provided on the following page.

There are two major advantages of using the national average to adjust SDA performance standards. First, it provides a means for adjusting national performance standards to the conditions of individual SDAs. An SDA with a relatively low unemployment rate should, all else equal, have higher performance standards than an SDA with a relatively high unemployment rate. Experience under CETA has shown that it is more difficult to successfully place participants when the unemployment rate is high. If the national model is accurate, then the degree of increased difficulty in placement will be measured by the weights in the third column of Table 1. Such adjusted performance standards should be equally attainable both by SDAs with high and with low unemployment rates.

A second advantage of the national model is that it should reduce the incentive an SDA might have to preferentially select participants admitted to JTPA. CETA and other employment programs have demonstrated that some participants are easier to place in jobs than are others. The national model states that such participants as blacks, dropouts, and welfare recipients are more difficult to place than other participants. Thus, an SDA which serves a relatively high proportion of such participants will have a lower performance standard. The incentive to preferentially select participants will be reduced because as easier-to-place participants are enrolled, the performance standard for the SDA will also increase.

The use of a national model to vary performance standards across SDAs would be highly acceptable if all appropriate variables were entered into the regression equation. However, if some important variables have been left out, then the results would be biased and inappropriate performance standards would be established. This is a particular concern for smaller states like Kansas which have a predominantly rural population. Unfortunately, we do not have access to any technical papers on the national model and, thus, cannot comment in great detail on its accuracy.

The regression model used to adjust national performance standards in PY 1984 and subsequent years will not be the same as that used for the first nine months of JTPA. We expect refinements in that model to continue and have several suggestions to offer. It would be appropriate for Kansas to have input on such refinements so that unique aspects of our state and population are considered. Furthermore, the model for PY 1984 should be closely examined before

12

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JTPA Performance Standards Worksheet

A. Service Delivery Area's Name	B. SDA NUMBER

C. Performance Period PY	D. TYPE OF Standard: 1) Plan, 2) Recalculated	DATE Calculated

E. PERFORMANCE MEASURE

A. Entered Employment Rate (Adult)

F. LOCAL FACTORS	G. SDA Factor Values	H. NATL AVG FACTOR VALUES	I. DIFFERENCE (G minus H)	J. WEIGHTS	K. EFFECT OF LOCAL FACTOR ON PERFORM EXPECTATIONS (I times J)
1. % Female		51.7		.03	
2. % 45-54 years old		4.5		-.56	
3. % 55 years old & over		2.2		.21	
4. % Black		29.9		-.07	
5. % Hispanic		9.4		.08	
6. % Other minority		4.9		.18	
7. % Dropout		30.2		-.08	
8. % Handicapped		10.1		-.20	
9. % UI claimant		7.0		.26	
10. % Welfare recipient		30.7		-.26	
11. Average wage for area (000)		15.3		-.68	
12. Unemployment rate		9.0		-1.53	
TOTAL					

L. National Departure Point (National Average Performance Level)	50.4%

M. Model-Adjusted Performance Standard

N. Parameters Limits (+) 13 (-) 17 %

O. Governor's Adjustment Factor ( ) % pts./$

P. SDA Performance Standard

13

U.S. DEPARTMENT OF LABOR • Employment and Training Administration

JTPA Performance Standards Worksheet

A. Service Delivery Area's Name

B. SDA NUMBER

C. Performance Period — D. Type of Standard / Date Calculated
Period [ ] First
PY [ ] Recalculated

E. PERFORMANCE MEASURE
A. Cost per Entered Employment (Adult)

F. LOCAL FACTORS	G. SDA Factor Values	H. NAT'L AVG. FACTOR VALUES	I. DIFFERENCE (G minus H)	J. WEIGHTS	K. EFFECT OF LOCAL FACTOR ON PERFORM EXPECTATIONS (I times J)
1. % Female		51.7		22.04	
2. % 45-54 years old		4.5		96.66	
3. % 55 years old & over		2.2		-78.39	
4. % Black		29.9		4.19	
5. % Hispanic		9.4		-2.21	
6. % Other minority		4.9		-20.12	
7. % Dropout		30.2		17.73	
8. % Handicapped		10.1		9.00	
9. % UI claimant		7.0		-.66	
10. % Welfare recipient		30.7		49.43	
11. Average wage for area (000)		15.3		366.99	
12. Unemployment rate		9.0		323.27	
13. Average weeks participated		29.5		112.60	
TOTAL					

L. National Departure Point
(National Average Performance Level) $7,172.22

M. Model-Adjusted Performance Standard

N. Parameters Limits   (+) 20   (-) 25   % pts./$

O. Governor's Adjustment Factor   ( )   % pts./$

P. SDA Performance Standard

it is accepted in Kansas. It is possible that the addition or deletion of variables could have a major impact on the adjusted performance standards. Therefore, several additional variables should be examined for inclusion in the regression model.

1. Additional Variable: Employment Rate. The variables in the regression equation used to measure SDA economic conditions are the unemployment data and average wage. We suggest consideration of the employment rate either as a substitute for or in addition to the unemployment rate.

In some states, the unemployment rate would be an appropriate measure of supply and demand in a labor market. As the unemployment rate declines, it is easier for an individual to find placement in a job. However, in Kansas there are reasons to believe that the unemployment rate is a deficient measure of the labor market's overall condition. This is because the state has substantial underemployment, particularly in rural areas. In addition, the high rate of outmigration in the state also serves to mask the overall supply of labor in the state economy. Rather than remaining unemployed within Kansas, it appears that many individuals choose to leave the state. If, as we believe, either of these circumstances are accurate, then the unemployment rate is not an adequate measure of overall demand in the labor market. The employment rate, in contrast, gives an overall measure of the number of existing jobs in an SDA.

2. Additional Variable: Employment Growth. Another possible economic variable is percent change in employment. Whether employment opportunities are increasing or decreasing in an SDA could have a significant impact on program performance.

3. Additional Variable: Rural/Urban. The regression model contains no measures of SDA geographical conditions. Nonetheless, we expect that states with small populations and/or rural areas may have different labor markets than large urban states. One possible variable to include in the regression model is one that measures percent of the population in rural areas. This could be percent of the population in communities under 10,000 (or another appropriate number) population. Our concern, is that national norms not be set entirely on the basis of urban areas.

4. Additional Variable: Population Characteristics. The regression model for the transition year contains no measure of SDA population characteristics. One important variable would be a measure of the level of education in an SDA. Some possibilities include mean years of schooling and percent high school graduates. Measures of the age-distribution of the population should also be

considered. A state with an older population is likely to have a different labor market than a state with a younger population. One possible variable could be the percent of population over 45 years of age.

5. Additional Variable: Services Provided. The current regression model does not measure the types of services provided by an SDA. Possible variables to be includepercent of participants in classroom training and percent of participants in on-the-job training. The costs of all services are not the same and this fact should be reflected in the performance standards.

While we believe the national regression model could be improved, it still could be appropriate for use in Kansas. The alternatives for the Governor are:

1) Use the national standards with no adjustments,

2) Adjust the national standards using the national methodology plus local adjustments, or

3) Develop an alternative adjustment methodology.

The option chosen will depend on whether the national adjustment methodology provides reasonable adjustments for Kansas SDAs.

B. Application of the National Model to Kansas SDAs. We used the national regression model to adjust the performance standards for each of the five Kansas SDAs. We were able to calculate the average wage and unemployment rate for each area. However, characteristics of planned terminees were not available and we, instead, used characteristics of planned and actual participants for the first two months of FY 1984. We do not expect thatthe use of actual/planned terminee data would materially change the results reported below because we assume that the characteristics of terminees will be similar to those of participants. The average wage and unemployment rate for each SDA are in Appendix 3. Planned and actual participant characteristics are in Appendices 4 and 5.

The adjusted performance standards for Kansas SDAs are shown in Table 3 for planned participants characteristics and in Table 4 for actual participants. Our conclusion is that use of the national regression model developed for the transition year is appropriate to adjust performance standards for Kansas SDAs.

Table 3 shows that the adjusted standards are, in most instances, reasonably close to the national standards: making adjustments does not result in extreme standards that would be totally unattainable. Moreover, departures from the national standards are in the direction one would expect given participant characteristics and economic conditions of the SDAs. The following examples illustrate this point.

Table 3

MODEL ADJUSTED PERFORMANCE STANDARDS FOR KANSAS SDAs
(Planned Participant Characteristics)

	National Standard	Adjusted Standards				
		SDA I	SDA II	SDA III	SDA IV	SDA V
Adult						
1. Welfare Entered Rate	41%	43.8	42.6	44.6	43.2	44.8
2. Average Wage At Placement	$4.90	4.21	4.29	4.63	4.55	4.29
3. Cost per Entered Employment	$5900	5182	5519	6623	4518	5240
4. Entered Employment Rate	58%	57.6	56.1	54.7	56.9	59.0
Youth						
5. Cost per Positive Termination	$4900	2783	1999	1370	5154	2359
6. Positive Termination Rate	82%	80.0	94.4	81.6	63.1	93.3
7. Entered Employment Rate	71%	49.8	56.9	44.9	53.0	57.7

Table 4

MODEL ADJUSTED PERFORMANCE STANDARDS FOR KANSAS SDAs
(Actual Participant Characteristics
October 1, 1983 - December 15, 1983)

	National Standard	Adjusted Standards				
		SDA I	SDA II	SDA III	SDA IV	SDA V
Adult						
1. Welfare Entered Rate	41%	49.5	49.2	44.8	37.9	41.1
2. Average Wage At Placement	$4.90	4.11	4.04	4.50	4.52	4.13
3. Cost per Entered Employment	$5900	3863	4176	4138	5229	5130
4. Entered Employment Rate	58%	65.2	64.7	58.9	49.9	57.0
Youth						
5. Cost per Positive Termination	$4900	3206	3701	728	4543	4073
6. Positive Termination Rate	82%	78.0	74.2	82.4	67.7	73.8
7. Entered Employment Rate	71%	51.6	45.9	37.0	55.1	47.3

1. Average Wage at Placement (Adult). The adjusted standard is lower than the national standard in all Kansas SDAs. This is primarily because wages are lower in Kansas than the national average. Further, average wages in SDAs I, II, and V are lower than in III and IV and they, appropriately, have lower standards.

2. Cost Per Entered Employment (Adult). The adjusted standard in SDA IV is $4,518. This is below the national standard of $5,900 primarily because the planned average weeks of participation is 11.48, which is 18 points below the national average. In contrast, SDA III planned an average participation of 26.1 weeks and is serving a higher proportion of older persons who are more costly to place in employment. Thus, the adjusted standard is $6,623, or slightly above the national standards. Adjustments of this type are appropriate to discourage the gaming of performance standards.

3. Cost Per Positive Termination (Youth). The adjusted standard in SDA III is $1,370, whereas the national standard is $4,900. Almost all of this difference is due to a planned average weeks of participation of 9.17 in contrast to a national value of 39.2.

4. Positive Termination Rate (Youth). Using the national model, increases the standard from 82% to 97.7% in SDA II. This change is due primarily to plans to serve a high proportion of UI claimants and a low percentage of dropouts. A SDA that chooses to serve such clientele probably should have a higher standard because UI claimants with work experience are easier to place in jobs than are dropouts.

We do not claim that every adjustment from the national model is appropriate, but we do believe that there is a strong tendency for the adjustment to be in the appropriate direction. Moreover, our review of the data suggests that the adjusted standards are more appropriate for Kansas SDAs than are the unadjusted national standards. The adjusted standards are better measures of the efficiency with which the SDAs operate. The risk of using the unadjusted national standards is that SDAs will be able to select participants who are easiest to serve in order to meet their standards. Use of the national model reduces this incentive by:

1) Increasing standards if an SDA selects easier-to-serve participants or operates in a more favorable economic environment.

2) Decreasing standards if an SDA selects harder-to-serve participants or operates in a more difficult economic environment.

18

Kansas SDAs do not all confront the same economic environment and do not serve the same type of clients. It follows that performance standards should be adjusted to reflect these differences. The national model is appropriate in Kansas for this purpose.

C. Implementation of Adjusted Standards. All five SDAs planned to use the unadjusted national standards for the transition year ending June 30, 1984. No data were submitted in their plans for the characteristics of terminees. If performance standards are to be adjusted for PY 1984 either (1) SDAs will have to be asked in advance for characteristics of planned terminees or (2) characteristics of planned characteristics will have to be used as a proxy. In either case, all adjusted standards should be calculated at the end of PY 1984 using the characteristics of actual terminees and these standards should be compared to actual performances.

The adjusted standards should be recalculated at the end of the year because data on planned characteristics of participants or terminees are likely to be unreliable. It is difficult for SDAs to plan terminees with any degree of accuracy. Moreover, without recalculation there might be an incentive for SDAs to submit planned characteristics that are designed to give favorable performance standards.

Our recommendation for PY 1984 (July 1, 1984 - June 30, 1985) is that SDAs should be required to submit data on planned characteristics of terminees as part of their plans so that interim performance standards can be set.

D. Governor's Adjustment Factor. The national adjustment methodology described above is not intended to set the final performance standards. Rather, there is a provision for the Governor to further adjust the standards of an SDA, depending on local conditions not accounted for in the national model. The Governor can make any adjustment which can be documented as "justified." Local adjustments can be categorized into two kinds:

  1) Special Circumstances. This would include events unique
      to an SDA as plant closing, a major layoff or a natural
      disaster. Presumably, documentation could consist of a
      newspaper article describing the special circumstance.
      The Governor would need to exercise judgement on deciding
      how much to adjust performance standards.

  2) Local Conditions This would include those factors in
      Kansas SDAs which are known to affect performance but have
      not beenincluded in the national performance model. For
      example, there is no variable in the national model to
      measure the number of offenders served. If it can be shown

that offenders are more costly to serve or are more difficult
to place in nonsubsidized employment, then the Governor could
adjust standards for SDAs serving offenders.

Some local conditions, such as offenders, probably could be sufficiently
documented from available data to justify adjustments by the Governor; however,
it will be necessary to develop statistical justifications for other variables.
Local conditions such as a measure of rural/urban, educational attainment of the
population, economic growth, or population-age structure could be used if shown
to have a statistically significant effect on performance standards within
Kansas. Consideration should be given to developing a multiple regression model
on Kansas data that could be used to document adjustment by the Governor to the
national model.

Our principal conclusion is that use of the national adjustment
methodology should not to be used to set final performance standards. Rather,
the nationally-adjusted standards should be used to stimulate thought on local
conditions that will affect performance in Kansas.

Summary:

1) The national performance standards established by the Department of
   Labor may be adjusted by the Governor of Kansas using the nationally
   developed adjustment methodology of an alternative methodology.

2) The national adjustment methodology uses only a portion of the factors
   identified by congress and, therefore, requires further development.

3) Application of the national adjustment methodology to Kansas SDAs for
   the transition year provides better standards than if no adjustment
   were made to the national performance standards.

V. DISLOCATED WORKERS AND OLDER WORKERS

No national standards have been developed for the delivery of services to
dislocated workers (those who have lost their jobs due to changes in regional
industry structure) or to older workers. It is, then, left to the Governor
to determine what standards will apply to SDAs for the delivery of training to
these two groups within his jurisdiction. The only restriction on the
Governor's discretion in this regard is that there must be an entered employment
rate standard for each group.

Unique conceptual problems must be faced in prescribing appropriate
standards for both dislocated and older workers. Consider, first, dislocated
workers. The principal goal of JTPA is to provide human capital investment

opportunities for the disadvantaged--those with low prior earnings and frequent prior instances of long unemployment. The typical dislocated worker does not share those characteristics of the disadvantaged. That person has acquired human capital through time on the job and has often earned high wages (frequently in a unionized setting). Appropriate performance standards for dislocated workers should reflect these facts.

For short-run indication of SDAs' treatment of dislocated workers, we believe that the only standards whose implementation is feasible are those adopted for other adult participants. As dislocated workers should be relatively easy to place (their previously acquired job skills often being easily transferred to new settings), the entered employment rate should be no lower than that for other adult participants within the given SDA. The cost per entered employment standard should be set no higher than that for other adult participants.

As indicators of the long-run effects of JTPA participation, however, we maintain our reservations on the use of adjusted national performance standards. A control group of nonparticipating dislocated workers should be identified and their earnings compared to those of participating dislocated workers six months after participation. Furthermore, permanent placement should be a goal for dislocated workers. Cumulative weeks of unemployment should be compared, six months after participation, between participants and the control group.

Older workers pose quite different issues for the assessment of SDA performance. The short "pay-off period" which older workers have in which to realize the returns to training makes human capital measures inappropriate for assessing SDA performance with regard to older workers. The Act's mandate that SDAs train older workers must be viewed as an attempt, motivated by equity, rather than efficiency criteria, to provide services for those approaching retirement age.

While it may be difficult to generate conceptually appropriate performance standards for older workers, the Act requires than the Governor do so. As workers often experience declines in earnings late in working life, regardless of external circumstances, the use of an earnings or wage-related performance standard is inappropriate. We recommend the adoption of an entered employment rate standard for older workers. That entered employment rate should be set no lower than that prevailing for other adults served.

Summary:

1) The Department of Labor has not set performance standards for dislocated or older workers. The Governor must set these standards.

2) Short-run performance with respect to dislocated workers should be assessed as is performance with respect to other adult participants.

3) Long-run performance with respect to dislocated workers should be determined by comparison of earnings and cumulative weeks of unemployment to those for a properly selected control group.

4) Performance with respect to older workers should be assessed by means of an entered employment rate standard, set no lower than the rate applicable to other adult participants.

VI. ISSUES IN YOUTH COMPETENCIES

The legislative intent of the JTPA is, in part, to prepare youth for entry into the labor force. To measure whether this goal of investment in human capital is met, performance standards have been developed by the Secretary of Labor. The standards for youth are:

1) entered employment rate,

2) positive termination rate, and

3) cost per positive termination

The latter two standards are dependent upon the number of positive terminations from the program. The number of positive terminations, in turn, is determined by those youth entering employment and those who achieve enhanced employability from JTPA programs. Youth employability enhancement is defined as an outcome recognized as improving long term employability and potential for earnings. These outcomes include:

1) Entering non-title II training,

2) Returning or completing a level of school, or

3) Competing exemplary youth programs described in Section 205 of the Act.

Additionally, and pursuant to Section 106 (b)(2)(A), at the discretion of the Governor, youth who attain youth competencies recognized by the PICs can be designated as positive terminations.

22

Obviously, the achievement of employment training competencies has a direct bearing upon the performance standards. Concomitantly, these competencies directly effect the perceived performance of each SDA.

The concept of competency-based standards is based on determining what is to be learned, assessing the participants, providing the learning experience, and certifying the individual's achievement. Specific to JTPA, the competency areas are defined as basic educational skills, job-specific skills, and pre-employment and maturity skills. The concept of competency-based standards is valid and, accordingly, we believe youth competencies should be set for Kansas.

The most important single question regarding the development of youth competencies is upon whom will the task of creating the competency-based system fall? Clearly, the PICs have a legislatively-mandated role in the certification of these standards for each SDA. Moreover, the PICs serve the additional functions of selecting target occupations and determining specific skills needed in order that competencies are valid for the jobs and industries within a given area.

The state and the SDAs also have key roles to play in developing a competency-based system. The state has an interest in maintaining a degree of consistency between SDAs to insure that performance standards are comparable and terminee competency certification is meaningful. Similarly, since the SDAs must implement youth employment competencies, they have an interest in promulgating competencies which are valid, reliable, and useable. The interests of the parties involved suggest two main issues in developing competency-based employment standards:

1) Do the PICs and the SDAs have the expertise, the time, and the resources to actually develop their own complete competency-based employment and job training standards?

2) How large a role should the state have in providing the PICs and SDAs with assistance and direction in developing youth competencies that are both valid and certifiable?

It is likely that neither PICs nor SDAs truly have the expertise in the concepts of competency-based training and in local labor market information or the resources to completely design their own programs. Additionally, a danger exists that competency-based programs developed on the local level might become "anything goes" in terms of minimal levels of achievement just so a participant could be passed on as a "positive termination" for reporting purposes. The state should, therefore, take the lead in developing youth competencies in

Kansas. The state has more expertise in this area than any single SDA and, additionally, has an interest in insuring that any system developed be applied with some degree of uniformity across Kansas SDA's.

As PICs have responsibility under JTPA certifying youth competencies, it is clear that they should be involved in an phases of development the competencies. One option would be the establishment of a youth competencies advisory committee with representation from each PIC to work with state JTPA staff. This would provide a mechanism for directly involving the PICs.

In addition, national testing packages that have been developed for youth should be reviewed to determine if they can be adapted to Kansas. The concept of a competency-based employment and training package is based on the precept that a young person must attain certain basic skills which are recognized as meeting employer's needs. Moreover, agency certification must serve to assure the employer that these skill levels are met. Only a program which correctly identifies these skills and offers the employer an consistent, reliable, and meaningful measure of achievement will be successful in the long run. And, as the individual's measure of achievement will be recorded as a positive termination under JTPA performance standards, it is important the compentency system remain as consistent as possible so that SDA performance standards are comparable and competency certifications are meaningful in different geographical locations. With cooperation and dialogue between the state, the PICs, and the SDAs, a packaged competency program could be chosen and, if necessary, modified to meet this criteria.

Summary:

1) Achieving employment training competencies has a direct bearing on the youth performance levels in each SDA.

2) A competency-based system should be consistant, reliable, and valid in all areas of the state so that performance standards are comparable and certification is meaningful.

3) Since SDAs and PICs have neither the expertise nor the resources to generate their own competency programs, the state's role should be to create guidelines and coordinate efforts aimed at developing a useable competency-based system.

VII. MAJOR CONCLUSIONS AND POLICY CONSIDERATIONS:

1. The national performance standards are not capable of determining if JTPA is effective in increasing earnings and employment or in reducing use of welfare.

2. Kansas should uses its Impact Evaluation System, adjusted for JTPA, to measure program effectiveness. This system will directly measure whether congressional objectives for JTPA are being met in Kansas.

3. The national standards, at best, measure program efficiency. Several additional standards are suggested for Kansas, including standards to measure job creation, priority industries, priority occupations, and target, populations.

4. The national methodology for adjusting performance standards should be used in Kansas. Even though the national regression model is potentially biased, it does provide reasonable adjustment for Kansas SDAs.

5. The Governor should adjust performance standards to account for local conditions which are not reflected in the national model.

Addendum

PY 1984 Performance Standards

The national standards for PY 1984 are shown in Table 1. There has been no change in the youth standards, but the adult standards have changed from those set for the transition year. The change is due to the use of CETA data for the fourth quarter of 1983. Previously, the transition year standards were based on third quarter data.

Table 1

National Performance Standards

Performance Standard	Transition Year	PY 1984
Adult		
1. Entered employment rate	58%	55%
2. Average wage at placement	$4.90	$4.91
3. Welfare entered employment rate	41%	39%
4. Cost per entered employment	$5,900	$5,704
Youth		
5. Youth entered employment rate	41%	41%
6. Youth positive termination rate	82%	82%
7. Cost per positive termination	$4,900	$4,900

The national adjustment methodology has also changed. The page following shows the worksheet for entered employment rate (adult). One variable (percent 45-54 years old) has been deleted and two new variables have been added. These new variables are both descriptive of participant characteristics:

(1) percent high school graduate and above

(2) percent single head of household

U.S. DEPARTMENT OF LABOR Employment and Training Administration
FY'84 JTPA Performance Standards Worksheet

A. Service Delivery Area's Name   B. SDA Number

C. Performance Period PY'84

D. Type of Standard   DATE Calculated
[ ] Plan
[ ] Recalculated

E. Performance Measure
A. Entered Employment Rate (Adult)

P. LOCAL FACTORS	G. SDA FACTOR VALUES	H. NATL. AVG. FACTOR VALUES	I. DIFFERENCE (G MINUS H)	J. WEIGHTS	K. EFFECT OF LOCAL FACTOR ON PERFORM. EXPECTATIONS. (I TIMES J)
1. % Female		51.5		.03	
2. % 55 years old and over		2.2		.26	
3. % Black		29.7		-.10	
4. % Hispanic		9.7		.09	
5. % Other Minority		5.3		.11	
6. % Dropout		29.3		.07	
7. % High School Grad & Above		57.3		.34	
8. % Handicapped		10.3		-.29	
9. % UC Claimant		6.9		.29	
10. % Welfare Recipient		28.2		-.22	
11. % Single Head of Household		21.3		.11	
12. % Average Wage for Area (000)		15.2		-.44	
13. % Unemployment Rate		10.0		-1.20	
				TOTAL >	

L. NATIONAL DEPARTURE POINT (National Mean Performance Level)   47.0%

M. Model-Adjusted Performance Level

N.

O.

P.

A full analysis of the PY 1984 regression model has not been possible. We have, however, made an initial estimate of what the standards for Kansas SDAs would be if the characteristics of terminees in PY 1984 are the same as those of the planned participants in the transition year. We did not have data on the planned percent of high school graduates or percent single heads of households and used instead, the actual terminees for October 1, 1983 - December 15, 1983. The adjusted performance standards are shown in Table 2.

Table 2

Model Adjusted Performance Standards
(Planned Participant Characteristics)
PY 1984

	National Standard	SDA I	SDA II	SDA III	SDA IV	SDA V Adult
Adult						
1. Welfare entered rate	39%	52.9	46.2	57.7	48.4	53.9
2. Average wage at Placement	$4.91	4.23	4.30	4.72	4.56	4.28
3. Cost per entered employment	$5,704	1,258	2,141	3,253	2,773	2,679
4. Entered employment	55%	69	70.7	75.9	63.6	71.0
Youth						
5. Cost per positive termination	$4,900	4,098	z,005	1,613	4,836	3,334
6. Positive termination	82%	78.2	90.5	82.1	65.0	87.8
7. Entered employment	41%	45.8	48.4	33.9	51.8	52.9

The effects from adding the two new variables are:

    (1) The entered employment rates for adults are increased substantially to 63 - 75%;

    (2) The welfare entered employment rates are increased substantially to 46 - 57%; and

    (3) The cost perentered employment are lowered substantially to $1,258 - $3,253.

<u>All of these changes will make it more difficult for Kansas SDAs to meet</u>

<u>the adjusted performance standards.</u>

The main reason for the higher adjusted performance standards is the inclusion of the variable, percent high school graduate and above. Under CETA in FY 1983 57.3% of the participants nationally were high school graduates and above; however, Kansas SDAs plan to enroll 80-100% high school graduates. For an SDA with 87.3% of its participants being high school graduates and above (30 points over the national CETA average), there will be a 10 point <u>increase</u> in the entered employment rate (adult) standard (30 times 0.34).

Since the PY 1984 national adjustment methodology substantially increases the standards for all SDAs, it might be better to use the unadjusted standards. This decision should be made after a close review of the national adjustment methodology for PY 1984.

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APPENDIX 1

TECHNICAL ASPECTS OF THE NATIONAL REGRESSION MODEL

Consider the case in which the cost of placing a trainee (C) is a function of two variables, one continuous (X, perhaps the SDA unemployment rate) and one dichotomoces (D, perhaps rural/urban). It is reasonable to assume that placing rural trainee is more costly than placing an urban trainee, due to higher search costs in more sparcely populated (and industrialized) areas. Further, "ruralness" is omitted from the matrix of independent variables used to determine variance in national performance standards.

Then, let cost be:

$$C = \beta_0 + \beta_1 X + \beta_2 (D_0 X)$$

If D is omitted, one predicts a cost of placement of:

$$\hat{C} = \hat{\beta}_0 + \hat{\beta}_1 X$$

Then $E(\hat{\beta}_1) = \beta_1 + \beta_2 \bar{D}$, when $\bar{D}$ is the average value of D in the population (under assumptions made here, D is the number of rural SDAs as a percentage of all SDAs).

The result is that $\hat{C}$ is not an unbiased predictor of placement cost. Rural SDAs (under the assumption made here) will have higher than predicted placement costs and, then, poor performance in meeting even a modified standard.

LOCAL FACTORS IN THE NATIONAL ADJUSTMENT MODEL

ADULT MEASURES

Entered Employment Rate	Cost per Entered Employment	Average Wage at Placement
% Female	% Female	% Female
% 44-54 years	% 45-54 years	% 45-54 years
% 55 years & over	% 55 years & over	% 55 years & over
% Black	% Black	% Black
% Hispanic	% Hispanic	% Hispanic
% Other minority	% Other minority	% Other minority
% Dropout	% Dropout	% Dropout
% Handicapped	% Handicapped	% Handicapped
% UI claimant	% UI claimant	% UI claimant
% Welfare recipient	$ Welfare recipient	% Welfare recipient
Average wage for area (000)	Average wage for area (000)	Average wage for area (000)
Unemployment rate	Unemployment rate	
	Average weeks participated	

YOUTH MEASURES

Entered Employment Rate	Positive Termination Rate	Cost per Positive Termination
% Female	% Female	% Female
% 14-15 years	% 14-15 years	% 14-15 years
% 16-19 years	% 16-19 years	% 16-19 years
% Black	% Black	% Black
% Hispanic	% Hispanic	% Hispanic
% Other minority	% Other minority	% Other minority
% Dropout	% Dropout	% Dropout
% UI claimant	% UI claimant	% UI claimant
% Welfare recipient	% Welfare recipient	% Welfare recipient
Average wage for area (000)	Average wage for area (000)	Average wage for area (000)
Unemployment rate	Unemployment rate	Unemployment rate
		Average weeks participated

Appendix 3

Average Wage and Unemployment Rates
for Kansas SDA's

	Average Wage[1]	Unemployment Rate[2]
SDA 1	$11,650	3.80%
SDA 2	11,417	5.04
SDA 3	14,792	4.46
SDA 4	15,712	5.57
SDA 5	11,984	6.00

[1] Source: Kansas Department of Human Resources. Based on employment and wages reported for July 1, 1982 through June 30, 1983 and includes both full and part time employees. Federal employees and railroad workers not included.

[2]

Appendix 4
Actual PARTICIPANT CHARACTERISTICS
October 1, 1983 - December 15, 1983

Adult Characteristics	National Value	SDA I	SDA II	SDA III	SDA IV	SDA V
1. % Female	51.7	60	48	29	61	49
2. % 45-54 years	4.5	3.0	5.0	5.0	7.0	11.0
3. % 55 and over	2.2	1.0	2.0	0	2.0	3.0
4. % Black	29.9	2.0	22.0	35.0	16.0	6.0
5. % Hispanic	9.4	4.0	1.0	2.0	8.0	0
6. % Other minority	4.9	0	3.0	0	3.0	1.0
7. % Dropout	30.2	11.0	13.0	0	14.0	5.0
8. % Handicapped	10.1	7.0	8.0	8.0	9.0	9.0
9. % UI claimant	7.0	0	0	0	0	0
10. % Welfare recipient	30.7	28.0	32.0	24.0	48.0	31.0
11. Average weeks participated	29.5	30.9	29.3	26.2	11.5	28.8

Youth Characteristics	National Value	SDA I	SDA II	SDA III	SDA IV	SDA V
1. % Female	47.2	46.9	31.0	63.0	56.0	47.0
2. % 14-15 years	6.9	0	2.0	0	0	0
3. % 16-19 years	81.0	52.0	60.0	71.0	44.0	59.0
4. % Black	33.7	8.0	13.0	50.0	11.0	8.0
5. % Hispanic	10.9	6.0	2.0	8.0	6.0	0
6. % Other minority	3.9	0	0	8.0	0	0
7. % Dropout	23.7	6.0	18.0	4.0	33.0	20.0
8. % UI claimant	1.0	0	0	0	0	0
9. % Welfare recipient	32.1	15.0	13.0	50.0	17.0	20.0
10. Average weeks participated	39.2	25.4	27.2	9.17	11.08	27.8

Appendix 5
PLANNED PARTICIPANT CHARACTERISTICS
October 1, 1983 – June 30, 1983

Adult Characteristics	National Value	SDA I	SDA II	SDA III	SDA IV	SDA V
1. % Female	51.7	51.1	50.0	51.0	58.1	51.9
2. % 45-54 years	4.5	20.1	24.9	25.0	6	20.2
3. % 55 and over	2.2	4.9	5.0	5.0	1.9	9.7
4. % Black	29.9	3.6	11.9	13.0	31.0	11.6
5. % Hispanic	9.4	6.0	3.9	3.0	10.0	1.6
6. % Other minority	4.9	3.6	3.9	3.5	9.0	1.9
7. % Dropout	30.2	15.0	6.9	17.0	28.0	7.0
8. % Handicapped	10.1	10.0	11.1	11.0	8.7	9.7
9. % UI claimant	7.0	15.0	24.9	32.0	18.2	29.8
10. % Welfare recipient	30.7	29.9	27.1	30.0	35.0	27.1
11. Average weeks participated	29.5	30.9	29.3	26.1	11.48	28.8

Youth Characteristics	National Value	SDA I	SDA II	SDA III	SDA IV	SDA V
1. % Female	47.2	48.8	50.0	51.0	61.0	52.0
2. % 14-15 years	6.9	0	0	0	0	0
3. % 16-19 years	81.0	52	60.0	71.0	44.0	59.0
4. % Black	33.7	8	12.0	18.0	41.0	12.2
5. % Hispanic	10.9	10	4.9	4.0	5.9	1.5
6. % Other minority	3.9	3.5	3.7	3.3	3.1	1.5
7. % Dropout	23.7	2.8	7.0	6.0	57.0	7.1
8. % UI claimant	1.0	1.0	19.9	1.4	2.1	19.9
9. % Increase Recipient	32.1	24.9	30.0	25.0	31.6	27.0
10. Average weeks participated	39.2	25.4	27.2	9.17	11.08	27.8