

**IMPLEMENTATION OF EFFICIENCY MEASURES FOR EMPLOYMENT AND TRAINING PROGRAMS**

U.S. Department of Labor, Employment and Training Administration

June 2008 – June 2010

**Project Summary:** In 2007, the Office of Management and Budget (OMB) required the development of efficiency measures for all federal government programs as part of the effort to improve federal government program performance. As a result of Program Assessment Rating Tool reviews, OMB asked the Employment and Training Administration of the U.S. Department of Labor to develop and implementing an outcome-based measure or measures of efficiency for employment and training programs administered by the agency. In response to this OMB directive, in May 2008, ETA initiated a study to identify outcome-based efficiency measures for implementation by 11 ETA-administered programs: Workforce Investment Act (WIA) Adult Program; WIA Dislocated Worker Program; WIA Youth Activities Program; WIA National Emergency Grants Program; Trade Adjustment Assistance Program; Wagner-Peyser/Employment Service (ES) Program; Senior Community Service Employment Program National Farmworker Jobs Program Indian and Native American Program Work Incentive Grant Program; and Apprenticeship Program.

The study findings and recommendations offered in the final report were based on the following data collection and analysis activities:

- a review of background literature on performance measurement and management, with a focus on efficiency measurement in employment and training programs;
- an initial round of telephone interviews of officials at workforce agencies in six states (California, Florida, Missouri, New York, Utah, and Virginia) conducted in the early stages of this study (July/August 2008), which focused on performance measurement systems and use of efficiency measures in employment and training programs;
- telephone interviews with officials from the Organization for Economic Cooperation and Development (OECD), the United Kingdom, and Canada that explored use of efficiency measures for monitoring employment and training program performance in other developed countries;
- analysis of efficiency measures used in other federal agencies (including the Department of Health and Human Services (DHHS), Department of Education (DOE), Department of Housing and Urban Development (HUD), U.S. Department of Agriculture (USDA), and the Department of Veterans Affairs (VA));
- a second round of telephone interviews with officials at workforce agencies in five states -- California, Maryland, Ohio, New York, and Washington -- conducted near the end of the study (September/October 2009), aimed at gaining qualitative input on setting of efficiency measure

standards, as well as potential effects of co-enrollment, One-Stop self-service customers, cost sharing, and other selected issues on efficiency measure results of states, grantees, and local workforce areas.

- collection/analysis of aggregate cost and outcome data for 11 ETA programs, intended to produce national and state/grantee level results on a range of efficiency measures, as well as to support multivariate regression analysis of potential adjustment models that could be used in setting/adjusting performance standards on efficiency measures; and
- ongoing review and comment by ETA program offices, ETA regional offices, an ETA internal Cross-Functional Performance workgroup, and an external Expert Panel.

These data collection and analyses activities resulted in a final study report that assessed the feasibility and appropriateness of the efficiency measures for implementation by the 11 ETA programs of interest, as well as identifying and carefully assessing the potential challenges associated with implementation of efficiency measures and the likely short- and long-term effects (both beneficial and adverse) on ETA programs. The final study report also provided a set of recommendations for implementation of one or more efficiency measures by the 11 ETA programs for consideration by ETA.

**Reports:**

J. Trutko, and B. Barnow, *Implementing Efficiency Measures for Employment and Training Programs*, Capital Research Corporation, Inc., prepared for the U.S. Department of Labor, Employment and Training Administration, 2010.

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