

TRAINING AND EMPLOYMENT NOTICE	NO. 45-09
	DATE May 28, 2010

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE LIAISONS

FROM: JANE OATES /s/
Assistant Secretary

SUBJECT: Release and Availability of Employment and Training Administration (ETA)
Occasional Paper 2010-05: *Implementing Efficiency Measures for
Employment and Training Programs Final Report*

1. Purpose. To announce the release and availability of ETA Occasional Paper 2010-05:
Implementing Efficiency Measures for Employment and Training Programs Final Report

2. Background. 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. OMB asked ETA to develop and implement 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 Program; Senior Community Service Employment Program; National Farmworker Jobs Program; Indian and Native American Program; Work Incentive Grant Program; and Apprenticeship Program. Job Corps was not included because it was not part of ETA during the period of the study.

3. Publication Description. This report describes the key lessons that emerged from the study. It found that it is critical in selecting measures, standards, rewards, and sanctions to anticipate the behavioral changes that are likely to be induced by the performance management policies adopted and to structure the system so that the presence of efficiency measures does not result in undesirable behavior by programs, states, and grantees. If the measures were to be adopted, they should be implemented within three years. The study recommends that efficiency measures should be closely tied to the current outcome performance measures in effect under ETA's Common Measures framework. Though the report highlights some of the challenges of comparing efficiency measure results across programs, the Common Measures provide common definitions for outcome measures and thus increase the potential for making meaningful comparisons of efficiency measure results within individual programs (e.g., across states/subgrantees) and across at least some of the ETA programs of interest. This report also recommends use of program expenditures (rather than appropriations or obligations) as the

measure of program costs in efficiency measures. Among the efficiency measures recommended for consideration in this report are cost per entered employment, cost per retained in employment, cost divided by post-program (average) earnings, and cost divided by change in earnings. The report concludes with a series of recommendations concerning the specific efficiency measures that should (and should not) be considered for implementation by each of the 11 ETA programs that are the focus of this study and, if adopted, how these measures should be used to monitor and enhance program performance.

4. Inquiries. Please direct inquiries to Steve Wandner at wandner.stephen@dol.gov.

5. Availability. To download a PDF copy of the full report or view/print the abstract please visit the ETA Occasional Paper Series Web site at: <http://wdr.doleta.gov/research/keyword.cfm>.