

Eberts, Randall W.; Huang, Wei-Jang; Cai, Jing

**Working Paper**

## A methodology for setting state and local regression-adjusted performance targets for workforce investment act programs

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2013

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Randall W. Eberts  
*W.E. Upjohn Institute*

Wei-Jang Huang  
*W.E. Upjohn Institute*

Jing Cai  
*W.E. Upjohn Institute*

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## **A Methodology for Setting State and Local Regression-Adjusted Performance Targets for Workforce Investment Act Programs**

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Randall W. Eberts

Wei-Jang Huang

Jing Cai

*W.E. Upjohn Institute for Employment Research*

email: [Eberts@upjohn.org](mailto:Eberts@upjohn.org)

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### **ABSTRACT**

Beginning with PY2009, the U.S. Department of Labor's Employment and Training Administration (USDOL/ETA) adopted a regression-adjusted approach for setting national targets for several federal workforce development programs, including WIA Adult, Dislocated Worker, and Youth programs. Prior to that time, national targets were based on past performance and the desire to encourage continuous improvement in the workforce programs. The continuous improvement approach typically increased target levels from year to year without a systematic way of accounting for changes in economic conditions or the ability to meet previous targets. The onset of the 2007–2009 recession drew into question this practice, and the Department of Labor and the Office of Management and Budget (OMB) sought to develop a target-setting methodology that would take into account the effect of changes in labor market conditions on program outcomes. The USDOL/ETA also decided to extend the regression-adjusted approach for setting performance targets so that it also could be used for determining state and LWIA targets. Before the change, state targets were set through negotiations between the state and the USDOL, and LWIA targets were set through negotiations between the state and the LWIAs. This document provides an overview of the methodology for the development of state and local PY2011 performance targets for the three Workforce Investment Act (WIA) programs.

**JEL Classification Codes:** J58, H380

**Key Words:** Performance measures, public workforce development programs, regression-adjusted performance targets, Workforce Investment Act programs

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## **I. OVERVIEW**

This document provides an overview of the regression-adjusted methodology adopted by the Employment and Training Administration of the U.S. Department of Labor to set state and local area performance targets for the Workforce Investment Act (WIA) programs. The targets were used as part of the process for setting PY2011 targets at the state and local workforce investment area (LWIA) levels. Each year, performance targets are set for upcoming program years for the three Workforce Investment Act programs: Adult, Dislocated Worker, and Youth. Each program has basically three targets. The targets for Adult and Dislocated Worker programs include the entered employment rate, employment retention rate, and earnings levels. Targets for the Youth program include placement in employment or education, attainment of a degree or certificate, and literacy and numeracy gains.

Beginning with PY2009, the U.S. Department of Labor's Employment and Training Administration (USDOL/ETA) adopted a regression-adjusted approach for setting national targets for these three programs and other federal workforce development programs. Prior to that time, national targets were based on past performance and the desire to encourage continuous improvement in the workforce programs. The continuous improvement approach typically increased target levels from year to year without a systematic way of accounting for changes in economic conditions or the ability to meet previous targets. The onset of the recent recession drew into question this practice, and the Department of Labor and the Office of Management and Budget (OMB) sought to develop a target-setting methodology that would take into account the effect of changes in labor market conditions on program outcomes. The regression-adjusted approach also provides an objective, quantifiable, and measurable

framework for setting performance targets. The Upjohn Institute developed this methodology, which is based on the statistical relationship between program outcomes and unemployment rates.<sup>1</sup>

Beginning with PY2010, the USDOL/ETA extended the regression-adjusted approach for setting performance targets for states and LWIAs (TEGL 09-08, Change 1, issued June 5, 2009). Before the change, state targets were set through negotiations between the state and the USDOL, and LWIA targets were set through negotiations between the state and the LWIAs. The ETA implemented the regression-based methodology for states and LWIAs in two phases (TEN 48-09, June 14, 2010). During the first phase, beginning in PY2010, the Institute constructed regression-adjusted targets for each of the nine pilot states and their LWIAs. This phase provided ETA and the pilot states with an opportunity to accomplish three things: 1) establish and test procedures, 2) use the targets for local performance management purposes, and 3) receive feedback from the pilot states and their local WIBs on ways to improve and refine the model. The second phase used the experience of the pilot states to refine the methodology in order to develop regression-adjusted performance targets for all states, the District of Columbia, Puerto Rico, the Virgin Islands, and their LWIAs. Using the refined methodology, performance targets were developed for all entities starting in PY2011. At the time the paper was written, it was not clear whether the second phase would extend beyond PY2011.

USDOL/ETA adopted a hybrid approach for setting PY2011 state and LWIA performance targets. Regression-adjusted targets were constructed for each state and LWIA and distributed to state and LWIA administrators as well as to each regional administrator. States were still required to engage in a negotiation process to determine their performance targets.

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<sup>1</sup> See Bartik, Eberts, and Huang (2009) for a detailed description of this methodology.

However, if a state and the ETA agreed to accept the regression-adjusted targets, the negotiations were considered completed (TEGL 29-10, June 1, 2011).

This document describes the methodology used to set state and LWIA performance targets for PY2011. It begins with a discussion of the purpose for setting performance targets and the requirements of the existing legislation. This is followed by an overview of the statistical approach used to determine the initial targets and the process used to calculate the adjustment factors. The document next describes the format for reporting the performance targets, which was distributed to each state. It compares the regression-adjusted targets with actual results and negotiated targets for prior program years in order to offer a perspective on the new methodology. The document then presents the estimation results that are used to calculate the regression-adjustment factors, after which it presents the state regression-adjusted targets for PY2011 for each performance outcome. The report concludes with a brief summary. The document focuses primarily on state performance targets, but the methodology for developing LWIA performance targets is the same as that used to develop the state targets. The PY2011 targets are available through ETA and are not listed in this document because of the large volume of results.

## **II. THE PURPOSE OF PERFORMANCE TARGETS UNDER WIA AND GPRA**

Section 136 of the Workforce Investment Act sets forth the requirements of a comprehensive performance accountability system for the three WIA programs. The purpose of the accountability system is to optimize the return on investment of federal workforce development funds by assessing the effectiveness of states and LWIAs in achieving continuous improvement of workforce investment activities funded under the WIA. The Government

Performance and Results Act (GPRA) requires multiyear strategic plans, annual performance plans, and annual performance reports along with the stipulation that various agencies provide national performance targets each year (in three-year increments) in order to promote more effective program design and performance over the long run.<sup>2</sup>

Furthermore, Section 136 of the WIA requires that specific core indicators of performance and the levels of performance for these indicators be set for both states and local areas through a negotiation process. According to the regulations, state performance targets must be expressed in an “objective, quantifiable, and measurable” form and show the progress of the state toward continuously improving performance. The secretary of labor and the governor of each state must reach agreement on the performance levels for the state, taking into account five things: 1) how the levels involved compare with the state-adjusted levels of performance established for other states, 2) differences in economic conditions, 3) the characteristics of participants when the participants entered the program, 4) the services to be provided, and 5) the extent to which their agreed-upon levels promote continuous improvement in performance as measured by that state.

The WIA requires the same procedures for setting targets at the local level. According to the requirements, the local board, the chief elected official, and the governor shall negotiate and reach agreement on the local levels of performance based on the state-adjusted levels of performance. In determining such local levels of performance, the local board, the chief elected official, and the governor shall take into account the specific economic, demographic, and other characteristics of the populations to be served in the local area. The ETA does not take part in the local negotiations.

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<sup>2</sup> The GPRA targets serve as the national outcome targets in the president’s budget.

Taken together, the WIA and the GPRA require that performance targets be set for WIA programs at the national, state, and local levels, and that these targets be used to drive continuous improvement in program design and performance, taking into account the characteristics of the people being served, the economic environment in which they are being served, and the type of services they are receiving. The basic idea is to measure program performance, subject to the given constraints, and to use those results to improve programmatic performance over time. Currently, this is accomplished by negotiating performance targets for the expected actual outcome, taking into account the various factors and circumstances, and monitoring the progress of the programs at the national, state, and local levels against the targets. This process functions as the incentive for continuous improvement as well as the impetus for corrective action, based on whether the state or LWIA's particular outcome exceeds, meets, or fails to meet its performance targets.

### **III. METHODOLOGY FOR DEVELOPING PY2011 PERFORMANCE TARGETS**

The methodology for setting state and LWIA performance targets for WIA programs addresses directly two of the three basic requirements of a performance system set forth by Section 136 of the WIA regulations. First, the state performance targets must be expressed in an *objective, quantifiable, and measurable* form; and, second, the targets must take into account differences in economic conditions and in the characteristics of participants. The third requirement—continuous improvement—is addressed indirectly by the methodology by its providing an objective, quantifiable, and measurable basis upon which to include a continuous improvement component through the negotiations process. Once the factors outside the control



of local administrators are taken into account, one has a better understanding of how the target should be adjusted to reflect continuous improvement.

The methodology for setting state and LWIA targets is similar to that used to set national workforce performance targets. The starting point for setting targets at all three levels is based on the most recent actual results that each entity obtained. For PY2011, the most recent program year for which actual results are available at the time the targets are to be developed is PY2009. The methodology then asks the question: “To what extent does one expect changes in the economic conditions and personal characteristics of customers to affect the outcomes in the program year for which the targets are to be set?” More specifically for PY2011 targets, the methodology attempts to quantify the extent to which changes in unemployment rates and personal characteristics between PY2009 and PY2011 affect the outcomes in PY2011. Therefore, the methodology develops the PY2011 target based on what was achieved in the last observable program year and then quantifies, through statistical means, how changes in unemployment rates and customer characteristics are expected to affect future outcomes.

The methodology addresses the requirements of Section 136 in the following ways. First, to meet the requirement that the system takes into account customer characteristics and economic conditions, the methodology includes all personal characteristics of customers that are available in the standard data set for all states and LWIAs, which at this time is the Workforce Investment Act Standard Reporting Database (WIASRD). A common, comprehensive data set is important so that the measurement of personal characteristics is consistent across entities to the greatest extent possible. The methodology also includes the local economic conditions of states and LWIAs as measured by local unemployment rates, which are also obtained from an objective data source, in this case the Bureau of Labor Statistics.

Second, to meet the requirement that the performance system be objective, quantifiable, and measurable, the methodology uses statistical means to determine the importance (as quantified in weights) of each customer characteristic and of the unemployment rates on performance outcomes. The weights are determined using regression analysis, which estimates the effect of each personal characteristic and the unemployment rates on the performance outcomes. Using common databases and standard statistical techniques, such as regression analysis, allows for a transparent and objective system, which can be easily scrutinized.

The methodology described in this document and used for setting PY2011 and subsequent targets differs from the methodology followed under the Job Training Partnership Act (JTPA) and what was introduced in the pilot project for PY2010. The reference point in the methodology for setting PY2011 targets is the past performance of each entity. In contrast, the reference point for state targets in the JTPA methodology and the PY2010 pilot methodology is the national average. For LWIAs, the reference point was the state average.<sup>3</sup> The current method was chosen because it is consistent with the methodology used for setting the national targets and because it avoids some of the problems associated with the differential effects across states of the practice of co-enrolling Wagner-Peyser participants.

The regression-adjusted methodology provides the basis upon which to include a continuous improvement adjustment. The regression-adjusted target accounts for factors that affect performance outcomes but are outside the control of local administrators. Adding a continuous improvement adjustment factor onto the regression-adjusted performance target then provides a reference point for the contribution expected of the services provided by the WIA

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<sup>3</sup> Therefore, under the PY2011 methodology, it is conceivable that a state, for instance, may have not met its target in the previous year, and since the PY2011 target is pegged to past performance—in this case underperformance—the target may place that state below previous expectations, after taking into account the change in outside factors (i.e., personal characteristics and unemployment rate changes).

programs. Without such an adjustment, it is difficult to surmise what it means for an entity to exceed or to miss its target. For example, in the case of an entity that has exceeded its target, it is difficult to distinguish whether the entity's performance has exceeded the target because it is adding value through effective services or simply because the "outside factors" were in its favor. For an entity that misses its target, it is equally difficult to understand whether it is because the services were not sufficiently effective or because the outside factors were sufficiently unfavorable so that the outcome was below target. It is conceivable that both entities, even the one that missed the target, could have achieved the same level of continuous improvement or value added. The difference in observed outcomes between the two entities is due to the effects of the difference in the outside factors.

#### **IV. STEPS IN DEVELOPING PERFORMANCE TARGETS**

The setting of state and WIB targets using this methodology has three basic steps.

##### **Step One: Adjustment for Changes in Personal Characteristics**

The first step estimates the effect of changes in the personal characteristics of exiters on performance outcomes. Estimates of the effect of performance characteristics on outcomes are obtained by regressing each outcome on each personal characteristic that is included in WIASRD. The estimates are based on individual exiter data from 2005 to the most recently available data, which at the time this paper was written was 2009Q3. Separate estimates are obtained for each outcome in each WIA program. The estimates are then used as weights to calculate the adjustment factor resulting from the change in personal characteristics over time. The time period spans from the most recent program year for which actual performance outcomes are available (in this case PY2009) to the period covered by the program year for

which the target is set (in this case PY2011).<sup>4</sup> Since PY2011 performance targets need to be determined before the program year begins, the characteristics of exiters from that program year are not yet available. We therefore use the four quarters of data that are most recently available in WIASRD. The targets are then updated quarterly as new data are made available.

## **Step Two: Adjustment for Changes in Unemployment Rates**

The second step adjusts for projected changes in the national unemployment rate from PY2009 through the period covered by PY2011. This step estimates the effect of local unemployment rates on performance outcomes separately for each state and for each WIB. The performance outcomes are purged of the effect of personal characteristics by using the residuals generated from the first step. As a consequence, the concept places an “identical” person in each local labor market to observe the effect of an area’s unemployment rate on that “identical” person’s performance outcomes. The residuals are aggregated at the WIB level, and then the WIB residuals are regressed on the WIB unemployment rates. WIASRD data from 2005Q3 to 2009Q3 are used to derive the estimates. State estimates are obtained by pooling the WIBs within each state. WIB estimates are obtained simply by regressing the WIB-level outcomes on the WIB-based unemployment rates.<sup>5</sup>

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<sup>4</sup> The calculation of performance measures used in PY2011 and defined by the ETA covers reporting periods that are different from those covered by the program year itself. For instance, the calculation of entered employment for PY2011, which spans the period from July 1, 2011 through June 30, 2012, includes the outcomes of those participants who exited the program from October 1, 2010, through September 30, 2011. For the retention rate, the measure is calculated using the outcomes of those participants who exited the program from April 1, 2010, through March 31, 2010. The same period is used for the calculation of the earnings measure. Therefore, by reaching back to previous quarters to calculate the performance measures, it is possible that the data available at the time the performance targets are to be determined are closer to the actual time periods used to calculate the measures than the period covered by the program year would suggest. Furthermore, the targets are updated quarterly as new data become available. In addition, the possibility of using participant, instead of exiter, data is being explored, which would provide even more current data.

<sup>5</sup> Two states and Puerto Rico do not have enough observations for some performance measures in WIASRD to derive the estimates from. Instead, the annual state-level outcomes are regressed against annual unemployment rates. The number of observations is much more limited than when using quarterly data, but we have a complete time series for these three entities. State-level annual data are used for the Adult program in Puerto

OMB assumptions regarding national unemployment rates are used to project into the future the effect of changes in national unemployment rates on a state's or WIB's performance. We use the actual quarterly unemployment rates until they are no longer available and then use OMB assumptions for the remainder of the time. In setting targets for PY2011, we use the quarterly difference in national unemployment rates between the time the last actual performance outcomes are available—in this case 2009—and the period covered by PY2011. Multiplying the change in unemployment rates and the estimated effect of unemployment rates on each performance outcome provides the adjustment for economic conditions.<sup>6</sup>

### **Step Three: Calculating Targets**

The regression-adjusted performance target is calculated by first adding the adjustment from personal characteristics (Step One) and the adjustment from changes in the unemployment rate (Step Two). The sum of the two adjustments is then added to the actual result for PY2009. The result is the target for PY2011. The expectation is that targets will be updated each quarter as additional data become available.

## **V. DEFINITION OF DATA ELEMENTS IN THE REPORTING SHEETS**

The Employment and Training Administration of the U.S. Department of Labor sent to each regional administrator reporting sheets that detail the adjustments in each target for each

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Rico, the Dislocated Worker program in South Dakota, and the Adult and Dislocated Worker programs in West Virginia. Because of small sample sizes, estimates for some WIBs were not precise and the estimated effects were unrealistic. In those few cases, we adjusted the estimates to be more in line with the state estimates. For some Youth targets, we had to assume the prior employment variables were at the national average for Puerto Rico, South Dakota, and Maryland so the residuals could be calculated. WIB-level targets are missing for a few WIBs. The state-level targets are missing only for youth\_lit for Puerto Rico and Vermont.

<sup>6</sup> Quarterly time periods are used so that we can match the unemployment rates to the quarters in which exiters are counted in the performance measure. For example, for PY2009, exiters leaving from 2008Q4 through 2009Q3 are counted in calculating the results for the PY2009 entered employment rate. Retention and earnings are recorded two quarters before that time span.

state and LWIA. The reporting sheets display the effect of each personal characteristic on performance outcomes, the aggregated adjustment for personal characteristics, the adjustment due to unemployment rate changes, the PY2009 starting point, and the PY2011 target. The reporting format is described according to each section, which is labeled by letter.

- A. Region.** Identifies the USDOL region within which the state or WIB is located.
- B. State.** Identifies the state.
- C. Workforce investment board.** Identifies the name of the state for the state targets and the name of the workforce investment board (WIB) for the WIB targets.
- D. WIB number.** Identifies the number assigned to the WIB for which the target information is provided (0 if the reporting sheet is for a state target).
- E. Program.** Identifies the WIA program: Adult, Dislocated Worker, or Youth. Additional reporting sheets are provided to states that use older youth and younger youth targets.
- F. Performance measure.** Identifies the performance measure for the program. For the Adult programs, these include entered employment rate, retention rate, and earnings level; for the Youth programs, these include placement in employment or education rate, attainment of degree or certificate rate, and percentage of students who achieve literacy and numeracy gains of one adult basic education level.
- G. Local factor.** This column identifies the personal characteristics of customers who have exited the program. These characteristics are obtained from the WIASRD. These factors are aggregated to the state level for state targets and aggregated to the WIB level for WIB targets.
- H. Current factor values.** This column includes the current values for each personal characteristic, expressed as a decimal. That is, a value of 0.619 in the first row under “%

female” indicates that 61.9 percent of the exiters in that period were female. For PY2011 targets, the average of the four most recent quarters is used to derive the values in this column. Because of the small sample size for many WIBs and the desire for consistency between state and WIB targets, all exiters from a particular program were used to calculate the four-quarter average. For instance, instead of including only the exiters counted for the Adult entered employment rate, all exiters in the Adult program for that specific period were included. Therefore, some of the exiters counted in the entered employment adjustment may have been counted only for retention or for earnings. Tests show that adopting this convention did not make significant differences in the adjustment factors, in part because the adjustment is based on the difference in these values, not the level. The time period considered as the “current factor value” is 2009Q2 to 2010Q1. These values will be updated as more recent data become available.

- I. Base period factor values.** This column includes the base period values for each personal characteristic, expressed as a decimal. That is, a value of 0.618 in the first row under “% female” indicates that 61.8 percent of the exiters in that period were female. The base time period varies depending upon the quarters used to record the performance measure. For Adult and Dislocated Worker entered employment rates, Youth placement rate, Youth degree attainment rate, and literacy and numeracy, the base period is 2008Q4 to 2009Q3. For Adult and Dislocated Worker retention rate and earnings, the base period is 2008Q2 to 2009Q1. The base period values will remain the same, even as column H values are updated.
- J. Difference (H minus I).** This column displays the difference between the current factor values (column H) and the base period values (column I). The difference provides a sense

of the trend in the values of the personal characteristics as we move toward the period covered by PY2011.

**K. Weights.** This column displays the weights associated with each local factor. The weights are derived from regression estimates of the relationship between each factor and the outcome associated with the performance target included in the specific reporting sheet. Estimates are based on the outcomes of individual exiters as recorded in the WIASRD.

**L. Estimated effect of factors on performance.** The numbers displayed in this column are the differences in the values between the current period and the base period multiplied by the weights [(col. H – col. I) × col. K]. This value suggests the relative importance of the change in each factor in calculating the personal characteristic adjustment factor. It depends upon the magnitude of the difference and the size of the weight. It could be the case that the difference is large, but the personal factor has little effect on the outcome (small weight). On the other hand, the difference may be small, but the weight is large.

**M. Total personal characteristics adjustment.** The value is the summation of the numbers in column L. It is the sum of the weighted difference in the values of personal characteristics. This summation provides an estimate of the effect of the change in personal characteristics on future outcomes, and thus it constitutes one component of the adjustment to the PY2009 actual results used to obtain a target for PY2011 based upon the change in factors outside the control of local administrators. A positive adjustment factor indicates that the change in personal factors, on net, is in a direction that suggests the outcome should be larger in PY2011 than in PY2009.



**N. Total labor market adjustment.** This number is the adjustment to the PY2009 actual results associated with the change in unemployment rates in order to obtain a target for PY2011 based upon the change in local economic factors outside the control of local administrators. The number is derived from two components. The first is an estimate of the effect of changes in unemployment rates on performance outcomes at the state or WIB level. Separate estimates for each outcome for each program were obtained by regressing the outcome (purged of the effects of personal characteristics) on local unemployment rates. The estimate is the weight. The second component is the difference in the quarterly national unemployment rate. The national rate is used, although the estimate is based on local unemployment rates, because one needs projections of unemployment rates into the future to derive the targets. OMB unemployment rate assumptions are used. Since earnings outcomes are measured in nominal terms, OMB assumptions regarding cost of living are used to adjust earnings. A positive adjustment factor indicates that the change in unemployment is in a direction in which the outcome should be larger in PY2011 than in PY2009. For entered employment, for example, this would indicate a decline in unemployment rates between the two periods. The degree to which this change affects the outcome depends upon the weights.

**O. Department point.** This is the actual performance result for PY2009.

**P. Regression-adjusted performance level (M + N + O).** This value is the regression-adjusted target for PY2011, derived by adding the two adjustment factors (M and N) to the PY2009 actual result. A PY2011 target greater than the PY2009 actual results indicates that the adjustments are favorable on net.

**Table 1 WIA Regression-Adjusted Performance Worksheet**

A. Region	B. State	C. Workforce investment board			D. WIB number
E. Program: Adult	F: Performance measure: entered employment rate				
G. Local factor	H. Current factor values (as decimal)	I. Base period factor values (as decimal)	J. Difference (H minus I)	K. Weights	L. Estimated effect of factors on performance
% female	0.619	0.618	0.002	1.690	0.003
% age 26 to 35	0.325	0.340	-0.015	-1.310	0.019
% age 36 to 45	0.238	0.231	0.007	-3.020	-0.022
% age 46 to 55	0.163	0.148	0.014	-6.670	-0.095
% age 56 to 65	0.035	0.032	0.004	-15.300	-0.056
% age 66 or more	0.003	0.001	0.002	-28.900	-0.066
% Hispanic	0.110	0.124	-0.013	2.960	-0.039
% Asian	0.031	0.028	0.003	-1.860	-0.006
% black	0.529	0.452	0.077	-0.397	-0.031
% Hawaiian/Pacific Islander	0.002	0.001	0.001	-0.218	-0.000
% American Indian	0.002	0.002	-0.000	-2.450	0.000
% multirace	0.005	0.005	-0.000	-1.110	0.000
% high school dropout	0.094	0.073	0.021	-8.590	-0.180
% GED	0.140	0.131	0.009	-5.090	-0.046
% some college	0.216	0.234	-0.019	1.970	-0.037
% certificate	0.000	0.001	-0.001	-10.600	0.006
% associate degree	0.000	0.000	0.000	-0.053	0.000
% other postsecondary degree	0.009	0.009	-0.001	1.450	-0.001
% bachelor's degree	0.063	0.047	0.015	2.910	0.044
% beyond bachelor's	0.014	0.012	0.001	2.320	0.003
% employed at participation	0.251	0.312	-0.061	5.840	-0.359
% disabled	0.037	0.032	0.005	-13.600	-0.065
% veteran	0.040	0.047	-0.007	3.190	-0.022
% worked 2nd and 3rd quarters prior	0.463	0.514	-0.051	15.400	-0.787
% worked 3rd quarter prior	0.098	0.088	0.010	6.430	0.064
% worked 2nd quarter prior	0.075	0.075	-0.000	9.710	-0.002
% co-enrolled in WP	0.107	0.035	0.072	-6.360	-0.460
% limited English	0.039	0.040	-0.001	7.830	-0.009
% single parent	0.396	0.397	-0.001	4.630	-0.006
% low income	0.835	0.833	0.002	6.940	0.015
% on TANF	0.038	0.022	0.016	-1.240	-0.020
% other assistance	0.593	0.603	-0.011	-6.240	0.066
% homeless	0.001	0.001	0.001	-3.280	-0.002
% offender	0.143	0.160	-0.017	-0.890	0.015
% UI claimant, nonexhaustee	0.131	0.102	0.029	-5.970	-0.171
% UI exhaustee	0.034	0.034	0.001	0.793	0.000
M. Total personal characteristics adjustment					-2.245
N. Total labor market adjustment					-1.315
O. Departure point					72.200
P. Regression-adjusted performance level (M + N + O)					68.640

## VI. STATE PERFORMANCE TARGETS

Reporting sheets were prepared for each common performance measure for each of the three WIA programs in each state and in the District of Columbia, Puerto Rico, and the Virgin Islands—a total of 477 for the PY2011 state performance targets. The reports were made available to the ETA regional administrators to be used in the negotiation process. This section describes the relationships between these measures for the Adult entered employment rate. Tables containing performance targets for all nine common performance measures are included in Appendix A. Appendix A also includes figures and tables that summarize the relationship between targets and actual results over the four program years.

As an example of the performance targets, Table 2 provides a summary of entered employment targets for the Adult program by state and other entities. Also displayed in the table are the actual results for PY2008 and PY2009, along with PY2010 targets that are derived using the same methodology as used for PY2011. These four years of data offer a perspective on how the actual results and targets change over time. The tables also include the two adjustment factors, which when summed together and added to the PY2009 actual results yield the PY2011 targets. For instance, the actual results for Adult entered employment rates in Alabama fall from 70.3 percent in PY2008 to 60.6 percent in PY2009 as the national unemployment rate climbs from 5.3 percent to 8.5 percent.<sup>7</sup> The PY2011 target stands at 53.8, as a result in part of the further increase in the assumed national unemployment rate to 9.5 percent. A negative personal characteristics adjustment factor of  $-4.67$  further reduces the PY2011 target. Without the

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<sup>7</sup> It should be noted that the U.S. unemployment rate series is different across some of the tables, even though the same program years are used. The reason has to do with the reporting dates for the various performance measures, as defined by the USDOL. Because of the lag in obtaining data from which to derive performance outcomes, the reporting periods for outcomes in the same program year for the same program differ. The base periods are listed under item I in section V.

**Table 2 Actual Results and Targets Using the Regression-Adjusted Method for Adult Entered Employment Rates**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment Rates
U.S. unemployment rate	5.3	8.5	9.8	9.5		
AK	79.2	73.6	73.0	73.0	-0.576	0.000
AL	70.3	60.6	53.2	53.8	-4.667	-2.115
AR	93.3	87.4	87.1	87.1	-0.304	0.000
AZ	79.4	69.6	68.6	68.7	-0.285	-0.578
CA	63.3	48.3	47.5	47.8	0.273	-0.817
CO	86.7	76.5	76.0	76.0	-0.325	-0.166
CT	80.4	60.7	57.1	57.8	-0.832	-2.108
DC	53.7	57.9	51.3	52.7	-0.340	-4.885
DE	83.7	73.4	68.7	69.6	-0.670	-3.145
FL	84.2	82.9	81.2	81.5	-0.493	-0.945
GA	81.6	70.8	68.5	69.0	-0.032	-1.762
HI	75.8	59.8	51.0	52.2	-3.354	-4.247
IA	78.8	60.3	54.7	55.6	-1.716	-3.003
ID	85.8	77.7	76.0	76.4	-0.181	-1.129
IL	75.2	72.2	67.8	68.3	-2.245	-1.613
IN	63.2	47.4	40.9	42.2	-0.274	-4.922
KS	82.4	60.1	52.5	53.8	-1.502	-4.774
KY	86.7	84.0	83.6	83.7	0.255	-0.528
LA	66.2	56.6	55.3	55.5	-0.348	-0.740
MA	81.9	74.8	72.9	73.3	-0.046	-1.427
MD	77.8	77.3	75.6	75.9	-0.553	-0.878
ME	77.4	77.6	79.3	79.3	1.741	0.000
MI	85.6	87.1	85.9	86.2	-0.149	-0.774
MN	83.9	83.0	82.0	82.1	-0.651	-0.259
MO	81.7	72.5	69.8	70.3	-0.393	-1.773
MS	64.1	56.5	55.4	55.5	-0.576	-0.432
MT	94.5	84.2	83.9	83.9	-0.301	0.000
NC	76.7	65.3	63.3	63.6	-0.762	-0.964
ND	72.6	75.5	74.6	74.7	-0.505	-0.268
NE	85.8	77.5	69.6	71.2	-0.571	-5.713
NH	75.7	74.7	74.2	74.2	-0.493	0.000
NJ	87.2	86.0	84.7	84.8	-1.165	-0.078
NM	80.2	68.7	65.8	66.5	-0.201	-2.036
NV	74.7	65.3	63.7	63.9	-0.625	-0.748
NY	67.2	55.0	53.2	53.5	-0.366	-1.128
OH	75.3	64.1	61.6	61.9	-1.285	-0.889
OK	66.6	50.2	47.2	47.9	0.202	-2.498
OR	62.0	43.4	37.9	38.9	-0.748	-3.751
PA	76.8	70.3	66.4	67.1	-0.522	-2.635
PR	78.7	67.1	61.7	62.8	-0.510	-3.823
RI	77.5	59.4	54.6	55.3	-1.719	-2.368
SC	70.6	56.7	52.9	53.5	-1.120	-2.081
SD	79.7	75.5	75.4	75.4	-0.062	0.000
TN	87.7	69.1	68.6	68.8	0.446	-0.696
TX	73.4	66.0	63.3	63.7	-0.704	-1.563
UT	68.9	56.4	46.8	48.6	-0.377	-7.392
VA	74.2	71.4	69.4	69.7	-0.755	-0.940
VI	39.1	47.5	34.1	35.9	-3.229	-8.322
VT	77.2	64.2	57.3	58.6	-1.276	-4.351
WA	82.3	75.9	73.9	74.3	-0.229	-1.372
WI	74.8	67.2	66.5	66.8	0.547	-0.944
WV	77.3	71.4	69.7	69.9	-0.755	-0.726
WY	84.4	78.5	76.0	76.4	-0.935	-1.182

SOURCE: Authors' calculations of the WIASRD data and BLS data.

negative projection of the effect of personal characteristics, the PY2011 target would have been closer to 58 percent.

The national targets for PY2011 and the weighted averages of the PY2011 state targets are summarized in Table 3. The purpose of this table is to show how the state targets, which are derived independently of the national targets, are consistent with the national targets. For instance, the national target for the Adult entered employment rate is 53.1; the weighted average of the state targets is 51.2. The weights are the number of exiters in each state or entity counted in the denominator of the entered employment rate measure for PY2009. The weighted average may change as these numbers change. The weighted average of the earnings targets is not as close to the national targets as the entered employment rates and retention rates are, but this weighted average is within a 5 percent tolerance range. The measure that displays the largest difference between the national and the state average is the youth literacy and numeracy gains performance outcome.

**Table 3 National Targets and Weighted Means of the State Targets, PY2011**

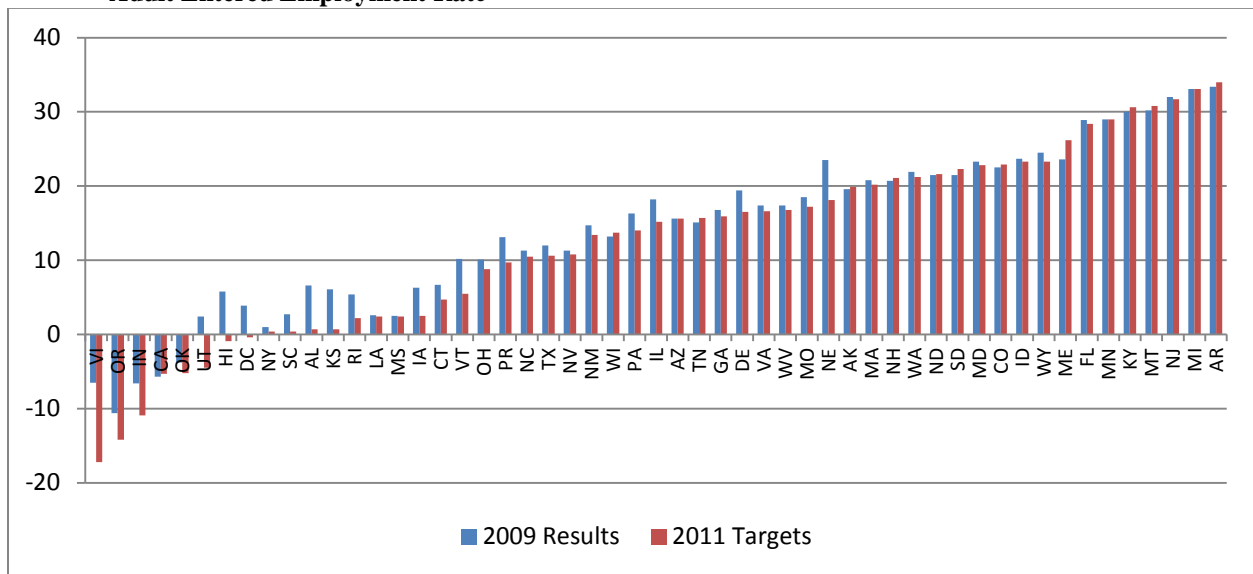
	National target	Weighted average of state targets	National target	Weighted average of state targets	National target	Weighted average of state targets
<b>Entered employment rate</b>	53.1	51.2	49.7	48.9		
<b>Retention rate</b>	73.1	75.0	78.0	77.9		
<b>Earnings</b>	12,865	13,209	15,418	16,152		
<b>Placement</b>					53.3	52.5
<b>Degree attainment</b>					54.7	52.8
<b>Literacy/numeracy gain</b>					40.4	36.3

SOURCE: Authors' calculations of the WIASRD data and BLS data.

The relationship between the actual PY2009 performance results and the PY2011 targets are shown graphically in Figure 1. Instead of displaying the actual results and targets, the graph shows each as a deviation from their national averages. For example, for Alabama, which is the

eleventh state in from the left, its PY2009 actual performance is 6 percentage points higher than the national average of actual results, while its PY2011 target is about 1 percentage point higher than the national average of the targets. For most states, the deviations between the actual results and the performance targets track closely. Deviations of the other performance outcomes are shown in Figures B2–B9, found in Appendix B.

**Figure 1 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Adult Entered Employment Rate**



SOURCE: Authors' calculations of the WIASRD data and BLS data.

## VII. SIMULATION USING THE REGRESSION-ADJUSTED METHODOLOGY TO DERIVE PY2007 THROUGH PY2009 TARGETS

As a way of gaining a better perspective on how targets derived from the methodology compared with actual results in the same program year, targets for PY2007 through PY2009 were computed for Adult entered employment rates and compared with the actual results for those three program years. The starting point for estimating the effect of changes in unemployment rates and personal characteristics on performance is the actual results two

program years prior to the program year for which the target is generated. Therefore, for PY2007, we started with the actual results from PY2005. In practice, however, we would not have actual data for the program year for which targets are generated until after the program year was completed.

All tables and graphs in this section display the simulation results for Adult entered employment rates. Similar tables and graphs for Adult retention rates, Adult average earnings, and all outcome measures in the Dislocated Worker program are displayed in Appendix C. The results of the simulation are displayed in Table 4, below. The numbers are the difference between the actual results in the program year and the target derived for that program year. A positive value indicates that the actual results exceeded the target; a negative number indicates that it fell below the target.

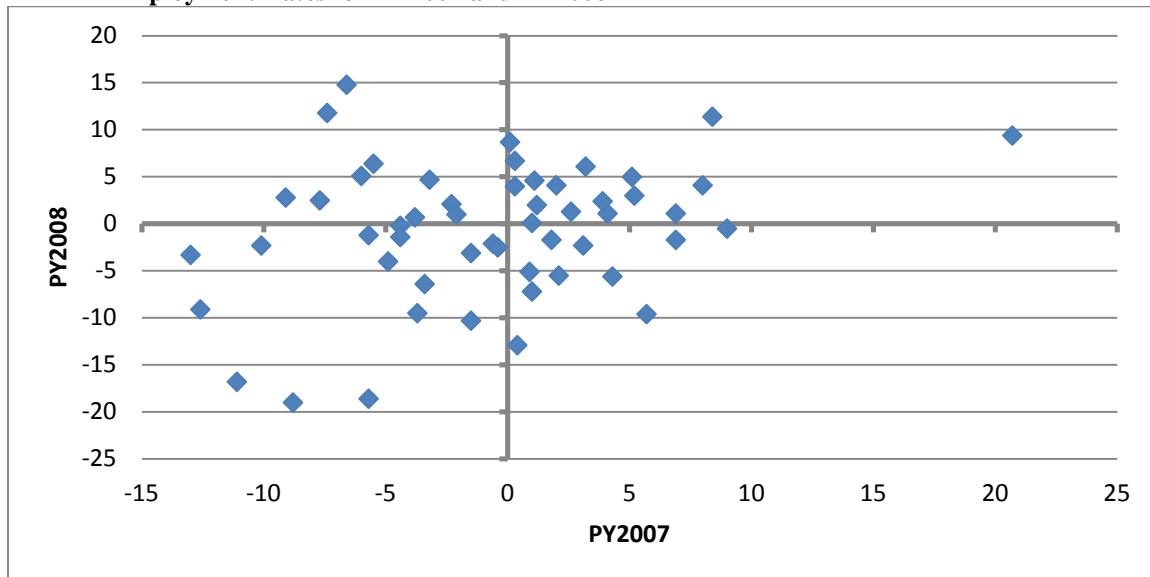
**Table 4 Difference between Actual Results and Targets for Adult Entered Employment Rate**

	Adult entered employment rate				Adult entered employment rate		
	PY2007	PY2008	PY2009		PY2007	PY2008	PY2009
AK	0.1	8.7	4.4	NC	-2.1	1.0	-5.6
AL	6.9	1.1	-4.8	ND	-3.4	-6.4	2.1
AR	4.1	1.1	-3.4	NE	-7.4	11.8	18.5
AZ	3.1	-2.3	-8.2	NH	1.1	4.6	-3.8
CA	0.4	-12.9	-22.8	NJ	8.0	4.1	0.1
CO	3.2	6.1	-9.2	NM	2.1	-5.5	-3.2
CT	2.6	1.3	-6.7	NV	1.2	2.0	-9.8
DC	-8.8	-19.0	7.8	NY	-6.0	5.1	-6.4
DE	-9.1	2.8	3.3	OH	-1.5	-3.1	-6.6
FL	-5.7	-1.2	7.0	OK	-13.0	-3.3	-5.1
GA	0.3	6.7	-4.1	OR	-5.7	-18.6	-12.2
HI	-7.7	2.5	3.8	PA	3.9	2.4	3.6
IA	-4.4	-0.2	-2.9	PR	-12.6	-9.1	9.7
ID	5.7	-9.6	-7.0	RI	-3.7	-9.5	-4.3
IL	-0.6	-2.1	1.8	SC	-1.5	-10.3	-9.3
IN	-11.1	-16.8	-0.1	SD	9.0	-0.5	-8.3
KS	5.2	3.0	5.0	TN	0.3	4.0	-15.0
KY	6.9	-1.7	-3.6	TX	-4.9	-4.0	0.6
LA	-10.1	-2.3	-6.7	UT	-6.6	14.8	16.6
MA	2.0	4.1	-0.9	VA	1.0	-7.2	-3.2
MD	-3.8	0.7	-1.9	VI	20.7	9.4	25.7
ME	-5.5	6.4	-2.4	VT	1.0	0.1	4.2
MI	1.8	-1.7	2.1	WA	-4.4	-1.4	1.8
MN	0.9	-5.1	-3.9	WI	-0.4	-2.5	-3.2
MO	4.3	-5.6	0.1	WV	5.1	5.0	-4.0
MS	-2.3	2.1	-4.9	WY	-3.2	4.7	1.8
MT	8.4	11.4	-6.1				

SOURCE: Authors' calculations of the WIASRD data and BLS data.

Figures 2 and 3 display graphically the results shown in Table 4. Figure 2 shows the results and targets for Adult entered employment rates for PY2007 and PY2008. Each dot in the graph represents a state, the District of Columbia, Puerto Rico, or the Virgin Islands. Those to the right of the solid vertical line, positioned at zero, exceed the target for PY2007; those to the left fall short of the target. Those entities above the horizontal solid line positioned at zero exceed the target for PY2008; those below fall short of the target. Dots in the upper right quadrant represent states that exceeded the regression-adjusted targets in both years, and those in the lower left quadrant are for states that fell short of their targets both years. Figure 3 shows the difference between the actual results and targets for Program Years 2008 and 2009.

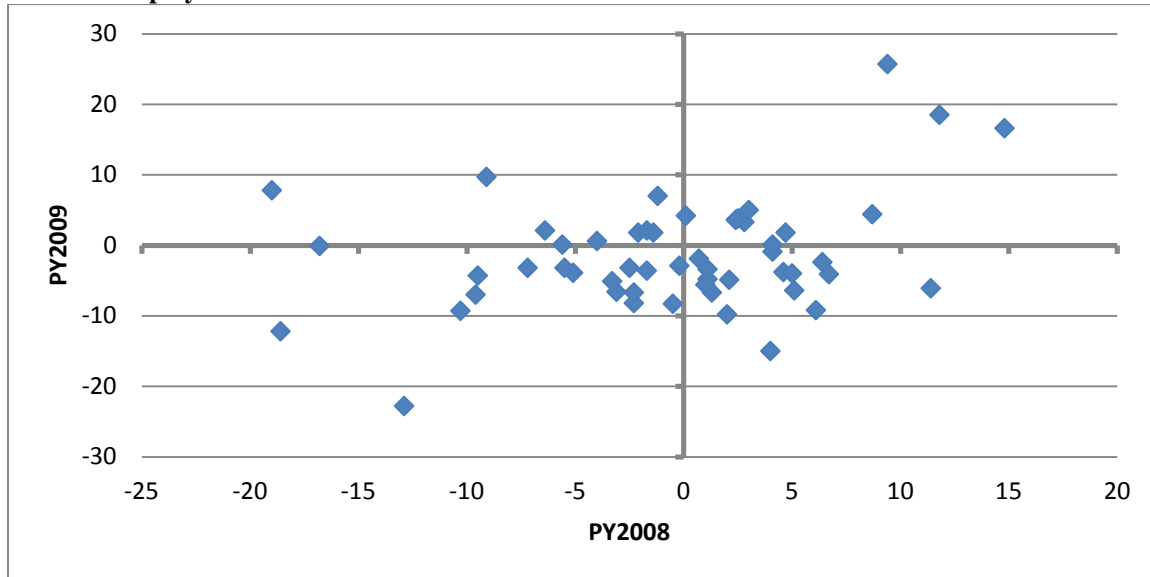
**Figure 2 Difference between Actual Results and Regression-Adjusted Targets for Adult Entered Employment Rates for PY2007 and PY2008**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.  
 SOURCE: Authors' calculations of the WIASRD data and BLS data.



**Figure 3 Difference between Actual Results and Regression-Adjusted Targets for Adult Entered Employment Rates for PY2008 and PY2009**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

SOURCE: Authors' calculations of the WIASRD data and BLS data.

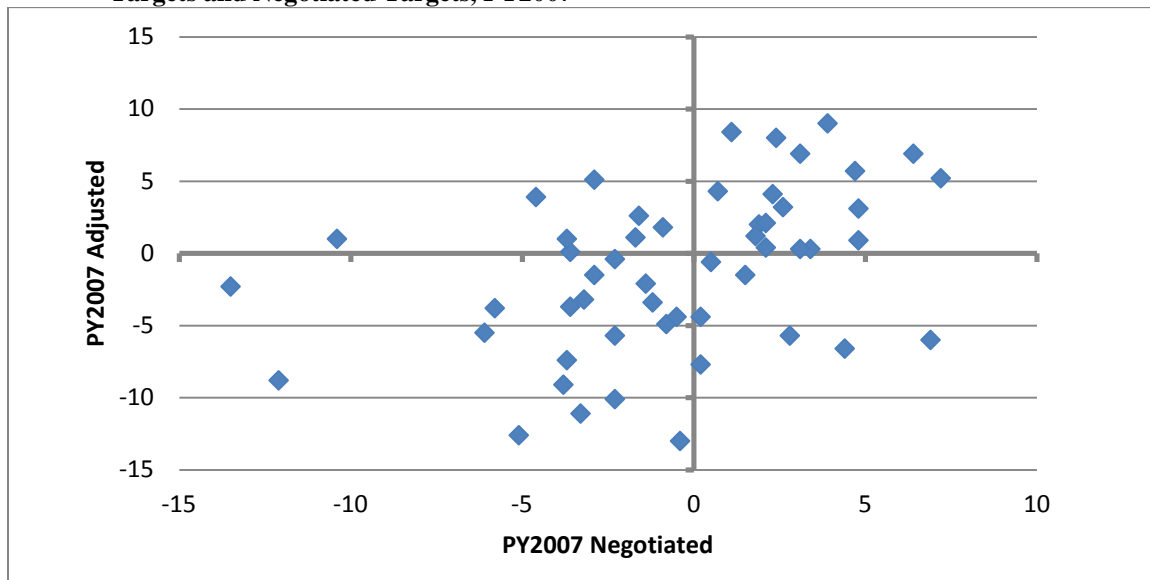
Table 5 compares the number of states that exceeded the targets derived from the regression-adjusted methodology with the number of states that exceeded the targets that were negotiated for each state. For PY2007, half the states (and DC and Puerto Rico) exceeded the adjusted targets and 48 percent exceeded their negotiated targets. Figure 4 shows that only 18 of the states exceeded both types of targets, however. For PY2009, 37 percent of the states exceeded the adjusted target and only 12 percent exceeded their negotiated targets. Figure 5 shows that only two states exceeded both. The lower half of Table 5 displays the number of states that exceeded their targets for the three program years. For the adjusted target, nine states did not exceed their targets in any of the three program years, whereas for the negotiated target, 22 states never exceeded their targets for the three program years. On the other hand, five states exceeded their adjusted targets for all three program years, and two states exceeded their negotiated targets all three years.

**Table 5 Adult Entered Employment Rate, Actual Results Compared with Targets, PY2007–PY2009**

Number and percentage of states and other entities That exceeded regression-adjusted targets						
	PY2007	PY208	PY2009	PY2007	PY2008	PY2009
Exceeded	26	26	19	25	14	6
% exceeded	50	50	37	48	27	12
<b>No. of states that exceeded targets:</b>						
0 years	9			0 years	22	
1 year	20			1 year	17	
2 years	18			2 years	11	
3 years	5			3 years	2	

SOURCE: Authors' calculations of the WIASRD data and BLS data.

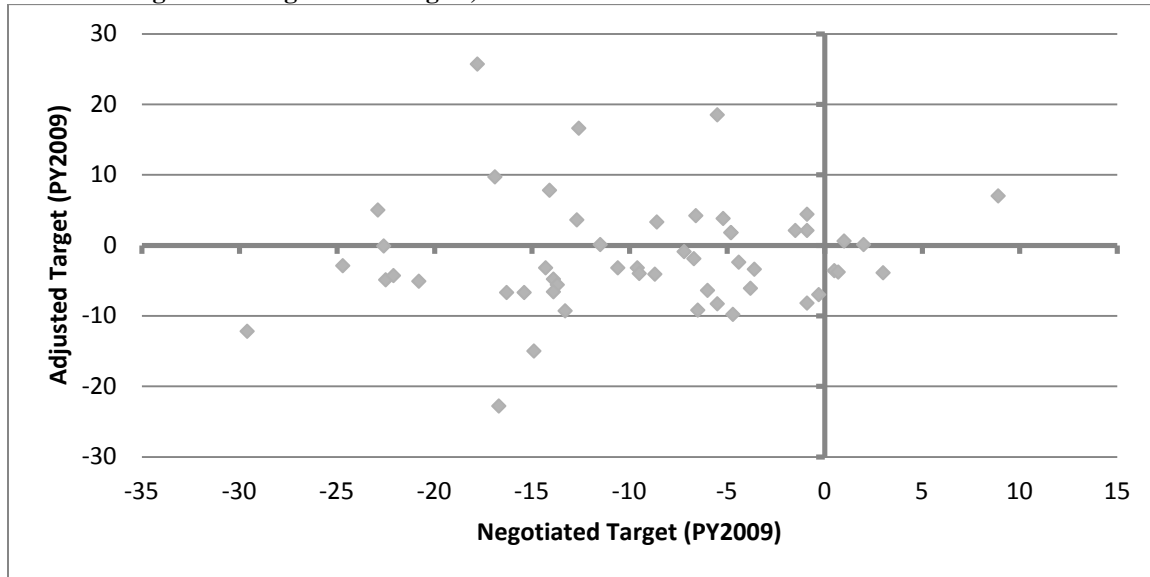
**Figure 4 Adult Entered Employment Rate, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2007**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

SOURCE: Authors' calculations of the WIASRD data and BLS data.

**Figure 5 Adult Entered Employment Rate, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2009**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

SOURCE: Authors' calculations of the WIASRD data and BLS data.

## VIII. ESTIMATING THE WEIGHTS FOR PERSONAL CHARACTERISTICS

The purpose of the personal characteristic adjustment factor is to account for the effects of customer attributes that may affect the observed performance outcomes. For instance, a customer's prior employment experience may have a positive effect on his or her ability to find a job after completing the WIA program. Additional educational attainment may have a similar positive effect on the likelihood of employment. Regression analysis is used to estimate the relative effects of a set of personal characteristics on each of the performance outcomes for each WIA program. The estimated coefficients related to each factor are then used as the weights associated with each personal characteristic. The personal characteristic adjustment factor is then derived by multiplying the changes over time in the personal characteristics by the weights and adding these weighted differences for all factors.

The weights are based on the experience of individual customers who exited the WIA programs from 2005 through 2009Q3. Information on personal characteristics is obtained quarterly from the WIASRD. Formally, the estimation equation is expressed as follows:

$$Y_{isq} = \beta_o + \beta_1 X_{isq} + \beta_2 D_q + \varepsilon_{isq} ,$$

Where  $Y_{isq}$  is the outcome variable for individual  $i$  in LWIA  $s$  in year-quarter  $q$ ,  $X_{isq}$  are the individual attributes for person  $i$  in LWIA  $s$  in year-quarter  $q$ ,  $D$  denotes the year-quarter dummy variable, and  $\beta$  represents the coefficients. Since the observation of analysis is the individual program exiter, for outcome measures other than earnings the dependent variable ( $Y$ ) is a dichotomous variable that takes on the value of 1 if an exiter achieves the outcome (finds a job, for example) and 0 if not. For example, entered employment is defined as having positive earnings in the first quarter after exit. The dependent variable takes a value of 1 for individuals for whom positive earnings are observed in their wage record for that quarter, and 0 otherwise. Thus, the dependent variables in these cases are binary outcomes and not continuous ranges of percentages. The WIASRD designates which individuals are included in the performance outcome measures (that is, in the denominator), and only those designated individuals are included in the regressions. A different set of coefficients is estimated for each performance measure in each WIA program. The equations are estimated using OLS.<sup>8</sup>

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<sup>8</sup> There are some drawbacks to using OLS for dichotomous dependent variables. Logit and probit estimation techniques are generally recommended for estimating equations with zero-one dependent variables. However, using logit or probit makes it more difficult to interpret the results and creates some complexities in calculating adjustments. For example, because logit and probit are nonlinear models, the adjustment factor cannot be calculated using sample means but rather requires calculating probabilities for all observations using the full set of data. Econometricians have shown that the drawbacks of using linear probability models, compared with logit and probit techniques, may be minimal. See, for example, Wooldridge (2002). In order to test the sensitivity of the estimates to model estimation strategies, both techniques for entered employment and retention performance measures for the WIA Adult program were estimated. The coefficient estimates were found to be quite similar if not virtually identical in most cases. Angrist and Pischke (2009) and Wooldridge (2009) report very similar marginal effects using linear probability models, logit, and probit, even for values of explanatory variables that are not close to the mean.

Definitions of the performance measures (dependent variables) are displayed in Table 6, and the definitions of the explanatory variables are shown in Table 7. As noted previously, the performance outcomes follow the identical definitions as described in the WIASRD data and prescribed by the U.S. Department of Labor. The explanatory variables are all categorical (0–1) variables in which the categories are exhaustive.

**Table 6 Description of Coding for Dependent Variables**

Dependent variable	Description of coding
Entered employment	= 1 if participant is employed (positive earnings) in the first quarter after exit and was not employed at registration
Retention	= 1 if participant is employed (positive earnings) in the first quarter after exit and in both the second and third quarters after exit
Average earnings	Summation of earnings in the second and third quarter after exit for those employed in those quarters plus the first quarter
Placement in employment or education (Youth)	= 1 if participant is in employment or entered postsecondary education and/or advanced training/occupational skills training in the first quarter after exit and was not in postsecondary education or employment at registration
Attainment of degree or certificate (Youth)	= 1 if participant was enrolled in education at registration or during the program and attains a diploma, GED, or certificate by the end of the third quarter after exit
Literacy and numeracy gain (Youth)	= 1 if participant increases one or more educational functioning levels and has completed a year or exits before completing a year in the Youth program

SOURCE: WIASRD.

**Table 7 Description of Coding for Personal Characteristics**

Explanatory variables	Description of coding
Female	= 1 if participant is female, 0 otherwise
age26_35	= 1 if participant is between the ages of 26 and 35
age36_45	= 1 if participant is between the ages of 36 and 45
age46_55	= 1 if participant is between the ages of 46 and 55
age56_65	= 1 if participant is between the ages of 56 and 65
agegt65	= 1 if participant is over the age of 65
hispanic	= 1 if participant indicates that he/she is a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture in origin, regardless of race
asian	= 1 if participant's origin is any of the original peoples of the Far East, Southeast Asia, India, etc.
black	= 1 if participant indicates that he/she is a person having origins in any of the black racial groups of Africa
hi_pacific	= 1 if participant indicates that he/she is a person having origins in any of the original peoples of Hawaii or other Pacific Islands
indian	= 1 if participant indicates that he/she is a person having origins in any of the original peoples of North and South America and who maintains cultural identification through tribal affiliation or community recognition

Table 7 (Continued)

Explanatory variables	Description of coding
multiracial	= 1 if participant indicates more than one ethnic/race category, except Hispanic
white	= 1 if participant indicates that he/she is a person having origins in any of the original peoples of Europe, the Middle East, or North Africa
lths	= 1 if participant completed no or some elementary/secondary school grades and did not receive a high school diploma or GED
highschool	= 1 if participant indicates that he/she attained a high school diploma
ba	= 1 if participant indicates that he/she received a bachelor's degree or equivalent
beyondba	= 1 if participant indicates that he/she received a degree beyond a bachelor's degree, such as a master's, PhD, or professional degree
somecoll	= 1 if participant indicates the he/she attained completed some college but did not receive a degree
ged	= 1 if participant indicates that he/she attained a GED or equivalent
cert	= 1 if participant indicates that he/she attained a certificate of completion or attendance
otherpostdegcert	= 1 if participant indicates that he/she attained other postsecondary degree or certification
assoc	= 1 if participant indicates that he/she attained associate's diploma or degree
employed	= 1 if participant indicates that he/she was employed at participation
disabled	= 1 if participant indicates that he/she has any disability, such as a physical or mental impairment that substantially limits one or more of the person's life activities, as defined in the Americans with Disabilities Act of 1990
veteran	= 1 if participant served in the active U.S. military and was released with other than a dishonorable discharge, or if participant was a spouse of any U.S. military personnel who died or is missing in action, was forcibly detained, or has a total permanent disability
empreg11	= 1 if participant is employed (positive wage record quarterly earnings) in both the second and third quarters before registration
empreg10	= 1 if participant is employed (positive wage record quarterly earnings) in second quarter but not third quarter before registration
empreg01	= 1 if participant is employed (positive wage record quarterly earnings) in the third but not the second quarter before registration
wp	= 1 if participant is co-enrolled in ES (for those in WIA programs)
limeng	= 1 if participant is a person with limited ability in speaking, reading, writing, or understanding the English language and whose native language is one other than English
singpar	= 1 if participant is single, separated, divorced, or a widowed individual who has the primary responsibility for one or more dependent children
lowinc	= 1 if participant receives or is a member of a family that receives cash payments or receives income that does not exceed poverty line (see WIASRD record layout for more details)
tanf	= 1 if participant is listed on the welfare grant or has received cash assistance or other support services under TANF
othassis	= 1 if participant has received cash assistance or support services from other government agencies
homeless	= 1 if participant lacks a fixed, regular, adequate nighttime residence or for youth under age 18 who absents him- or herself from home or place of legal residence without permission of his or her family
offender	= 1 if participant is or has been subject to any stage of criminal justice process for committing a status of offense or delinquent act, or requires assistance in overcoming barriers to employment resulting from a record or conviction for

Table 7 (Continued)

Explanatory variables	Description of coding
	committing delinquent acts
uicclaim	= 1 if participant filed a claim and has been determined monetarily eligible for benefit payments under one or more state or federal Unemployment Compensation (UC) programs and has not exhausted his/her benefit rights
uiexhaus	= 1 if participant has exhausted all UC benefit rights for which he/she has been determined monetarily eligible, including extended supplemental benefit rights
disphm	= 1 if participant is a person providing unpaid services to family members in the home and has been dependent on the income of another family member but is no longer supported by that income and is unemployed or underemployed and has difficulty finding a job or upgrading employment
age16_18	= 1 if participant is between the ages of 16 and 18
age19_21	= 1 if participant is between the ages of 19 and 21
postsecdeg	= 1 if participant indicates that he/she attained any postsecondary degree or certification
pregyth	= 1 if participant either is under 22 years of age and pregnant or is an individual who is providing custodial care for one or more dependents under age 18
basic	= 1 if participant computes or solves problems, reads, writes, or speaks English at or below the eighth grade level or is unable to do these things at a level necessary to function on a job, in the individual's family, or in society.
foster	= 1 if participant is in foster care or has been in the foster care system
ythass	= 1 if participant is between the ages of 14 and 21 and requires additional assistance to complete an educational program, or to secure and hold employment as defined by state or local policy

SOURCE: WIASRD.

## A. Adult Program

Three performance measures are included in the analysis for the WIA Adult Worker program: entered employment rate, retention rate, and earnings level. The means and standard deviations of the variables are displayed in Table 8A for each of the performance measures. The reason for the slight difference in sample statistics is that the performance measure definitions do not include the same participants. The estimated relationships between participant characteristics and performance measures, shown in Table 8B, offer a broad perspective on the ability of participants with different backgrounds and employment barriers to achieve the outcomes defined by the performance measures. For example, the results suggest that participants who are black, older, disabled, and have an inconsistent work history are less likely to find and retain employment. The single largest positive effect on all three performance measures is a person's

past employment history. Individuals who have positive earnings for both quarters before registration are much more successful in finding and retaining a job and in obtaining higher earnings than those with no prior employment during that period. Co-enrollment in Wagner-Peyser employment services (wp) is negatively related to entered employment and earnings but positively related to retaining employment—reflecting, perhaps, differences in services received and unobserved differences in personal characteristics of participants in the two programs.

**Table 8A Means and Standard Deviations of Variables Used in the Estimation of WIA Adult Program**

	<u>Entered employment</u>		<u>Retention</u>		<u>Earnings</u>	
	mean	s.d.	mean	s.d.	mean	s.d.
dep var	0.660	0.474	0.834	0.373	13,027	10,129
log earnings					9.216	0.787
female	0.527	0.499	0.566	0.496	0.578	0.494
age26_35	0.269	0.443	0.291	0.454	0.293	0.455
age36_45	0.232	0.422	0.228	0.419	0.230	0.421
age46_55	0.187	0.390	0.162	0.368	0.163	0.369
age56_65	0.071	0.257	0.052	0.221	0.050	0.218
agegt65	0.011	0.103	0.005	0.074	0.005	0.069
hispanic	0.155	0.362	0.156	0.363	0.156	0.363
Asian	0.027	0.162	0.025	0.156	0.026	0.160
Black	0.262	0.440	0.274	0.446	0.266	0.442
hi_pacific	0.004	0.059	0.003	0.058	0.003	0.059
Indian	0.011	0.106	0.011	0.102	0.010	0.099
Multi	0.015	0.120	0.013	0.115	0.013	0.112
disabled	0.060	0.237	0.040	0.196	0.037	0.188
Veteran	0.074	0.262	0.066	0.247	0.064	0.245
empreg11	0.544	0.498	0.634	0.482	0.668	0.471
empreg10	0.069	0.253	0.069	0.254	0.065	0.247
empreg01	0.081	0.273	0.066	0.249	0.062	0.240
Wp	0.755	0.430	0.696	0.460	0.690	0.462
Lths	0.164	0.371	0.134	0.341	0.124	0.329
Cert	0.003	0.053	0.002	0.043	0.002	0.041
Ged	0.094	0.292	0.085	0.279	0.079	0.270
somecoll	0.192	0.394	0.214	0.410	0.222	0.416
otherpostdegcert	0.010	0.101	0.011	0.103	0.011	0.105
Assoc	0.040	0.197	0.036	0.187	0.038	0.192
Ba	0.071	0.257	0.072	0.258	0.076	0.264
beyondba	0.020	0.139	0.018	0.133	0.019	0.136
employed	0.012	0.108	0.317	0.465	0.346	0.476
Limeng	0.031	0.174	0.033	0.178	0.033	0.177
Singpar	0.169	0.375	0.207	0.405	0.210	0.407
Lowinc	0.491	0.500	0.505	0.500	0.491	0.500



Table 8A (Continued)

	<u>Entered employment</u>		<u>Retention</u>		<u>Earnings</u>	
	mean	s.d.	mean	s.d.	mean	s.d.
Tanf	0.053	0.225	0.049	0.216	0.045	0.208
othassis	0.195	0.396	0.172	0.377	0.165	0.371
homeless	0.017	0.129	0.012	0.110	0.010	0.099
offender	0.081	0.273	0.068	0.251	0.058	0.233
Uicclaim	0.310	0.463	0.214	0.410	0.217	0.412
uiexhaus	0.037	0.189	0.034	0.181	0.034	0.180
<i>N</i>	624,502		481,860		379,307	

SOURCE: Authors' calculations of the WIASRD data and BLS data.

**Table 8B Coefficients of Variables used in the Estimation of WIA Adult Program**

	Entered employment	Retention	Earnings
Female	0.0169*** (13.21)	0.0266*** (22.58)	-0.189*** (-71.09)
age26_35	-0.0131*** (-7.84)	0.0135*** (9.38)	0.178*** (54.57)
age36_45	-0.0302*** (-17.16)	0.0146*** (9.46)	0.197*** (56.51)
age46_55	-0.0667*** (-35.24)	0.00963*** (5.56)	0.180*** (46.19)
age56_65	-0.153*** (-58.76)	-0.0206*** (-7.85)	0.0736*** (12.29)
agegt65	-0.289*** (-49.55)	-0.0866*** (-11.91)	-0.345*** (-19.70)
hispanic	0.0296*** (16.87)	0.0127*** (7.98)	0.0417*** (11.60)
Asian	-0.0186*** (-5.00)	0.0269*** (7.71)	0.0860*** (11.14)
Black	-0.00397** (-2.76)	-0.0255*** (-19.83)	-0.142*** (-48.59)
hi_pacific	-0.00218 (-0.22)	0.0110 (1.21)	0.0824*** (4.05)
Indian	-0.0245*** (-4.44)	-0.0347*** (-6.66)	-0.0800*** (-6.62)
Multi	-0.0111* (-2.27)	-0.0298*** (-6.40)	-0.107*** (-9.98)
disabled	-0.136*** (-54.34)	-0.0437*** (-16.02)	-0.230*** (-35.76)
Veteran	0.0319*** (13.62)	-0.0000632 (-0.03)	0.0418*** (8.16)
empreg11	0.154*** (107.05)	0.0607*** (43.85)	0.0686*** (21.23)
empreg10	0.0971*** (39.33)	0.000997 (0.43)	-0.0898*** (-16.65)
empreg01	0.0643*** (27.75)	0.00665** (2.84)	-0.0510*** (-9.27)
Wp	-0.0636*** (-46.04)	-0.0103*** (-8.78)	-0.0418*** (-15.89)

Table 8B (Continued)

	Entered employment	Retention	Earnings
Lths	-0.0859*** (-49.75)	-0.0557*** (-33.19)	-0.186*** (-47.57)
Cert	-0.106*** (-9.57)	-0.0674*** (-5.44)	-0.217*** (-7.39)
Ged	-0.0509*** (-24.00)	-0.0476*** (-23.85)	-0.119*** (-25.60)
somecoll	0.0197*** (12.17)	0.0187*** (13.31)	0.140*** (44.72)
otherpostdegcert	0.0145* (2.48)	0.00824 (1.59)	0.0597*** (5.19)
Assoc	-0.000527 (-0.17)	0.00899** (3.08)	0.135*** (21.00)
Ba	0.0291*** (12.06)	0.0284*** (13.10)	0.324*** (67.87)
beyondba	0.0232*** (5.40)	0.0203*** (5.00)	0.451*** (50.28)
employed	0.0584*** (10.79)	0.0648*** (52.39)	0.217*** (78.91)
Limeng	0.0783*** (22.40)	0.0247*** (7.98)	-0.0101 (-1.44)
Singpar	0.0463*** (26.26)	0.0108*** (7.22)	0.0200*** (5.92)
Lowinc	0.0694*** (48.22)	0.00805*** (6.36)	-0.0762*** (-26.62)
Tanf	-0.0124*** (-4.42)	-0.0160*** (-6.12)	-0.0588*** (-9.65)
othassis	-0.0624*** (-35.60)	-0.0170*** (-10.45)	-0.0926*** (-24.80)
homeless	-0.0328*** (-7.11)	-0.0500*** (-10.23)	-0.171*** (-13.99)
offender	-0.00890*** (-3.99)	-0.0465*** (-21.24)	-0.138*** (-26.03)
Uiclaim	-0.0597*** (-41.98)	-0.00179 (-1.26)	0.0128*** (3.99)
uiexhaus	0.00793* (2.54)	0.00989*** (3.34)	0.0183** (2.72)
adj. <i>R</i> -sq	0.055	0.031	0.129
<i>N</i>	624, 502	481,860	379,307

NOTE: \* significant at the 0.10 level; \*\* significant at the 0.05 level; \*\*\* significant at the 0.01 level.

SOURCE: Authors' calculations of the WIASRD data and BLS data.

## B. Dislocated Worker Program

The means and standard deviations for the WIA Dislocated Worker program for the time period used in the estimation are shown in Table 9A. Personal characteristics, such as gender, age, race/ethnicity, and employment history, are strongly related to most of the performance measures, as shown in Table 9B.

**Table 9A Means and Standard Deviations of Variables Used in the Estimation of the WIA Dislocated Worker Program**

	<u>Entered employment</u>		<u>Retention</u>		<u>Earnings</u>	
	mean	s.d.	mean	s.d.	mean	s.d.
dep var	0.760	0.427	0.883	0.321	15004	10740
log earnings					9.415	0.679
Female	0.513	0.500	0.531	0.499	0.539	0.499
age26_35	0.212	0.409	0.221	0.415	0.222	0.415
age36_45	0.283	0.451	0.296	0.457	0.302	0.459
age46_55	0.292	0.455	0.295	0.456	0.298	0.457
age56_65	0.115	0.320	0.095	0.293	0.091	0.287
agegt65	0.011	0.104	0.005	0.074	0.004	0.067
hispanic	0.142	0.349	0.140	0.347	0.132	0.339
Asian	0.033	0.178	0.030	0.171	0.030	0.171
Black	0.206	0.404	0.211	0.408	0.210	0.407
hi_pacific	0.003	0.050	0.002	0.050	0.003	0.051
Indian	0.006	0.080	0.006	0.079	0.006	0.080
Multi	0.011	0.106	0.011	0.103	0.010	0.101
disabled	0.033	0.180	0.031	0.175	0.030	0.171
Veteran	0.086	0.280	0.085	0.279	0.084	0.277
empreg11	0.777	0.416	0.798	0.402	0.816	0.387
empreg10	0.039	0.194	0.040	0.195	0.037	0.188
empreg01	0.058	0.234	0.054	0.225	0.050	0.219
Wp	0.693	0.461	0.665	0.472	0.664	0.472
Lths	0.119	0.324	0.107	0.309	0.102	0.303
Cert	0.002	0.043	0.002	0.040	0.002	0.041
Ged	0.062	0.241	0.062	0.240	0.061	0.239
somecoll	0.207	0.405	0.216	0.412	0.220	0.414
otherpostdegcert	0.009	0.097	0.010	0.101	0.010	0.101
Assoc	0.043	0.203	0.037	0.190	0.038	0.190
Ba	0.106	0.308	0.103	0.304	0.103	0.304
beyondba	0.031	0.174	0.028	0.166	0.028	0.165
employed	0.064	0.245	0.132	0.338	0.137	0.344
Limeng	0.049	0.216	0.053	0.224	0.048	0.215
Singpar	0.116	0.321	0.132	0.338	0.133	0.339
Uiclaim	0.715	0.451	0.703	0.457	0.711	0.453
Disphm	0.083	0.275	0.085	0.279	0.082	0.274
uiexhaus	0.019	0.136	0.017	0.130	0.016	0.124
N	457,775		314,701		258,763	

SOURCE: Authors' calculations of the WIASRD data and BLS data.

**Table 9B Coefficients of Variables Used in the Estimation of the WIA Dislocated Worker Program**

	Entered employment	Retention	Earnings
Female	0.00878*** (6.68)	0.0191*** (15.67)	-0.251*** (-93.59)
age26_35	0.00655** (2.60)	0.0212*** (9.27)	0.181*** (35.57)
age36_45	0.0127*** (5.20)	0.0263*** (11.88)	0.232*** (46.98)

Table 9B (Continued)

	Entered employment	Retention	Earnings
age46_55	-0.00645** (-2.64)	0.0184*** (8.23)	0.201*** (40.36)
age56_65	-0.129*** (-45.16)	-0.0209*** (-7.66)	0.0555*** (9.05)
agegt65	-0.363*** (-57.61)	-0.129*** (-16.19)	-0.375*** (-19.51)
hispanic	-0.000603 (-0.31)	-0.00146 (-0.81)	-0.0452*** (-11.23)
Asian	-0.0494*** (-13.81)	-0.00461 (-1.34)	0.111*** (14.75)
Black	-0.0265*** (-16.32)	-0.0316*** (-21.36)	-0.155*** (-47.52)
hi_pacific	-0.0188 (-1.53)	-0.00242 (-0.21)	0.0612* (2.48)
Indian	-0.0345*** (-4.45)	-0.0149* (-2.08)	-0.0918*** (-5.86)
Multi	-0.0469*** (-8.02)	-0.0353*** (-6.34)	-0.0931*** (-7.49)
disabled	-0.0705*** (-20.33)	-0.0346*** (-10.53)	-0.129*** (-17.47)
Veteran	0.0121*** (5.18)	-0.00349 (-1.62)	0.0332*** (6.96)
empreg11	0.0991*** (49.81)	0.0394*** (20.54)	0.0737*** (16.69)
empreg10	0.0796*** (22.12)	-0.0119*** (-3.55)	-0.0307*** (-3.98)
empreg01	0.0439*** (14.07)	0.00612* (2.03)	-0.00115 (-0.17)
Wp	-0.0642*** (-47.22)	-0.0158*** (-12.92)	0.00829** (3.09)
Lths	-0.0816*** (-39.24)	-0.0393*** (-19.71)	-0.127*** (-28.35)
Cert	-0.0233 (-1.63)	-0.0260 (-1.84)	-0.00500 (-0.16)
Ged	-0.0156*** (-5.86)	-0.0212*** (-8.63)	-0.0684*** (-12.62)
somecoll	0.00191 (1.15)	0.000752 (0.50)	0.110*** (33.64)
otherpostdegcert	0.0375*** (5.84)	0.00139 (0.25)	0.145*** (11.71)
Assoc	-0.0479*** (-15.20)	-0.0122*** (-3.96)	0.151*** (22.37)
Ba	-0.00665** (-3.10)	-0.00564** (-2.83)	0.340*** (77.66)
beyondba	-0.0194*** (-5.30)	-0.0145*** (-4.13)	0.521*** (67.13)
employed	0.0724*** (27.94)	0.0208*** (11.89)	0.0483*** (12.71)
Limeng	0.0570*** (18.59)	0.0127*** (4.66)	-0.134*** (-21.58)

Table 9B (Continued)

	Entered employment	Retention	Earnings
Singpar	0.0414*** (20.48)	-0.00159 (-0.89)	-0.0304*** (-7.82)
Uiclaim	0.0241*** (14.57)	0.0159*** (10.49)	0.0287*** (8.55)
uiexhaus	0.00737** (2.81)	-0.00311 (-1.30)	-0.0477*** (-8.94)
Disphm	-0.0734*** (-15.67)	-0.0187*** (-4.13)	-0.125*** (-12.06)
adj. R-sq	0.042	0.013	0.124
N	457,775	314,701	258,763

NOTE: \* significant at the 0.10 level; \*\* significant at the 0.05 level; \*\*\* significant at the 0.01 level.

SOURCE: Authors' calculations of the WIASRD data and BLS data.

### C. Youth Program

The effects of personal characteristics are estimated for three Youth performance measures: 1) placement in employment or education, 2) attainment of a degree or certificate, and 3) literacy and numeracy gains. The means, standard deviations, and estimated coefficients for the variables used in the estimation are shown in Table 10A. Coefficient estimates of the effect of personal characteristics on performance outcomes are shown in Table 10B.

**Table 10A Means and Standard Deviations of the Variables Used in the Estimation of the WIA Youth Program**

	placeemped		attdegreecert		litnumgain	
	mean	s.d.	mean	s.d.	mean	s.d.
dep var	0.628	0.483	0.541	0.498	0.371	0.483
Female	0.555	0.497	0.566	0.496	0.572	0.495
hispanic	0.273	0.446	0.253	0.435	0.271	0.444
Asian	0.023	0.149	0.023	0.151	0.015	0.121
Black	0.370	0.483	0.364	0.481	0.391	0.488
hi_pacific	0.003	0.059	0.004	0.060	0.004	0.061
Indian	0.016	0.124	0.016	0.126	0.014	0.119
Multi	0.016	0.126	0.016	0.127	0.018	0.133
disabled	0.155	0.362	0.168	0.374	0.084	0.277
empreg11	0.086	0.280	0.085	0.278	0.203	0.402
empreg10	0.027	0.163	0.022	0.147	0.055	0.229
empreg01	0.028	0.165	0.021	0.145	0.055	0.228
Wp	0.436	0.496	0.428	0.495	0.517	0.500
Lths	0.827	0.378	0.862	0.345	0.623	0.485
Cert	0.001	0.031	0.001	0.023	0.002	0.042
Ged	0.021	0.143	0.014	0.119	0.035	0.185
somecoll	0.009	0.097	0.018	0.134	0.020	0.140
employed	0.001	0.036	0.102	0.303	0.130	0.336
Limeng	0.067	0.250	0.054	0.227	0.023	0.149

Table 10A (Continued)

	<u>placeemped</u>		<u>attdegreecert</u>		<u>litnumgain</u>	
	mean	s.d.	mean	s.d.	mean	s.d.
Singpar	0.097	0.296	0.090	0.286	0.165	0.371
Lowinc	0.958	0.201	0.956	0.206	0.958	0.200
Tanf	0.124	0.329	0.115	0.319	0.074	0.261
othassis	0.302	0.459	0.303	0.460	0.345	0.475
homeless	0.029	0.167	0.025	0.155	0.037	0.189
offender	0.084	0.277	0.075	0.263	0.112	0.315
Uiclaim	0.019	0.137	0.016	0.127	0.028	0.165
uiexhaus	0.005	0.071	0.004	0.065	0.005	0.070
age16_18	0.604	0.489	0.638	0.481	0.486	0.500
age19_21	0.244	0.430	0.201	0.401	0.510	0.500
postsecdeg	0.001	0.027	0.001	0.033	0.001	0.037
Pregyth	0.132	0.339	0.119	0.323	0.231	0.421
Ythass	0.580	0.494	0.591	0.492	0.509	0.500
Basic	0.634	0.482	0.618	0.486		
Foster	0.042	0.200	0.044	0.204	0.032	0.176
N	274,679		244,168		65,899	

SOURCE: Authors' calculations of the WIASRD data and BLS data.

Table 10B Coefficients of Variables Used in the Estimation of the WIA Youth Program

	<u>placeemped</u>	<u>attdegreecert</u>	<u>litnumgain</u>
Female	0.0221*** (11.68)	0.0440*** (21.52)	0.00718 (1.73)
hispanic	-0.0351*** (-13.59)	-0.113*** (-40.54)	0.00207 (0.40)
Asian	0.0600*** (9.68)	0.0250*** (3.78)	0.0528*** (3.31)
Black	-0.0573*** (-25.12)	-0.0887*** (-36.26)	-0.0254*** (-5.39)
hi_pacific	-0.0400** (-2.62)	-0.0875*** (-5.43)	-0.0736* (-2.40)
Indian	-0.0806*** (-11.02)	-0.0836*** (-10.74)	-0.112*** (-7.00)
multi	-0.0405*** (-5.61)	-0.0396*** (-5.13)	-0.0505*** (-3.52)
disabled	-0.0390*** (-14.89)	0.00660* (2.40)	-0.0399*** (-5.74)
empreg11	0.133*** (33.04)	0.0349*** (7.50)	-0.0166** (-2.80)
empreg10	0.0684*** (11.51)	0.000122 (0.02)	-0.0315*** (-3.54)
empreg01	0.0677*** (11.45)	0.0123 (1.69)	-0.00859 (-0.96)
wp	0.0320*** (16.86)	-0.00149 (-0.73)	-0.0387*** (-9.87)
lths	-0.117*** (-40.01)	0.267*** (74.20)	0.0309*** (7.04)
cert	-0.0267 (-0.91)	0.0111 (0.26)	0.0394 (0.89)

Table 10B (Continued)

	placeemped	attdegreecert	litnumgain
ged	-0.0613*** (-9.25)	0.0805*** (9.35)	-0.0242* (-2.29)
somecoll	0.0287** (3.03)	-0.00667 (-0.86)	-0.0323* (-2.37)
employed	-0.0155 (-0.63)	0.0928*** (27.67)	0.0150** (2.62)
limeng	-0.107*** (-26.92)	-0.0686*** (-14.67)	-0.0261* (-2.04)
singpar	0.00290 (0.73)	0.00565 (1.26)	-0.0225** (-3.17)
lowinc	-0.00300 (-0.67)	0.00483 (1.02)	0.00574 (0.61)
tanf	-0.0551*** (-19.12)	-0.118*** (-36.42)	-0.0585*** (-7.71)
othassis	-0.0207*** (-10.11)	0.0154*** (6.97)	0.0180*** (4.28)
homeless	-0.00881 (-1.64)	-0.0354*** (-5.68)	-0.102*** (-10.26)
offender	-0.0622*** (-18.84)	-0.0843*** (-22.52)	-0.0368*** (-6.02)
uicclaim	0.0163* (2.49)	0.0266*** (3.48)	0.0488*** (4.26)
uiexhaus	-0.0371** (-2.94)	-0.0689*** (-4.67)	-0.109*** (-4.12)
age16_18	0.203*** (78.19)	0.266*** (97.38)	0.0965** (3.19)
age19_21	0.186*** (48.65)	0.256*** (58.62)	0.0534 (1.76)
postsecdeg	0.0368 (1.11)	0.00833 (0.28)	-0.0448 (-0.88)
pregyth	-0.00706* (-1.97)	-0.00937* (-2.31)	-0.00302 (-0.48)
ythass	0.0111*** (5.96)	0.00838*** (4.17)	0.00223 (0.59)
basic	-0.0310*** (-16.22)	-0.0525*** (-25.49)	.
foster	-0.0648*** (-14.31)	-0.0961*** (-20.08)	-0.0256* (-2.38)
adj. <i>R</i> -sq	0.071	0.093	0.015
<i>N</i>	274,679	244,168	65,899

NOTE: \* significant at the 0.10 level; \*\* significant at the 0.05 level; \*\*\* significant at the 0.01 level.

SOURCE: Authors' calculations of the WIASRD data and BLS data.

## IX. ESTIMATING THE EFFECTS OF UNEMPLOYMENT RATES

To estimate the effects of the unemployment rates on each performance outcome, the residuals from the estimation of the personal characteristics are used as the dependent variable. The residuals are that portion of the variation in the performance outcome that is not explained by the personal characteristics. These residuals are aggregated to the LWIA level and then regressed against the unemployment rates for each LWIA for the period 2005Q1 through 2009Q3. Separate regressions are run for each state and other entity using the quarterly series of LWIAs within each state in order to provide a state-specific coefficient on the unemployment rate for use in the adjustment step. The same process is conducted for each LWIA in order to provide an LWIA-specific coefficient.<sup>9</sup> In some instances the coefficients are set equal to zero if positive and not statistically significant. Other coefficients are truncated if their estimates are outside a reasonable range of values. All the coefficients are displayed in Table 11. A few outliers, such as estimated for West Virginia, occurred mostly as a result of a limited number of observations. In these cases, the state average of the outcomes was regressed against the national unemployment rates.

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<sup>9</sup> Two states and Puerto Rico do not have enough observations for some performance measures in WIASRD to derive the estimates. In these cases, the annual state-level outcomes are regressed against annual unemployment rates.



**Table 11 Estimated Coefficients of the Relationship between Local Unemployment Rates and Performance Outcomes**

State	Adult			Program Dislocated Worker				Youth	
	Entered empl.	Retention	Earnings	Entered empl.	Retention	Earnings	Placement	Degree	Lit./num.
AK	0.000	-0.001	0.000	0.000	0.000	0.124	-0.026	0.007	0.019
AL	-0.027	-0.016	0.000	-0.027	-0.026	-0.007	-0.015	0.015	0.023
AR	0.000	0.000	-0.019	0.000	0.009	-0.025	0.000	-0.009	0.028
AZ	-0.007	-0.002	-0.017	-0.008	-0.002	-0.008	0.000	0.017	0.033
CA	-0.011	0.005	-0.012	-0.010	0.006	-0.011	0.000	0.020	0.012
CO	-0.002	-0.006	-0.001	-0.009	-0.003	0.000	-0.020	0.012	0.042
CT	-0.028	-0.002	0.000	-0.028	-0.010	-0.040	-0.023	0.095	0.024
DC	-0.051	-0.074	0.000	-0.076	-0.048	-0.070	-0.058	-0.058	0.001
DE	-0.037	-0.005	-0.004	-0.026	0.000	0.000	-0.007	0.029	0.150
FL	-0.010	-0.006	0.000	-0.019	-0.011	-0.015	-0.032	0.009	0.034
GA	-0.021	0.000	-0.022	-0.017	-0.008	-0.035	-0.019	0.007	0.035
HI	-0.053	0.000	-0.032	-0.034	0.000	-0.029	0.000	0.029	-0.004
IA	-0.041	-0.015	-0.035	-0.029	-0.004	-0.015	-0.073	-0.029	-0.013
ID	-0.014	-0.004	0.000	0.000	-0.010	0.000	-0.015	0.013	-0.019
IL	-0.018	-0.012	-0.007	-0.011	-0.008	-0.024	-0.015	-0.002	0.033
IN	-0.057	-0.021	-0.082	-0.074	-0.030	-0.068	-0.045	-0.020	0.031
KS	-0.061	-0.020	-0.040	-0.048	-0.010	0.000	-0.052	-0.013	0.048
KY	-0.006	-0.001	-0.001	-0.014	0.000	-0.014	-0.010	0.005	0.025
LA	-0.010	-0.003	-0.010	-0.011	-0.001	-0.029	-0.010	0.046	0.069
MA	-0.016	-0.018	0.000	-0.012	-0.001	-0.001	-0.021	0.010	0.010
MD	-0.010	0.000	-0.024	-0.008	-0.002	-0.016	-0.003	0.036	0.038
ME	0.000	0.021	0.000	0.000	0.000	-0.027	-0.016	-0.007	-0.015
MI	-0.008	-0.006	-0.004	-0.008	-0.006	-0.011	-0.015	-0.011	-0.010
MN	-0.003	-0.007	0.000	-0.003	-0.008	-0.010	0.000	0.030	0.016
MO	-0.021	-0.008	0.000	-0.019	-0.013	-0.016	-0.032	-0.050	0.033
MS	-0.006	0.000	-0.001	-0.007	0.000	-0.037	0.000	0.049	0.021
MT	0.000	-0.005	-0.030	0.000	0.000	0.000	-0.048	-0.063	0.040
NC	-0.012	-0.008	-0.029	-0.009	-0.006	-0.009	-0.013	0.014	0.011
ND	-0.003	-0.057	0.000	-0.005	-0.021	0.000	0.000	-0.024	0.098
NE	-0.062	0.000	0.000	-0.013	-0.067	0.000	-0.055	0.014	0.054
NH	0.000	0.000	-0.036	-0.035	-0.008	-0.012	-0.060	0.036	0.132
NJ	-0.001	0.000	0.000	-0.012	-0.013	-0.008	-0.013	0.015	0.033
NM	-0.026	-0.006	-0.059	-0.038	-0.032	-0.154	-0.041	-0.001	0.023
NV	-0.009	-0.016	-0.011	-0.008	-0.017	-0.018	0.000	0.023	0.012
NY	-0.013	-0.001	0.000	-0.019	-0.003	-0.017	-0.023	-0.017	0.008
OH	-0.011	-0.006	-0.002	-0.020	-0.005	-0.023	-0.012	-0.004	0.026
OK	-0.035	-0.012	-0.057	-0.055	-0.055	-0.058	-0.005	0.023	0.036
OR	-0.044	-0.009	-0.007	-0.051	-0.021	-0.028	-0.013	-0.001	0.008
PA	-0.030	-0.015	-0.033	-0.027	-0.014	-0.030	-0.027	-0.020	-0.004
PR	-0.046	-0.073	0.000	0.000	-0.006	-0.033	-0.038	-0.042	0.005
RI	-0.031	0.000	-0.066	-0.028	-0.016	0.000	-0.024	0.001	-0.003
SC	-0.026	-0.004	-0.019	-0.033	-0.004	-0.029	-0.019	-0.009	0.031
SD	0.000	-0.057	0.000	0.000	0.000	0.000	-0.067	-0.004	0.032
TN	-0.010	-0.017	0.000	-0.014	-0.009	-0.004	-0.003	0.001	0.020
TX	-0.018	-0.010	-0.013	-0.019	-0.008	-0.015	-0.013	0.001	0.028
UT	-0.061	-0.025	0.000	-0.030	-0.017	-0.045	-0.050	0.012	0.017
VA	-0.011	-0.003	-0.014	-0.011	-0.003	-0.043	-0.027	0.002	-0.001
VI	-0.084	0.000	-0.005	-0.025	0.000	-0.212	0.000	0.026	0.002
VT	-0.053	-0.008	-0.018	-0.045	-0.014	-0.041	-0.016	0.016	
WA	-0.016	0.000	-0.002	-0.012	-0.004	-0.009	-0.020	0.002	0.050
WI	-0.011	0.000	-0.024	-0.011	0.000	0.000	-0.033	-0.018	-0.006
WV	-0.008	-0.005	0.000	-0.008	0.000	0.000	-0.014	0.002	0.015
WY	-0.013	-0.023	-0.044	-0.025	-0.033	-0.084	-0.034	0.025	0.006

SOURCE: Authors' estimates. Some coefficients are set to zero if they are positive and not statistically significant. Other coefficients are truncated if they are outside a reasonable range.

## **X. REGRESSION-ADJUSTED PERFORMANCE TARGETS FOR LWIAS**

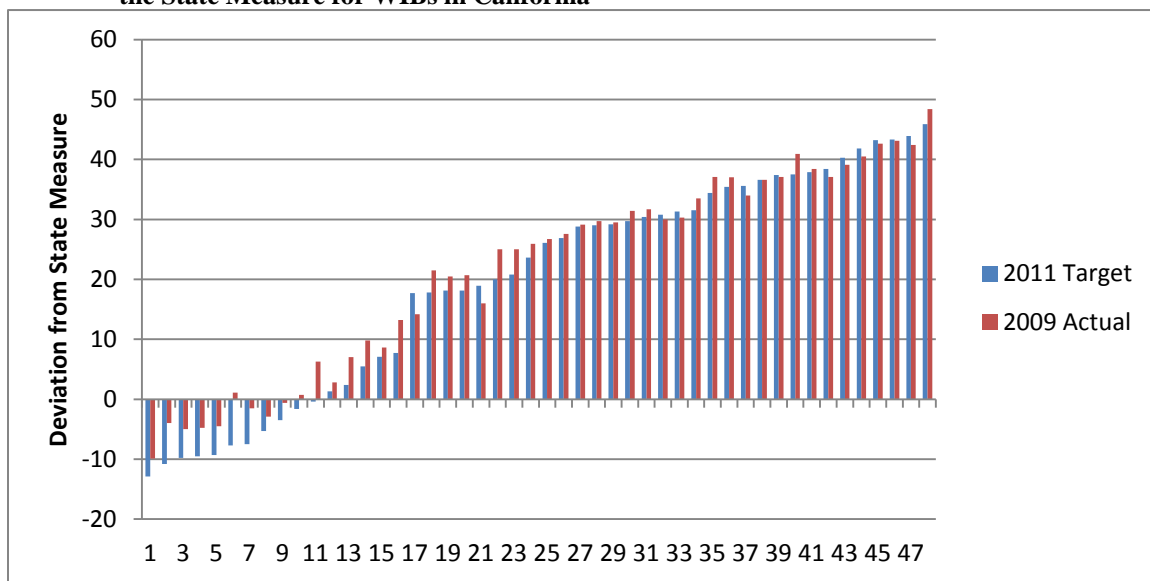
Regression-adjusted performance targets are provided for each of the common performance measures for each of the three WIA programs for each WIB. In total, nine performance targets for PY2011 are calculated for nearly 600 WIBs. Consequently, nearly 5,400 reporting sheets are derived for all the WIBs. The procedure is the same as for state targets. Both are based on the same individual exiter data, and the coefficients are estimated from the same sample of individual exiters. The difference is that the state performance targets are derived by averaging the WIB-level data for the WIBs within a particular state. Coefficients associated with personal characteristics are the same across all WIBs and states. Therefore, the only variation across WIBs for the personal characteristic adjustment factor is the difference in the values of the personal attributes. On the other hand, coefficients associated with unemployment rates are estimated for each WIB. The state-level coefficients for unemployment rates are the weighted average of the WIBs within their boundaries. The unemployment rates used to compute this adjustment factor are the same for all levels and all entities—the national unemployment rates and the OMB unemployment rate assumptions. Therefore, for this adjustment factor, the only variation across states and across WIBs comes from differences in the estimated coefficients.

Performance targets across WIBs within a state can vary as much as, if not more than, across states. For example, for Adult entered employment rates, the state PY2011 targets vary from a high of 33.1 percentage points above the national rate of 53.1 to a low of 18.4 points below the national rate, for a range of 51.5 points (33.1 – [-18.4]). In California, for instance, the range in WIB performance targets is 58.3, reflecting a high of 45.9 above the state

performance target and a low of 12.9 below the target. The range for New York is 28.3 and the range for Michigan is 39.1. Figures 7–9 illustrate the variation in regression-adjusted performance targets for the three states mentioned.

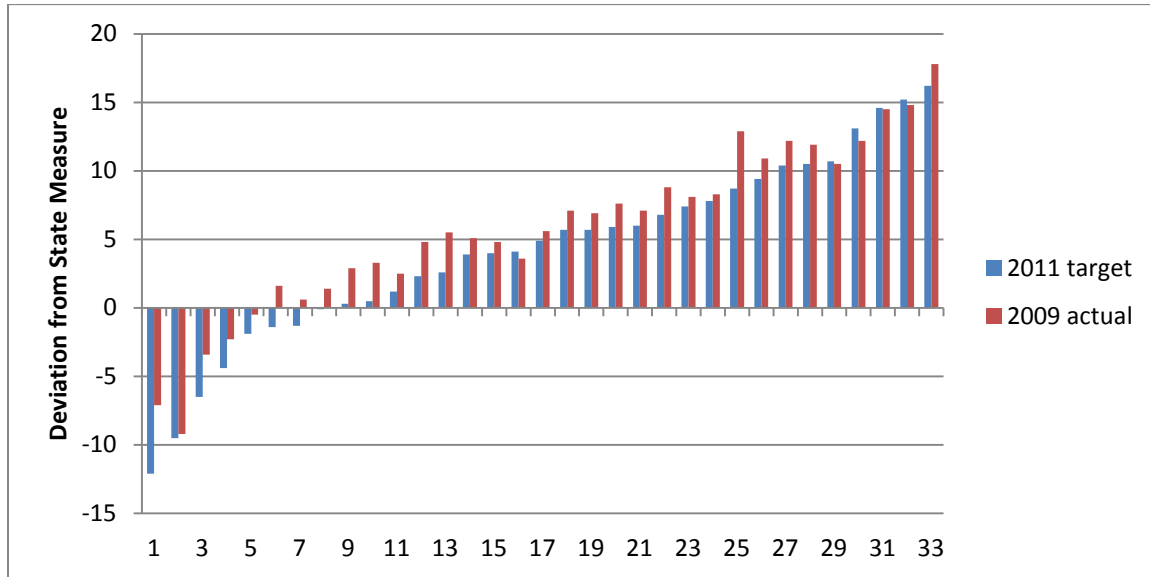
Figure 6 includes both the PY2011 performance target and the PY2009 actual results, to show that the variation across WIBs is similar for both measures. In fact, the range for the PY2009 actual measure is nearly identical to the range for the target. It is also evident in the figure that the distribution of both the actual results and the performance targets are skewed toward a few WIBs that have a large number of participants. The performance of these WIBs is below the state average. The same distribution is evident across states for state performance targets and actual measures, as shown in Figure 1. Three states with the largest number of participants and relatively low performance—California, New York, and Utah—skew the distribution to the left. Figures 7 and 8 show similar relationships for New York and Michigan.

**Figure 6 Variation in PY2011 Regression-Adjusted Performance Targets and PY2009 Actual Results around the State Measure for WIBs in California**



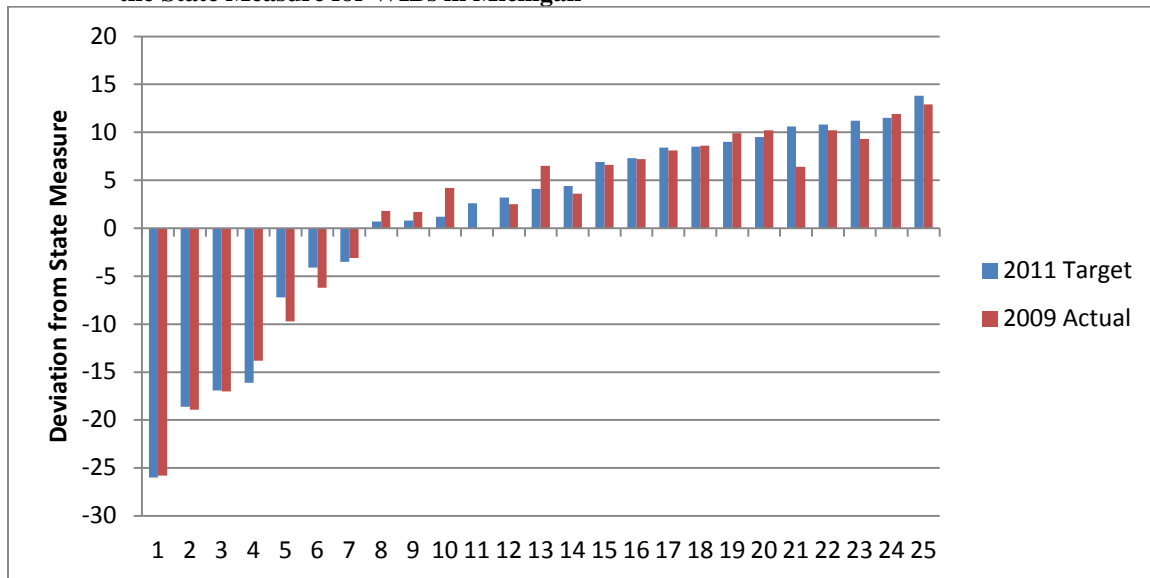
SOURCE: Authors' calculations from WIASRD and BLS data.

**Figure 7 Variation in PY2011 Regression-Adjusted Performance Targets and PY2009 Actual Results around the State Measure for WIBs in New York**



SOURCE: Authors' calculations from WIASRD and BLS data.

**Figure 8 Variation in PY2011 Regression-Adjusted Performance Targets and PY2009 Actual Results around the State Measure for WIBs in Michigan**



SOURCE: Authors' calculations from WIASRD and BLS data.

## **XI. SUMMARY**

Beginning with PY2011, the USDOL/ETA provided states and LWIAs the option of considering regression-adjusted performance targets as part of the negotiation process in setting goals for WIA programs. This document describes the methodology used to derive the regression-adjusted performance targets and offers a perspective on how they compare with actual performance outcomes over time. The regression-adjusted approach meets all three requirements of a performance accountability system mandated in Section 136 of the Workforce Investment Act. It is objective, quantifiable, and measurable by using third-party data to estimate the relationships between factors outside the control of administrators and performance outcomes. The weights assigned to the various factors along with a common set of quantifiable factors provide an objective and evidence-based framework for the negotiating parties to use in setting performance targets.

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## **APPENDIX A: TABLES OF STATE REGRESSION-ADJUSTED TARGETS**

This appendix includes tables of the regression-adjusted targets for the nine common performance measures for all states, Puerto Rico, the District of Columbia, and the Virgin Islands. The source of these tables is the authors' calculations using WIASRD and BLS data. Regression-adjusted targets for the WIBs are not listed in this paper because of the large volume of data. These data were made available to the regional administrators, who in turn could share them with state and WIB administrators during the negotiation process.

**Table A.1 Actual Results and Targets Using the Regression-Adjusted Method for Adult Entered Employment Rates**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rates
<b>U.S. unemployment rate</b>	5.3	8.5	9.8	9.5		
AK	79.2	73.6	73.0	73.0	-0.576	0.000
AL	70.3	60.6	53.2	53.8	-4.667	-2.115
AR	93.3	87.4	87.1	87.1	-0.304	0.000
AZ	79.4	69.6	68.6	68.7	-0.285	-0.578
CA	63.3	48.3	47.5	47.8	0.273	-0.817
CO	86.7	76.5	76.0	76.0	-0.325	-0.166
CT	80.4	60.7	57.1	57.8	-0.832	-2.108
DC	53.7	57.9	51.3	52.7	-0.340	-4.885
DE	83.7	73.4	68.7	69.6	-0.670	-3.145
FL	84.2	82.9	81.2	81.5	-0.493	-0.945
GA	81.6	70.8	68.5	69.0	-0.032	-1.762
HI	75.8	59.8	51.0	52.2	-3.354	-4.247
IA	78.8	60.3	54.7	55.6	-1.716	-3.003
ID	85.8	77.7	76.0	76.4	-0.181	-1.129
IL	75.2	72.2	67.8	68.3	-2.245	-1.613
IN	63.2	47.4	40.9	42.2	-0.274	-4.922
KS	82.4	60.1	52.5	53.8	-1.502	-4.774
KY	86.7	84.0	83.6	83.7	0.255	-0.528
LA	66.2	56.6	55.3	55.5	-0.348	-0.740
MA	81.9	74.8	72.9	73.3	-0.046	-1.427
MD	77.8	77.3	75.6	75.9	-0.553	-0.878
ME	77.4	77.6	79.3	79.3	1.741	0.000
MI	85.6	87.1	85.9	86.2	-0.149	-0.774
MN	83.9	83.0	82.0	82.1	-0.651	-0.259
MO	81.7	72.5	69.8	70.3	-0.393	-1.773
MS	64.1	56.5	55.4	55.5	-0.576	-0.432
MT	94.5	84.2	83.9	83.9	-0.301	0.000
NC	76.7	65.3	63.3	63.6	-0.762	-0.964
ND	72.6	75.5	74.6	74.7	-0.505	-0.268
NE	85.8	77.5	69.6	71.2	-0.571	-5.713
NH	75.7	74.7	74.2	74.2	-0.493	0.000
NJ	87.2	86.0	84.7	84.8	-1.165	-0.078
NM	80.2	68.7	65.8	66.5	-0.201	-2.036
NV	74.7	65.3	63.7	63.9	-0.625	-0.748
NY	67.2	55.0	53.2	53.5	-0.366	-1.128
OH	75.3	64.1	61.6	61.9	-1.285	-0.889
OK	66.6	50.2	47.2	47.9	0.202	-2.498
OR	62.0	43.4	37.9	38.9	-0.748	-3.751
PA	76.8	70.3	66.4	67.1	-0.522	-2.635
PR	78.7	67.1	61.7	62.8	-0.510	-3.823
RI	77.5	59.4	54.6	55.3	-1.719	-2.368
SC	70.6	56.7	52.9	53.5	-1.120	-2.081
SD	79.7	75.5	75.4	75.4	-0.062	0.000
TN	87.7	69.1	68.6	68.8	0.446	-0.696
TX	73.4	66.0	63.3	63.7	-0.704	-1.563
UT	68.9	56.4	46.8	48.6	-0.377	-7.392
VA	74.2	71.4	69.4	69.7	-0.755	-0.940
VI	39.1	47.5	34.1	35.9	-3.229	-8.322
VT	77.2	64.2	57.3	58.6	-1.276	-4.351
WA	82.3	75.9	73.9	74.3	-0.229	-1.372
WI	74.8	67.2	66.5	66.8	0.547	-0.944
WV	77.3	71.4	69.7	69.9	-0.755	-0.726
WY	84.4	78.5	76.0	76.4	-0.935	-1.182

SOURCE: This and all other appendix tables and figures represent the authors' compilation or calculations.

**Table A.2 Actual Results and Targets Using the Regression-Adjusted Method for Adult Retention Rates**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rates
<b>U.S. unemployment rate</b>	4.8	6.6	9.7	9.6		
AK	79.8	78.8	77.9	77.9	-0.513	-0.342
AL	82.0	78.7	72.9	73.0	-1.058	-4.679
AR	93.6	95.4	94.4	94.4	-1.034	0.000
AZ	84.4	83.2	81.7	81.7	-0.820	-0.702
CA	82.2	76.5	77.4	77.3	-0.421	1.257
CO	88.3	81.1	79.6	79.6	0.162	-1.660
CT	89.0	85.9	84.8	84.8	-0.522	-0.550
DC	71.2	69.5	48.5	48.8	-0.280	-20.403
DE	82.0	81.2	79.6	79.7	-0.044	-1.491
FL	91.0	90.7	89.6	89.6	0.752	-1.855
GA	83.4	82.5	82.4	82.4	-0.076	0.000
HI	83.2	86.3	83.2	83.2	-3.076	0.000
IA	94.3	92.8	86.3	86.4	-1.916	-4.526
ID	90.4	83.2	81.4	81.4	-0.608	-1.186
IL	82.7	79.6	75.4	75.4	-0.686	-3.474
IN	82.5	75.7	69.1	69.3	-0.454	-5.974
KS	91.1	88.6	78.7	78.9	-3.769	-5.951
KY	91.7	90.6	90.5	90.5	0.326	-0.430
LA	79.8	74.3	73.2	73.2	-0.181	-0.874
MA	83.3	77.0	71.4	71.6	-0.247	-5.195
MD	86.6	87.0	86.9	86.9	-0.067	0.000
ME	84.8	86.0	93.3	93.1	0.818	6.312
MI	85.4	87.5	86.5	86.6	0.927	-1.855
MN	86.9	84.8	81.5	81.5	-1.150	-2.129
MO	85.2	81.4	79.0	79.1	-0.012	-2.296
MS	78.8	77.7	78.0	78.0	0.252	0.000
MT	89.1	85.2	83.5	83.6	-0.294	-1.342
NC	86.7	84.7	81.1	81.1	-1.153	-2.413
ND	79.1	77.1	60.7	61.0	1.045	-17.128
NE	90.6	85.1	84.8	84.8	-0.260	0.000
NH	82.2	79.7	79.4	79.4	-0.298	0.000
NJ	83.9	82.9	82.9	82.9	-0.035	0.000
NM	92.3	85.2	82.0	82.1	-1.331	-1.785
NV	81.1	71.9	67.1	67.2	-0.195	-4.468
NY	84.1	76.5	76.1	76.1	-0.143	-0.244
OH	84.4	81.0	76.9	76.9	-2.228	-1.831
OK	83.3	76.8	73.2	73.2	-0.371	-3.184
OR	83.1	75.5	72.0	72.1	-0.975	-2.472
PA	81.8	80.0	74.7	74.8	-0.735	-4.422
PR	93.3	73.5	54.1	54.4	-1.131	-17.971
RI	86.3	83.8	83.1	83.1	-0.748	0.000
SC	82.8	81.3	79.1	79.1	-1.115	-1.087
SD	86.3	81.5	63.7	64.0	0.605	-18.106
TN	89.2	83.8	79.4	79.5	0.555	-4.861
TX	80.9	83.7	79.5	79.6	-1.140	-2.988
UT	83.5	78.6	69.8	69.9	-0.583	-8.083
VA	83.2	82.6	81.0	81.0	-0.728	-0.887
VI	60.3	80.2	79.3	79.3	-0.852	0.000
VT	80.8	80.5	77.1	77.1	-0.926	-2.446
WA	88.2	82.7	82.4	82.4	-0.341	0.000
WI	84.7	80.2	80.7	80.7	0.540	-0.010
WV	87.0	82.3	80.1	80.1	-0.723	-1.475
WY	93.5	86.2	77.9	78.0	-1.575	-6.582



**Table A.3 Actual Results and Targets Using the Regression-Adjusted Method for Adult Earnings**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rates
<b>U.S. unemployment rate</b>	4.8	6.6	9.7	9.6		
AK	16,756	15,862	15,834	15,819	-66	23
AL	11,101	11,659	11,283	11,272	-403	17
AR	13,717	13,580	12,437	12,442	-388	-750
AZ	12,831	12,246	11,541	11,545	-81	-620
CA	16,364	13,349	12,617	12,616	-270	-463
CO	14,904	14,399	14,983	14,970	581	-10
CT	11,810	11,506	11,464	11,453	-70	17
DC	12,168	12,415	12,880	12,868	435	18
DE	9,658	9,953	10,047	10,040	180	-93
FL	21,583	21,064	21,878	21,859	764	30
GA	11,904	12,056	11,217	11,224	-72	-761
HI	13,403	12,626	10,480	10,496	-928	-1203
IA	11,324	12,419	11,265	11,283	152	-1288
ID	12,773	11,972	11,793	11,782	-208	17
IL	12,340	11,741	11,312	11,307	-214	-220
IN	11,274	10,609	7,936	7,972	-98	-2539
KS	15,562	14,997	11,930	11,956	-1280	-1762
KY	16,012	17,300	17,034	17,018	-277	-5
LA	12,613	12,359	12,250	12,247	233	-345
MA	11,122	10,760	10,769	10,759	-17	15
MD	14,115	14,790	14,113	14,124	374	-1040
ME	9,665	9,453	9,675	9,666	199	14
MI	10,939	11,036	11,484	11,477	563	-121
MN	12,715	14,669	14,344	14,330	-360	21
MO	10,908	11,117	11,500	11,490	357	16
MS	10,999	10,996	11,380	11,370	379	-5
MT	13,036	12,046	10,956	10,969	-34	-1043
NC	12,450	11,715	10,544	10,556	-173	-986
ND	10,543	10,903	11,403	11,393	474	16
NE	10,464	9,651	9,991	9,982	317	14
NH	9,414	9,231	8,317	8,331	67	-967
NJ	12,127	11,942	12,131	12,119	160	17
NM	13,685	14,743	11,259	11,297	-874	-2572
NV	13,232	10,939	10,527	10,526	-66	-348
NY	16,597	15,344	15,358	15,344	-22	22
OH	15,324	14,614	13,855	13,843	-705	-66
OK	12,113	11,699	9,631	9,660	-92	-1947
OR	11,584	12,707	12,054	12,049	-423	-236
PA	11,824	11,191	9,970	9,984	-107	-1100
PR	6,384	9,285	9,144	9,135	-164	13
RI	11,487	10,669	8,641	8,671	65	-2063
SC	10,522	11,024	10,077	10,082	-344	-598
SD	10,121	10,644	11,133	11,123	463	15
TN	13,581	13,522	13,705	13,692	151	19
TX	11,831	18,587	17,489	17,490	-390	-707
UT	13,320	13,049	13,009	12,997	-71	19
VA	10,816	10,394	9,602	9,602	-376	-415
VI	12,276	9,830	9,008	9,003	-700	-127
VT	11,829	10,617	9,619	9,622	-445	-549
WA	16,881	14,453	14,320	14,309	-63	-81
WI	10,942	10,639	10,151	10,159	254	-735
WV	10,791	10,627	10,170	10,160	-476	9
WY	14,506	13,218	11,130	11,156	-337	-1726

**Table A.4 Actual Results and Targets Using the Regression-Adjusted Method for Dislocated Worker Entered Employment Rates**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rates
<b>U.S. unemployment rate</b>	5.3	8.5	9.8	9.5		
AK	80.3	75.1	75.2	75.2	0.130	0.000
AL	75.6	70.9	65.8	66.5	-2.109	-2.333
AR	95.6	92.9	93.4	93.4	0.546	0.000
AZ	85.0	76.6	75.4	75.6	-0.346	-0.642
CA	75.5	54.0	53.0	53.2	-0.203	-0.639
CO	92.4	82.7	81.7	82.0	0.102	-0.810
CT	87.6	70.5	67.5	68.1	-0.132	-2.223
DC	75.0	52.4	47.3	48.8	1.837	-5.486
DE	81.0	77.7	73.9	74.6	-0.919	-2.185
FL	86.4	79.7	77.0	77.6	-0.488	-1.661
GA	87.3	73.3	71.8	72.2	0.275	-1.385
HI	83.8	77.6	73.7	74.6	0.075	-3.064
IA	89.8	75.3	70.0	70.7	-2.231	-2.392
ID	94.3	84.5	84.4	84.4	-0.106	0.000
IL	84.0	77.5	75.0	75.3	-1.267	-0.933
IN	73.7	50.0	41.5	43.1	-0.636	-6.310
KS	90.6	68.5	61.9	63.0	-1.714	-3.802
KY	84.7	81.2	79.6	80.0	0.083	-1.302
LA	72.1	64.8	63.2	63.4	-0.509	-0.857
MA	90.2	79.0	77.6	77.9	-0.032	-1.039
MD	87.8	85.0	83.9	84.2	-0.082	-0.734
ME	87.8	85.3	86.3	86.4	1.082	-0.027
MI	92.9	92.6	91.5	91.7	-0.165	-0.695
MN	90.4	89.8	89.3	89.4	-0.089	-0.307
MO	88.7	79.7	77.6	78.1	0.026	-1.642
MS	67.6	58.2	57.3	57.5	-0.107	-0.568
MT	92.9	91.5	91.4	91.4	-0.109	0.000
NC	83.2	74.4	73.1	73.3	-0.320	-0.779
ND	85.6	81.5	80.8	81.0	-0.065	-0.478
NE	92.0	87.1	85.2	85.5	-0.447	-1.138
NH	84.3	77.3	73.0	74.0	-0.189	-3.134
NJ	88.7	82.3	80.7	81.1	-0.145	-1.070
NM	87.0	77.3	71.5	72.5	-1.554	-3.293
NV	82.7	70.5	69.7	70.0	0.174	-0.723
NY	55.4	42.5	40.7	41.1	-0.077	-1.282
OH	84.9	68.0	65.4	65.9	-0.535	-1.607
OK	76.8	40.9	36.6	37.4	-0.427	-3.031
OR	71.9	43.5	38.5	39.5	-0.159	-3.838
PA	80.9	69.1	65.7	66.3	-0.532	-2.231
PR	88.9	88.3	87.9	87.9	-0.360	0.000
RI	83.6	62.8	59.6	60.2	-0.364	-2.192
SC	72.1	60.4	56.7	57.5	-0.307	-2.595
SD	92.5	92.6	92.4	92.4	-0.197	0.000
TN	89.4	81.3	79.6	80.0	-0.038	-1.234
TX	81.9	72.2	70.3	70.8	0.300	-1.658
UT	83.3	80.5	76.5	77.3	-0.480	-2.678
VA	80.3	78.4	77.2	77.5	0.034	-0.952
VI	48.3	41.1	38.3	39.0	0.375	-2.428
VT	86.1	68.3	64.6	65.7	0.948	-3.563
WA	83.9	84.1	82.9	83.2	0.282	-1.137
WI	84.7	80.4	79.8	80.1	0.606	-0.941
WV	88.5	79.4	79.0	79.2	0.483	-0.704
WY	100.0	81.3	76.8	77.4	-1.640	-2.212

**Table A.5 Actual Results and Targets Using the Regression-Adjusted Method for Dislocated Worker Retention Rates**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rates
<b>U.S. unemployment rate</b>	4.8	6.6	9.7	9.6		
AK	80.3	87.5	87.4	87.4	-0.099	0.000
AL	90.6	86.1	77.9	78.1	-0.485	-7.521
AR	96.4	97.0	99.6	99.6	-0.273	2.827
AZ	87.8	85.7	84.9	85.0	-0.258	-0.490
CA	85.6	80.0	81.2	81.2	-0.341	1.497
CO	93.5	86.6	85.6	85.7	0.008	-0.951
CT	92.1	91.3	87.8	87.9	-0.535	-2.858
DC	86.1	82.6	69.0	69.2	0.200	-13.574
DE	87.9	84.0	83.8	83.8	-0.173	0.000
FL	89.1	87.4	83.4	83.4	-0.588	-3.371
GA	89.7	85.6	82.9	82.9	-0.279	-2.402
HI	92.5	93.7	93.7	93.7	0.019	0.000
IA	96.9	96.4	93.4	93.4	-1.684	-1.283
ID	93.2	89.8	86.6	86.6	-0.195	-2.961
IL	89.5	85.7	83.3	83.3	-0.154	-2.237
IN	90.9	79.2	70.1	70.3	-0.741	-8.167
KS	91.9	93.3	88.9	88.9	-1.525	-2.848
KY	92.8	90.6	90.5	90.5	-0.059	0.000
LA	83.4	78.4	78.1	78.1	0.107	-0.376
MA	91.3	84.7	84.2	84.2	-0.123	-0.391
MD	90.3	90.7	90.4	90.4	0.262	-0.554
ME	90.3	85.8	86.3	86.3	0.491	0.000
MI	92.5	90.2	88.6	88.6	-0.004	-1.606
MN	94.3	87.9	85.8	85.9	0.149	-2.178
MO	91.4	88.0	84.1	84.2	-0.111	-3.708
MS	81.2	78.1	78.2	78.2	0.147	0.000
MT	94.2	86.6	86.6	86.6	0.035	0.000
NC	91.3	87.8	85.9	85.9	-0.193	-1.696
ND	85.7	84.8	78.5	78.7	0.028	-6.155
NE	97.6	92.3	72.0	72.3	-0.617	-19.333
NH	88.9	83.9	81.5	81.6	0.073	-2.413
NJ	88.2	85.3	81.4	81.5	-0.011	-3.773
NM	94.1	93.5	82.7	82.9	-1.025	-9.581
NV	82.9	77.7	72.7	72.8	-0.186	-4.675
NY	81.9	74.6	73.8	73.8	0.038	-0.858
OH	90.2	86.0	83.1	83.2	-1.367	-1.481
OK	91.5	82.2	66.8	67.1	-0.451	-14.693
OR	88.2	73.0	67.1	67.2	-0.433	-5.380
PA	90.2	87.1	82.4	82.5	-0.334	-4.243
PR	94.5	88.1	85.6	85.6	-0.631	-1.835
RI	87.1	83.7	78.7	78.8	-0.194	-4.732
SC	89.0	85.3	84.1	84.1	-0.159	-1.005
SD	96.1	93.1	92.5	92.5	-0.615	0.000
TN	91.6	87.4	85.0	85.0	0.111	-2.473
TX	90.1	87.6	85.3	85.4	0.082	-2.327
UT	92.9	85.5	79.7	79.9	-0.811	-4.833
VA	90.7	88.0	87.3	87.3	0.346	-1.010
VI	72.5	89.1	89.8	89.8	0.709	0.000
VT	93.8	89.1	84.8	84.9	-0.142	-4.031
WA	89.0	87.3	86.1	86.1	0.105	-1.288
WI	93.2	88.7	89.6	89.6	0.883	0.000
WV	94.7	92.3	92.4	92.4	0.079	0.000
WY	100.0	75.0	64.6	64.8	-2.205	-8.003

**Table A.6 Actual Results and Targets Using the Regression-Adjusted Method for Dislocated Worker Earnings**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rates
<b>U.S. unemployment rate</b>	4.8	6.6	9.7	9.6		
AK	20,585	24,785	35,859	35,448	1,179	9,485
AL	14,005	13,840	14,061	14,056	487	-271
AR	15,204	13,635	12,794	12,804	153	-983
AZ	14,879	14,347	14,782	14,777	762	-332
CA	17,148	17,010	16,777	16,774	293	-529
CO	17,194	16,503	17,714	17,698	1,171	24
CT	17,135	15,344	13,407	13,433	-87	-1,824
DC	16,308	20,075	18,906	18,967	2,996	-4,104
DE	13,363	13,887	14,977	14,964	1,057	20
FL	19,025	16,715	16,576	16,579	615	-750
GA	14,996	13,874	12,682	12,701	261	-1,433
HI	15,885	15,734	14,301	14,318	-61	-1,355
IA	14,402	13,283	12,279	12,281	-435	-567
ID	13,954	15,472	16,110	16,096	601	22
IL	16,235	15,727	15,072	15,084	455	-1,098
IN	14,898	13,664	10,932	10,972	47	-2,739
KS	15,005	15,759	15,236	15,221	-560	23
KY	13,496	13,510	13,354	13,355	373	-529
LA	18,418	16,148	15,409	15,426	630	-1,352
MA	17,293	16,653	16,920	16,905	266	-14
MD	16,341	16,650	16,634	16,638	768	-780
ME	12,743	11,769	11,561	11,572	728	-925
MI	13,964	13,081	13,064	13,062	393	-411
MN	19,285	18,173	18,112	18,109	462	-527
MO	13,312	13,746	13,528	13,531	428	-643
MS	13,229	12,455	11,410	11,429	334	-1,360
MT	14,042	14,629	15,295	15,281	631	21
NC	13,594	13,559	14,067	14,063	855	-351
ND	13,579	14,834	15,281	15,267	412	21
NE	13,981	12,684	13,324	13,312	610	18
NH	15,712	15,018	14,594	14,594	113	-537
NJ	15,727	15,798	15,886	15,881	453	-370
NM	17,723	15,687	8,831	8,901	170	-6,956
NV	15,369	15,073	14,151	14,156	-133	-784
NY	18,225	19,935	19,140	19,146	212	-1,000
OH	17,697	17,079	15,853	15,865	-76	-1,139
OK	13,634	14,117	11,104	11,140	-578	-2,399
OR	14,487	13,353	12,230	12,244	5	-1,115
PA	15,225	14,483	13,546	13,562	336	-1,256
PR	7,069	7,094	6,501	6,510	107	-691
RI	14,313	15,512	16,051	16,036	502	22
SC	12,905	12,395	11,674	11,687	337	-1,045
SD	13,142	14,439	15,543	15,529	1,069	21
TN	13,627	13,105	13,414	13,406	453	-153
TX	14,843	15,714	15,606	15,608	558	-664
UT	15,554	14,401	12,682	12,710	215	-1,906
VA	13,121	12,930	12,209	12,232	922	-1,620
VI	11,890	11,705	4,860	4,906	237	-7,036
VT	13,500	11,847	11,615	11,636	1,212	-1,424
WA	18,028	18,726	18,534	18,529	295	-492
WI	14,620	14,151	15,319	15,306	1,134	20
WV	13,642	13,654	13,879	13,866	205	7
WY	12,811	12,547	9,716	9,760	311	-3,098

**Table A.7 Actual Results and Targets Using the Regression-Adjusted Method for Youth Placement**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rate
<b>U.S. unemployment rate</b>	5.3	8.5	9.8	9.5		
AK	60.3	53.8	51.4	52.0	0.451	-2.202
AL	54.8	49.5	48.8	49.2	1.039	-1.358
AR	79.9	78.4	78.8	78.8	0.439	0.000
AZ	66.0	58.0	59.0	59.0	0.967	0.000
CA	68.8	73.1	73.3	73.3	0.185	0.000
CO	77.4	65.8	63.7	64.2	0.205	-1.760
CT	77.5	69.9	66.9	67.5	-0.332	-2.047
DC	51.9	48.8	44.9	46.1	1.992	-4.655
DE	75.0	67.6	66.5	66.7	-0.262	-0.654
FL	65.3	52.7	50.0	50.8	0.784	-2.663
GA	66.5	56.1	53.9	54.4	-0.190	-1.519
HI	51.1	44.3	44.2	44.2	-0.135	0.000
IA	78.6	65.3	58.5	60.0	0.656	-5.906
ID	76.1	66.9	65.9	66.3	0.574	-1.224
IL	69.5	67.2	63.8	64.3	-1.502	-1.427
IN	68.8	53.6	49.3	50.3	0.342	-3.615
KS	67.0	64.0	58.1	59.4	0.363	-4.943
KY	72.3	66.8	65.8	66.1	0.087	-0.803
LA	66.8	54.6	53.4	53.6	-0.079	-0.879
MA	85.1	72.6	70.0	70.6	-0.161	-1.874
MD	71.2	67.8	67.1	67.2	-0.252	-0.324
ME	66.2	59.5	57.8	58.2	-0.023	-1.295
MI	48.2	56.5	57.5	57.9	2.896	-1.479
MN	61.2	62.0	62.5	62.5	0.515	0.000
MO	77.4	68.4	66.1	67.0	1.403	-2.838
MS	72.1	67.3	67.3	67.3	0.025	0.000
MT	78.0	70.9	66.0	67.3	0.890	-4.495
NC	63.7	63.1	61.7	62.1	0.178	-1.217
ND	66.7	68.8	69.0	69.0	0.161	0.000
NE	78.5	73.2	67.4	68.9	0.720	-5.065
NH	57.6	43.9	38.2	39.4	0.179	-4.686
NJ	57.0	62.1	60.3	60.7	-0.021	-1.342
NM	63.2	57.2	52.8	53.8	0.332	-3.708
NV	41.1	56.6	58.3	58.3	1.662	0.000
NY	71.6	66.9	64.6	65.3	0.400	-2.039
OH	64.3	53.2	51.6	51.9	-0.174	-1.084
OK	65.6	57.5	57.8	57.9	0.813	-0.407
OR	65.8	62.8	62.4	62.7	1.081	-1.150
PA	58.2	50.5	46.9	47.6	-0.460	-2.399
PR	34.8	16.4	14.4	14.8	0.106	-1.665
RI	43.3	31.8	27.4	27.9	-2.022	-1.844
SC	65.9	53.6	52.0	52.5	0.359	-1.501
SD	74.3	67.5	60.2	61.9	0.701	-6.284
TN	68.7	57.3	57.3	57.4	0.329	-0.214
TX	64.5	60.1	59.0	59.3	0.437	-1.201
UT	70.7	55.3	48.6	49.9	-1.068	-4.379
VA	50.0	35.1	33.2	33.7	0.422	-1.817
VI	16.7	46.9	46.4	46.4	-0.536	0.000
VT	42.0	38.6	38.7	39.1	1.873	-1.364
WA	62.9	63.6	61.6	62.2	0.352	-1.766
WI	67.8	54.4	50.0	50.7	-1.242	-2.449
WV	67.1	62.9	60.4	60.8	-0.791	-1.311
WY	75.9	61.3	58.3	59.1	0.556	-2.780

**Table A.8 Actual Results and Targets Using the Regression-Adjusted Method for Youth Education/Certification Attainment**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rates
<b>U.S. unemployment rate</b>	5.3	8.5	9.8	9.5		
AK	51.2	64.7	64.1	63.9	-1.484	0.652
AL	37.4	36.8	39.3	38.8	0.450	1.505
AR	77.0	78.0	76.6	76.9	-0.192	-0.904
AZ	62.1	65.5	66.5	66.0	-1.217	1.669
CA	69.8	72.7	76.3	75.2	-0.306	2.852
CO	61.3	62.9	64.7	64.2	0.110	1.236
CT	73.9	82.9	100.0	95.5	1.033	11.526
DC	37.4	40.4	35.7	37.0	1.874	-5.288
DE	69.9	75.8	79.8	78.8	0.246	2.776
FL	71.0	58.9	60.2	60.0	0.293	0.772
GA	59.6	53.9	55.2	55.0	0.532	0.553
HI	55.6	61.5	64.0	62.9	-1.686	3.054
IA	49.3	48.7	45.4	46.3	0.566	-3.001
ID	80.4	73.4	74.8	74.4	-0.140	1.124
IL	70.7	69.7	67.0	67.0	-2.410	-0.251
IN	57.5	44.9	42.8	43.3	-0.078	-1.542
KS	60.2	63.1	61.8	62.2	0.432	-1.317
KY	73.5	65.5	66.0	65.8	-0.104	0.443
LA	51.7	54.4	59.7	57.9	-1.027	4.561
MA	70.0	57.6	58.0	57.7	-0.772	0.901
MD	71.5	75.0	80.6	79.3	0.675	3.600
ME	86.9	61.5	60.0	60.2	-0.716	-0.606
MI	38.6	48.2	45.6	46.0	-1.057	-1.157
MN	46.9	54.1	57.6	56.6	-0.250	2.748
MO	53.6	49.7	45.3	46.6	1.359	-4.502
MS	75.3	71.8	77.0	75.6	-0.105	3.920
MT	69.8	67.1	60.5	62.2	1.330	-6.231
NC	54.0	59.8	61.2	60.7	-0.478	1.426
ND	53.8	55.8	52.6	53.3	-0.062	-2.419
NE	71.2	65.3	67.0	66.6	0.042	1.208
NH	53.7	53.3	56.9	55.8	-0.709	3.160
NJ	46.8	67.5	69.9	69.3	0.083	1.740
NM	38.5	43.4	42.8	42.9	-0.386	-0.155
NV	23.4	57.0	61.0	59.8	-0.288	3.126
NY	63.9	61.3	58.9	59.4	-0.386	-1.545
OH	57.9	57.2	56.6	56.7	-0.112	-0.372
OK	47.0	38.1	40.1	39.5	-0.359	1.729
OR	72.1	72.7	71.5	71.5	-1.126	-0.067
PA	67.6	66.8	64.1	64.7	-0.221	-1.900
PR	17.6	12.9	10.4	10.9	-0.042	-1.977
RI	39.5	32.2	30.1	30.1	-2.224	0.116
SC	58.5	50.6	49.5	49.7	-0.112	-0.774
SD	56.7	60.7	60.6	60.7	0.450	-0.401
TN	69.4	59.7	60.4	60.4	0.567	0.095
TX	54.9	51.8	51.9	51.9	-0.047	0.142
UT	61.3	64.8	64.7	64.3	-1.546	1.085
VA	42.4	35.2	35.2	35.2	-0.130	0.125
VI	33.3	30.4	38.8	36.2	0.408	5.365
VT	12.9	18.5	24.0	23.2	2.754	1.949
WA	66.9	72.3	71.9	71.8	-0.646	0.175
WI	69.5	69.1	67.2	67.6	0.111	-1.561
WV	69.3	73.8	73.9	73.9	-0.125	0.178
WY	63.0	57.6	62.1	61.2	1.185	2.423

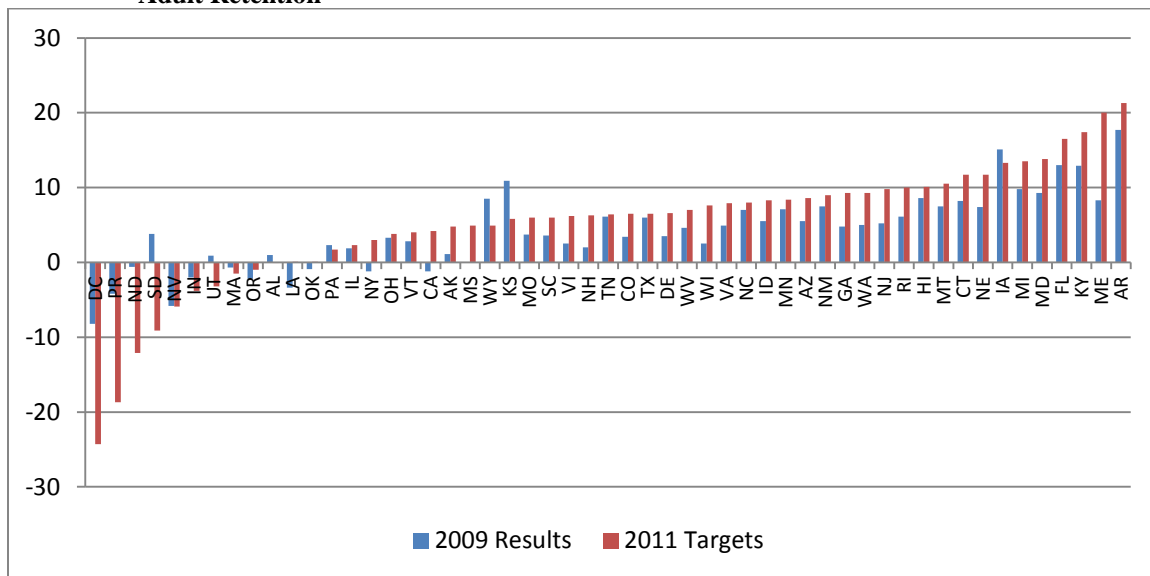
**Table A.9 Actual Results and Targets Using the Regression-Adjusted Method for Youth Literacy and Numeracy Gains**

State	Actual results		Targets		Adjustments	
	2008	2009	2010	2011	Personal characteristics	Unemployment rates
<b>U.S. unemployment rate</b>	7.6	9.8	9.5	9.0		
AK	35.4	36.4	35.1	33.9	-0.620	-1.926
AL	25.6	28.5	28.8	27.8	0.707	-1.376
AR	54.8	69.3	68.3	66.6	-0.204	-2.543
AZ	50.1	40.8	39.8	38.3	-0.319	-2.172
CA	44.4	50.1	49.6	48.6	-0.086	-1.372
CO	38.9	38.0	37.0	34.4	0.361	-3.966
CT	22.0	30.0	29.9	28.4	0.596	-2.223
DC	36.2	26.1	26.8	26.7	0.709	-0.059
DE	48.8	41.4	38.0	31.8	0.021	-9.646
FL	36.4	41.1	40.3	38.6	0.087	-2.618
GA	38.9	30.2	30.0	28.7	0.366	-1.825
HI	25.5	43.0	42.4	42.7	-0.668	0.359
IA	23.7	19.4	19.8	20.5	0.047	1.064
ID	25.2	11.2	11.1	11.6	-0.290	0.673
IL	50.0	52.1	50.3	48.4	-0.937	-2.742
IN	22.3	30.1	28.6	25.9	-0.191	-4.001
KS	38.7	44.5	43.3	40.5	0.216	-4.170
KY	66.3	59.7	59.0	57.7	-0.045	-1.916
LA	43.4	55.5	52.7	48.0	-0.393	-7.149
MA	18.0	25.6	25.3	24.7	-0.047	-0.899
MD	69.0	74.5	73.7	71.7	0.181	-2.937
ME	16.2	7.5	8.3	9.5	0.304	1.708
MI	11.0	6.5	6.5	6.7	-0.100	0.315
MN	14.6	24.1	23.7	22.5	0.146	-1.740
MO	39.7	50.6	50.1	48.4	0.308	-2.523
MS	48.7	52.2	51.9	51.1	0.136	-1.261
MT	16.3	23.9	23.5	21.6	0.503	-2.815
NC	35.1	39.9	39.4	38.8	-0.163	-0.895
ND	23.6	51.3	46.3	37.6	-0.142	-13.589
NE	49.8	52.5	51.0	47.9	0.105	-4.722
NH	58.9	68.2	64.2	56.6	-0.007	-11.552
NJ	26.7	53.6	52.6	50.3	0.095	-3.384
NM	20.6	30.9	30.0	28.5	-0.212	-2.192
NV	32.4	32.8	32.3	31.7	-0.281	-0.825
NY	49.7	42.7	42.5	42.1	-0.015	-0.586
OH	42.7	39.1	38.6	37.5	0.078	-1.711
OK	26.4	29.7	28.7	26.2	0.275	-3.733
OR	32.0	31.2	30.6	30.1	-0.301	-0.823
PA	44.2	46.4	46.7	46.9	0.164	0.312
PR	0.0	0.0			0.025	
RI	60.6	51.6	51.3	51.4	-0.421	0.251
SC	48.5	48.7	47.7	45.9	-0.156	-2.692
SD	51.0	21.9	22.3	21.5	0.853	-1.245
TN	33.7	34.9	34.5	33.4	0.122	-1.671
TX	45.8	47.6	46.6	44.8	-0.115	-2.678
UT	39.7	31.6	28.6	24.0	-0.547	-7.050
VA	1.8	4.4	4.2	4.3	-0.289	0.197
VI	0.0	4.5	4.5	4.4	0.033	-0.152
VT	0.0	0.0			0.011	
WA	38.2	49.9	48.0	44.8	-0.242	-4.856
WI	25.3	17.2	17.7	18.0	0.423	0.363
WV	44.2	50.8	50.5	49.5	0.172	-1.461
WY	25.0	31.7	32.1	31.8	0.480	-0.399

## APPENDIX B: COMPARISON OF PY2011 REGRESSION-ADJUSTED STATE TARGETS WITH PY2009 ACTUAL STATE RESULTS

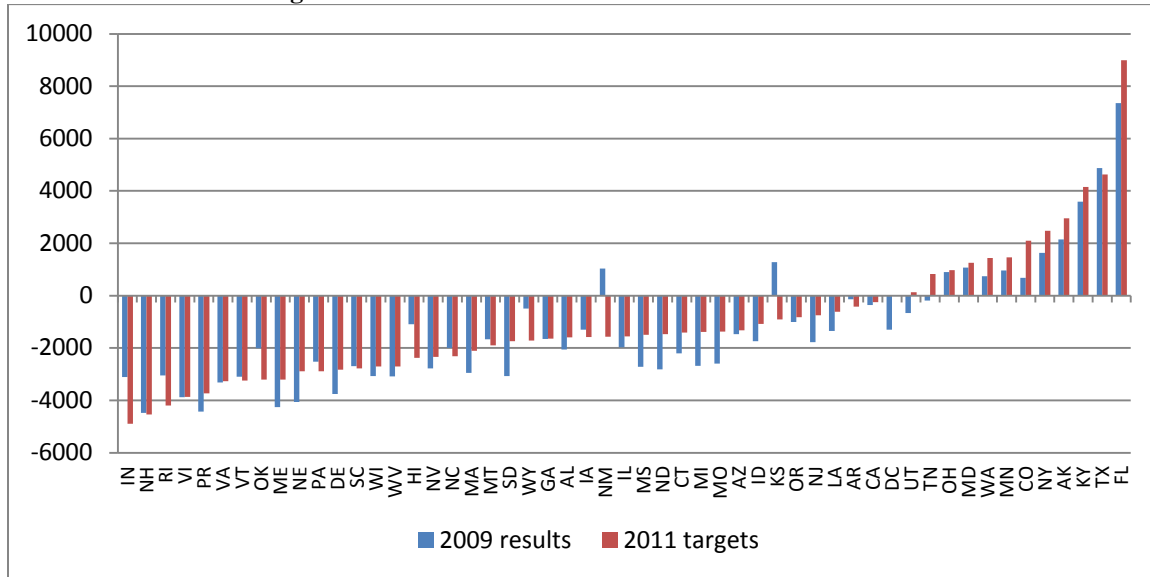
This appendix compares regression-adjusted targets for PY2011 with actual results for PY2009 for all the common performance measures for the three WIA programs. The exception is Adult entered employment rates, which category is not included here because it was discussed in Section VI in the main part of the document. As one sees from the following figures, the distributions of targets and actual results are generally skewed to the left except for earnings and literacy and numeracy gains for youth. However, in all cases, the distribution of the regression-adjusted performance targets follows closely the distribution of the actual results in PY2009. This follows from the methodology, and more specifically from the fact that PY2009 actual results are used as the starting point for the PY2011 regression-adjusted performance targets. The source for these figures is the authors' calculations using WIASRD and BLS data.

**Figure B.1 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Adult Retention**

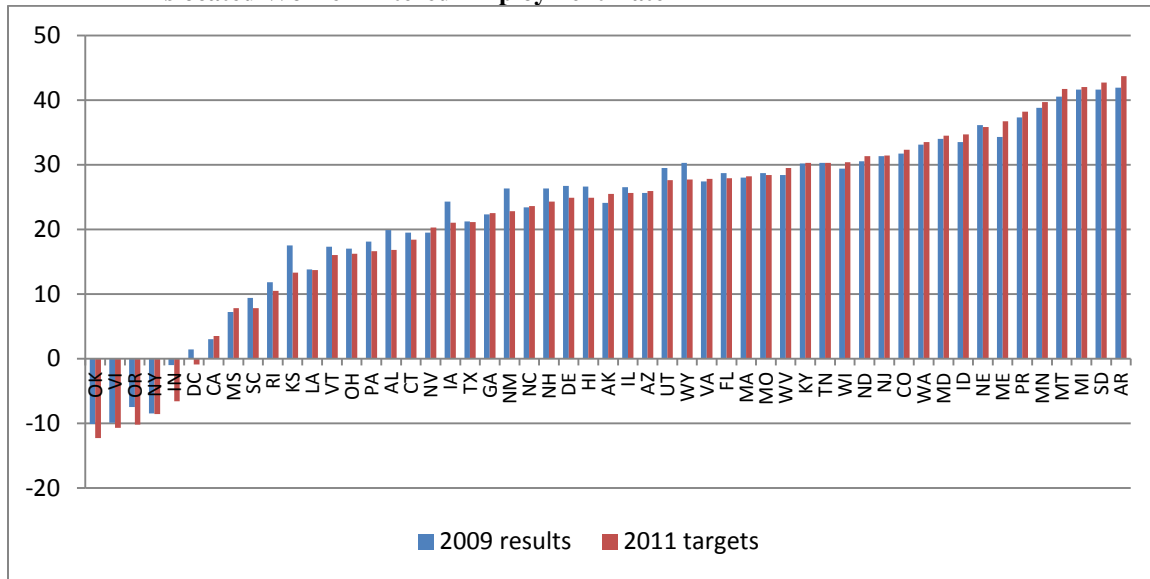




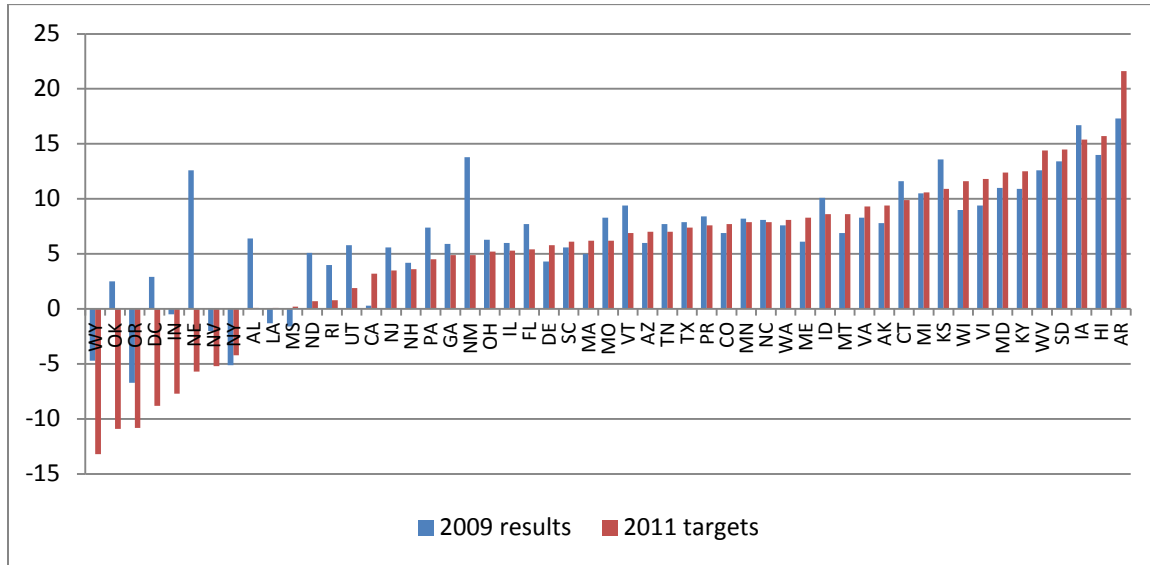
**Figure B.2 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Adult Earnings**



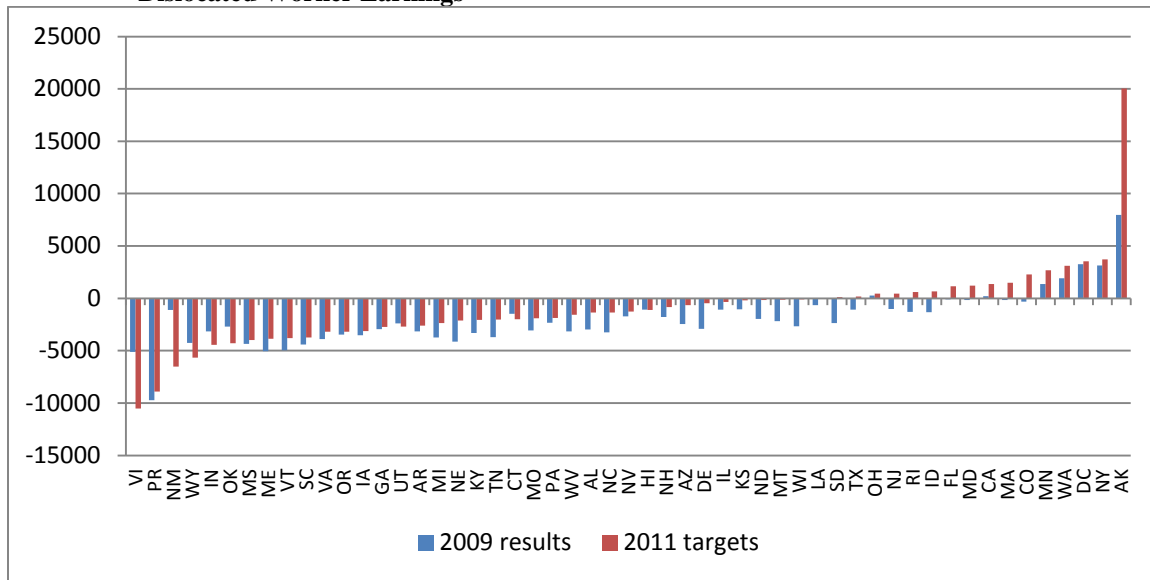
**Figure B.3 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Dislocated Worker Entered Employment Rate**



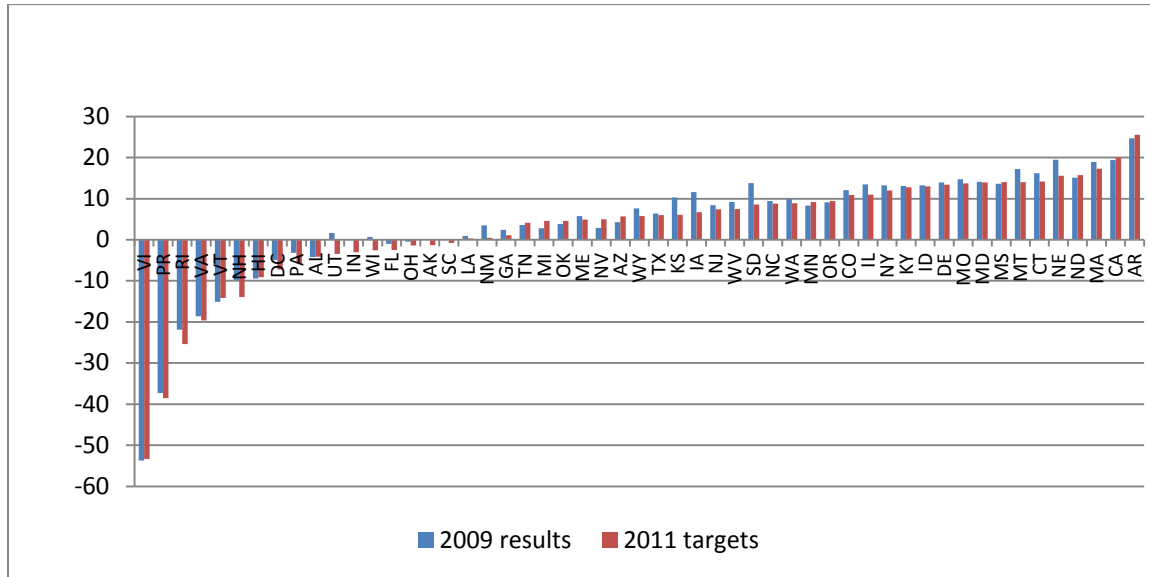
**Figure B-4 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Dislocated Worker Retention Rate**



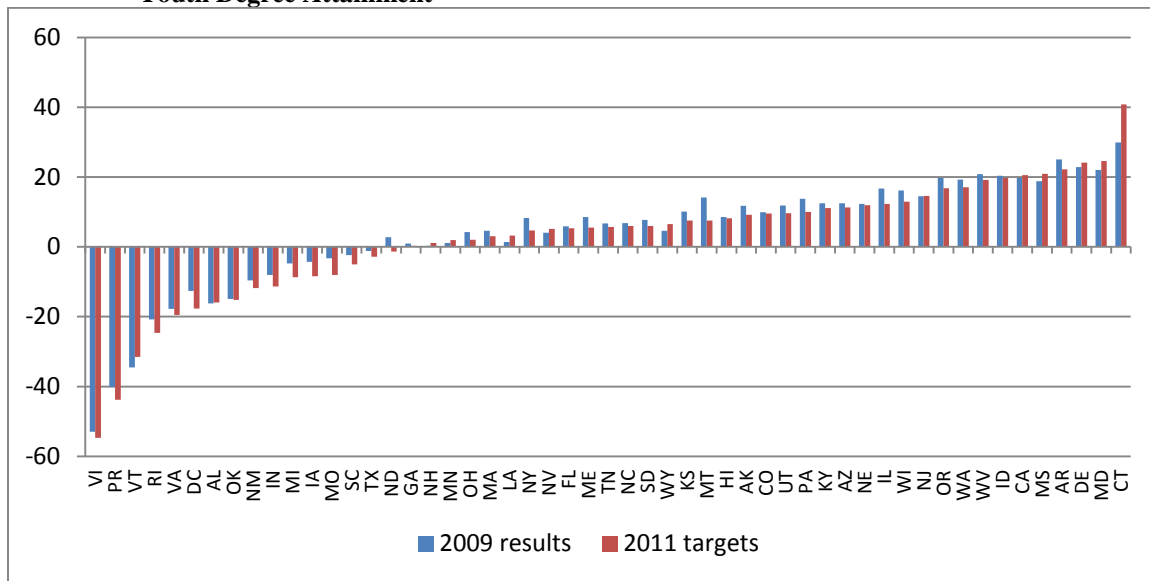
**Figure B.5 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Dislocated Worker Earnings**



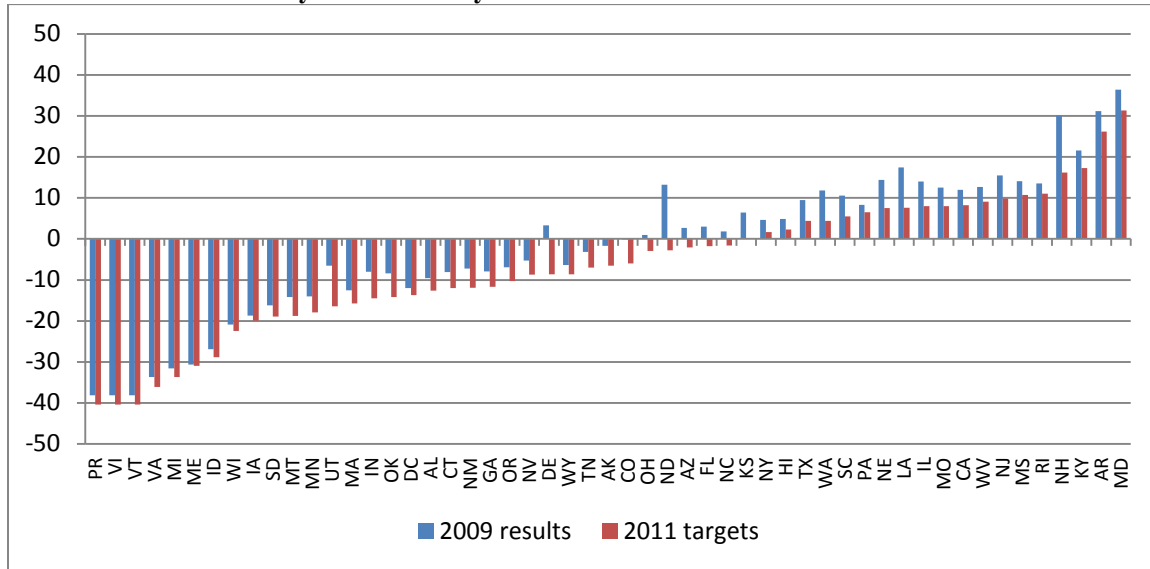
**Figure B.6 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Youth Placement**



**Figure B.7 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Youth Degree Attainment**



**Figure B.8 PY2009 Actual Performance and PY2011 Targets, as Deviations from Their National Averages, Youth Literacy and Numeracy Gains**



## **APPENDIX C: SIMULATIONS USING REGRESSION-ADJUSTED METHODOLOGY TO DERIVE PY2007 THROUGH PY2009 STATE TARGETS**

This appendix compares the performance targets derived from the regression-adjusted methodology with the actual results from PY2007 through PY2009. This simulation provides a perspective of how regression-adjusted performance targets compare with the actual results. By using the same methodology to set targets for these earlier years as is used for PY2011, it is possible to make this comparison. A fuller explanation of this procedure and a discussion of the results can be found in Section VII of the main part of this document.

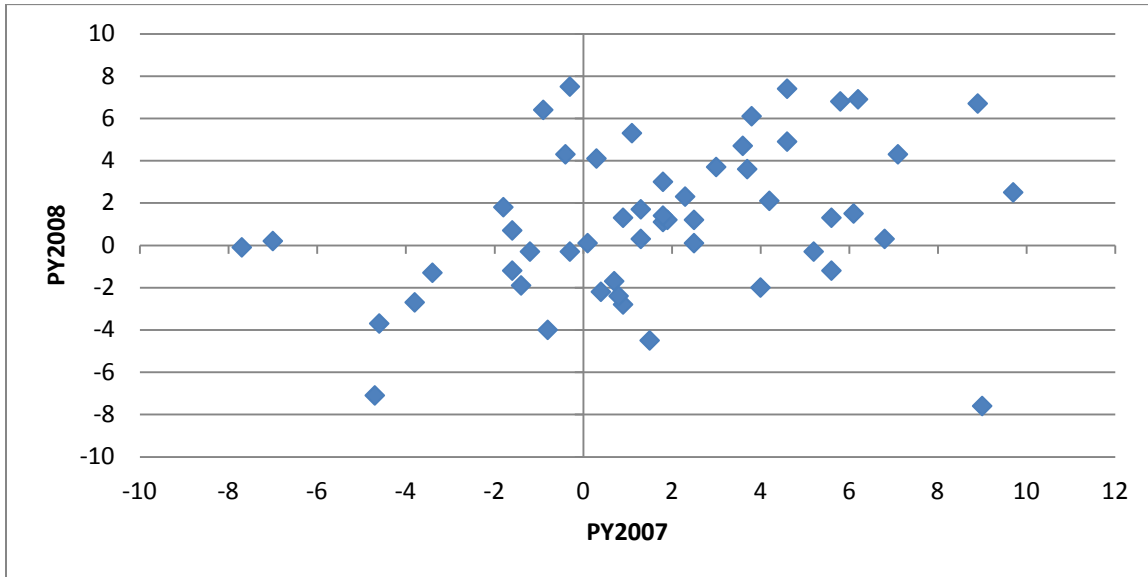
The appendix includes comparisons for the six common measures for the adult programs. Simulations for the youth programs are not included here. The appendix includes tables that list the difference between the targets and the actual results for each state and other entities and for each of the three years. This shows when a state exceeds or misses its targets. Figures are included that illustrate how states fare over the three years relative to their targets, and summary tables provide additional statistics.

Comparisons are also made regarding how well states fare when regression-adjusted targets are used versus the targets that were actually negotiated for each of the three years. For both Adult and Dislocated Worker programs, more states exceeded targets using the regression-adjusted methodology than the negotiation process for the entered employment rate measure, and fewer states exceeded targets based on regression-adjustment than on the negotiation process for the earnings measure, particularly in PY2009, when the recession started to affect the labor market. The two target-setting processes yield similar results for the retention rate measure.

**Table C.1 Difference between Actual Results and Targets for Adult Retention Rate**

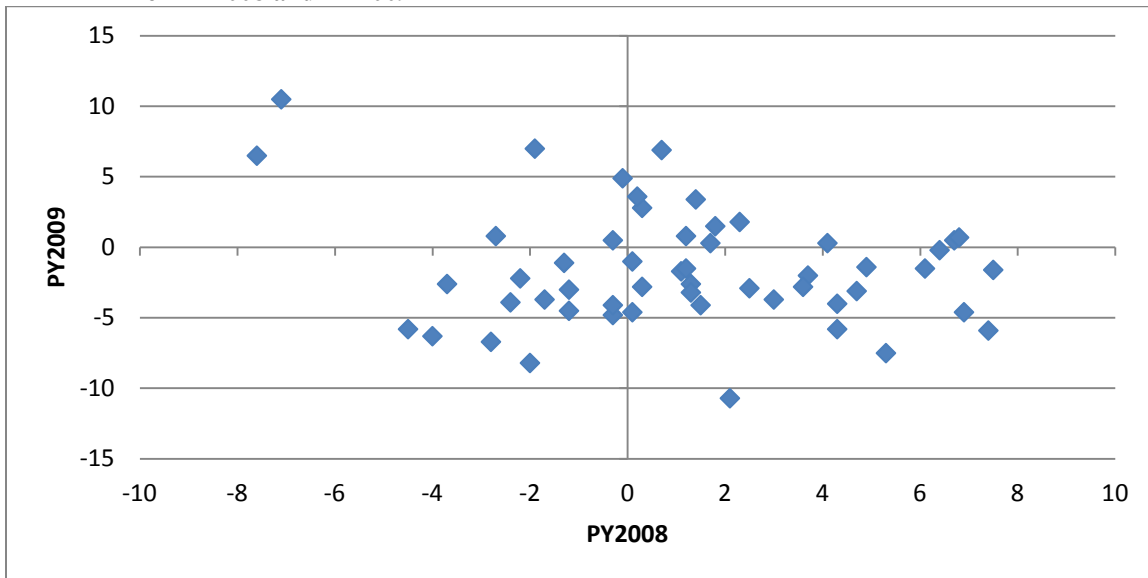
	Adult retention rate		
	PY2007	PY2008	PY2009
AK	-3.4	-1.3	-1.1
AL	1.8	1.1	-1.7
AR	2.5	1.2	0.8
AZ	0.7	-1.7	-3.7
CA	4.0	-2.0	-8.2
CO	7.1	4.3	-5.8
CT	4.6	4.9	-1.4
DC	-4.7	-7.1	10.5
DE	8.9	6.7	0.5
FL	2.3	2.3	1.8
GA	1.8	3.0	-3.7
HI	1.9	1.2	-1.5
IA	5.8	6.8	0.7
ID	5.2	-0.3	-4.8
IL	0.4	-2.2	-2.2
IN	0.9	-2.8	-6.7
KS	1.3	0.3	2.8
KY	3.8	6.1	-1.5
LA	-0.8	-4.0	-6.3
MA	3.6	4.7	-3.1
MD	-7.7	-0.1	4.9
ME	2.5	0.1	-1.0
MI	1.8	1.4	3.4
MN	0.3	4.1	0.3
MO	6.8	0.3	-2.8
MS	3.0	3.7	-2.0
MT	5.6	1.3	-2.6
NC	1.3	1.7	0.3
ND	-1.6	0.7	6.9
NE	-0.4	4.3	-4.0
NH	0.8	-2.4	-3.9
NJ	3.7	3.6	-2.8
NM	6.1	1.5	-4.1
NV	5.6	-1.2	-3.0
NY	1.1	5.3	-7.5
OH	-0.3	-0.3	-4.1
OK	-4.6	-3.7	-2.6
OR	4.2	2.1	-10.7
PA	-1.2	-0.3	0.5
PR	-1.6	-1.2	-4.5
RI	6.2	6.9	-4.6
SC	1.5	-4.5	-5.8
SD	-1.4	-1.9	7.0
TN	-0.9	6.4	-0.2
TX	-3.8	-2.7	0.8
UT	-1.8	1.8	1.5
VA	-7.0	0.2	3.6
VI	9.0	-7.6	6.5
VT	9.7	2.5	-2.9
WA	0.9	1.3	-3.2
WI	0.1	0.1	-4.6
WV	4.6	7.4	-5.9
WY	-0.3	7.5	-1.6

**Figure C.1 Difference between Actual Results and Regression-Adjusted Targets for Adult Retention Rates for PY2007 and PY2008**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.2 Difference between Actual Results and Regression-Adjusted Targets for Adult Retention Rates for PY2008 and PY2009**



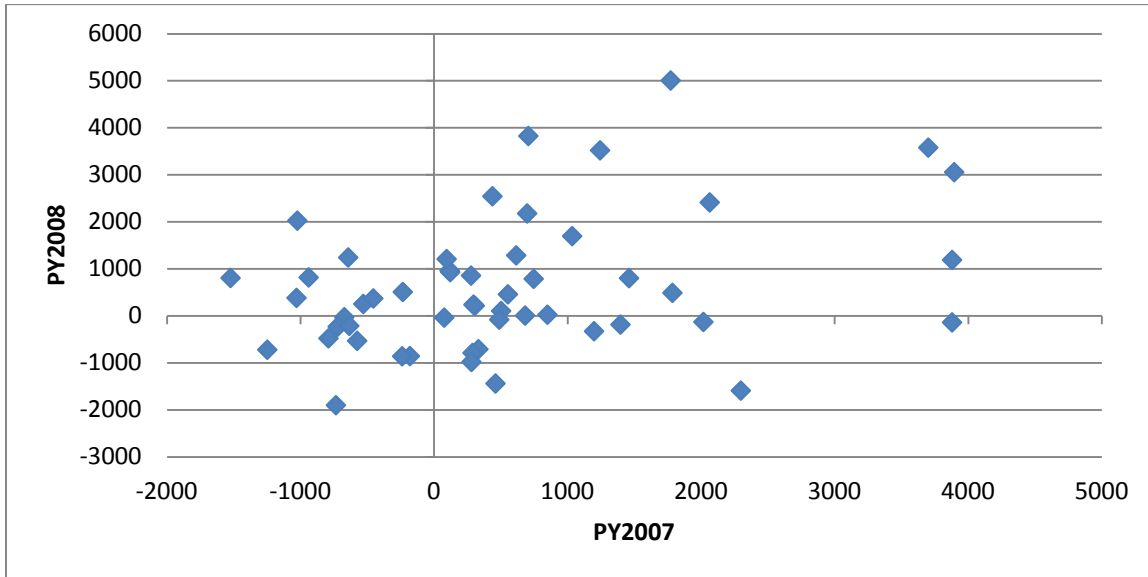
NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Table C.2: Difference between Actual Results and Targets for Adult Average Earnings**

	Adult average earnings		
	PY2007	PY2008	PY2009
AK	438	2,542	-114
AL	1,461	800	-253
AR	-233	506	614
AZ	1,199	-329	-322
CA	3,880	-141	-3,928
CO	2,065	2,411	-564
CT	461	-1,441	-505
DC	1,786	487	-993
DE	-734	-1,903	-375
FL	1,244	3,519	-323
GA	554	456	-338
HI	1,035	1,694	-420
IA	683	4	2,281
ID	698	2,176	-536
IL	306	213	-759
IN	-180	-858	-586
KS	77	-40	2,587
KY	3,896	3,054	-18
LA	1,397	-188	-554
MA	-529	251	-890
MD	-1,523	804	2,130
ME	333	-712	-1,059
MI	-671	-31	-150
MN	747	785	1,393
MO	117	961	183
MS	-642	1,240	600
MT	3,880	1,187	-1,389
NC	616	1,284	57
ND	122	928	-699
NE	296	236	-1,441
NH	-1,248	-723	-221
NJ	-721	-232	-1,095
NM	-1,023	2,023	3,464
NV	278	854	-677
NY	1,773	5,005	-1,004
OH	-634	-215	-1,339
OK	-790	-481	808
OR		1,051	518
PA	-238	-862	-922
PR	-1,029	380	1,889
RI	-575	-534	-1,170
SC	-454	368	1,084
SD	289	-791	-740
TN	503	102	-292
TX	281	-983	5,009
UT	2,018	-132	166
VA	95	1,206	88
VI	3,702	3,577	671
VT	2,298	-1,593	-2,483
WA	707	3,824	1,398
WI	-938	815	905
WV	489	-83	-1,430
WY	850	22	475

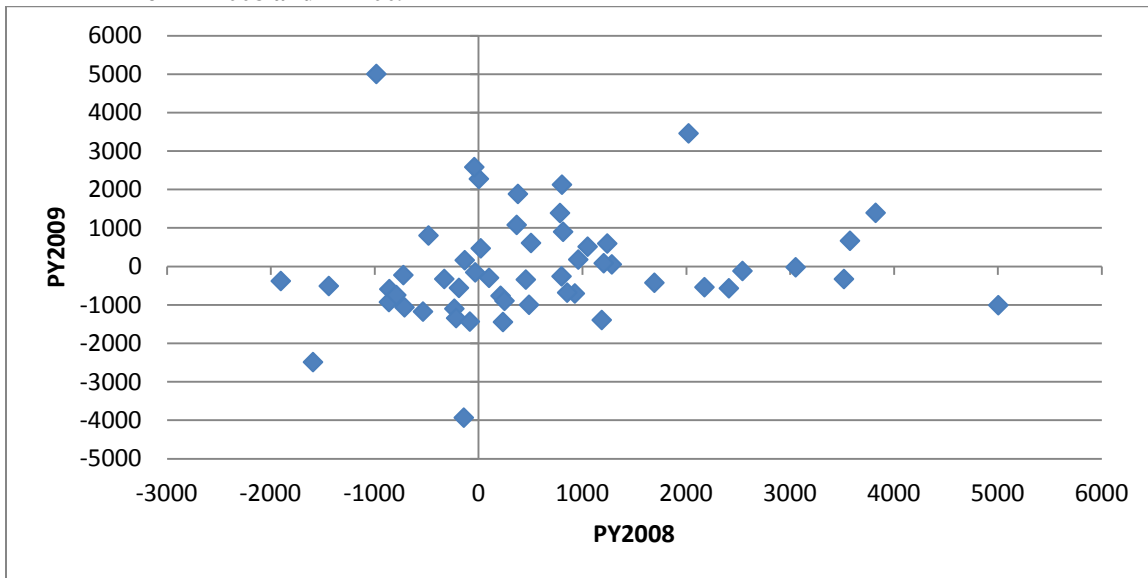


**Figure C.3 Difference between Actual Results and Regression-Adjusted Targets for Adult Average Earnings for PY2007 and PY2008**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.4 Difference between Actual Results and Regression-Adjusted Targets for Adult Average Earnings for PY2008 and PY2009**

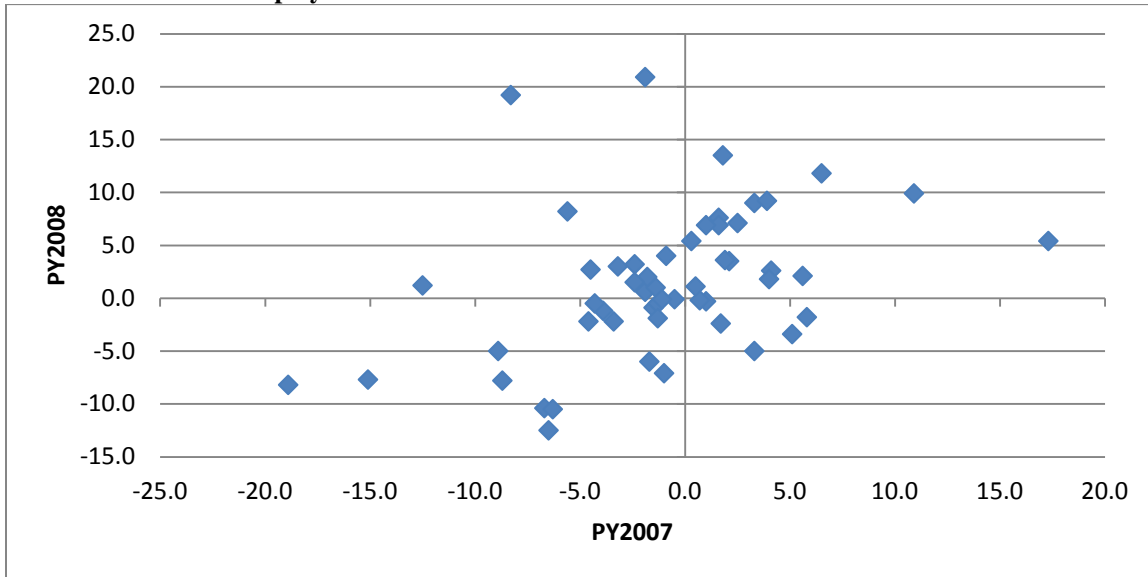


NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Table C.3 Difference between Actual Results and Targets for Dislocated Worker Entered Employment Rate**

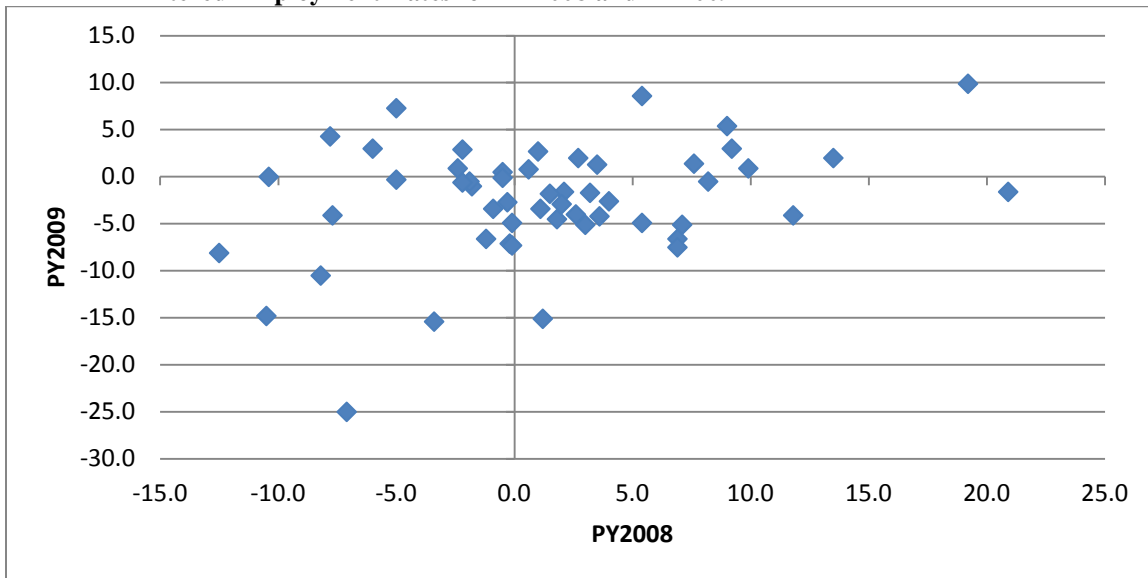
	<b>Dislocated Worker entered employment rate</b>		
	<b>PY2007</b>	<b>PY2008</b>	<b>PY2009</b>
AK	1.6	7.6	1.4
AL	-4.5	2.7	2.0
AR	4.1	2.6	-4.0
AZ	-3.9	-1.2	-6.6
CA	-1.0	-7.1	-25.0
CO	2.5	7.1	-5.1
CT	4.0	1.8	-4.5
DC	-8.7	-7.8	4.3
DE	-8.9	-5.0	-0.3
FL	5.8	-1.8	-1.0
GA	1.6	6.9	-6.6
HI	3.3	9.0	5.4
IA	1.0	-0.3	-2.7
ID	0.7	-0.2	-7.1
IL	-1.5	-0.9	-3.4
IN	-6.7	-10.4	0.0
KS	-1.9	0.6	0.8
KY	-1.3	-0.5	0.5
LA	-15.1	-7.7	-4.1
MA	-0.9	4.0	-2.6
MD	-4.3	-0.5	-0.1
ME	-5.6	8.2	-0.5
MI	1.7	-2.4	0.9
MN	2.1	3.5	1.3
MO	-1.3	-1.9	-0.5
MS	-3.2	3.0	-5.1
MT	10.9	9.9	0.9
NC	-0.5	-0.1	-4.9
ND	-2.4	3.2	-1.7
NE	-1.4	1.0	2.7
NH	1.8	13.5	2.0
NJ	5.6	2.1	-1.6
NM	0.3	5.4	8.6
NV	1.0	6.9	-7.5
NY	-18.9	-8.2	-10.5
OH	-1.1	-0.1	-7.3
OK	-12.5	1.2	-15.1
OR	-6.3	-10.5	-14.8
PA	-1.8	2.0	-2.9
PR	-1.7	-6.0	3.0
RI	5.1	-3.4	-15.4
SC	-6.5	-12.5	-8.1
SD	3.9	9.2	3.0
TN	1.9	3.6	-4.2
TX	-2.4	1.5	-1.8
UT	3.3	-5.0	7.3
VA	-4.6	-2.2	-0.6
VI	-8.3	19.2	9.9
VT	17.3	5.4	-4.9
WA	-3.4	-2.2	2.9
WI	0.5	1.1	-3.4
WV	6.5	11.8	-4.1
WY	-1.9	20.9	-1.6

**Figure C.5 Difference between Actual Results and Regression-Adjusted Targets for Dislocated Worker Entered Employment Rates for PY2007 and PY2008**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C-6 Difference between Actual Results and Regression-Adjusted Targets for Dislocated Worker Entered Employment Rates for PY2008 and PY2009**

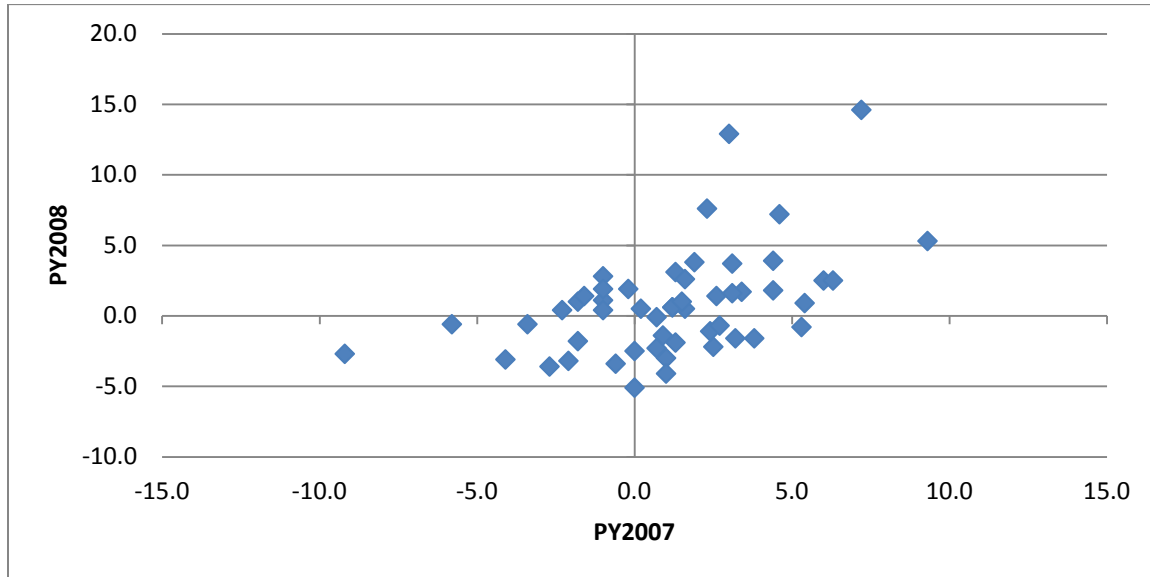


NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Table C.4 Difference between Actual Results and Targets for Dislocated Worker Retention Rate**

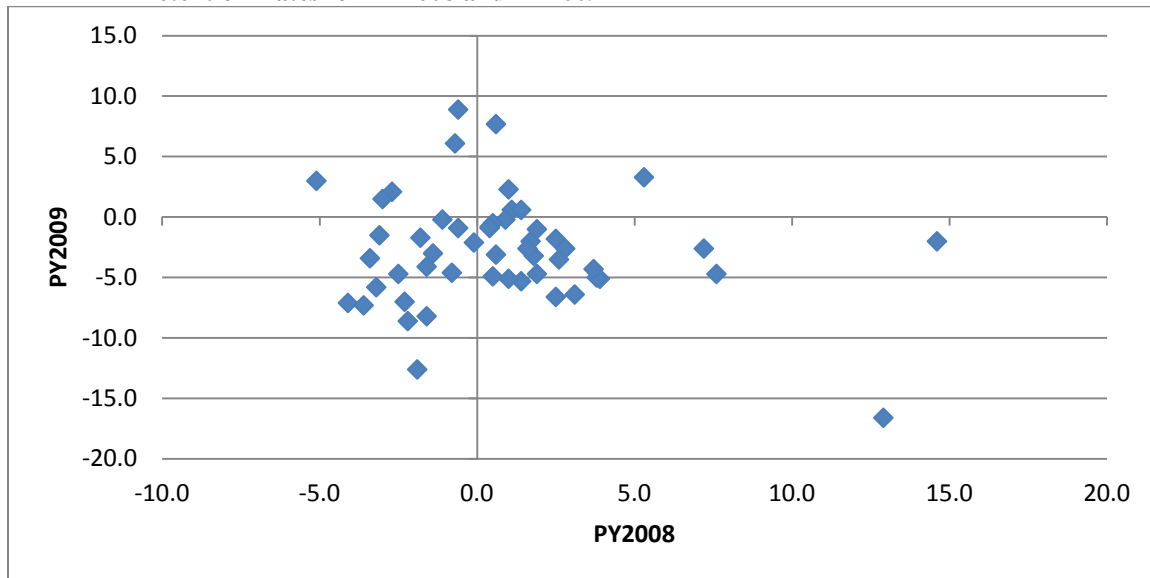
<b>Dislocated Worker retention rate</b>			
	<b>PY2007</b>	<b>PY2008</b>	<b>PY2009</b>
AK	0.0	-5.1	3.0
AL	-1.0	1.1	0.6
AR	3.8	-1.6	-4.1
AZ	-2.1	-3.2	-5.8
CA	2.5	-2.2	-8.6
CO	4.4	3.9	-5.1
CT	5.4	0.9	-0.2
DC	-5.8	-0.6	8.9
DE	7.2	14.6	-2.0
FL	1.6	0.5	-0.5
GA	2.6	1.4	-5.3
HI	9.3	5.3	3.3
IA	6.0	2.5	-1.8
ID	0.9	-1.4	-3.0
IL	-1.8	-1.8	-1.7
IN	3.2	-1.6	-8.2
KS	2.4	-1.1	-0.2
KY	4.4	1.8	-3.2
LA	-9.2	-2.7	2.1
MA	1.9	3.8	-5.0
MD	-1.8	1.0	2.3
ME	-1.0	2.8	-2.6
MI	3.4	1.7	-2.0
MN	3.1	1.6	-2.6
MO	1.0	-3.0	1.5
MS	3.1	3.7	-4.3
MT	2.3	7.6	-4.7
NC	1.2	0.6	-3.1
ND	-4.1	-3.1	-1.5
NE	1.2	0.6	7.7
NH	-1.0	1.9	-4.7
NJ	-0.2	1.9	-1.0
NM	2.7	-0.7	6.1
NV	1.0	-4.1	-7.1
NY	-2.7	-3.6	-7.3
OH	0.0	-2.5	-4.7
OK	-3.4	-0.6	-0.9
OR	1.3	-1.9	-12.6
PA	-1.0	0.4	-0.9
PR	5.3	-0.8	-4.6
RI	1.3	3.1	-6.4
SC	0.7	-2.3	-7.0
SD	-1.6	1.4	0.6
TN	1.6	2.6	-3.5
TX	-2.3	0.4	-0.8
UT	1.5	1.0	-5.1
VA	0.7	-0.1	-2.1
VI	38.7	-11.8	11.2
VT	6.3	2.5	-6.6
WA	-0.6	-3.4	-3.4
WI	0.2	0.5	-4.9
WV	4.6	7.2	-2.6
WY	3.0	12.9	-16.6

**Figure C.7 Difference between Actual Results and Regression-Adjusted Targets for Dislocated Worker Retention Rates for PY2007 and PY2008**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.8 Difference between Actual Results and Regression-Adjusted Targets for Dislocated Worker Retention Rates for PY2008 and PY2009**

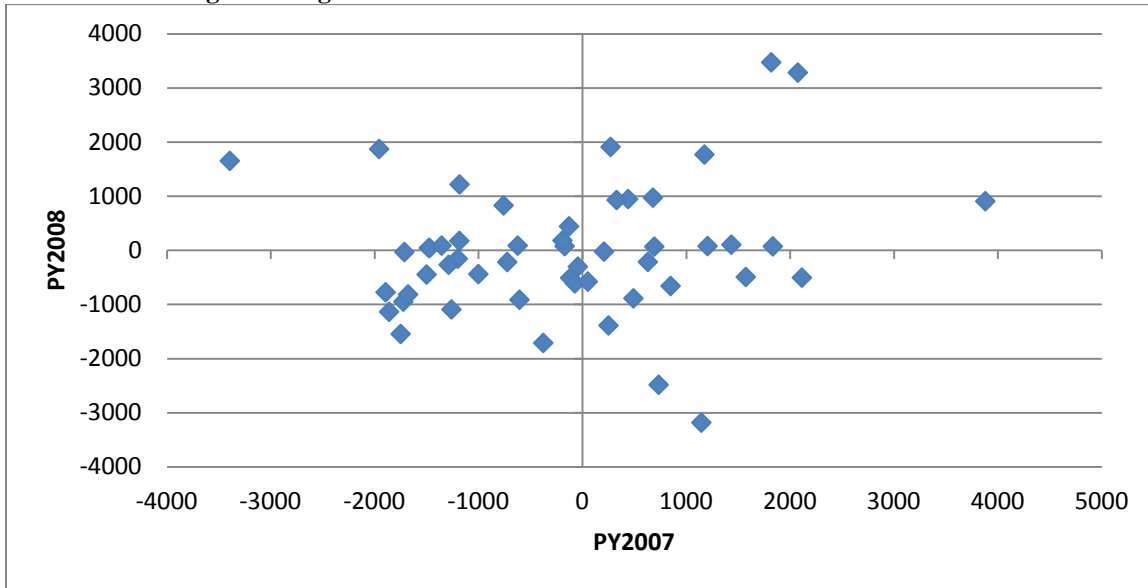


NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Table C.5 Difference between Actual Results and Targets for Dislocated Worker Average Earnings**

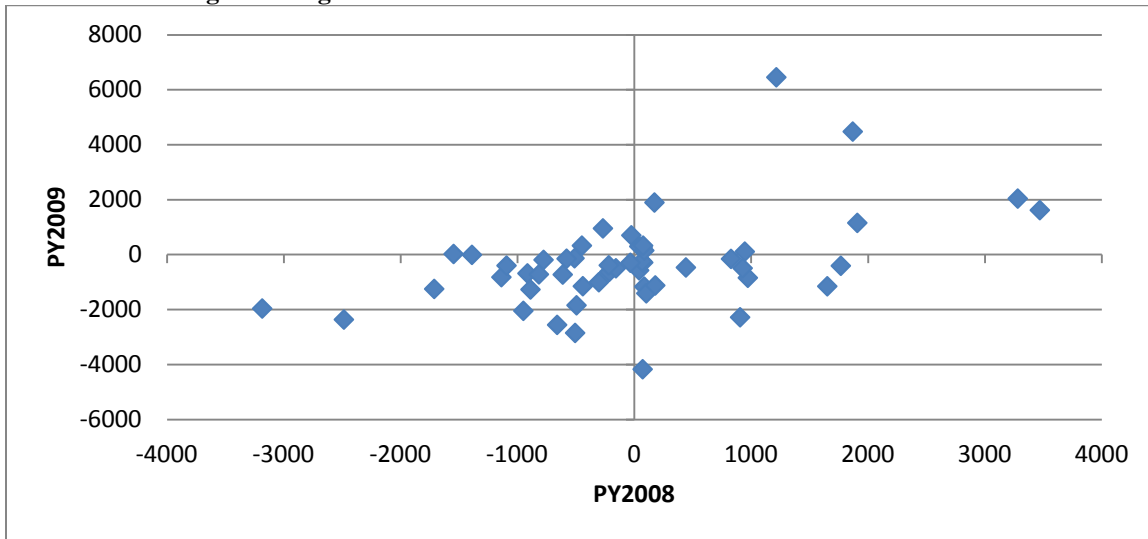
Dislocated Worker Average Earnings (\$)			
	PY2007	PY2008	PY2009
AK	3,880	906	-2,280
AL	1,574	-494	-1,844
AR	680	972	-843
AZ	-376	-1,712	-1,248
CA	631	-215	-632
CO	-758	828	-155
CT	-1,001	-440	-1,149
DC	-1,182	1,216	6,455
DE	-117	-511	-132
FL	1,176	1,768	-406
GA	-1,478	42	-572
HI	1,206	77	-287
IA	441	946	110
ID	693	67	-243
IL	-72	-612	-726
IN	-1,713	-33	-295
KS	-1,860	-1,137	-820
KY	-1,260	-1,093	-399
LA	1,819	3,471	1,619
MA	-1,723	-949	-2,046
MD	-1,499	-448	328
ME	53	-579	-148
MI	-622	86	-1,165
MN	330	928	-493
MO	492	-888	-1,269
MS	272	1,909	1,155
MT	1,834	72	-4,171
NC	-605	-914	-683
ND	-1,184	173	1,897
NE	850	-660	-2,557
NH	-3,394	1,652	-1,152
NJ	-1,677	-816	-718
NM	-1,956	1,870	4,479
NV	1,435	103	-1,408
NY	2,075	3,282	2,040
OH	-1,199	-157	-497
OK	-1,287	-268	955
OR		71	264
PA	-1,894	-776	-191
PR	-128	442	-467
RI	-1,471	43	299
SC	-1,355	86	151
SD	-170	76	328
TN	-43	-303	-1,004
TX	209	-25	703
UT	-1,749	-1,546	24
VA	-723	-218	-388
VI		-8,941	4,539
VT	735	-2,485	-2,364
WA	252	-1,389	-8
WI	-191	180	-1,121
WV	2,114	-506	-2,850
WY	1,146	-3,184	-1,961

**Figure C.9 Difference between Actual Results and Regression-Adjusted Targets for Dislocated Worker Average Earnings for PY2007 and PY2008**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.10 Difference between Actual Results and Regression-Adjusted Targets for Dislocated Worker Average Earnings for PY2008 and PY2009**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Table C.6 Adult Retention Rate, Actual Results Compared with Targets, PY2007–PY2009**

	Actual Results Compared to Adjusted Targets			Actual Results Compared to Negotiated Targets		
	PY2007	PY2008	PY2009	PY2007	PY2008	PY2009
Failed	16	18	36	15	21	36
Exceeded	36	34	16	37	31	16
% exceeded	69	65	31	71	60	31

No. of states that exceeded targets:

0 years	5		0 years	10
1 year	16		1 year	11
2 years	23		2 years	20
3 years	8		3 years	11

**Table C.7 Adult Average Earnings, Actual Results Compared with Targets, PY2007–PY2009**

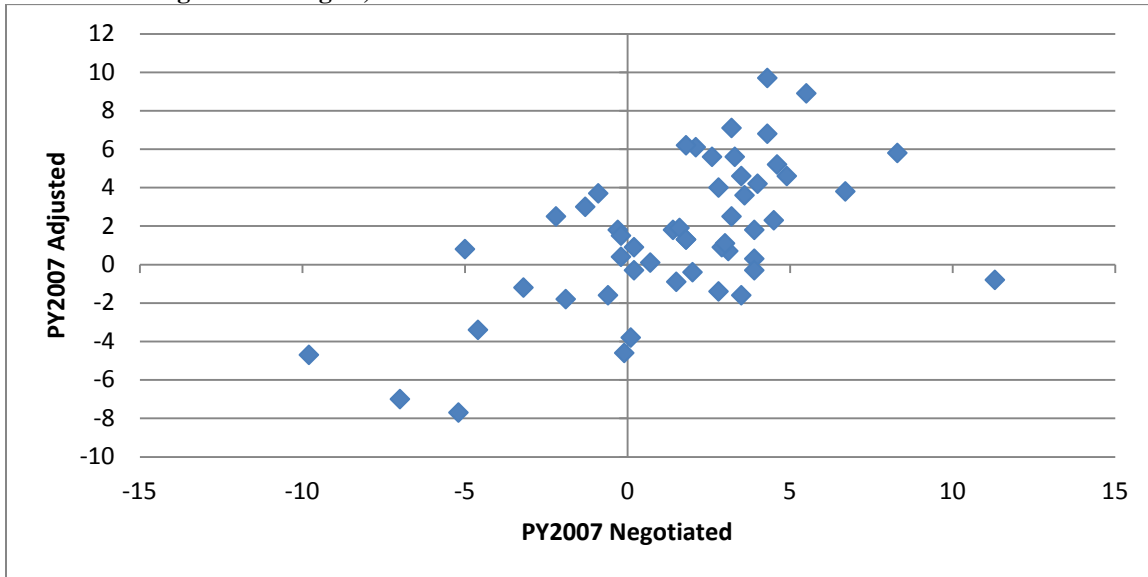
	Actual Results Compared to Adjusted Targets			Actual Results Compared to Negotiated Targets		
	PY2007	PY2008	PY2009	PY2007	PY2008	PY2009
Failed	17	20	33	10	8	10
Exceeded	36	33	20	43	45	43
% exceeded	68	62	38	81	85	81

No. of states that exceeded targets:

0 years	8		0 years	2
1 year	10		1 year	7
2 years	26		2 years	8
3 years	9		3 years	36

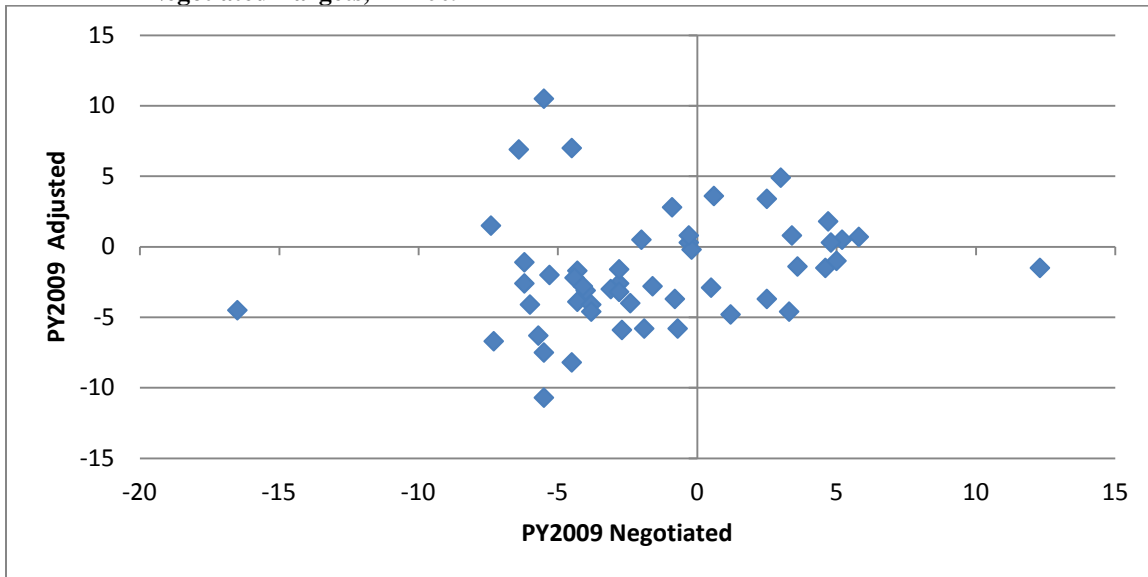


**Figure C.11 Adult Retention Rate, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2007**



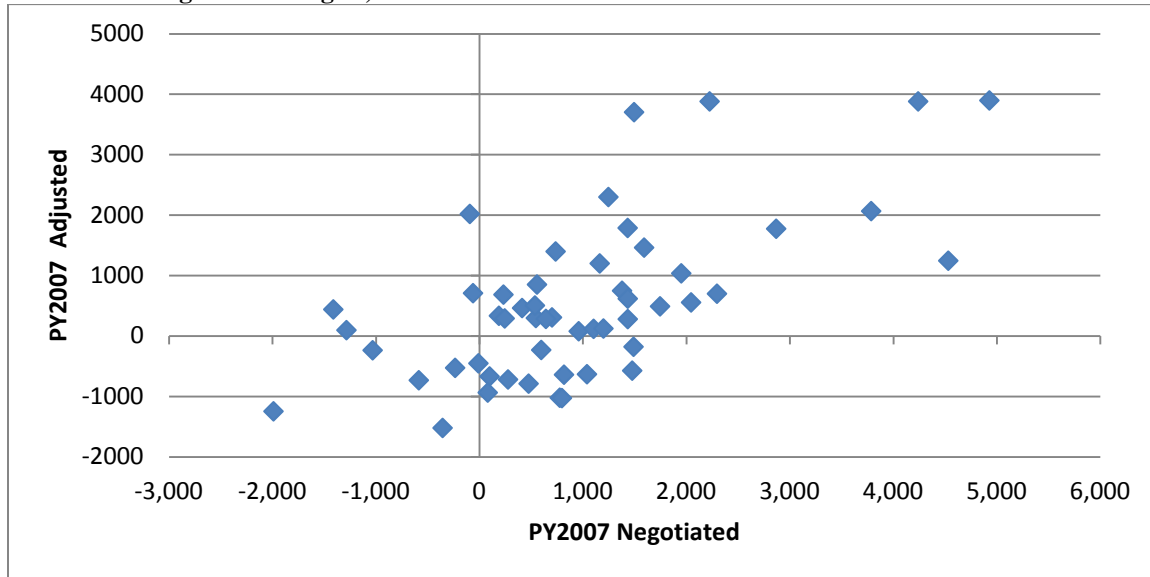
NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.12 Adult Retention Rate, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2009**



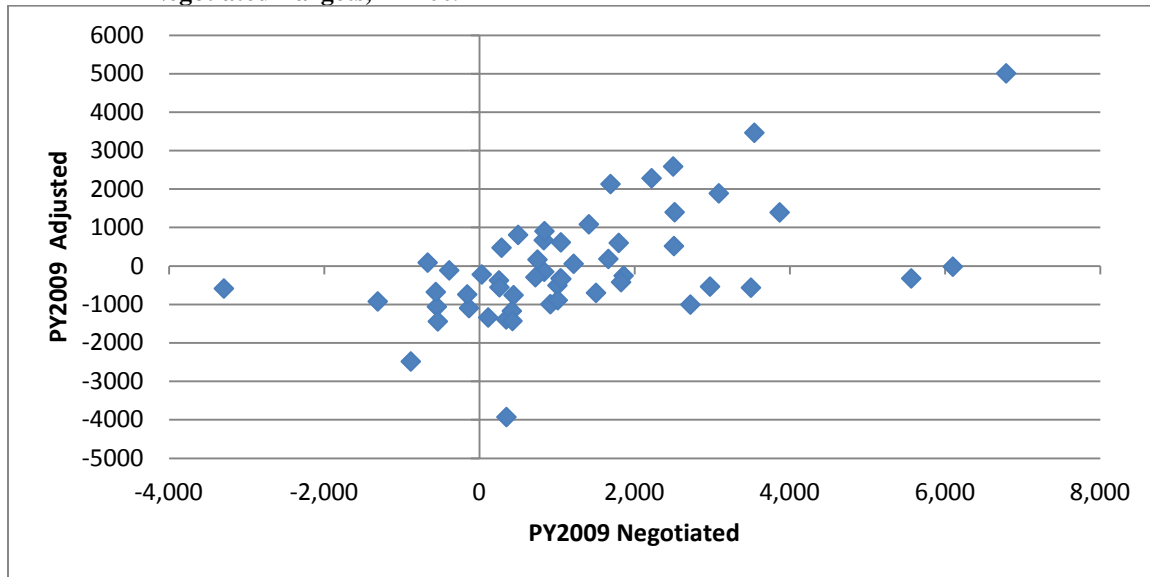
NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.13 Adult Average Earnings, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2007**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.14 Adult Average Earnings, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2009**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

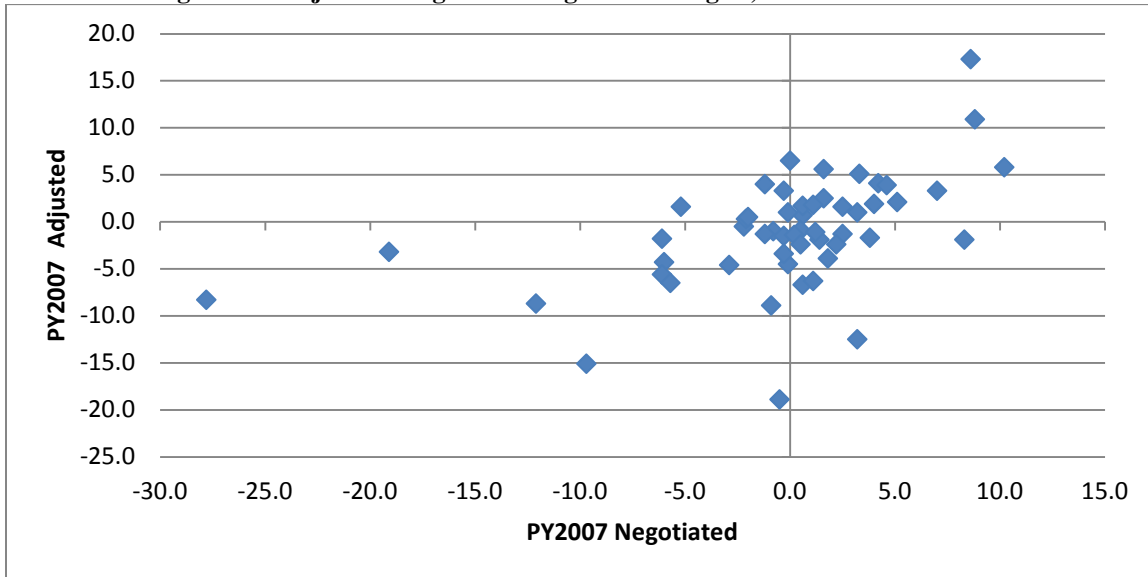
**Table C.8 Dislocated Worker Entered Employment Rate, Actual Results Compared with Targets, PY2007–PY2009**

	Actual Results Compared to Adjusted Targets			Actual Results Compared to Negotiated Targets		
	PY2007	PY2008	PY2009	PY2007	PY2008	PY2009
Failed	30	24	35	23	28	43
Exceeded	23	29	18	30	25	10
% exceeded	43	55	34	57	47	19
No. of states that exceeded targets:						
0 years	13			0 years	20	
1 year	17			1 year	8	
2 years	16			2 years	18	
3 years	7			3 years	7	

**Table C.9 Dislocated Worker Retention Rate Actual Results Compared with Targets, PY2007–PY2009**

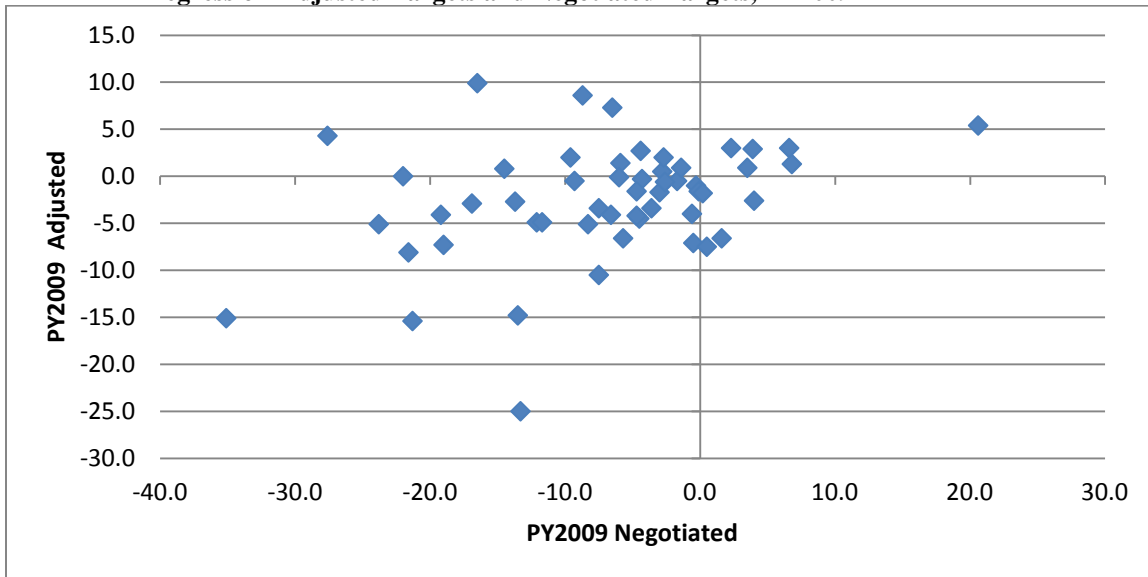
	Actual Results Compared to Adjusted Targets			Actual Results Compared to Negotiated Targets		
	PY2007	PY2008	PY2009	PY2007	PY2008	PY2009
Failed	16	23	42	13	25	39
Exceeded	37	30	11	40	28	14
% exceeded	70	57	21	75	53	26
No. of states that exceeded targets:						
0 years	6			0 years	10	
1 year	18			1 year	14	
2 years	27			2 years	19	
3 years	2			3 years	10	

**Figure C.15 Dislocated Worker Entered Employment Rate, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2007**



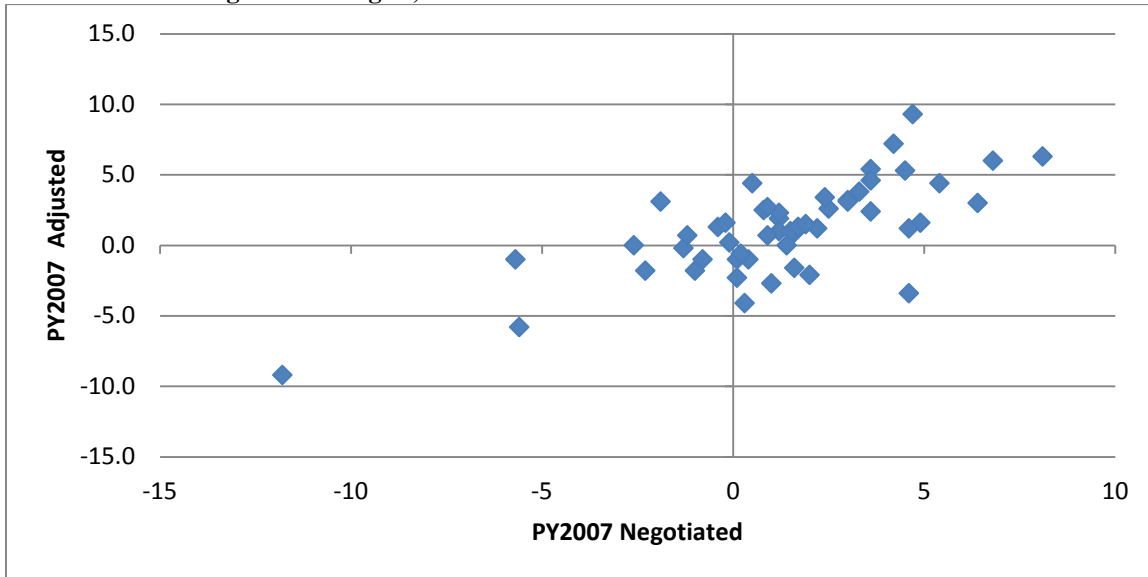
NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.16 Dislocated Worker Entered Employment Rate, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2009**



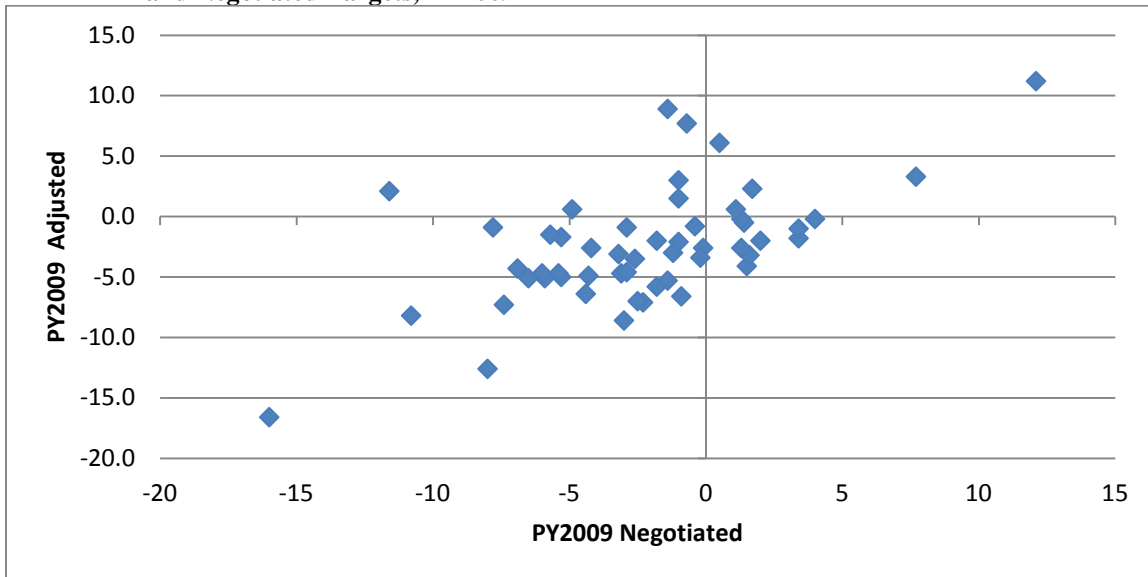
NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.17 Dislocated Worker Retention Rate Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2007**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.18 Dislocated Worker Retention Rate Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2009**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

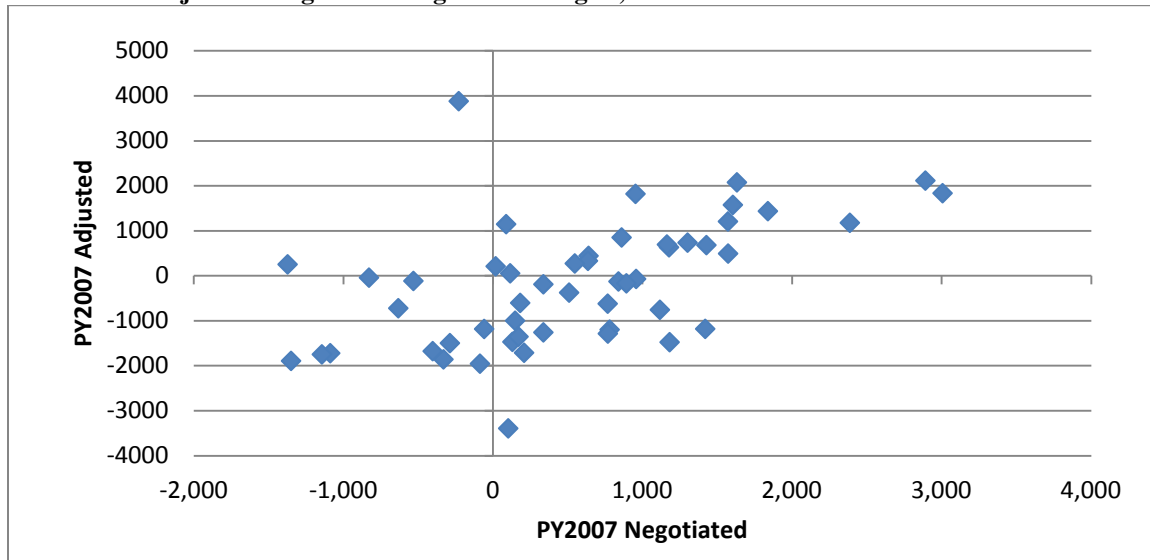
**Table C.10 Dislocated Worker Average Earnings, Actual Results Compared with Targets, PY2007–PY2009**

	Actual Results Compared to Adjusted Targets			Actual Results Compared to Negotiated Targets		
	PY2007	PY2008	PY2009	PY2007	PY2008	PY2009
Failed	29	28	37	13	16	16
Exceeded	22	25	16	39	37	37
% exceeded	43	47	30	75	70	70

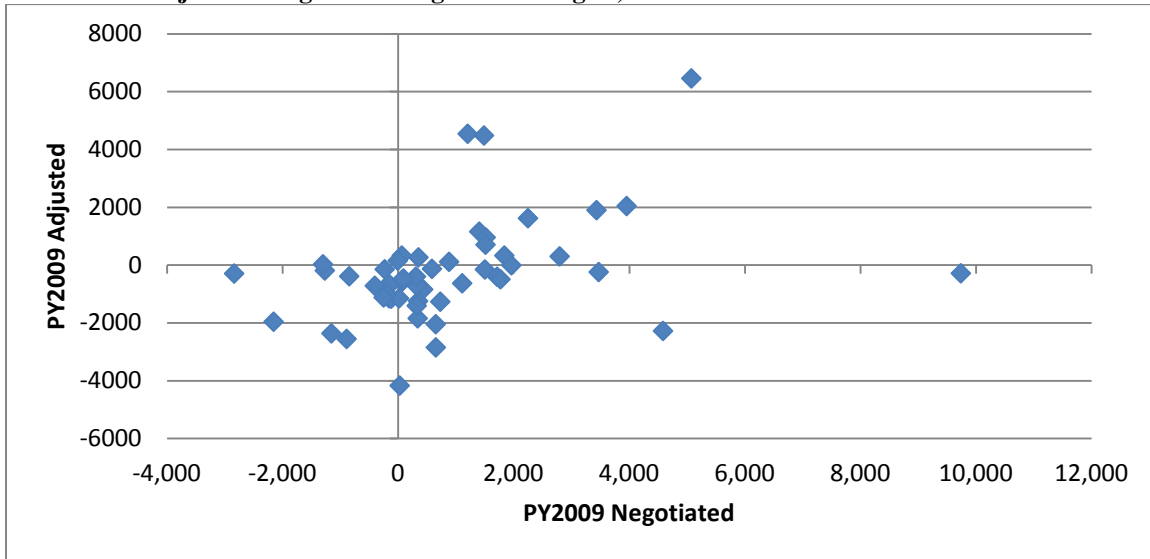
No. of states that exceeded targets:						
0 years	14			0 years	5	
1 year	19			1 year	9	
2 years	16			2 years	13	
3 years	4			3 years	26	

**Figure C.19 Dislocated Worker Average Earnings, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2007**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.

**Figure C.20 Dislocated Worker Average Earnings, Actual Results Compared with Their Regression-Adjusted Targets and Negotiated Targets, PY2009**



NOTE: Dots represent each state (and DC and Puerto Rico) and indicate the difference between the actual results and the target. Dots to the right of the vertical line positioned at zero are states that exceeded their negotiated targets; dots above the solid horizontal line positioned at zero are states that exceeded their regression-adjusted targets.