Training and Employment Information Notice (TEIN) 11-98
Attachment B

Worksheet Instructions for Adjusting Performance Measures Based on Wage Records for Out-of-State and Noncovered Employment

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For PY 98, DOL is allowing States the option of replacing the JTPA Title II-A follow-up performance measures based on the telephone survey with alternative measures based on employer wage records (sometimes referred to as UI wage records). These new measures are the pilot sustained employment rate and pilot sustained quarterly earnings. In addition, some States have received waivers to use similar measures for PY 97 and PY 98. Because of the unique qualities of wage records, adjustment to measured performance are needed to deal with two problems:

- **First, some wages are *not covered* by the State wage record system. For example, the self-employed do not have to report wages.**
- **Second, the State wage record system does not include wages for those individuals that employed *out-of-state* or in federal, military, postal service, or railroad employment. For example, if an individual obtains employment in another State, then the employer provides earnings information to the other State, not the State in which the individual received JTPA services. Although States are required to make good-faith efforts to obtain wage record data from other States, they generally will not obtain wage records from all States.**

The attached worksheet provides a procedure that adjusts for out-of-state and noncovered employment. The procedure creates adjusted post-program employment and earnings rates that can be used to measure performance. Since no information exists for those not covered or employed out-of-state under the wage record system, some assumptions are needed to estimate the number. The calculations in the worksheet assume that:

- **Individuals who entered employment (at termination) out-of-state have the same post-program employment rate and average earnings as those entered covered employment in the State.**
- **Individuals who entered in noncovered employment have the same post-program employment rate and average earnings as those who entered in-state covered employment.**

The purpose of this document is to explain and provide instructions for completing the worksheet.

The worksheet is based on data from three sources:

- **State or local JTPA MIS data that contains fields on whether a terminee is employed at termination, whether the terminee is covered by Unemployment Insurance, and which State the terminee was employed in at termination.**
- **Wage records housed in the State Unemployment Insurance Offices. This information has earnings information if the job the terminee is employed in is covered by the UI system (does not include those self-employed, for instance).**
- **Wage record information from other States, the military or other federal offices for those terminees that are recorded locally as employed out-of-state or employed by the federal government.**

In implementing the worksheet, the State should be careful to properly treat the

following conditions:

- **Some types of employers participate in wage record systems that are distinct and separate from the State's wage record system. Examples include federal employment, military employment, postal service employment, railroad employment, and, in some States, State government employment. Each of these wage record systems should be treated as a different "state." So an individual who entered federal employment is treated as employed out of State.**
- **If the State obtains wage records from another State (or from another wage record system, such as federal employment), then individuals who entered employment in that State should be treated as *in state* in the worksheet.**
- **Some types of employers are considered *reimbursable* employers and do not submit wage records. Examples include nonprofit organizations and local governments in some States. Employment with reimbursable employers should be treated as noncovered employment in the worksheet even though the individual is in fact eligible for UI.**

The following instructions explain how to fill out the accompanying worksheet. There is also an example presented at the end. Numbers and letters used in the instructions correspond to numbers and letters on the worksheet. The instructions begin with the top left entry.

The worksheet contains seven rows based on employment status *at termination*:

- **Row 1 includes data for individuals who *entered in-state covered employment* (or covered employment in another State from which wage records are obtained).**
- **Row 2 contains data and computations for individuals who *entered in-state noncovered employment* (or noncovered employment in another State from which wage records are obtained).**
- **Row 3 contains data and computation for individuals *entered employment out-of-state* (excluding States from which wage records are obtained).**
- **Row 4 contains data for individuals who did *not enter employment* at termination.**
- **Row 5 contains computations for all terminees.**
- **Row 6 contains the Adjusted Post-program Employment Rate.**
- **Row 7 contains the Adjusted Post-program Average Earnings.**

Each terminee goes into one and only one of Rows 1 through 4. Row 5 is the sum of Rows 1 through 4. All persons who entered unsubsidized employment at termination should be counted as employed at termination, regardless of hours.

The worksheet contains 5 columns:

- **Column A contains data on the number of terminees in the reporting period (program year).**
- **Column B contains data on and computed estimate of the number**

employed in the second full quarter following termination with earnings of at least $1,339 (20 hours per week for 13 weeks at the minimum wage).

- **Column C contains the computed employment ratio for individuals who entered in-state covered employment.**
- **Column D contains data or computed estimate of aggregate earning in second full quarter after termination of all individuals counted as employed in column B.**
- **Column E contains the average quantity earnings in the second full quarter after termination for those who entered in-state covered employment.**

The instructions assume that the State is using the pilot measures that determine employment a criterion of earnings equivalent to 20 hours per week for 13 weeks at the minimum wage during the second quarter after termination ($1,339).

Detailed Worksheet Instructions

Row 1: Employed at termination in State in covered employment.

Column A: Number *of Terminees*.

Put the number of terminees in the performance period (e.g. PY 1997) from the MIS database with all of the following into cell 1.A:

- **Entered unsubsidized employment at termination.**
- **Job covered by unemployment insurance (or missing)..**
- ***Entered employment in the State* or in another State (or military or federal employment, etc.) where wage records are obtained (or State of entered employment is missing).**

Column B: Number *Employed.*

Put the following into 1.B: the total number of terminees from 1.A who also have wage records with the following condition:

- **Earnings equivalent to at least 20 hours per week for 13 weeks ($1,339) at the minimum wage in the second full quarter after termination (wage records can be obtained from either the State Unemployment Insurance Office, another State's office, a military, federal, or postal employment database).**

Column C: Employment *Ratio*.

Divide 1.B by 1.A to get 1.C: the Employment Ratio (number employed/number of terminations). The employment ratio is the percent those who are recorded as employed at termination who have earnings of at least $1,339 in the second quarter past termination. It is assumed that the ratio is constant so that the employment rates of those whose wage records cannot be obtained can be estimated.

Column D: *Total Earnings.*

Put the total earnings of those in 1.B in 1.D: Total Earnings. Total Earnings represents the total earnings of everyone who has wage records (subject to the conditions for 1.B and 1.A).

Column E: Average *Earnings.*

Divide 1.D by 1.B to get 1.E: Average Earnings. Average earnings is the sum of total earnings divided by the number of applicable terminees.

Row 2: Employed at termination in State in noncovered employment.

Column A: Number *of Terminees*.

Put the number of terminees in the performance period (e.g., PY 1997) from the MIS database with all of the following into cell 2.A:

- **Entered unsubsidized employment termination.**
- **Job NOT covered by unemployment insurance (or with employers who do not submit wage records).**
- **Entered employment in the State or in another State (or military or federal institution) where wage records are obtained (or State of entered employment is missing).**

Column B: Number *Employed.*

Multiply 2.A by C.1 to get B.2: the estimated number of people who are employed in the second quarter past termination. Since these people entered jobs not covered by the wage record system, the number has to be estimated. The estimate assumes that individuals entered noncovered employment have the same post-program employment rate as those who entered covered employment within the State.

Column D: *Total Earnings.*

Multiply 1.E by 2.B to get 2.D: the estimated total earnings of people who were employed in the second quarter past termination. Since these people entered jobs not covered by the wage record system, the number has to be estimated. The estimate assumes that individuals who entered noncovered employment have the same average earnings as those who entered covered employment within the State.

Row 3: Employed at termination out-of-state.

Column A: Number *of Terminees.*

Put the number of terminees in the performance period (e.g., PY 1997) from the MIS database with all of the following into cell 3.A:

- **Entered unsubsidized employment termination.**
- **Entered employment out-of-state and *not* in another State where wage records are obtained.**

Column B: Number *Employed.*

Multiply 3.A by C.1 to get B.3: the estimated number of people who are employed in the second quarter past termination. Since these people entered employment in other States, the number has to be estimated. The estimate assumes that individuals who entered out-of-state employment have the same postprogram employment rate as those who entered covered employment within the State.

Column D: ***Total Earnings.***

Multiply 1.E by 2.B to get 3.D: the estimated total earnings of people who were employed in the second quarter past termination. Since these people entered employment in other States, the number has to be estimated. The estimate assumes that individuals who entered out-of-state employment have the same average post-program earnings as those who entered covered employment within the State.

Row 4: Not employed at termination

Column A: ***Number of Terminees.***

Put the number of people not employed at termination in 4.A.

Column B: ***Number Employed.***

Put the number of people in 1.A that had earnings of at least $1,339 in the second quarter after termination in 4.B.

Column D: ***Total Earnings of Employed.***

Put the total earnings for those in 4.B into 4.D.

Row 5: Total

Column A: ***Number of Terminees.***

The total number of terminees is the sum of 1.A, 2.A, 3.A, and 4.A. Place this into 5.A.

Column B: ***Number Employed.***

The total number employed is the sum of 1.B, 2.B, 3.B, and 4.B. Place this into 5.B.

Column D: ***Total Earnings of Employed.***

The total earnings is the sum of 1.D, 2.D, 3.D and 4.D. Place this into 5.D.

Row 6: Adjusted Employment Rate

The final Adjusted Employment Rate is 5.B (*Number Employed*) divided by 5.A (*Number of Terminees)*. This figure represents adjustments for noncovered and out-of-state employment.

Row 7: Adjusted Average Earnings

The final Adjusted Average Earnings is 5.D (Total Earnings of Employed) divided by 5.B (*Number Employed).* This figure represents adjustments for noncovered and out-of-state employment.

EXAMPLE

Suppose the following information was in the local JTPA database and the wage record system:

	Number of Terminees	Number With Earnings ≥ $1339 in Wage Records
Total Terminees	160	
Employed at termination		
In State in covered employment (or information missing)	100	80
Entered covered employment in Another State and wage records	20	10
Total	120	90
Not covered by UI	8	N/A
Entered employment out-of-state and wage records not obtained	12	N/A
Not employed at termination	20	10

From the information supplied in the local MIS database, 100 terminees were employed at termination in covered (in-state) employment. Let us also suppose that there were some 20 records with people coded as being employed in covered employment in another 5-6 States (or in federal or military employment) where it is possible to get wage records. In this case, enter 120 in **1.A** (row 1, column A).

From the information supplied by the State UI office, 80 matches (above the minimum earnings threshold and in the second quarter past termination) were found. Another 10 came from other State UI offices or a military database where data sharing agreements are in place. Put 90 into **1.B**.

The ratio of these terminees to those employed at termination (employment ratio) would be 90÷120 or 0.75. This number is put into **1.C**. This is the proportion of those employed at termination who are recorded as still employed in the second quarter past termination by the wage record system.

The sum of the earnings for the terminees (with earnings of at least $1,339) in 1.B goes into **1.D**. Let's say it is $236,250. Divide that by the total number of employed terminees in 1.B to get the average earnings, $236,250÷90=$2,625, which we put into **1.E**.

Every cell in row one is filled. Now, the remaining rows will be explained.

For the second row, it is assumed that for those who entered in-state noncovered employment would also have a 75% match in the State record wage system. If 8 terminees were recorded as entering in-state noncovered employment at termination, then enter 8 into **2.A.** For the second column, multiply this number by the employment ratio (75%) and put 8×.75=6 into **2.B**. That would be the estimated number of those employed (who had sufficient earnings) in the second quarter past termination who were not covered by the UI system.

To get the total earnings of those employed (wage records) in State in noncovered employment, or **2.D,** multiply the estimated number employed in 2.B times the average earnings in 1.E (6×$2,625=$15,750). This gives an estimate of the total earnings for the group in row 2.

A similar process is done in the third row for those who entered out-of-state employment at termination (where wage records cannot be obtained). For those employed out-of-state at termination, if there were 12, put 12 into cell **3.A.** For the second column, multiply this number by the employment ratio (75%) and put 12×.75=9 into 3**.B**. That would be the estimated number of those employed (who had sufficient earnings) in the second quarter past termination who were not covered by the UI system because they were employed out of State at termination.

Multiply the number of employed terminees in 3.B times the average earnings in 1.E, to get the total estimated earnings for this group, which is placed in **3.D (**9×$2,625=$23,625).

Put the number who do not enter employment at termination, say 20, into **4.A.** The number with wage records (with earnings beyond the threshold) is put into **B.4**, say 10.

Add up all the earnings of those in 4.B to get **4.D**, say $20,000. This represents the total earnings of those employed in the second quarter past termination but not employed *at* termination.

Rows 1-4 and columns A-E should now be filled out. The rest of the worksheet derives the adjusted employment and average earnings.

Summing columns A, B and D gives the total number of terminees (120+8+12+20=160), the estimated number employed (90+6+9+10=115) and their earnings ($236,250 + $15,750 + $23,625+$20,000=$295,625), respectively. The sums are put in **5.A**, **5.B,** and **5.D**.

The total employed (5.B, 115) divided by the total number of terminees, (5.A, 160) gives us the **Adjusted Employment Rate, (**115÷160) × 100**=**71.9%.

Total earnings ($295,625, 5.D) divided by the total number employed (5.B) gives the **Adjusted Average Earnings, ($2,571).**

Worksheet for Adjusting Performance Measures Based on Wage Records

for Out-of-State and Noncovered Employment

	A. Number of Terminees	**B. Number Employed (Wage Records)**	**C. Employment Ratio**	**D. Total Earnings of Employed (Wage Records)**	**E. Average Earnings**
1. Employed at termination in State (or in States from which wage records are obtained) **in covered employment**	**1.A**	**1.B**	= 1.B÷1.A	**1.D**	= 1.D÷1.B
2. Employed at termination in State (or in States from which wage records are obtained) **in noncovered employment**	**2.A**	= 1.C×2.A		= 1.E×2.B	
3. Employed at termination out-of-State (wage records not obtained)	**3.A**	= 1.C×3.A		= 1.E×3.B	
4. Not employed at termination	**4.A**	**4.B**		**4.D**	
5. Total (Sum of Column Entries)	= 1.A + 2.A + 3.A + 4.A	= 1.B + 2.B + 3.B + 4.B		= 1.D + 2.D + 3.D + 4.D	
6. Adjusted Employment Rate			=5.B÷5.A		
7. Adjusted Average Earnings					=5.D÷5.B

Worksheet for Adjusting Performance Measures Based on Wage Records

for Out-of-State and Noncovered Employment

	A. Number of Terminees	B. Number Employed (Wage Records)	C. Employment Ratio	D. Total Earnings of Employed (Wage Records)	E. Average Earnings
1. Employed at termination in State (or in States from which wage records are obtained) **in covered employment**	120	90	0.75	$236,250	$2,625
2. Employed at termination in State (or in States from which wage records are obtained) **in noncovered employment**	8	6		$15,750	
3. **Employed at termination out-of-State** (wage records not obtained)	12	9		$23,625	
4. Not employed at termination	20	10		$20,000	
5. Total (Sum of Column Entries)	160	115		$295,625	
6. Adjusted Employment Rate			71.9%		
7. Adjusted Average Earnings					$2,571