

DEPARTMENT OF LABOR**Employment and Training
Administration****United States Employment Service and
America's Labor Market Information
System; Labor Exchange Performance
Measures**

AGENCY: Employment and Training
Administration, Labor.

ACTION: Notice.

SUMMARY: This notice announces the establishment of final performance measures for the public labor exchange administered as part of the One-Stop delivery systems of the States. We established these performance measures based on comments received in response to proposed labor exchange performance measures previously published in the **Federal Register**. This notice discusses the comments received and our response to the comments. Three of the performance measures apply to job seekers registered with the labor exchange: job seeker entered employment rate; job seeker employment retention rate at six months; and job seeker customer satisfaction. One performance measure applies to employers receiving services provided through the One-Stop delivery system: employer customer satisfaction.

DATES: These labor exchange performance measures will become effective July 1, 2001.

ADDRESSES: All comments received during the comment period following the publication of the proposed labor exchange performance measures (65 FR 49708, *et seq.*, Aug. 14, 2000) are available for public inspection and copying during normal business hours at the Employment and Training Administration, Office of Career Transition Assistance, Division of U.S. Employment Service & ALMIS, 200 Constitution Avenue, NW., Room C-4514, Washington, DC 20210.

FOR FURTHER INFORMATION CONTACT: Gay Gilbert, 202-693-3046 (voice) (this is not a toll-free number), or e-mail: ggilbert@doleta.gov.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act: As required by the Paperwork Reduction Act of 1995 (44 U.S.C. 3507(d)), these performance measures are being submitted to the Office of Management and Budget (OMB) for review. Affected parties do not have to comply with the information collection requirements contained in this document until we have published in the **Federal Register** the control number assigned by the

Office of Management and Budget. Publication of the control number notifies the public that OMB has approved these performance measures under the Paperwork Reduction Act.

I. Authority

Labor exchange performance measures are established under the following authority:

A. Wagner-Peyser Act sec. 3(a), 29 U.S.C. 49b(a)

The Secretary shall assist in coordinating the State public employment services throughout the country and in increasing their usefulness by developing and prescribing minimum standards of efficiency, assisting them in meeting problems peculiar to their localities, promoting uniformity in their administrative and statistical procedure, furnishing and publishing information as to opportunities for employment and other information of value in the operation of the system, and maintaining a system for clearing labor between the States.

B. Wagner-Peyser Act sec. 3(c)(2), 29 U.S.C. 49b(c)

The Secretary shall—

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(2) assist in the development of continuous improvement models for such nationwide system that ensure private sector satisfaction with the system and meet the demands of job seekers relating to the system.

C. Wagner-Peyser Act sec. 7(b), 29 U.S.C. 49f(b)

Ten percent of the sums allotted to each State pursuant to section 49e of this title shall be reserved for use in accordance with this subsection by the Governor of each such State to provide—(1) performance incentives for public employment service offices and programs, consistent with performance standards established by the Secretary, taking into account direct or indirect placements (including those resulting from self-directed job search or group job search activities assisted by such offices or programs), wages on entered employment, retention, and other appropriate factors.

D. Wagner-Peyser Act sec. 10(c), 29 U.S.C. 49i(c)

Each State receiving funds under this Act shall—

(1) make such reports concerning its operations and expenditures in such form and containing such information as shall be prescribed by the Secretary, and

(2) establish and maintain a management information system in accordance with guidelines established by the Secretary designed to facilitate the compilation and analysis of programmatic and financial data necessary for reporting, monitoring and evaluating purposes.

E. Wagner-Peyser Act sec. 13(a), 29 U.S.C. 49l(a)

The Secretary is authorized to establish performance standards for activities under this Act which shall take into account the differences in priorities reflected in State plans.

F. Wagner-Peyser Act sec. 15(e)(2)(I), 29 U.S.C. 49l-2(e)(2)(I)

(e) State responsibilities.—

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(2) Duties.—In order to receive Federal financial assistance under this section, the State agency shall—

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(I) utilize the quarterly records described in section 2871(f)(2) of this title to assist the State and other States in measuring State progress on State performance measures.

**II. Labor Exchange Performance
Measures***A. Background*

We initiated the development of a performance measurement system for the public labor exchange in early 2000 with the formation of a workgroup in collaboration with the Interstate Conference of Employment Security Agencies (ICESA)—now the National Association of State Workforce Agencies (NASWA). This workgroup consisted of representatives from fifteen State agencies, ICESA, the Veterans' Employment and Training Service (VETS), and the ETA Regional and National Offices. The workgroup met three times during 2000 to develop recommendations for a labor exchange performance measurement system, to include specific labor exchange performance measures.

Based on recommendations the workgroup developed during its first two meetings, we published a set of five proposed labor exchange performance measures in the **Federal Register** (65 FR 49708 *et seq.*, Aug. 14, 2000). These measures were: employer customer satisfaction; job seeker customer satisfaction; employment rate; entered employment rate; and employment retention rate at six months. We also published a framework for establishing expected levels of performance for each of these measures.

During its third meeting, the workgroup reviewed and analyzed all comments received on the proposed labor exchange performance measures. The review and analysis led to the final set of performance measures presented in this document. The workgroup also provided substantial input that will lead to revised ETA 9002 Reports, where the results of the performance measures will be reported, and a revised ET Handbook No. 406 (ETA 9002 Data Preparation Handbook), containing data collection and reporting instructions. Finally, the workgroup recommended that the proposed procedures for establishing expected levels of performance be revised, based on the comments received. Further information about reporting on labor exchange services and performance measures, and methods for establishing expected levels of performance will be published in separate notices.

B. Response to Comments

We received twenty-five sets of comments in response to the five proposed labor exchange performance measures published in the August 14, 2000, **Federal Register**. Representatives from twenty State agencies (three agencies provided two separate sets of comments), a private researcher, and VETS provided comments. We considered these comments and the recommendations of the workgroup in establishing the final labor exchange performance measures. The comments are discussed at length as follows:

(1) Employer Customer Satisfaction

We proposed to adopt the results of the employer customer satisfaction survey administered under Title I of the Workforce Investment Act of 1998 (WIA) using the American Customer Satisfaction Index (ACSI) methodology for employers receiving services involving significant personal contact with One-Stop staff to reflect employer satisfaction with One-Stop services (see 65 FR 49709-49711).

Seven commenters supported the use of the employer customer satisfaction survey as stated, with two commenters specifically supporting the concept of the combined WIA/labor exchange survey of employers receiving services through the One-Stop centers that involved significant personal contact with staff.

Several commenters commented on the employer survey. These comments included general concern about the wording of the lead-in before the questions, the wording of the second and third questions, the degree of flexibility allowed States to add

additional questions, and the level of specificity of the questions.¹ One commenter suggested that an eleven-point scale (0–11) should be used so that the number “five” would be the mid-point, whereas the proposed ten-point scale does not have a mid-point. Another commenter pointed out that the terms “completion of service” and “30–60 days after a job order has been listed” were used as if they meant the same thing in indicating when the survey should be administered to an employer. In fact, services could have been provided to one employer over a 6–8 month period before being completed, although a job order could have been listed by another employer after only one phone call. Such employers would have vastly differing experiences with the labor exchange. Other commenters questioned what provisions would be made to administer the survey to non-English-speaking employers, and why the decision was made to use a telephone versus a mail survey. Still others expressed concerns about the cost of the survey—specifically whether provisions would be made for sharing the cost with Title I of WIA.

Two commenters did not support the concept of a combined employer survey for both Title I of WIA and the labor exchange, while another commenter found it improper to hold programs funded under Title I of WIA accountable for Wagner-Peyser Act labor exchange performance. Other comments related to the response rate, with some commenters stating that the proposed fifty percent response rate was too high and not achievable, and another stating that employers do not want to be bothered with surveys. Another commenter noted that the Office of Management and Budget (OMB) guidelines state that erroneous inferences are possible when response rates are in the 50%–75% range. Finally, a commenter sought definitions of the terms “substantial service” and “labor exchange.”

¹ The three mandatory questions originally proposed for the job seeker customer satisfaction survey are the following:

(1) Utilizing a scale of 1 to 10 where “1” means “Very Dissatisfied” and “10” means “Very Satisfied” what is your overall satisfaction with the service(s) provided from ____?

(2) Considering all of the expectations you may have had about the services, to what extent have the services met your expectations? “1” now means “Falls Short of Your Expectations” and “10” means “Exceeds Your Expectations.”

(3) Now think of the ideal service(s) for people in your circumstances. How well do you think the service(s) you received compare with the ideal service(s)? “1” now means “Not Very Close to Ideal” and “10” now means “Very Close to the Ideal.”

Response: We agree that the commenters identified some problems with the proposed employer customer satisfaction survey. We have, however, decided to use a revised version of the proposed employer customer satisfaction survey to measure employer satisfaction with services involving substantial personal contact with One-Stop staff. Using a single instrument to measure customer satisfaction with One-Stop employer services provides an overarching measure of the One-Stop system. Specifications for the final employer customer satisfaction measure for employers receiving services involving significant personal contact with One-Stop staff can be found in TEGL 14–00, March 5, 2001.

The ACSI methodology is being adopted to be consistent with Title I of WIA. The ACSI is the most widely used index currently in practice. It is used extensively in the business community, including at over 150 Fortune 500 companies, and in many European countries. Twenty-nine agencies of the Federal government have used the ACSI. In addition, it has been used twice in the past four years to assess customer satisfaction for ETA’s Quality Initiative—the Enterprise. The ACSI will allow the workforce investment system and particularly, the public labor exchange, to not only look at performance within the system, but also to be able to gain perspective on the workforce investment system’s performance by benchmarking against outside organizations and industries. The ACSI also has a history of usefulness in tracking change in customer satisfaction over time, making it an ideal way to gauge States’ progress in continuously improving performance.

This survey approach captures common customer satisfaction information that can be aggregated and compared at a State and national level. The survey will be administered using a set of three required questions that will form a customer satisfaction index. The ACSI score is obtained by combining scores from three specific questions that address different dimensions of customers’ experience. In order for the ACSI survey to yield meaningful results under the prescribed methodology, we cannot significantly modify the survey questions or the associated scale and must administer the survey via telephone.

We will publish instructions for reporting employer customer satisfaction scores as part of the labor exchange performance measurement system as part of a revised version of ET Handbook No. 406 (ETA 9002 Data Preparation Handbook). These

instructions will address many of the comments about the details of survey administration.

(2) Job Seeker Customer Satisfaction

We proposed a job seeker customer satisfaction measure that would follow the WIA methodology, but which would apply distinctly to job seekers registered with the labor exchange (see 65 FR 49711–49712).

We received a large number of comments on the job seeker customer satisfaction measure. Many of these comments were similar to those provided on the employer customer satisfaction survey. Four commenters supported the measure as proposed. Several commenters expressed concern about coordinating the labor exchange job seeker survey with the WIA participant survey for the several reasons discussed below. Some commenters were concerned about being able to identify which individuals were surveyed under Title I of WIA so that they would not be surveyed again by the labor exchange survey. Others were concerned about relating the results of the survey specifically to labor exchange services if queried job seekers had received services from multiple One-Stop partner programs, and how those queried would be able to identify whether they were responding about their satisfaction with labor exchange services or other One-Stop services. One commenter suggested combining the labor exchange survey with the WIA survey and sorting according to the services received by the job seeker. Another commenter suggested that those job seekers required to register by State law or policy should be excluded from the survey, so that the survey would only include those voluntarily registering. Another commenter suggested that some job seekers might be deterred from registering with the labor exchange by the prospect of being surveyed.

A number of commenters cited concerns about the ACSI methodology. One suggested that an eleven-point scale (0–11) should be used so that the number “five” would be the mid-point, whereas the proposed ten-point scale does not have a mid-point. Others wanted more information to be provided about the ACSI weights, and questioned the quality and reliability of the ACSI methodology. Two commenters wanted clarification on the timing of the survey, and one of the two additionally suggested that the survey be conducted within a set timeframe after receipt of service rather than after registration, as was proposed. Additional comments centered on the cost of the survey and

questioned the use of a telephone methodology. Among the concerns cited with the telephone methodology were the lack of telephone service in rural areas and difficulty in properly administering the survey to non-English speaking individuals.

Finally, a number of commenters were concerned about the questions contained in the proposed survey.² One commenter suggested eliminating the third mandatory question and rephrasing the second to read: “How did the services you received meet the expectations that you had?” Others suggested that the questions were too broad and did not provide enough specific information on how to improve the labor exchange system. Still others wanted more guidance on what part of the survey could be modified—particularly whether the lead-in section before the first question could be modified.

Response: The purpose of the job seeker customer satisfaction measure is to gauge the satisfaction of registered job seekers with the labor exchange. We are adopting the ACSI methodology to measure job seeker customer satisfaction to be consistent with Title I of WIA and for the reasons described in the previous section on employer customer satisfaction.

Since the ACSI trademark is property of the University of Michigan and the Claes Fornell International Group (CFI), we will be modifying our existing license agreement with the University of Michigan to allow States to use the ACSI for a Statewide sample of job seekers. This sample will be in addition to the sample of employers and WIA, Title I participants already being surveyed under our current license agreement.

In the near future, we will publish detailed instructions for administering the job seeker customer satisfaction survey and reporting the job seeker customer satisfaction scores in the ET Handbook No. 406 (ETA 9002 Data Preparation Handbook) which will be

² The three mandatory questions originally proposed for the job seeker customer satisfaction survey are the following:

(1) Utilizing a scale of 1 to 10 where “1” means “Very Dissatisfied” and “10” means “Very Satisfied” what is your overall satisfaction with the service(s) provided from ____?

(2) Considering all of the expectations you may have had about the services, to what extent have the services met your expectations? “1” now means “Falls Short of Your Expectations” and “10” means “Exceeds Your Expectations.”

(3) Now think of the ideal service(s) for people in your circumstances. How well do you think the service(s) you received compare with the ideal service(s)? “1” now means “Not Very Close to Ideal” and “10” now means “Very Close to the Ideal.”

filed with OMB as part of a Paperwork Reduction Act of 1995 (PRA) package.

(3) Employment Rate

ETA initially proposed an employment rate defined as:

All Wagner-Peyser Act labor exchange applicants who registered in quarter Q₀ and who earned wages in quarter Q₁ or Q₂ after registration, divided by the number of Wagner-Peyser Act labor exchange applicants who registered in quarter Q₀.

Six commenters supported the employment rate measure as proposed. One commenter questioned the concept of treating continued employment with the same employer as a positive outcome. This commenter suggested that a better outcome measure would be one that was previously considered by the workgroup, but not proposed (as noted in the August 14, 2000 **Federal Register**), in which employment with a different employer following registration with the labor exchange would be counted as a positive outcome. Two commenters suggested that the employment rate measure did not add value and that it might be confusing due to its inconsistency with the performance measures for Title I of WIA. One commenter stated that measuring the number of job seekers who continue to be employed after receiving labor exchange services is difficult given the proposed method of measurement. Finally, one commenter raised concerns about including individuals using labor exchange services, but who do not have a goal of obtaining employment in the measure.

Response: We have decided not to use the employment rate as a performance measure. However, we did reconsider the measurement concept previously reviewed by the workgroup in which employment with a different employer following registration with the labor exchange would be counted as a positive outcome and incorporated this concept into the job seeker entered employment rate.

(4) Entered Employment Rate

We initially proposed an entered employment rate defined as:

Of those Wagner-Peyser Act labor exchange applicants who were not employed upon registration in quarter Q₀: The number who earned wages in quarter Q₁ or Q₂ after registration, divided by the number who registered in quarter Q₀.

Four commenters supported the entered employment rate measure as proposed. Several commenters noted that the measure does not capture the employment outcomes of people changing jobs, or those who make a

transition from part-time to full-time employment or vice versa. Some commenters suggested that a similar measure should apply specifically to unemployment insurance (UI) claimants. One commenter suggested that the measure should apply only to job seekers who received staff-assisted services. Finally, two commenters suggested that the labor exchange methodology should not differ from that employed for Title I of WIA.

Response: We have refined the job seeker entered employment rate to account for the employment outcomes of people who change jobs, rather than limiting it to those unemployed at registration. In the final measure, job seekers who, in the first or second quarter following the beginning of their registration year, become employed by a different employer than that by which they were employed the quarter prior to registration would be counted as experiencing successful employment outcomes. Thus, job seekers who make a transition from part-time to full-time employment, or full-time to part-time employment, would be counted as experiencing a successful employment outcome if the transition was based on employment with a new employer. Additionally, job seekers who are not employed at the beginning of the registration year will be counted as having entered employment if they become employed in the first or second quarter after the beginning of their registration year.

The job seeker entered employment rate differs from that established for Title I of WIA because of the inherent differences between labor exchange services and the core, intensive, and training activities provided under Title I of WIA. The entered employment rate for Title I of WIA applies only to participants who have been determined to have exited the program after having completed receipt of workforce investment services. Also, the measure for Title I of WIA only applies to participants who are unemployed at the time of registration. The job seeker entered employment rate applies to all job seekers who register with the labor exchange to aid them in their search for work, regardless of whether they are employed or unemployed at the time of registration. Also, because the labor exchange system is not structured around the concept of exiting from service receipt, we deemed it impractical to establish such a concept for labor exchange performance measurement.

(5) Employment Retention Rate at Six Months

We proposed an employment retention rate at six months measure defined as:

Of those Wagner-Peyser Act labor exchange applicants who registered in quarter Q₀ and who earned wages in quarter Q₁ or Q₂ after registration: the number who also earned wages in the second quarter following the quarter in which earned wages were first recorded, divided by the number who earned wages in quarter Q₁ or Q₂.

Two commenters supported the measure in its proposed form. One suggested that the measure should be the same as the WIA retention measure. Many commenters provided comments on how the measure might be modified. Seven commenters stated that, as proposed, the results of the measure might be impacted by seasonal employment, or individuals who do not have a desire to work year-round, for example students, seasonal farmworkers, and those employed in certain seasonal industries, such as agriculture and tourism. Seven commenters questioned whether retention in employment should be established as a goal for the labor exchange and whether the labor exchange has the capacity to impact retention in employment. Two commenters cited concerns about the lag time before information would become available due to the use of wage records as a data source, and one commenter did not believe that total wages earned in a quarter from multiple employers would provide valuable information for performance measurement purposes. Finally, two commenters suggested that the retention measure should only apply to job seekers who receive staff-assisted services.

Response: We have decided to retain the job seeker employment retention rate at six months measure for the labor exchange to parallel the employment retention rate at six months measure for Title I of WIA. However, the labor exchange retention measure builds upon the job seeker entered employment rate for consistency. Like the retention rate measure for Title I of WIA, the job seeker retention measure only applies to those who were determined to have entered employment according to the respective program's entered employment rate. To account for a portion of those registered job seekers who may not be likely to be in the labor force year-round, individuals under the age of 19 at the time of registration are excluded from the measure. This excludes many individuals who are

students and is consistent with Title I of WIA in that there is no employment-specific retention rate measure for the younger youth (age 14–18) program. The job seeker retention measure is blind to conditions of the labor market. Thus, we will be developing methods to adjust for economic conditions and the characteristics of registered job seekers to use in adjusting performance goals and for interpreting final performance levels. Such methods are still being considered and will be addressed in a future notice. Like the measure for Title I of WIA, there is a substantial delay between when a job seeker registers with the labor exchange and when wage record information will become available for calculation of the measure. However, we believe that the benefit to be gained from this measure for program oversight outweighs the drawbacks associated with the need to wait until data become available.

We support the measure of employment retention at six months for the labor exchange as a measure that is consistent with those of other workforce development programs. An employment retention measure helps capture the quality of staff-assisted services such as referrals to employment, job search workshops, career guidance, and other services provided by labor exchange staff. Quality self-services and facilitated self-help services also provide job seekers with resources to maintain continued employment. Examples include job seekers who may enter temporary or short-term employment, but who pursue continued employment based in part on their experience with the labor exchange. The measure also can account for those who return to the labor exchange for assistance in finding their next job following a spell of temporary or short-term employment. In addition to serving as a point of entry into the One-Stop system, the labor exchange also fulfills an important function in assisting job seekers in entering and maintaining employment as they exit One-Stop partner programs.

(6) General Comments

Additionally, we received a number of comments on issues related to the performance measures in general. A number of these comments were requests for clearer definitions of such terms as "registration," "labor exchange," and "satisfaction." With regard to registration, some commenters wanted clarification on how the measures would apply to job seekers using self-services, and asked whether additional measures would be developed exclusively for users of self-

services. Others were concerned that registration policies may differ from State to State, because some States only register job seekers who receive staff-assisted services while other States register job seekers who utilize self-services, facilitated self-help services, and/or staff-assisted services.

Response: Job seekers who receive staff-assisted services funded under the Wagner-Peyser Act will be counted as registered job seekers, as will individuals who are required to register with the labor exchange according to State law or policy. State agencies may establish their own policies about whether to register job seekers using self-services or facilitated self-help services. At this time, we have decided not to implement a policy that will require registration or establish mandatory performance measures for users of self-services or facilitated self-help services provided by the labor exchange. We will continue to use the term—labor exchange—in the same way it is used in the Wagner-Peyser Act (29 U.S.C. 49). At this time, we are not formally defining the term, “satisfaction,” but are using that term in the same context to which it is referred in the ACSI methodology currently approved by OMB for use under Title I of WIA.

There were other comments about the use of wage records, specifically, the delay in the availability of wage data and the difficulty in obtaining access to wage data for federal employees and military personnel. Several commenters wanted to ensure that procedures would be put in place to establish baseline data for setting performance goals and adjusting the measures to take into account such factors as economic conditions and the characteristics of the population served. One commenter suggested that the measures should be constructed to control for what otherwise would have happened to the registered job seekers, had they not registered with or used the labor exchange.

Response: We have established two performance measures that rely heavily on wage record data for calculation. We support the use of wage record data for performance measurement for the labor exchange to maintain consistency with the performance measurement system for Title I of WIA, and to ease the burden of administrative follow-up inherent in the current reporting system for the labor exchange. We are currently in the process of developing data validation procedures to support quality control in performance measurement and data collection. Data validation procedures will apply to the wage record information that is used for the

labor exchange performance measures, as well as to administrative records used to identify job seekers and employers. In addition, we expect that the Wage Record Interchange System (WRIS) will provide State agencies with a tool to enhance the availability of employment outcome data used to indicate entry into employment and retention.

We acknowledge that many factors outside the control of the labor exchange will impact the prospects of registered job seekers entering and/or retaining employment. Although we have not yet developed methods to account for such factors, we plan to consider local and regional economic conditions and the socioeconomic characteristics of registered job seekers as performance goals are established and as the success in meeting such goals is evaluated. We will publish methods for establishing and adjusting performance goals in a future notice.

Finally, we received a number of suggestions for additional measures. Several commenters suggested additional employer measures, including a comparison of the number of employers receiving services compared to the total number of employers in the State, and a comparison of the number of job openings listed with the State agency compared to the total number of new hires occurring in a State. Other proposed measures included cost per entered employment, a measure of the length of it takes a job seeker to enter employment after registering with the labor exchange, and a measure relating the value-added of the labor exchange to its cost.

Response: We acknowledge that only one labor exchange performance measure applies specifically to employers, and that this is a measure of employers satisfaction with the One-Stop system in general, rather than with the labor exchange program in particular. We will continue to investigate additional techniques to assess the performance of the labor exchange in providing services to its employer customers. We will consider the measures suggested above as possibilities for any enhancements to the measurement strategy for employer services in particular and the labor exchange in general. In the meantime, States are free to adopt additional measures that they believe will enhance the delivery of labor exchange services.

C. Labor Exchange Performance Measures.

We establish four performance measures for the public labor exchange:

- Job Seeker Entered Employment Rate

- Job Seeker Employment Retention Rate at Six Months
- Job Seeker Customer Satisfaction
- Employer Customer Satisfaction

The labor exchange performance measures apply to public labor exchange services provided as part of the One-Stop delivery systems of the States. This includes labor exchange services provided to job seekers and employers under the Wagner-Peyser Act, and to veterans by Disabled Veterans' Outreach Program (DVOP) and Local Veterans' Employment Representative (LVER) staff under VETS programs, as specified in Title 38 of the U.S.C. Individual States may include other publicly-funded labor exchange services in the labor exchange performance measurement system at their discretion.

The labor exchange performance measures apply to all individuals who are registered job seekers with the public labor exchange, and to employers who receive substantial service involving personal contact with One-Stop staff. At a minimum, State agencies must request the following information from job seekers during registration: name, contact information, social security number, ethnicity, race, veteran status, age, gender, employment status, educational attainment, disability status, and migrant and seasonal farmworker status. Job seekers may be registered upon contacting the labor exchange through the One-Stop delivery system or as required by State law or policy; however, job seekers receiving staff-assisted services funded under the Wagner-Peyser Act must be registered. Job seekers who use self-services or facilitated self-help services also may be registered, but registration is not required for receipt of these services.

A job-seeking customer is counted as a registered job seeker during the quarter in which registration occurs (registration quarter) and the subsequent three quarters. This four quarter period constitutes the registration year. A registered job seeker who receives services during the fourth quarter after the registration quarter will begin a new registration year or be considered re-registered. Such a job seeker would then be counted again as a registered job seeker during each of the four reporting periods covering that registration year. If a job seeker's registration year elapses, and after some time he or she returns to the labor exchange, that job seeker would begin a new registration year.

The labor exchange performance measures are defined as follows:

- (1) Job Seeker Entered Employment Rate (JSEER)

$$\text{JSEER} = \frac{\text{Number Entered Employment with a New Employer}}{[\text{Number Registered Job Seekers} - \text{Number Employed or Re-employed with Same Employer}]}$$

Elements of the measure are defined as follows:

Entered Employment with a New Employer: The number of registered job seekers who, in the first or second quarter following the registration quarter, earned wages from a new employer if the job seeker was previously not employed, or earned wages from a different employer than that from which the registered job seeker earned wages in the quarter prior to the registration quarter if the job seeker was previously employed.

Registered Job Seekers: Job seekers who registered with the labor exchange during the registration quarter; job seekers who were re-registered after their registration year expired; job seekers who were not formally re-registered, but who engaged in a labor

exchange activity after their registration year expired.

Employed or Re-employed with Same Employer: Those job seekers whose only wages earned in the first and second quarter following registration were exclusively with the same employer from which wages were earned in the quarter prior to the registration quarter.

Registration Quarter: The calendar quarter in which a job seeker completed an initial registration with the labor exchange or in which a previously registered job seeker began a new registration year.

According to this measure, a successful employment outcome is recorded for a job seeker who enters employment with a new employer, whether the job seeker was employed or unemployed at the time of registration.

This outcome is determined by comparing the employer identification numbers (EIN) of registered job seekers' employers prior to and following registration based on information contained in the UI wage record database, the State Directory of New Hires (SDNH) database, or other available records. An unsuccessful outcome is recorded for a job seeker who does not enter employment with a new employer during the measurement period. Job seekers who remain employed exclusively with the same employer during the measurement period are excluded from the calculation.

(2) Job Seeker Employment Retention Rate at Six Months (JSERR)

$$\text{JSERR} = \frac{\text{Number Retained Employment Two Quarters after Entered Employment with a New Employer (age 19 and over)}}{\text{Number Entered Employment with a New Employer (age 19 and over)}}$$

Elements of the measure are defined as follows:

Retained Employment Two Quarters after Entered Employment with a New Employer (age 19 and over): The number of registered job seekers age 19 and older at the time of registration who earned wages in the second quarter following the quarter in which they *Entered Employment with a New Employer*.

Entered Employment with New Employer (age 19 and over): The number of registered job seekers age 19 and older at the time of registration who, in the first or second quarter following the registration quarter, earned wages from a new or different employer than that from which the registered job seeker earned wages in the quarter prior to registration quarter.

According to this measure, a successful employment retention outcome is recorded for job seekers, age 19 and over at the time of registration, who are determined to have entered employment according to the job seeker entered employment rate measure, and who earned wages with any employer in the second quarter following the quarter in which they first were determined to have entered employment.

(3) Job Seeker Customer Satisfaction

The job seeker customer satisfaction measure for the public labor exchange is patterned after the participant customer satisfaction survey for Title I of WIA; it requires the use of the ACSI methodology. This methodology is published at TEGL 14-00, March 5, 2001. A sample of registered job seekers are surveyed between 60 and 90 days following the date of registration with the labor exchange. State agencies will be able to exercise some discretion in how they administer the survey, so long as the ACSI methodology is followed. Possibilities might range from surveying a population of registered job seekers in a distinct survey, to coordinating the job seeker customer satisfaction survey with the WIA participant customer satisfaction survey or any customer satisfaction survey that might be administered by VETS or another One-Stop partner program. In all cases, the ACSI methodology must be followed. We support the concept of common measurement techniques for services provided as part of the One-Stop delivery system and intend to provide States with the broadest opportunity to coordinate surveys of One-Stop customers' satisfaction.

We are currently engaging in discussions with the University of

Michigan to use the ACSI for the labor exchange job seeker customer satisfaction measure. We will publish the specifications for the job seeker customer satisfaction survey, including the required questions and the survey methodology, as part of the ET Handbook No. 406 (ETA 9002 Data Preparation Handbook).

(4) Employer Customer Satisfaction

The public labor exchange will adopt the results of the ACSI survey administered under Title I of WIA to measure employer satisfaction with One-Stop employer services. Accordingly, States should administer only one survey of employers to measure their satisfaction with One-Stop employer services to meet both the WIA and the labor exchange employer customer satisfaction measurement requirements. Specifications for the employer customer satisfaction survey are described in TEGL 14-01, March 5, 2001.

Signed at Washington, D.C., this 23rd day of May, 2001.

Raymond J. Uhalde,

Deputy Assistant Secretary for Employment and Training.

[FR Doc. 01-13611 Filed 5-30-01; 8:45 am]

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