

How Should Section 502(e) Grantees Report on Participants Who Are Co-Enrolled? (§ 641.680)

This provision establishes that the Department's reporting instructions, which are used for the general SCSEP program, should also be used to report on section 502(e) participants.

How Is the Performance of Section 502(e) Grantees Measured? (§ 641.690)

This provision establishes the performance measures that section 502(e) grantees will be responsible for meeting. These measures incorporate the common performance measures that will apply to this program are: (1) Entered employment; (2) retention in employment; and (3) earnings increase. These measures are defined at proposed § 641.715.

Section 502(e) grantees must follow the definitions and rules that apply to the general SCSEP program in Subpart G of this regulation (with the exception of sanctions) and any Department administrative issuances relating to performance accountability as they specifically apply to these measures. In this case, if a section 502(e) program grantee fails to meet its performance measures, the Department may require corrective action and provide technical assistance, or it may decline to fund that grantee in the next Program Year.

#### *Subpart G—Performance Accountability*

This subpart covers the requirements for performance accountability established by the OAA, including performance indicators, the provision of technical assistance, and the imposition of sanctions. The Department is strongly committed to a system-wide continuous improvement approach, grounded upon proven quality principles and practices. The development and establishment of these performance accountability provisions reflect the commitment of the broad range of organizations and entities involved with the implementation of the OAA, as well as the continuous effort of SCSEP to align itself with the WIA performance measures to the extent possible. They are intended to apply to national grantees as well as State grantees unless otherwise distinguished. These areas are covered in general in the regulations, and will be supplemented by administrative issuances providing greater detail.

The OAA established a new performance accountability process for SCSEP. Sections 513(a)(1) and 513(c)(1) of the OAA call for a broad consultation process in establishing and defining

performance measures. The Department relied upon Town Hall Meetings, **Federal Register** notices soliciting comments, and the recommendations of a workgroup of entities interested in SCSEP to address the consultation requirements. Intergovernmental organizations representing the general WIA community were also consulted and participated in workgroup activities.

Most notably different about the SCSEP performance system is the distinction that is made among the grantees. Section 514 of the OAA establishes a technical assistance and sanction scheme that addresses national grantees, national grantees in a State, and State grantees. The concept "national grantee in a State" addresses the individualized performance that a national grantee must meet within each State in which it operates. It is another means to ensure that national grantees are performing well on all levels.

In addition, SCSEP is part of the Administration's new common performance measures initiative for employment and job training programs. This initiative has identified new indicators that will be applied across Federal job training programs and have a common set of definitions and data sets. Adoption of these common measures across government will help implement the President's Management Agenda for budget and performance integration as well as reduce barriers to integrated service delivery through the local One-Stop Career Centers.

Adoption of these common measures across Government will help to integrate service delivery through the One-Stop Career Centers at the local level. The Department will seek to amend title V of the Older Americans Act when it is reauthorized to conform the SCSEP performance measures to the new common performance measures. The Department cannot fully adopt the common measures at this time because the definitions for the two performance measures that are part of both the common measures and the SCSEP statutory measures, entered employment and retention in employment differ. These regulations represent an interim step in which grantees will be required to collect performance measurement information based on the current OAA, as well as on the new common measures that will be proposed as part of the Older Americans Act reauthorization.

What Performance Measures Apply to SCSEP Grantees? (§ 641.700)

Section 513(b) lists the required indicators that form the basis for SCSEP performance measures. This list

includes: (1) The number of persons served, with particular consideration given to individuals with greatest economic need, greatest social need, or poor employment history or prospects, and individuals who are over the age of 60; (2) community services provided; (3) placement into and retention in unsubsidized public or private employment; (4) satisfaction of the participants, employers, and host agencies with the experiences and the services provided; and (5) any additional indicators of performance that the Department determines to be appropriate to evaluate services and performance. The Department has added the earnings increase common performance measures as an additional indicator of performance. This measure is discussed further at proposed § 641.710 and § 641.715. Grantees will report on the additional common performance measures as discussed at § 641.720.

How Are the Performance Indicators Defined? (§ 641.710)

The OAA, at section 513, lists four indicators of performance. Several of the indicators have multiple subparts. Thus, the Department has severed many of the indicators so that grantees are clearly accountable for each part of each indicator and so that the indicators are easier to implement. For example, the first indicator is "the number of persons served, with particular attention given to individuals with the greatest economic need, greatest social need, or poor employment history or prospects, and individuals who are over the age of 60." Conceivably this one indicator could be divided into multiple parts and result in several different measures. The Department decided to divide this measure into two parts. The first indicator measures the number of persons served, and the second indicator measures the characteristics of those who are served. For the number served portion of the indicator, the Department will continue the past practice of establishing a minimum performance level of 140 percent of a grantee's authorized positions. This is a measure that has been in place for some time as a goal. The regulations address the second portion of the indicator in part through the statutory definitions provided for greatest economic need and greatest social need; and in part through a common sense approach to defining poor employment history or prospects and individuals over the age of 60. The OAA, at section 101(27), defines "greatest economic need" as the need that results from an income level at or below the poverty line. Section