Attachment 9
Calculation – Average Indicator of Performance

Average Indicator Score Calculation: A Practical Example

Given Information:

States and Federal agencies negotiate to one decimal place.

Actual Performance is calculated by dividing the numerator by the denominator. Actual Performance Values are reported by the State for all primary indicators. In the reports, Actual Performance Values are represented by rounding to the nearest tenth of a percent, but for the purpose of performing calculations, Actual Performance Values and Adjusted Negotiated Values are neither rounded nor truncated. For example, use Title II AEFLA Employment in the 2nd Quarter After Exit (highlighted in yellow):

- Numerator = 16,244 (Total number of participants in the denominator that were also employed second quarter after exit.)
- Denominator = 24,000 (Total number of participants that exited during the reporting period.)
- Numerator divided by Denominator = $\frac{16,244}{24,000}$ = 0.676833
- Rate reported in Annual Report = 67.7%
- Adjusted Negotiated Value = 75.2%

Employment Second Quarter After Exit Results by Program						
Program	Title II Adult Education	Title IV Rehabilitative Services	Title I Adults	Title I Dislocated Workers	Title I Youth	Title III Wagner - Peyser
Numerator	16,244	13,000	20,000	9,000	6,000	31,555
Denominator	24,000	18,000	30,000	15,000	12,000	42,000
Annual Report Value	67.7%	72.2%	66.7%	60.0%	50.0%	75.1%
Adjusted Negotiated Value	75.2%	72.5%	76.3%	79.7%	68.7%	65.4%

What figures are used to determine how close performance was to the negotiated target?

Each Performance Score is calculated in a similar way. For those indicators reported as a percentage, use both numerator and denominator in the next step $= \frac{16,244}{24,000}$

The Performance Score is calculated by dividing the actual outcome by the Adjusted Negotiated Value.

$$= \frac{\left(\frac{16,244}{24,000}\right)}{75.2\%} = .90004 (represented\ in\ the\ report\ as\ 90.0\%)$$

For those indicators not reported as a percentage, such as Median Earnings in the Second Quarter After Exit, use the value in the Annual Report and divide by the Adjusted Negotiated Value.

How are the Average Indicator Scores calculated?

Each row and column of Performance Scores is then averaged and truncated to one decimal place.
In this example, the average of the Employment 2nd Quarter after Exit Performance Scores for the six programs (highlighted in green) is 0.89985 and is truncated to one decimal place for an Average Indicator Score of 89.9%.

$$= \frac{\frac{\frac{16,244}{24,000}}{75.2\%}}{6} + \frac{\frac{\frac{13,000}{18,000}}{72.5\%}}{6} + \frac{\frac{\frac{20,000}{30,000}}{76.3\%}}{6} + \frac{\frac{\frac{9,000}{15,000}}{79.7\%}}{6} + \frac{\frac{\frac{6,000}{12,000}}{68.7\%}}{6} + \frac{\frac{\frac{31,555}{42,000}}{65.4\%}}{6} = .89985 = 89.9\%$$

Indicator/ Program	Title II Adult Education	Title IV Rehabilitative Services	Title I Adults	Title I Dislocated Workers	Title I Youth	Title III Wagner - Peyser	Average Indicator Score
Employment 2nd Quarter After Exit	90.0%	99.6%	87.4%	75.3%	72.8%	114.9%	89.9%
Employment 4th Quarter After Exit							2
Median Earnings 2nd Quarter After Exit							3
Credential Attainment Rate							4
Measurable Skill Gains							5
Effectiveness in Serving Employers							6
Average Program Score	7	8	9	10	11	12	-