



The Value Added Performance Improvement System (VAPIS): *The Michigan Approach*

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VALUE
ADDED
PERFORMANCE
IMPROVEMENT
SYSTEM



WHAT DOES VAPIS DO?

- ✓ Provides adjusted performance data for the State and local areas
- ✓ Provides data to support identification of local area strengths and weaknesses, leading to system improvements
- ✓ Predicts local area performance

KEY FEATURES

- ✓ Based on the Common Measures proposed by USDOL
- ✓ Uses data from only one state
- ✓ Uses data on individual customers
- ✓ Includes real-time predictions of the current performance of each local area





HOW STATE WILL USE VAPIS DATA

- Performance negotiations with USDOL
- Performance negotiations with Local Areas

HOW LOCALS WILL USE VAPIS DATA

- ✓ Performance negotiations with the State
- ✓ Continuous Improvement Model
 - Identifying** areas to target for improvement
 - Diagnosing** why performance is low and what is preventing the achievement of high performance
 - Planning** changes to improve performance and specifying measurable goals for improvement
 - Implementing** changes
 - Monitoring** the effects of changes to determine whether they are having the expected results

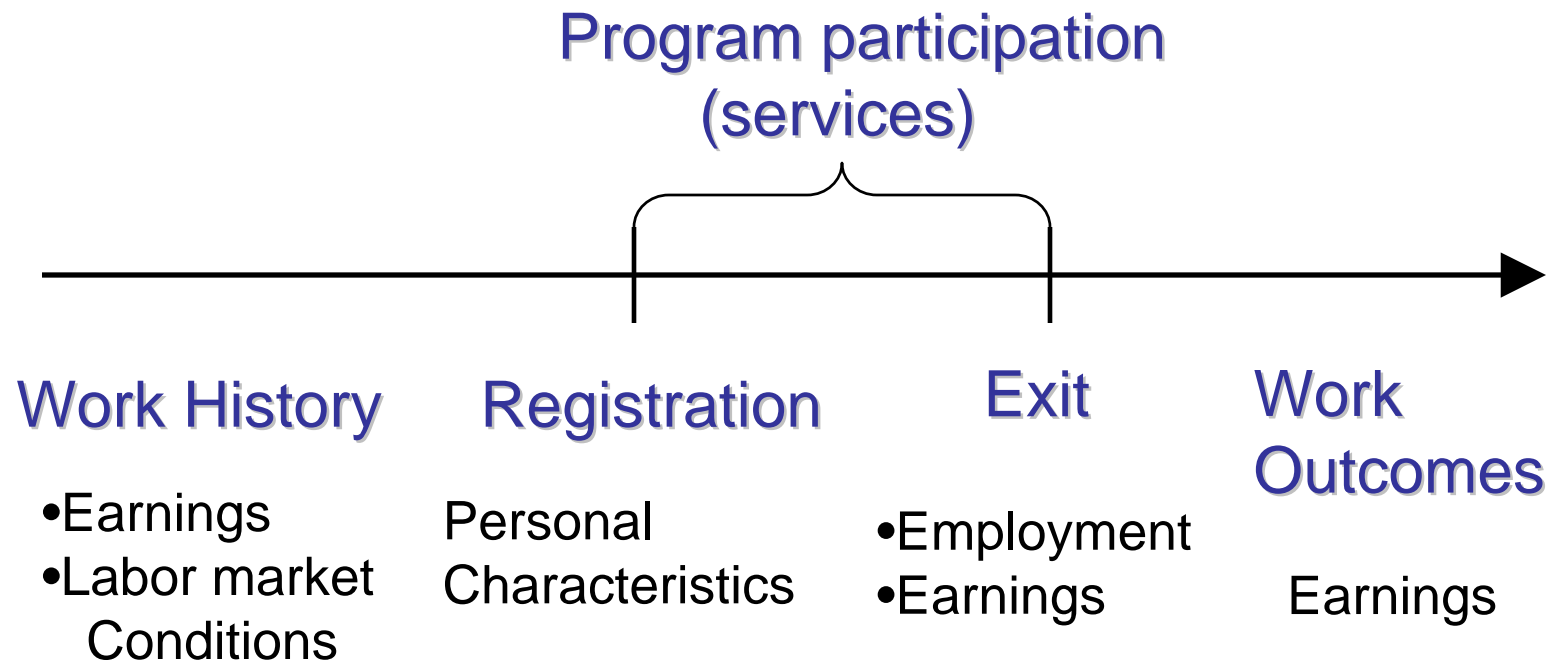
DATA REQUIREMENTS

- ✓ Administrative records for participants for past two - three years
- ✓ UI wage records for participants for past two - three years
- ✓ Wage records for three quarters of data after exit
- ✓ Labor Market Information

FACTORS AFFECTING PERFORMANCE

Factor	Entered Employment	Source
Age	X	Administrative records
Gender	X	
Education	X	
Race/ethnicity		
Employment barriers	X	
Employment history	X	Wage Records
Past earnings	X	
Industry	X	
Unemployment rate	X	LMI

Individual Customer Time Lines



EXAMPLES OF SIGNIFICANT FACTORS

- ✓ Individuals under age 30 are 5.6% *more likely* to become employed compared with those 50 or older
- ✓ Local areas that experience unemployment increases of 1% from one quarter before registration to one quarter after exit can expect *a reduction* of 1% in the entered employment rate one quarter after exit
- ✓ Individuals with a disability are 5.6% *less likely* to become employed one quarter after exit
- ✓ High school dropouts are 3.4% *less likely* to become employed than those who completed high school requirements



ADJUSTED PERFORMANCE GOAL

Sum of :

- ✓ Adjustment factor
- ✓ State performance the previous year
- ✓ Mandated incremental change in performance

Value-Added Performance

- ✓ Actual LWA performance relative to its expected performance

ADJUSTMENT FACTOR FOR EACH LWA

- ✓ The adjustment factor is derived by taking the difference in (the weighted) factor means between the state and LWA
- ✓ A **positive** (*negative*) adjustment factor indicates that the LWA has factors affecting performance that are **more** (*less*) favorable than the state average
- ✓ The performance goal should be **raised** (*lowered*)

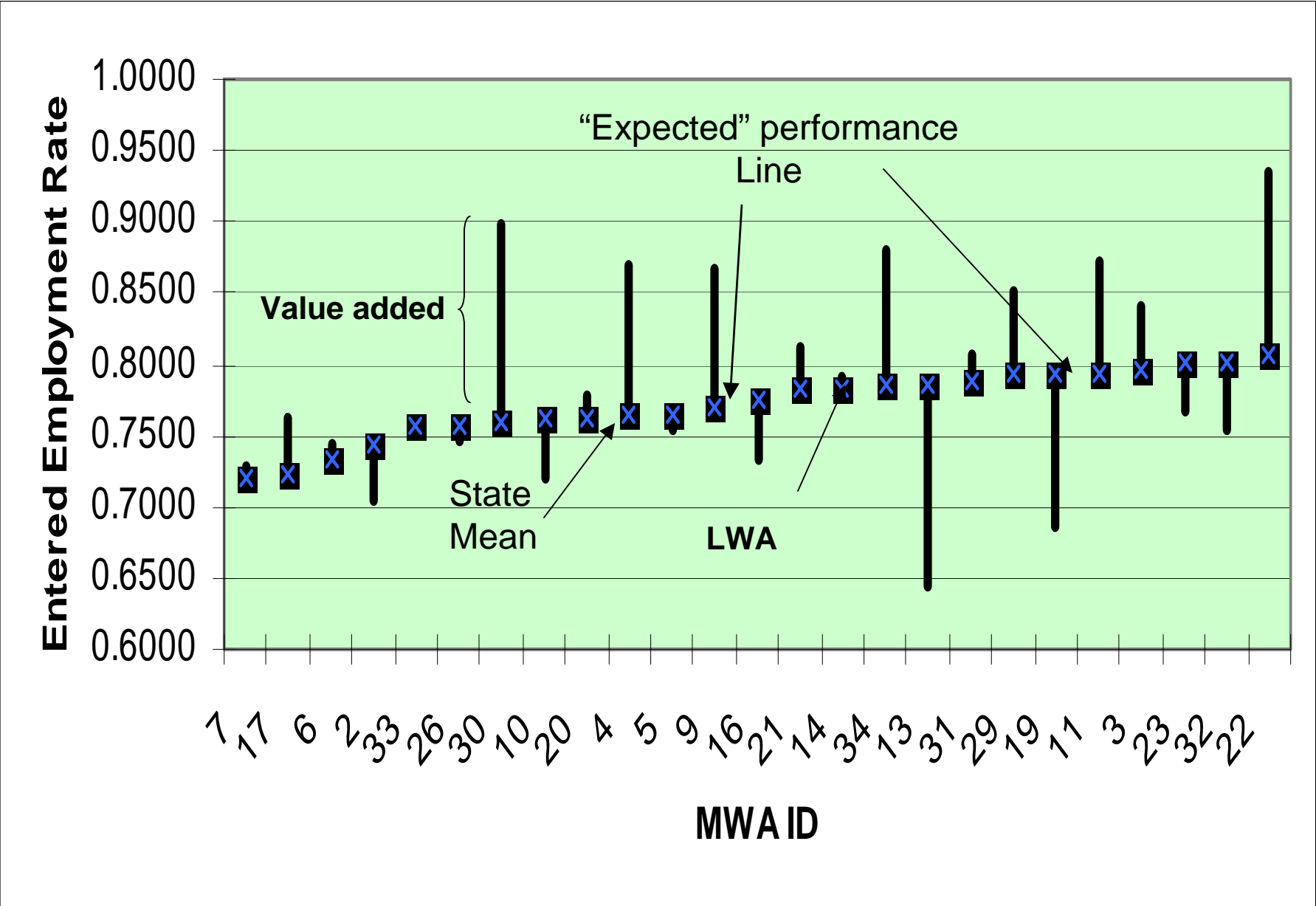
PY2002 Value Added Performance Improvement System Worksheet			A. WIA Name		B. WIA #
C. Performance Period: July 1, 2002 to June 30, 2003					
D. Performance Measure: Adult WIA Entered Employment					
E. Local Factors	F. LWA Means Current PY	G. State Means Previous PY	H. Difference (F - G)	I. Weights	J. Effect of Local Factors
Age 29 or Less	0.377	0.361	0.016	0.056	0.001
Age 30-49	0.478	0.537	-0.059	0.025	-0.002
Male	0.391	0.511	-0.119	-0.046	0.005
Education, Less than High School	0.058	0.143	-0.085	-0.034	0.003
Average Wages (\$1000), T-3..T-12	3.019	3.065	-0.046	0.013	-0.001
Wages Zero, All Quarters, T-3..T-12	0.109	0.133	-0.024	-0.136	0.003
1-5 Non-Zero Wage Qtrs, T-3..T-12	0.261	0.231	0.030	-0.087	-0.003
Has Disability	0.036	0.072	-0.036	-0.056	0.002
General/Refugee/SSI Assistance	0.029	0.056	-0.027	-0.057	0.002
Homeless	0.007	0.023	-0.016	-0.069	0.001
Limited English	0.000	0.023	-0.023	0.059	-0.001
Change Unemp Rate, Reg-1 Qtr to Exit+1	0.009	0.009	0.000	-1.013	0.000
Alternate or No Phone Only	0.007	0.033	-0.026	-0.069	0.002
Construction	0.014	0.027	-0.013	-0.044	0.001
Educational Services	0.036	0.019	0.017	0.054	0.001
Health Care/Social Assistance	0.109	0.068	0.041	0.025	0.001

K. Adjustment factor (Sum of Col. J)

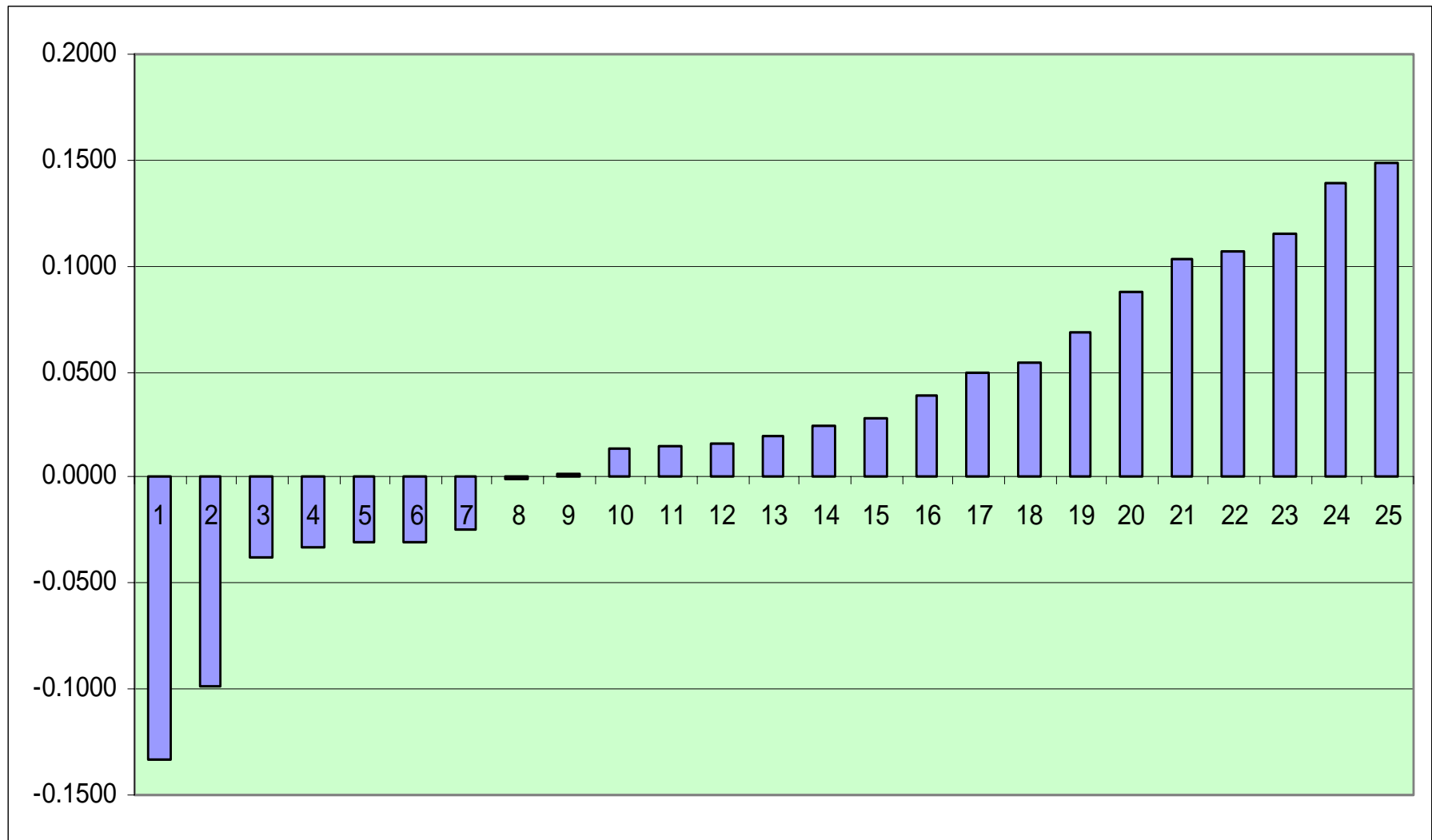
0.015

PY2002 Value Added Performance Improvement Worksheet	A. WIA Name	B. WIA Number
C. Performance Period: July 1, 2002 to June 30, 2003		
D. Performance Measure: Adult WIA Entered Employment		
K. Adjustment factor		0.015
L. State Performance Previous Year		0.758
M. Predetermined Goal Increment		0.050
N. LWA adjusted performance goal (K+L+N)		0.823
O. Outcome		0.790
P. Outcome over/under Goal (O-N)		-0.033
Z. Value Added (O-L-K)		0.016

EXPECTED PERFORMANCE AND VALUE ADDED



RANGE OF VALUE-ADDED PERFORMANCE AMONG MICHIGAN LWAS





TRACKING PERFORMANCE DURING THE PROGRAM YEAR

- ✓ VAPIS offers a quarterly prediction of the outcomes
 - Offers guidance to LWA administrators in how well they are performing relative to their goal
 - Predictions based in part on exit information
- ✓ VAPIS also allows LWA administrators to track the change in factors affecting performance and the change in the adjustment factor

TRACKING PERFORMANCE

	Qtr 1	Qtr 1&2	Qtr 1&2&3	Final
K. Adjustment factor	0.045	0.025	0.028	0.015
L. State performance previous year	0.758	0.758	0.758	0.758
M. Predetermined goal increment	0.050	0.050	0.050	0.050
N. LWA adjusted performance goal (K+L+N)	0.854	0.833	0.836	0.823
O. Outcome	0.667	0.722	0.775	0.790
P. Difference between outcome and goal (O-N)	-0.187	-0.110	-0.060	-0.034
V. LWA Predicted Outcome	0.814	0.794	0.790	0.770
X. Difference between predicted outcome and outcome	0.147	0.072	0.015	-0.020



PAYOFF TO USING VAPIS

- ✓ Management tools
 - Enhances accountability
 - Promotes program management and planning
 - Improves program performance
 - Promotes greater customer satisfaction
- ✓ Accurate and fair performance evaluation
 - Reduces incentive for “creaming”
 - Encourages local administrators to focus on what works best for customers
- ✓ Negotiations
 - Better and more current information when negotiating at both state and local levels
 - Consistent framework for understanding and conveying what factors affect performance

CONTINUOUS IMPROVEMENT MODEL

A simple model has several discrete steps:

- ✓ **Identifying** areas to target for improvement
- ✓ **Diagnosing** why performance is low and what is preventing the achievement of high performance
- ✓ **Planning** changes to improve performance and specifying measurable goals for improvement
- ✓ **Implementing** changes
- ✓ **Monitoring** the effects of changes to determine whether they are having the expected results



VAPIS IMPLEMENTATION

“The Michigan Story”

- ❖ We expect VAPIS to be implemented with Common Measures
- ❖ DLEG will prepare for implementation of Common Measures:
 - ❖ MIS System Revisions
 - ❖ Policy Development
 - ❖ Additional State and local training
 - ❖ Identification of implementation resources



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