Perkins III, Section 113 Accountability, (b) State Performance Measures, (2) Indicators of Performance, (A) Core Indicators of Performance, (iii): Administrative record opportunities and challenges

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Topics

I. Unit-record identification issues

• **Basics**

  Types of federal identification:

  - Social Security Number ([http://www.ssa.gov/ssnumber](http://www.ssa.gov/ssnumber))
  - International student identification ([http://www.ssa.gov/pubs/10181.html](http://www.ssa.gov/pubs/10181.html))
  - Individual Taxpayer Identification Number (ITIN) ([http://www.irs.gov/individuals/article/0,,id=96287,00.html](http://www.irs.gov/individuals/article/0,,id=96287,00.html))

  The ITIN is a nine-digit number “that always begins with the number 9 and has a 7 or 8 in the fourth digit.”

  **Conclusion**—Remain alert to when, how and by whom different types of federal identification are authorized and used.

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1 This is an edited update of an outline I used in four roundtable conversations in June—two in a Phoenix, AZ regional Data Quality Institute on June 15, and two in an Atlanta, GA regional Data Quality Institute on June 22; both sponsored by the U.S. Department of Education, Office of Vocational and Adult Education, Division of High School, Postsecondary and Career Education. The edits reflect contributions by and expressed priorities of participants in the four roundtable conversations. The wording of Perkins III core indicator of performance (iii) is “placement in, retention in, and completion of, postsecondary education or advanced training, placement in military service, or placement or retention in employment.” Four numbered sub-indicators are: 3S1 Secondary placement; 3S2 Secondary retention (deleted and not covered here); 3P1 Postsecondary placement; and 3P2 Postsecondary retention (not covered here).
• **How to detect invalid codes**

  - Data processing front-end edit opportunities:
    
    See third dot-point above for valid ITIN code checks.

    Social Security Number allocations
    (http://www.ssa.gov/employer/stateweb.htm)

  
  Note—I am investigating whether freeware can be posted and updated on The Jacob France Institute\(^2\) web-site for downloading and use as a front-end edit check by state CTE entities (and others). If allowed, this will define all valid nine-digit code combinations issued by the Social Security Administration. Liability or other barriers may prohibit this action.

• **Substitution of a Protected Identity Key (PIK)**

  - The U.S. Census Bureau and a growing number of state and local government entities use a PIK, instead of a Social Security Number, as a practical way to dramatically reduce one source of identity disclosure risk.

  Note—Replacement of a Social Security Number by a PIK does not mean that current or proposed use of linked administrative records for Perkins 3S1 and 3P1 applications must be abandoned. A student’s Social Security Number can be collected and linked to the student’s assigned PIK. Both can then be encrypted, using different encryption algorithms for added protection, and retained off-line in a secure manner. When an authorized need for the Social Security Number occurs such as for Perkins 3S1 and 3P1 calculations the Social Security Number can be decrypted and matched against other administrative records. Then, under the direct control of the originating education entity the matched records can be linked back to the student’s PIK for linkage with other education record data fields that might be needed to complete the calculation—such as defined status as a CTE completer and/or graduate.

  - Adoption of a PIK as the official Student Identifier will reduce some opposition to collection of a student’s Social Security Number. This need not, and should not be an either-or matter.

\(^2\) The Jacob France Institute (JFI) at the University of Baltimore, which I direct, specializes in secure maintenance and authorized use of confidential administrative record files for performance measurement and related management diagnostic purposes.
• **Making the case for collection of an accurate Social Security Number**

  - Public concern about identity disclosure is serious and growing. All parties involved in the CTE accountability process can help to distinguish statistical use of a Social Security Number from commercial uses.

  - A logical place to begin the public education process is with federal, state and local elected officials and their staffs.

    A practical first step is to show these officials and staffers the Perkins III, Section 113(b)(2)(A)(iii) statutory language for Core Indicator 3, following with a brief statement about the widespread, but not universal, availability of state UI wage record information and federal civilian and active duty military employment if an accurate student Social Security Number can be used for secure matching. The comfort level achieved can be raised by reference to the use of a student PIK and encryption steps.

    Equally important, after briefing elected officials and their staffs, is motivation of those within the education community. Much of the reticence to collect an accurate Social Security Number can be traced to directives from higher-level education authorities.

    The steps described in the previous paragraph are proposed for adoption within the education hierarchy, including reference to U.S. Department of Labor, Employment and Training Administration guidance about official policy on common performance measures for Federal job training and employment programs (http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1711).

    DOL/ETA *Training and Employment Guidance Letter No. 28-04, Common Measures Policy*, Section 6. Data Sources, A. Wage Records, states that “to ensure comparability of the common measures on a national level, wage records are the primary data source for the employment-related measures (except as noted in this Section).”

    DOL/ETA *TEGL 28-04* continues in Section 6. B. Supplemental Sources of Data, that “in order to convey full and accurate information on the employment impact of ETA programs, grantees may use supplemental sources of data to document a participant’s entry and retention in employment.”
And, of particular importance for the CTE community, DOL/ETA TEGL 28-04 continues: “Allowable sources of supplemental information for tracking employment-related outcomes in the performance measurement periods include case management notes, automated labor exchange system administrative records, surveys of participants, and contacts with employers. **All supplemental data and methods must be documented and are subject to audit**” (my emphasis).

- If local teachers or other public employees manage self-completion of records by students or prospective students it is important to assure that these monitors and students understand why collection of an accurate Social Security Number is important—absence of this essential link to other education activities and employment and earnings information destroys the most efficient and reliable way to document critical facets of CTE performance.

- On-line data entry is common and growing toward universal usage. An edit-check feature can easily be included in the adopted software to offer a statement of encouragement, short of a requirement, when no Social Security Number is entered.

Most people are unaware that, while disclosure of a person’s Social Security Number cannot be required, delivery of services can be denied if disclosure is refused ([http://www.ssa.gov/history/ssa/ssnchron.html](http://www.ssa.gov/history/ssa/ssnchron.html)).

I acknowledge that it is highly unlikely that anyone would deny a student access to educational services because s/he refuses to disclose a Social Security Number.

**Conclusion**—we have a collective responsibility to explain why collection of a student’s Social Security Number is important. Expert resources and testimony are available to improve public understanding of this matter.

II. Own-state UI wage record issues

- **Basics**

  - Data sharing agreement templates are available from states that are already matching student records with state UI wage records. I can provide examples upon request.
All federal, state and local education authorities would benefit from a reliable source of up-to-date information about which states are able to use state UI wage record information for CTE performance reporting, which are not able to do so and why, and what resources are available to help those that are not now able to use state UI wage records but want to do so.

**Note**—I am willing to provide this service through The Jacob France Institute at the University of Baltimore (subject to mutual agreement on a satisfactory price for doing so.)

Most states are understood to currently request an annual match of student records against state UI wage records. However, some states conduct quarterly matches for diagnostic purposes other than delivery of the annual report to the U.S. Department of Education.

I am not aware of a reliable source of information about how record matching cost is handled in state data sharing agreements. Anecdotal information indicates that some states do not require the education entity to compensate the state agency that maintains state UI wage records.

- **State UI Wage Record Coverage and Data Field Content**

  **Coverage and timing of record availability**

  - Most in-state employment of former CTE students will appear in a state’s UI wage record file.
  
  - Federal civilian employees and active duty military personnel are not included in state UI wage record files. Self-employed individuals and workers defined by their employer as an *independent contractor* are not included in state UI wage record files. Other types of employment, typically less numerous but perhaps important for some local CTE programs, are not included in state UI wage record files.

  **Note**—I am preparing an updated state UI coverage paper for the U.S. Census Bureau, which will be available as a *Technical Paper* showing me as the author and a ‘late 2006’ release date at [http://lehd.dsd.census.gov](http://lehd.dsd.census.gov).
All states are required to have a reference quarter’s UI wage record information available for their own agency’s internal use in administration of the unemployment compensation program itself by the beginning of the second subsequent quarter; so, for example, if October-December 2005 is the defined reference quarter of interest for 3S1 and 4S1 reporting for July 2004-June 2005 CTE completers, the state UI wage records of interest became available within the state agency managing the unemployment compensation program in April 2006. Some late reporting of reference quarter employment does occur, as do corrections of previous errors. Some employers fail to report as required by a state’s unemployment compensation law.

This timing, involving a four month to six month lag in data availability, leaves sufficient time for practical supplementation of the administrative record data with a survey activity targeting those not found in the state UI wage records (or other state UI wage records, federal civilian employment or active duty military personnel files—each discussed below.) Of course, the survey design has to deliver 3S1 or 3P1 employment status information that is consistent with—can be added to—the administrative record information.

Data fields included

All states include the same five common core data fields in a UI wage record:

1. A reference year
2. A reference quarter
3. An employer’s state UI Tax Account Number
4. An employee’s Social Security Number
5. A dollar amount

So, a single UI wage record shows the amount of money a particular employer reported as having been paid to a given employee during the defined reference year/quarter.

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3 If a third-party agent is used to conduct the match additional time is required. For example, The Jacob France Institute at the University of Baltimore is the third-party agent acting on behalf of the Maryland Department of Labor, Licensing and Regulation, the Maryland State Department of Education and the Maryland Higher Education Commission. The Jacob France Institute received a first delivery of the October-December 2005 reference quarter Maryland UI wage record data in May 2006.
A worker can have more than one UI wage record in a reference year/quarter if more than one employer submits a wage record for them.\textsuperscript{4}

\textbf{Note}—a few states include \textit{hours worked} or \textit{weeks worked} on a UI wage record, but these data fields have no value for Perkins 3S1 or 3P1 reporting.

III. Other states’ UI wage record availability

- A number of multi-state alliances have negotiated reciprocal data sharing agreements. I can provide information about the Mid-Atlantic alliance of eight states upon request.

IV. The Federal Employment Data Exchange System (FEDES)\textsuperscript{5}

- Each participating state has a designated single point-of-contact. This person is responsible for negotiating procedural details within the state regarding individual agency participation, timing, cost, security requirements and authorized uses.

- The FEDES data sources are:
  
  i. Office of Personnel Management (OPM) federal civilian employees (with defined exceptions)
  ii. U.S. Postal Service employees
  iii. Department of Defense active duty military personnel—restricted use (but including Perkins 3S1 and 3P1 reporting)

\textsuperscript{4} Different employers may deliver their report for this person to different states. Each employer report is submitted to the state where an employee worked, with no consideration of where the employee lives or lived at the time. Severance pay can be reported during a quarter after an employee actually terminated an active employment affiliation. Some employers submit a UI wage record showing no earnings amount in a particular quarter, usually for their own record keeping convenience for seasonal employees who are expected to return to work. This should be a warning to CTE accountability personnel—be sure to filter out UI wage records showing zero earnings in a defined quarter because the person was unlikely to have been employed during this quarter.

\textsuperscript{5} The Federal Employment Data Exchange System (FEDES) receives funds from the U.S. Department of Labor, Employment and Training Administration. The Maryland Department of Labor, Licensing and Regulation is the recipient of these funds and negotiates all legal agreements with participating states (31 at this time, with 12 others in some stage of negotiation to join.) The Jacob France Institute at the University of Baltimore manages the actual secure exchange of data under a subcontract from the Maryland Department of Labor, Licensing and Regulation. Information about the FEDES is available by contacting jstaveley@ubalt.edu.
V. Administrative record limitations (that do not affect Perkins 3S1 or 3P1 calculations)

- A full-time/part-time distinction is not possible, but there are well-known ways to estimate (contact me for further information).
- No occupational information\(^6\)
- Industry codes (North American Industry Classification System, NAICS) are usually in a separate file, and the concept of industry is under increasing stress for many reasons, including outsourcing, mergers and acquisitions, and the shortening of product and service life-cycles.

VI. Beyond Perkins 3S1, 3P1 and 3P2

We touched on some state-specific examples of Perkins accountability practices beyond the Core Indicator reporting requirement, but these conversations cannot easily be summarized here.

VII. Promotion of ‘good news’ using administrative records

- Benchmarking
- Un-duplicating sources
- Firm and industry affiliations linked to earnings profiles
- From-to mobility patterns linked to earnings profiles
- Demographics and employment/earnings profiles

These topics should receive increased attention following reauthorization of Perkins III. The Core Indicators cannot be the only performance information delivered to decision-makers who are responsible for allocating funds among competing entities. This assertion has particular importance as State-Local negotiation of CTE performance standards looms on the horizon.

\(^6\) I have discouraged attempts to report training-related employment, which is understood to be beyond the 3S1 or 3P1 core indicator reporting requirement, because there is no practical way to align different and changing CTE content across schools, districts and states with different and changing job content among employers within and across industries. The same concern about practical measurement feasibility is expressed about the high-wage high-skill concept. Both calculations can be accomplished, but not without serious doubt about satisfaction of the validity and reliability criteria for acceptable measurement practices.