

KEY INDICATOR TECHNICAL NOTES (12-8-15) RJF:

Each state/jurisdiction will be different when applying the Key Indicator Methodology but there are some guiding principles that should be used:

- 1) Sample size should be around 100-200 programs. Less than 100 may not produce significant results and indicators will be missed. Over 200 programs will provide too many indicators reaching significance.
- 2) Set the p value to .01. .05 is too lenient and .001 is too stringent. .01 gives a proper balance for the number of indicators a state/jurisdiction will need.
- 3) The best model to use is the 100% for the high group (100-99% can also be used) with the middle programs not being used and the bottom 25% being used for the low group. The worse model to use is 100% as the high group and 99% or less as the low group. Too much error variance in the programs is introduced with an increase in making false negatives and the phi and Pearson correlations drop off significantly.
- 4) Select a moderate number of key indicators, don't select too few. It is more reliable to go with a few additional indicators than using too few.
- 5) Minimize false negatives by using the model described in #3 above.