KEY INDICATOR TECHNICAL NOTES (12-8-15) RJF (this note updates a previous technical note from earlier in 2015 regarding this same topic):

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 (p < .01). P < .05 is too lenient and p < .001 is too stringent. P < .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.