

Workforce Innovation and Opportunity Act Performance Reporting

WORKFORCE SYSTEM POLICY

Workforce Development System Administration
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Policy Owner: Pennsylvania Department of Labor & Industry Center for Workforce Information & Analysis

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Purpose of the Policy

This policy identifies the Workforce Innovation and Opportunity Act, or WIOA, primary indicators of performance and how they apply to the programs delivered under WIOA Titles I and III. This policy establishes procedures for local workforce development boards, or LWDBs, to negotiate and reach agreement with the commonwealth on LWDA levels of performance for the primary indicators of performance for Title I.

Policy Statement

In the interest of transparency and accountability, the Pennsylvania Department of Labor & Industry, or L&I, establishes policy on setting performance goals and assessing performance for the primary indicators of performance under WIOA for the Title I Youth, Adult, Dislocated Worker, programs.

Scope

This policy applies to all employees within all bureaus, divisions, boards, commissions, councils, agencies and businesses partners supported by L&I-allocated federal funds, including any contracted employees employed by business partners supported by WIOA funding (hereinafter referred to collectively as “business partners”).

Audience

All employees within all bureaus, divisions, boards, commissions, councils, agencies and businesses partners supported by L&I-allocated federal funds. This includes any contracted employees employed by business partners supported by WIOA funding (hereinafter referred to collectively as “business partners”). Local workforce development boards and their staff.

Related Policies

- Pennsylvania’s Workforce System of Record
- Sanctions – Initial Implementation of the Workforce Innovation and Opportunity Act (Change 1)

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Definitions

Commonwealth Workforce Development System, or CWDS, is the sole data-management and reporting system of record used for all data collection and reporting related to all WIOA Title I and III, Wagner-Peyser Act and Trade Adjustment Assistance, or TAA, activity in Pennsylvania.

Credential Attainment is the percentage of participants enrolled in an education or training program (excluding those in on-the-job training and customized training) who attained an industry recognized postsecondary credential, or certificate of completion of an apprenticeship, or certificate approved by the commonwealth of Pennsylvania or a secondary school diploma within a year after exit from common measures. A participant who has attained a secondary school diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary school diploma or its recognized equivalent only if the participant also is employed or is enrolled in an education or training program leading to a postsecondary credential approved by the commonwealth of Pennsylvania within one year after exit from common measures.

Effectiveness in Serving Employers is a measure of effectiveness serving businesses. Two methods of measuring this are currently being evaluated by US DOL, which include **repeat business customers**, the percentage of repeat businesses using services within the previous three years and **business penetration rate**, the percentage of businesses using services out of all businesses in the state.

Exit from Common Measures occurs when a participant, enrolled in a single or concurrently in multiple partner programs, has not received services from any DOL-administered program in which the participant is enrolled, for at least 90 days, and no future services are planned. A system of record business rule is applied, and the participant is exited from all enrollments.

Fourth-Quarter Employment Rate is the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from common measures. Note that for Title I youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the fourth quarter after exit.

Median Earnings are the statistical median earnings of program participants who are in unsubsidized employment during the second quarter after exit from common measures.

Measurable Skill Gains are the percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains towards such a credential or employment. Measurable skill gains are defined as documented academic, technical, occupational or other forms of progress toward a postsecondary credential or employment.

Pennsylvania CareerLink®/PA CareerLink® is the registered, trademarked name of Pennsylvania's one-stop workforce development service-delivery system, including each one-stop and public-facing aspects of the online job matching system used by individuals, job seekers, employers, program partners and providers, training providers and other stakeholders.

Pennsylvania Department of Labor & Industry, or L&I, is legally designated by the governor to serve as the state workforce agency.

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Second-Quarter Employment Rate is the percentage of program participants who are in unsubsidized employment during the second quarter after exit from common measures. Note: for Title I youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the second quarter after exit.

Procedures

WIOA Primary Indicators of Performance: States and LWDBs are held to six primary indicators of performance established by WIOA for the Title I Adult, Dislocated Worker, Youth, and Title III Wagner-Peyser programs. Note that the indicators are not applied uniformly across each program; some indicators are not applicable to specific programs, and others have different definitions for certain programs. Table 1 identifies each indicator and the programs it applies to.

Table 1. WIOA Primary Indicators of Performance

	Adult/Dislocated Worker	Youth	Wagner-Peyser
Second Quarter Employment Rate	X	X	X
Fourth Quarter Employment Rate	X	X	X
Median Earnings	X	X	X
Credential Attainment	X	X	
Measurable Skill Gains	X	X	
Effectiveness in Serving Employers	X	X	X

Many of Pennsylvania TAA participants are included in primary indicators of performance as dislocated workers due to co-enrollment.

The six primary indicators of performance are:

- Second Quarter Employment Rate – The percentage of program participants who are in unsubsidized employment during the second quarter after common exit from all workforce programs.
Note that for Title I Youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the second quarter after common exit from all workforce programs.
- Fourth Quarter Employment Rate – The percentage of program participants who are in unsubsidized employment during the fourth quarter after common exit from all workforce programs.
Note that for Title I Youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the fourth quarter after exit.
- Median Earnings – The statistical median earning of program participant who are in unsubsidized employment during the second quarter after common exit from all workforce programs.
- Credential Attainment – The percentage of participants enrolled in and education or training program (excluding those in on-the-job training and customized training) who attained an industry recognized postsecondary credential or certificate of completion of an apprenticeship, or certificate approved by the Pennsylvania Department of Education or another

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commonwealth agency or a high school diploma or equivalent within a year after common exit from all workforce programs. A participant who has attained a high school diploma or equivalent only is included in the percentage of participants who have attained a high school diploma or its equivalent only if the participant also is employed or is enrolled in an education or training program leading to a postsecondary credential approved by the Pennsylvania Department of Education or another commonwealth agency within one year after common exit from all workforce programs.

- Measurable Skill Gains – The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment. Measurable skill gains are defined as documented academic, technical, occupation or other forms of progress toward a postsecondary credential or employment.
- Business Indicators – Effectiveness in serving businesses.
 - Repeat Business Customers (percentage of repeat businesses using services within the previous three years)
 - Business Penetration Rate (percentage of businesses using services out of all businesses in Pennsylvania)

Negotiation of Performance Goals

Performance goals are established at the state and local levels through a negotiation process. WIOA identifies three types of performance goals:

- Expected levels of performance – performance goals established before the negotiation process that act as the starting point of the negotiations.
- Negotiated levels of performance – performance goals that are agreed upon by the parties involved in the negotiation process.
- Adjusted levels of performance – Level of performance determined by adjusting the negotiated level of performance using the statistical adjustment model to account for circumstances at the end of the program year that could not be anticipated during the negotiation process.

At the beginning of each negotiation cycle, L&I will provide LWDBs with the estimated outcomes produced by the statistical adjustment model as a guide for LWDBs to develop proposed levels of performance. Each LWDB must review this information and respond to L&I with its proposed goals and a narrative justification of the level for each indicator.

Upon receipt, L&I will review the levels and justification. The review shall focus on the extent to which the following factors have been addressed:

- How the proposed levels compare to the adjusted performance levels of other LWDBs.
- The extent to which the proposed levels promote continuous improvement.
- The anticipated effect on performance of factors other than anticipated economic changes and variations to the characteristics of participants.
- The extent to which the proposed levels assist the commonwealth in meeting its negotiated levels of performance.

L&I will then coordinate with the LWDB to negotiate an agreement, which may be done in writing or via call. Upon reaching an agreement, L&I will send an official communication to the LWDB confirming the negotiated levels of performance and publish the negotiated levels of performance on the department's

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website. Local workforce development boards shall publish the negotiated levels of performance in the board's approved, published workforce development plan.

As noted previously, the statistical adjustment model will be reapplied to the negotiated levels of performance after the end of the program year, resulting in the adjusted levels of performance.

Assessment of Performance

WIOA establishes three criteria by which state performance will be evaluated. The following describes these criteria:

- Individual indicator score – the actual outcomes for each of the primary indicators of performance are compared to the adjusted levels of performance within each program.
- Overall program score – the actual outcomes of each indicator within a core program across all indicators are compared to the adjusted levels of performance for that indicator. The percentages are then averaged, resulting in the overall program score for each core program, (i.e. Title I Adult, Dislocated Worker, and Youth; Title II Adult Education; Title III Wagner-Peyser and Title IV Vocational Rehabilitation).
- Overall indicator score – the individual indicator score for each of the primary indicators of performance across all programs (i.e. Title I Adult, Dislocated Worker, and Youth; Title II Adult Education; Title III Wagner-Peyser and Title IV Vocational Rehabilitation) are averaged to calculate the state indicator score. Note that the individual indicator score must be calculated first.

Final regulations indicate a state must establish the threshold for failure to meet adjusted levels of performance for a local area. The commonwealth has adopted the above framework to assess local performance. The only difference is that the criteria will only be applied to Title I Adult, Dislocated Worker, and Youth and will only apply to the first five primary indicators. The Effectiveness in Serving Employers indicator will not be used in the assessment of local performance until final federal regulations are implemented on how the indicator is to be measured.

Until all indicators have at least two years of complete data, the overall indicator score and overall program score will be based on a comparison of the actual results achieved to the adjusted level of performance for those indicators that have at least two years of complete data.

Methodology

Assessment of both state and local level performance will be based on all three scores: individual indicator score, overall program score and overall indicator score.

A local area's performance is considered unsatisfactory when any of the following occur:

- Any of the individual indicator scores fall below 50 percent for the program year
- Any overall program score falls below 90 percent for the program year
- Any overall indicator score falls below 90 percent for the program year

If local performance is determined to be unsatisfactory, the state will respond in accordance with L&I's sanction policy.

Note that local performance affects state performance; therefore, unsatisfactory local performance may lead to fiscal sanctions at the state level.

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Action

Local workforce development boards must:

- Ensure all PA CareerLink® staff (state and business partners) understand the primary indicators of performance, local levels of performance and the operational procedures to achieve the levels of performance.
- Negotiate local primary indicators of performance.

Supporting Information

The following is a list of references used in the development of this policy, and may provide additional information for implementation:

- WIOA sections 116, 20 CFR 677.190, 677.200, and 677.220 issued Aug. 19, 2016. Primary Indicators of Performance and State Indicators of Performance for Core Programs, Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions, Final Rule. Vol. 81, No. 161 Part V.
- TEGL No. 10-16 Change 1 (Aug. 23, 2017) Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III, and Title IV Core Programs
- TEGL No. 9-17 (Feb. 16, 2018) Negotiating Performance Goals for the Workforce Innovation and Opportunity Act (WIOA) Title I Programs and the Wagner-Peyser Employment Service as amended by Title III of WIOA, for Program Year (PYs) 2018 and PY 2019.
- WSP No. 184-02 (C1) Sanctions – Initial Implementation of the Workforce Innovation and Opportunity Act (Change 1)

Publication

To support the Pennsylvania Workforce Development Board’s November 2019 recommendation related to data transparency and continuous improvement of the workforce development system, L&I and the PA WDB will publish annual WIOA performance data by LWDB online.

Policy History

Not until this document did L&I field a standalone, performance-focused policy. This information, to a lesser extent, was previously published in the department’s sanctions policy – used chiefly by BWDA oversight and monitoring staff to communicate conditions under which technical assistance, performance improvement and related actions would be undertaken regarding LWDA activities, outcomes, and performance.

Summary of Changes

Revision Date	Author	Description
5/13/2019	L&I BWDA	Initial draft.
9/2/2019	L&I BWDA	P&PCS supervisor review.
10/26/2019	L&I BWDA	Second draft. Incorporated comments, formatting improvements and prepared the document for program area reviews.
11/19/2019	L&I CWIA	Incorporated comments from program area reviews.
12/16/2019	L&I BWDA	Reformatted to draft template and prepared for bureau and department leadership review.

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2/1/2020	L&I BWDA	Formatting changes.
2/3/2020	L&I BWDA	Updated Pennsylvania CareerLink®/PA CareerLink® definition.
2/25/2020	L&I BWDA	Changed “goals” to “levels of performance,” aligning language with TEGL source material.
7/6/2020	L&I BWDA	Added assurance that performance would be published online.
8/26/2020	L&I BWDA	Incorporated final edits, public comment and responses.

Public Comment

The department received the following public comments during the published comment period. Responses to those comments are included with each.

Comment: Some consideration should be made for those whose second or fourth quarter falls during the winter months when seasonal employees in construction are typically laid off. They may be employees of a construction or otherwise seasonal industry but just not working during those down months.

Response: The department has considered commenters’ concerns regarding the potential impact of seasonal employment, but sec. 116(b)(2)(A)(i)(I) and (II) of WIOA specifically require that employment be measured at the 6- and 12-month mark (second and fourth quarters respectively). Given the specificity of the quarters to be measured for purposes of the performance accountability system, the department does not have the authority to make the requested modification. No change to the regulatory text is being made in response to this comment.

Comment: The state may want to consider submitting a waiver of the quarterly wage for youth and evaluating a dollar per hour goal. Many youth are hired by temp agencies and others are not given 40 hour work weeks. A much fairer and more realistic goal for youth programs would be to place them in employment with a certain per hour wage/ goal.

Response: The department acknowledges the concern raised by the commenter. However, employers submit wage data per employee as a quarterly aggregate but do not provide the number of hours worked. Therefore, an hourly wage goal is unmeasurable based on available administrative data. In addition, the department recognizes median earnings levels will vary across programs due to the differences in individuals being serve, which is considered during negotiations, as well as accounted for in the statistical adjustment model used to evaluate performance.

Comment: Credit should be given to any student who achieves a GED or High School Diploma regardless of whether or not they are subsequently employed after exit. To be fair, high school students and college graduates do not lose credit for their diplomas or degrees if they do not secure a job after graduation. Why would you want to penalize youth programs who have successfully gotten students to pass a GED test by taking away credit for the accomplishment if the student does not get a job or enroll in training during the following year?

Response: The department acknowledges the concern raised, but the method by which a Youth is determined to have met the credential attainment measure is statutorily defined in WIOA Sec. 116 b.3.A.i.IV and WIOA Sec. 116..3.A.iii. The department does not have the authority to modify statutory requirements.

Comment: ServSafe should absolutely be a credit as an industry recognized credential. Just go into any food establishment in the country and you will see numerous ServSafe certificate on the walls of these

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businesses. If ever there was a true definition of what an EMPLOYER RECOGNIZED CERTIFICATE is, that would be ServSafe.

Response: The department acknowledges the concern raised, but the Training and Employment Guidance Letter (TEGL) 10-16, Change 1, issued by the U.S. Department of Labor's Employment and Training Administration, defines a recognized postsecondary credential as a credential awarded in recognition of an individual's attainment of measurable technical or industry/occupational skills necessary to obtain employment or advance within an industry/occupation. The TEGL further clarifies that credentials attesting to general skills such as work readiness, hygiene or safety do not meet the definition even though they are broadly required to qualify for entry-level employment or advancement in employment. Therefore, the requested modification cannot be incorporated.

Comment: Since the intention of this measurement is for what active students are accomplishing, a program should not lose the MSG credit at the end of the program year. For example, John Doe is an active student in PY 2019. He achieves an MSG as a ServSafe certificate. He is still active in July 2020, the program loses the credit for John but in reality John is still an active student and he still has the ServSafe credential which is good for three years. He is an ACTIVE STUDENT WITH AN MSG. It is patently unfair for the program to lose credit just because John's enrollment overlaps program years.

Response: The method by which a participant is determined to have achieved a measurable skill gain is statutorily defined in WIOA Sec. 116 b.3.A.i.V and further clarified in Training and Employment Guidance Letter (TEGL) 10-16 Change 1. As such, the specifications by which an individual is determined to have achieved a measurable skill gain cannot be modified.