

To: Workforce Development Boards (WDB) Chairs, Executive Directors, and Regional Chief Elected Officials

From: Indiana Department of Workforce Development (DWD)

Date: June 9, 2022

Subject: DWD Memorandum 2021-25
Local Performance Negotiations Guidance for Program Years (PY) 2022 and 2023
Workforce Innovation and Opportunity Act (WIOA) Title I Levels of Performance

Purpose

To provide guidance to Local Workforce Development Areas (Local Areas) for the PY 2022 and PY 2023 WIOA Title I performance negotiation process.

References

- WIOA Section 116
- 20 CFR Part 677
- TEGL 11-19 *Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act (WIOA) Core Programs*
- TEN 14-21 *Workforce Innovation and Opportunity Act (WIOA) Core Program Performance Accountability Assessment for Program Years (PY) 2020 and 2021*

Content

Background

Section 116 of WIOA outlines the purpose of performance accountability, which is to establish performance accountability measures that apply across the core programs to assess the effectiveness of the State and Local Areas in achieving positive outcomes for individuals served by WIOA programs. The performance accountability system is critical in assessing the effectiveness of programs, with the goal of ensuring that individuals served attain the skills needed to succeed in the 21st century economy. TEGL 11-19 further guides the performance negotiations and sanctions process that must be followed by states and local areas. TEN 14-21 provides additional information on performance accountability assessment.

On May 27, 2022, DWD received confirmation from Region 5 of the US Department of Labor (USDOL), Employment and Training Administration (ETA) of the agreed-upon negotiated levels of performance for PY 2022 and 2023 for WIOA Title I Adult, Dislocated Worker, and Youth programs and the Title III Wagner-Peyser program. Indiana's state performance levels are included in **Attachment A**. The performance levels will be included in the State's Combined Plan modification.

In addition to the State Performance Levels, WIOA mandates that the State must work with each Local Area to establish performance goals for each WIOA Title I program. The local WDB, the regional chief elected official (RCEO), and the Governor or the Governor's designee must negotiate and reach agreement on local levels of performance based on the State Performance Levels. In negotiating the local levels of performance, the local board, the RCEO, and the Governor or the Governor's designee must make adjustments for the expected economic conditions and expected characteristics of participants to be served in the local area, using a process in alignment with the statistical adjustment model (SAM) developed at the Federal level, which will be used at the end of the program year to adjust negotiated local levels of performance in order to reflect the actual economic conditions experienced in the local area and the characteristics of participants served.¹

The local WDB, the RCEO, and the Governor or Governor's designee must negotiate and reach agreement on local levels of performance for two programs years at a time, based on the State Performance Levels, no later than September 30th in each year in which state negotiations occur. Local Areas can negotiate performance levels for each year separately or can negotiate for one performance level across both years.

States must use local performance goals for WIOA title I programs for two required purposes: (1) to determine if a local area "performed successfully" for subsequent local area designation,² and (2) to determine when a state must take corrective action when a local area fails to meet the adjusted levels of performance.³

Consistent with the negotiation process used for PY 2020 and 2021, DWD will use the local negotiations process outlined below in lieu of the local SAM.⁴ DWD will provide Local Areas with proposed local performance goals based on local PY 2021 goals and local PY 2021 performance (through the end of Q3). Local Areas may elect to adopt these targets or negotiate different goals.

Performance Indicators

The performance indicators under WIOA add new employment outcomes on earnings and effectiveness in serving employers and include educational measures for credential attainment and measurable skill gains. Under section 116(b)(2)(A) of WIOA, as well as in the statute's implementing regulations in 20 CFR 677.155, there are six primary indicators of performance:

1. **Employment Rate 2nd Quarter after Exit:** The percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program (for title I Youth, the indicator is the percentage of program participants who are in education or training

¹ See TEGL 11-19 for further detail on the statistical adjustment model (SAM) – an objective regression model used to estimate levels of performance and adjusted levels of performance.

² See TEGL 11-19 for further detail on successful performance as it relates to subsequent local area designation.

³ Section 116(f) of WIOA provides for USDOL to sanction states for failure to report and for failure to meet performance expectations. Similarly, 20 CFR 677.220 provides that states may apply corrective action or sanctions to local areas for failure to meet performance expectations. In the local context, successful performance means that the local area met or exceeded the negotiated targets for WIOA primary indicators of performance and has not failed any individual measure for the last two consecutive years. See TEGL 11-19 for additional information.

⁴ DWD will continue to develop a SAM in accordance with TEGL 11-19 with the aim of using it for the local negotiations process in PY 2024 and 2025.

activities, or in unsubsidized employment, during the second quarter after exit from the program);

2. **Employment Rate 4th Quarter after Exit:** The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program (for title I Youth, the indicator is the percentage of program participants who are in education or training activities, or in unsubsidized employment, during the fourth quarter after exit from the program);
3. **Median Earnings 2nd Quarter after Exit:** The median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;
4. **Credential Attainment within 4 Quarters after Exit:** The percentage of those participants enrolled in an education or training program (excluding those in on-the-job training (OJT) and customized training) who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program. 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 is also employed or enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit from the program.
5. **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, defined as documented academic, technical, occupational, or other forms of progress, toward such a credential or employment; and
6. **Effectiveness in Serving Employers:** This indicator will not be included in the local negotiation process for PY 2022 and PY 2023.⁵

Local Negotiation Process

The following is the negotiation process that the State, will utilize with each Local Area:

1. DWD, in collaboration with the GWC, will provide each Local Area with the State Performance Levels and the proposed local performance goals. For PY 2022 and PY 2023, the state-proposed local performance goals are an average between each Local Area's established PY 2021 Goals and PY 2021 Actual Levels (through March 31, 2022). The following three measures are exceptions to this this calculation due to the required minimum levels of performance for USDOL:
 - a. WIOA Adult Measurable Skills Gains

⁵ See TEGL 11-19 for more detail on DOL's approach to this indicator, which will be measured as a shared outcome across all six core programs within each state to ensure a holistic approach to serving employers. States are not required to submit an expected level of performance for the Effectiveness in Serving Employers indicator for PY 2022 and PY 2023. However, core programs are expected to collect data and select one agency to report joint results for this indicator for PY 2020 and PY 2021 as they did for PY 2020-21 and PY 2016-19 plans.

- b. WIOA Dislocated Worker Measurable Skills Gains
- c. WIOA Youth Measurable Skills Gains

****The state recognizes the continued impact of COVID-19 on performance and will work with Local Areas at the end of the performance period to adjust for COVID-19 and/or other factors that may impact performance.***

2. If the Local Area accepts the proposed performance levels, acceptance must be formally acknowledged via email to policy@dwd.in.gov by close of business, **Friday, August 12, 2022**.
3. If the Local Area wishes to negotiate the proposed performance levels, a formal request to schedule negotiation must be submitted via email to policy@dwd.in.gov by close of business, **Friday, August 12, 2022**.

****This request must include proposed alternative levels and justification for each proposed change to the performance indicators.***

4. Negotiations, if needed, will occur during August – September 2022, with negotiations to be finalized **no later than September 30, 2022**.
5. Upon completion, each Local Area will receive confirmation from the State of the agreed upon local performance levels for PY 2022 and PY 2023.

****Local Areas must include the final agreed upon performance levels in their WIOA Local Plans.***

Action

Each Local Area must submit via email (policy@dwd.in.gov) their acceptance or request to schedule negotiation of proposed local performance goals by close of business on **August 12, 2022**.

Additional Information

Questions regarding the content of this publication should be directed to DWD Policy: policy@dwd.in.gov.

Attachments

Attachment A - State Performance Levels

Attachment A State Performance Levels

Indiana WIOA Negotiated Levels of Performance for PY 2022 and 2023		
Performance Indicator	Negotiated Level	
	PY 2022	PY2023
ADULT		
Employment Rate 2 nd Quarter after Exit	77.4%	77.4%
Employment Rate 4 th Quarter after Exit	76.5%	76.5%
Median Earnings 2 nd Quarter after Exit	\$6,760	\$6,760
Credential Attainment within 4 Quarters after Exit	68.0%	68.0%
Measurable Skill Gains	61.0%	63.0%
Effectiveness of Core Programs Serving Employers	Baseline	Baseline
DISLOCATED WORKER		
Employment Rate 2 nd Quarter after Exit	74.7%	74.7%
Employment Rate 4 th Quarter after Exit	75.6%	75.6%
Median Earnings 2 nd Quarter after Exit	\$8,098	\$8,098
Credential Attainment within 4 Quarters after Exit	72.0%	72.0%
Measurable Skills Gain	61.0%	63.0%
Effectiveness in Serving Employers	Baseline	Baseline
YOUTH		
Employment or Education Rate 2 nd Quarter after Exit	78.4%	78.4%
Employment or Education Rate 4 th Quarter after Exit	78.6%	78.6%
Median Earnings 2 nd Quarter after Exit	\$3,341	\$3,341
Credential Attainment within 4 Quarters after Exit	65.0%	65.0%
Measurable Skills Gain	65.0%	65.0%
Effectiveness in Serving Employers	N/A	N/A
WAGNER-PEYSER <i>(This category will <u>not</u> be negotiated with the local WDBs.)</i>		
Employment Rate 2 nd Quarter after Exit	74.0%	74.0%
Employment Rate 4 th Quarter after Exit	69.0%	69.0%
Median Earnings 2 nd Quarter after Exit	\$7,500	\$7,500