



## **Workforce Innovation and Opportunity Act Title I Performance Assessment**

### **WORKFORCE SYSTEM POLICY**

Effective Date: Effective Upon Publication

Last Revised: September 30, 2024

**Policy Owner:** Pennsylvania Department of Labor & Industry Bureau of Workforce Development Administration

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### **Purpose of the Policy**

This policy establishes procedures for local workforce development boards (LWDBs), to negotiate and reach agreement with the commonwealth on Local Workforce Development Area (LWDA) levels of Workforce Innovation and Opportunity Act (WIOA) Title I programs primary indicators of performance. Included is an explanation of the criteria to be used in assessing program performance.

### **Scope**

This policy applies to the Commonwealth's LWDA chief elected officials (CEOs) and LWDBs.

### **Related Pennsylvania Department of Labor & Industry Workforce System Policies**

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

### **Definitions**

**Commonwealth Workforce Development System (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 (TAA) activity in Pennsylvania.

**Credential Attainment Rate** 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/recognized equivalent 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 the percentage of program participants who were retained with the same employer in the second and fourth quarters following a participant's exit from a WIOA core program.

**Exit from Common Measures** occurs when a participant, enrolled in a single or concurrently in multiple WIOA Performance Assessment

partner programs, has not received services from any USDOL-administered program in which the participant is enrolled, for at least 90 days, and no future services are planned. Then, a soft exit occurs and as a result, the participant is exited from the Common Measures Reporting Cycle in CWDS.

**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 WIOA 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 Rate** is 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.

**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 WIOA 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.*

**Workforce Innovation and Opportunity Act (WIOA) Core Programs** The six core WIOA programs are the Adult, Dislocated Worker, and Youth programs, authorized under WIOA title I and administered by the U.S. Department of Labor (USDOL); the Adult Education and Family Literacy Act (AEFLA) program, authorized under WIOA title II and administered by the US Department of Education (ED); the Employment Service program authorized under the Wagner-Peyser Act, as amended by WIOA title III and administered by DOL; and the Vocational Rehabilitation (VR) program authorized under title I of the Rehabilitation Act of 1973, as amended by WIOA title IV and administered by ED.

### Procedures

**WIOA Title I Programs Primary Indicators of Performance:** CEOs, and by extension, LWDBs are held (or will be held per USDOL guidance) to six primary indicators of performance established by WIOA for the Title I Adult, Dislocated Worker, and Youth programs. Table 1 identifies each indicator and the programs the indicator applies to.

**Table 1. WIOA Title I Programs Performance Assessment Criteria**

<b>Primary Indicators</b>	<b>Adult</b>	<b>Dislocated Worker</b>	<b>Youth</b>
Second Quarter Employment Rate	Yes	Yes	Yes
Fourth Quarter Employment Rate	Yes	Yes	Yes
Median Earnings	Yes	Yes	Yes
Credential Attainment	Yes	Yes	Yes
Measurable Skill Gains	Yes	Yes	Yes
Effectiveness in Serving Employers	Starting in PY 2024	Starting in PY 2024	Starting in PY 2024

**Determining Successful Local Workforce Development Area WIOA Title I Performance**

**Step 1: Negotiation of Performance Goals**

Performance goals are established biennially at the state and local area levels through a negotiation process. State-level negotiations begin in the spring and must be completed by June 30. Local-area level negotiations begin upon completion of the state-level negotiations and must be completed by September 30.

The negotiation process includes four types of performance goals:

1. Expected levels of performance – requested levels of performance for each of the WIOA primary indicators of performance are established at the local area level by the LWDBs who act on behalf of the local area’s CEO(s). LWDBs act as the starting point of the negotiations.
2. Estimated levels of performance – levels of performance derived from the local statistical adjustment model using historical trends of performance, participant characteristics and economic conditions.
3. Negotiated levels of performance – performance goals that are agreed upon by the parties involved in the negotiation process.
4. 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.

Negotiation Process

*A. Negotiation Initiation*

At the beginning of each negotiation cycle, L&I will provide LWDBs with the estimated levels of performance. These estimates are provided as a guide for LWDBs to develop expected levels of performance. Each LWDB must review this information and respond to L&I with its proposed goals and a narrative justification, if required, of the level for each indicator within a reasonable timeframe that will be communicated to the LWDBs.

### *B. Evaluation Criteria*

Upon receipt, L&I will review the expected levels of performance and justification submitted by the LWDB. 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

### *C. Reaching Agreement*

L&I will coordinate with each LWDB to negotiate an agreement, which may be done in writing or via a conference 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 L&I's website. LWDBs shall publish the negotiated levels of performance within the board's approved WIOA local area plan using a table template provided by L&I. LWDBs must update the published WIOA local area plan's Title I performance table with current performance information as it is provided by L&I; this action will not cause a local area plan modification.

### **Step 2: Deriving Adjusted Levels of Performance**

Following the conclusion of the program year, the statistical adjustment model provided at the beginning of the negotiation process is updated with data on the actual economic conditions experienced in the local area and the characteristics of the participants served during the program year. The model produces a revised estimated level of performance for the given program year. The difference between the initial estimated level of performance and the revised estimated level of performance is then applied to the negotiated level of performance, resulting in the adjusted levels of performance.

### **Step 3: Assessment of Performance**

LWDAs will be evaluated annually based on three criteria as applied to the WIOA Title I Adult, Dislocated Worker, and Youth programs administered locally. The evaluation will commence after certification of the annual performance data on October 1 as required in Training and Employment Guidance Letter (TEGL) No. 03-17. Results of this evaluation will be distributed to LWDBs upon completion.

These criteria, listed below, mirror the criteria by which state-level performance will be evaluated.

1. 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.
2. 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 Title I program.
3. Overall indicator score – the individual indicator score for each of the primary indicators of performance across all core Title I programs are averaged to calculate the state indicator score. Note that the individual indicator score must be calculated first.

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 & Performance Thresholds**

Assessment of local area-level performance will mirror the methodology used by USDOL to assess state-level performance as laid out in TEGl 11-19, Change 1. Assessment 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:

1. Any of the individual indicator scores fall below 50 percent for the PY
2. Any overall program score falls below 90 percent for the PY
3. Any overall indicator score falls below 90 percent for the PY

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

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

Information specific to performance reporting and assessment for PY 2022 and PY 2023 is included within **Attachment A** which accompanies this policy. Previous program years (i.e., 2020 and 2021) performance accountability information was moved to **Attachment B** as a reference.

### **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.

### **Resources**

- Attachment A: WIOA Title I Programs Performance Accountability Assessment for Program Year 2022 and 2023
- Attachment B: WIOA Title I Programs Performance Accountability Assessment for Program Years 2020 and 2021
- Attachment C: August 2022 and 2020 Public Comments and Responses
- Attachment D: 2024 Epilogue

### **Supporting Information**

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

- Workforce Innovation and Opportunity Act, or WIOA, Pub. L. 113-128, Section 116, Performance Accountability System, July 22, 2014
- WIOA 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, 20 Code of Federal Regulations, or CFR, parts 677.190, 677.200 and 677.220, August 19, 2016
- Training and Employment Guidance Letter, or TEGl, No. 10-16, Change 3 Performance

Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Core Programs, June 11, 2024

- TEGL No. 03-17, WIOA Annual Performance Report Submission, September 12, 2017
- TEGL No. 09-17 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 PY 2018 and PY 2019, February 16, 2018
- TEGL No. 11-19, Change 1, Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act (WIOA) Core Programs, May 10, 2023
- Training and Employment Notice, or TEN, No. 14-21 Workforce Innovation & Opportunity Act (WIOA) Core Program Performance Accountability Assessment for Program Years (PYs) 2020 and 2021, October 27, 2021
- TEN No. 04-23, Workforce Innovation and Opportunity Act (WIOA) Core Program Performance Accountability Assessment for Program Year (PY) 2022, August 11, 2023
- TEN No. 04-24, Workforce Innovation and Opportunity Act (WIOA) Core Program Performance Accountability Assessment for Program Year (PY) 2022, August 14, 2024
- L&I Workforce System Policy, or WSP, No. 01-2015 (Change 1), Pennsylvania's Workforce System of Record, July 20, 2018
- L&I WSP No. 184-02 (Change 1), Sanctions, February 13, 2019

### **Publication**

To support the Pennsylvania Workforce Development Board's (PA WDB) November 2019 recommendation related to data transparency and continuous improvement of the workforce development system, L&I and the PA WDB will develop an online dashboard to allow public access to WIOA performance data by LWDB.

### **Public Comment**

This policy was originally published for public review and comment in 2020 and, after revision, again on Aug. 1, 2022, through August 15, 2022. Refer to **Attachment C** to review the August 2022 comments and responses.

The latest version of Pennsylvania's WIOA Performance Assessment Attachments B and C were posted for public comment from April 3, 2024, until May 2, 2024. One comment was received which resulted in two changes due to Training and Employment Notice 24-23. Refer to **Attachment D** to review the 2024 comment and response.

### **Summary of Key Changes**

To respond to the release of TEN 04-23 on August 11, 2023, and TEN 04-24 on August 14, 2024, this policy and **Attachment A** were re-revised to summarize the WIOA Title I performance indicator negotiation and reporting requirements for PY 2022 and PY 2023.