

**Workforce Development System
Technical Advisory # 17-5
May 31, 2017**

To: Workforce Development Community

SUBJECT: Primary Indicators of Performance: Local Workforce Development Area Goals and Negotiations for Workforce Innovation and Opportunity Act Program Years 2016 and 2017, Titles I and III.

PURPOSE

Establish policy on Program Year (PY) 2016 and PY 2017 performance goals for the Primary Indicators of Performance under the Workforce Innovation and Opportunity Act (WIOA) Title I Adult, Dislocated Workers (DW) and Youth programs, and Title III Wagner-Peyser Act (W-P) program.

Establish procedures for Local Workforce Development Boards (LWDBs) to negotiate and reach agreement with the State on Local Workforce Development Area (LWDA) goals for the Primary Indicators of Performance.

Rescind and replace prior State policy issued in Workforce Development System Technical Advisory (WDS-TA) #15-09: New York State Policy on PY 2015 Common Measures/Customer Service Indicators for LWDA Performance for WIOA Title 1B Program and the Wagner-Peyser Act Program (September 30, 2015).

POLICY

WIOA Primary Indicators of Performance

The six primary indicators of performance under WIOA are:

1. Second Quarter Employment Rate – 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 participants in education or training activities, or in unsubsidized employment during the second quarter after exit);
2. Fourth Quarter Employment Rate – 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 participants in education or training activities, or in unsubsidized employment during the fourth quarter after exit);

3. Median Earnings – The median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;
4. Credential Attainment – 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, certificate of completion or certificate approved by the NYS Education Department (SED) or another State agency, or a secondary school diploma. 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 NYS Education Department (SED) or another State agency 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 toward such a credential or employment. Measureable skill gains are defined as documented academic, technical, occupational, or other forms of progress toward a postsecondary credential or employment; and
6. Business Indicators – Effectiveness in serving businesses.
 - a. Repeat Business Customers (percentage of repeat businesses using services within the previous three years); and
 - b. Business Penetration Rate (percentage of businesses using services out of all businesses in the State).

Note that only four (4) of these indicators are applicable to the WIOA Title III (W-P) program: Second Quarter Employment Rate; Fourth Quarter Employment Rate; Median Earnings; and Business Indicators.

Negotiating Performance Goals in PY 2016 and PY 2017

To accommodate the transition to the Primary Indicators of Performance under WIOA, USDOL/ETA categorized the Primary Indicators of Performance into two categories:

1. Baseline Indicators – No performance goals are established and they are not negotiated.
2. Negotiated Indicators – Performance goals are established and NYSDOL is required to allow LWDBs to negotiate goals.

Baseline Indicators

The Primary Indicators of Performance categorized as “baseline indicators” for PY 2016 and PY 2017 by applicable program are:



- Measurable Skill Gains – Adult, DW and Youth programs.
- Business Indicators – Adult, DW and Youth programs.
- Median Earnings – Youth programs.

Indicators are categorized as baseline because historical data is insufficient to negotiate performance goals, therefore baseline indicators are non-negotiable. Baseline indicators for PY 2016 and PY 2017 are intended to collect data to compute baseline outcomes. The baseline outcomes will then be used to establish goals in subsequent program years. Baseline indicators are not considered in end of the year calculations and are not considered in performance accountability purposes.

Negotiated Indicators

Primary Indicators of Performance categorized as “Negotiated Indicators” for PY 2016 and PY 2017 by applicable program are:

- Second Quarter Employment Rate – Adult, DW, and Youth programs.
- Fourth Quarter Employment Rate – Adult, DW, and Youth programs.
- Median Earnings – Adult, and DW programs.
- Credential Attainment – Adult, DW, and Youth programs.

Performance Goals for Negotiated Indicators

NYSDOL calculated LWDA goals for PY 2016 and PY 2017 based on the statistical adjustment model developed by USDOL/ETA and US Department of Education. The model is based on historical data reported by States under the Workforce Investment Act, which is used as a proxy for WIOA performance goals. The expected performance goals for the Negotiated Indicators by LWDA are provided in ***Attachment A***.

Negotiated LWDA goals for PY 2017 are revised at the end of the program year using the statistical adjustment model, resulting in adjusted LWDA goals. The statistical adjustment model accounts for changes in economic conditions and characteristics of participants served over the program year.

Assessment of Performance

WIOA establishes criteria to assess performance at the: State Level; and LWDA Level. The following describes each of these criteria.

State Level Performance

State level performance is assessed by USDOL/ETA based on three measures: Program score; Indicator score; and an Individual Indicator score, as follows.

- Program score – actual outcomes of a core program across all indicators are compared to the adjusted levels of performance for that program. The

percentages are then averaged, resulting in the overall State program score for each core program.

- Indicator score – the individual indicator score for each of the primary indicators of performance across all programs are averaged to calculate the State indicator score. Note that the individual indicator score has to be calculated first.
- Individual indicator score – the actual results for each of the primary indicators of performance are compared to the adjusted levels of performance within each program.

State performance is considered unsatisfactory (i.e., performance failure) when:

- Any overall Program score falls below 90 percent for the program year;
- Any overall Indicator score falls below 90 percent for the program year; or
- Any of the Individual Indicator scores fall below 50 percent for the program year.

If the State receives an unsatisfactory rating, then the State will receive technical assistance and assistance in the development of a Performance Improvement Plan (PIP) provided by the USDOL/ETA. Furthermore, fiscal sanctions will be applied if the State receives an unsatisfactory rating on the same measure for two consecutive years.

Fiscal sanctions related to unsatisfactory performance will not be imposed until at least two (2) full years of complete outcome data has been reported. Data to be considered for fiscal sanctions under WIOA will include the complete outcome data beginning July 1, 2016, previous data reported under WIA or WIOA will not be considered. Additional guidance on the sanctions process will be provided at a later date as outcome data becomes available.

LWDA Performance

LWDA performance is assessed by NYSDOL on the individual indicator level only, calculated in the same way as at the State level. It is also limited to performance of the Title I programs (Adult, DW, and Youth programs). Performance outcomes (actual results) for the Negotiated Indicators will be compared to the adjusted levels of performance at the close of the program year to determine if local area performance goals were achieved. Baseline indicators are excluded from this process.

WIOA allows the State flexibility in defining unsatisfactory performance at the Local level. As such, the unsatisfactory performance threshold is an outcome-to-goal ratio of less than 80% for an indicator for a program year.

The LWDB must develop a PIP for unsatisfactory performance on an indicator in a program year. NYSDOL will also provide technical assistance, which may include assistance in the development of the PIP and/or other actions designed to assist the local area in improving performance.

If a local area receives unsatisfactory performance for the same indicator for three consecutive program years, the Governor must take corrective action which includes development of a reorganization plan. The Governor will:

- Require the appointment and certification of a new LWDB; or
- Prohibit the use of eligible providers and one-stop partners that have been identified as achieving poor levels of performance; or
- Take other significant actions as deemed appropriate.

Fiscal sanctions are not imposed at the local level for unsatisfactory performance. However, unsatisfactory performance by LWDA's will negatively impact State performance, which can cause fiscal sanctions on the State should the impact cause unsatisfactory performance at the State level.

ACTION

Local Workforce Development Boards must:

1. Ensure all NYS Career Center staff understand the Primary Indicators of Performance, local area goals, and the operational procedures to achieve the goals.
2. Collaborate with One-Stop Career Center Managers to determine whether the PY 2016/PY 2017 proposed local area goals for any of the performance indicators need to be negotiated.
3. Decide whether to negotiate local level Primary Indicators of Performance goals.

Due to the newness of the performance measures, there will not be sufficient data to calculate performance during PY 2016. Therefore, LWDBs are encouraged to negotiate PY 2016 LWDA goals to a level of zero, ensuring that no LWDA will be considered in unsatisfactory performance for the program year.

LWDBs that decide to negotiate performance goals for PY 2016 and PY 2017 must submit a request to NYSDOL by June 9, 2017. The request must be emailed to: DEWS.Performance@labor.ny.gov, with copy to the State Representative, and with the subject line "{LWDA Name} Request to Negotiate Performance Goals."

The body of the email must demonstrate collaboration with Career Center Managers in the LWDA, and contain:

- a. The program year(s) the LWDB wishes to negotiate
- b. The indicator(s) the LWDB wishes to negotiate and the desired goal for each indicator; and
- c. Justification of the level of desired goal.

Upon receipt of a request for negotiation from an LWDB, NYSDOL will coordinate with the LWDB to negotiate agreement on the goals for the identified indicator(s).



The negotiation process will be via email. If NYSDOL and the LWDB are unable to reach agreement via email, then NYSDOL will schedule a conference call to complete the negotiation process.

REFERENCES

[WDS-TA#15-9](#), issued September 30, 2015, New York State Policy on Program Year 2015 Common Measures/ Customer Service Indicators for Local Workforce Development Area Performance for the Workforce Innovation and Opportunity Act Title 1B Program and the Wagner-Peyser Act Program.

Training and Employment Guidance Letter ([TEGL No. 26-15](#)), issued June 29, 2016, 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, for Program Year (PY) 2016 and PY 2017.

Workforce Innovation and Opportunity Act §463.155, §677.155, §677.190, §677.200, and §677.220 issued August 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.

[Training and Employment Guidance Letter \(TEGL\) No. 10-16](#), issued December 19, 2016, Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III and Title IV Core Programs.

ATTACHMENTS

[Attachment A: Primary Performance Indicator Goals for Local Workforce Development Areas for PY 2016 and PY 2017](#)

INQUIRIES

Questions regarding this TA may be directed to DEWS.Performance@labor.ny.gov