

**ALABAMA WORKFORCE INVESTMENT SYSTEM**  
**Department of Commerce**  
**Workforce Development Division**  
**401 Adams Avenue**  
**Post Office Box 5690**  
**Montgomery, Alabama 36103-5690**

November 16, 2016

**GOVERNOR'S WORKFORCE INNOVATION DIRECTIVE NO. PY2015-16, Change 01**

**SUBJECT:** Local Area Performance Management Policy

1. Purpose. This directive transmits policies and procedures for local area performance goals negotiations, incentive awards, and sanctions.
  
2. Discussion. The Workforce Innovation and Opportunity Act (WIOA) Section 116(c)(2) requires negotiation of performance goals between the State and local areas (local board and chief elected official). WIOA Section 134(a)(3)(A)(xi) provides for the awarding of incentive payments to local areas, which demonstrate exceptional WIOA program performance accountability measures described in WIOA Section 116(c). Local areas that meet or exceed their negotiated performance goals are eligible to receive incentive awards. WIOA Section 116(g) indicates the sanctions that may be levied against local areas that perform below their negotiated performance goals.

Section 116 of the WIOA Act 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. WIOA has increased accountability via the establishment of common measures across core programs and has increased accountability and transparency through reporting and program evaluations. 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. While WIA allowed eligible States to receive incentive awards for exceeding their adjusted levels of performance in Title I and Title II, WIOA eliminates the incentives provision and instead applies sanctions for States that fail to meet their performance targets.

Acceptable Performance, which is the minimum allowable for performance, is now ninety (90%) percent of the negotiated level of performance. Performance on an individual measure is interpreted according to the criteria below.

**Exceeds:** Actual performance is greater than 100% of the negotiated level.

**Meets:** Actual Performance is between 90% and 100% of the negotiated level.

**Fails:** Actual Performance is less than 90% of the negotiated level.

Sanctions for local areas that fail to meet performance targets are subject to the following:

Year 1- Mandatory Technical Assistance

Year 2- Mandatory Technical Assistance

Year 3- Reorganization, prohibit specific providers, other potential actions

Should the State fail to meet its negotiated target, the Secretaries of Labor and Education must provide technical assistance in the development of a performance improvement plan. If the State fails to meet its target for a second consecutive year, the Governor's reserve fund for statewide workforce investment activities must be reduced by 5 percent.

The attached policy has been updated to include the performance measures in more detail and provides further information on performance accountability.

3. Action. Please review the attached documents and retain for future reference and ensure that all appropriate staff and local chief elected officials are aware of the policy for performance, incentive awards as well as the sanctions policy.
4. Contact. Any questions should be referred to Bill Hornsby, Supervisor, State Programs, Planning and Divisional Budget Management Section at (334) 242-5847 or via email: [bill.hornsby@commerce.alabama.gov](mailto:bill.hornsby@commerce.alabama.gov).



Steve Walkley, Division Director  
Workforce Development Division  
Alabama Department of Commerce

11/14/2014

Date

Attachments:

Attachment 1 - Performance Goals Policy

## WIOA PERFORMANCE MEASURES

### ❖ Performance Accountability

Section 116 of the WIOA Act outlines the purpose of Performance Accountability:

- 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.

Similar to WIA, 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. WIOA has increased accountability via the establishment of common measures across core programs and has increased accountability and transparency through reporting and program evaluations.

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. While WIA allowed eligible States to receive incentive awards for exceeding their adjusted levels of performance in Title I and Title II, WIOA eliminates the incentives provision and instead applies sanctions for States that fail to meet their performance targets.

- ✓ Acceptable Performance- The floor for acceptable performance is 90 percent of the negotiated level of performance. Performance on an individual measure is interpreted according to the criteria below.

<p><b>Exceeds:</b> Actual performance is greater than 100% of the negotiated level. <b>Meets:</b> Actual Performance is between 90% and 100% of the negotiated level. <b>Fails:</b> Actual Performance is less than 90% of the negotiated level.</p>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Sanctions- Local Areas that Fail to meet performance targets are subject to the following:

- Year 1- Mandatory Technical Assistance
- Year 2- Mandatory Technical Assistance
- Year 3- Reorganization, prohibit specific providers, other potential actions

As outlined in Section 416 of the Act; if the State fails to meet its target, the Secretaries of Labor and Education must provide technical assistance in the development of a performance improvement plan. If the State fails to meet its target for a second consecutive year, the Governor's reserve fund for statewide workforce investment activities must be reduced by 5 percent.

## **Accountability Summary**

WIOA strengthens performance accountability and has greater transparency. WIOA ensures that Federal investments in employment and training programs are accountable to job seekers, employers, customers, and taxpayers. WIOA establishes common performance measures across the four core programs and also requires other programs authorized by the Act to report on the same indicators. In addition, WIOA requires the establishment of primary indicators on credential attainment and skills gain and on the effectiveness of services to employers. WIOA also requires states, localities, and eligible training providers to publish performance data using common templates developed by the Secretary of Labor and the Secretary of Education.

### **❖ Performance Measures**

#### **Overview**

WIOA performance measures are applicable to all core programs, which are:

- Title IB: Adult Program
- Title IB: Dislocated Worker Program
- Title IB: Youth Program
- Title II: Adult Education Family Literacy Act
- Title III: Wagner-Peyser Employment Services
- Title IV: Vocational Rehabilitation

#### **Who is included in Performance**

Participants must be included in performance calculations if they have received Staff-Assisted services. All performance measures, with the exception on Measurable Skills Gain, are calculated after a participant has Exited from the program.

*Note:* A participant who has exited has not received any services for 90 days and no future services are planned. This does not include self-service, information-only activities, or follow-up services.

## Primary Indicators of Performance

### **Adult and Dislocated Worker:**

- Entered Employment- % of participants who are in unsubsidized employment during the *2<sup>nd</sup> quarter* after exit from the program
- Employment Retention- % of participants who are in unsubsidized employment during the *4<sup>th</sup> quarter* after exit from the program
- \*Median Earnings- Median earnings of participants who are in unsubsidized employment during the *2<sup>nd</sup> quarter* after exit from the program
- Credential Rate-% of participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent during participation or within *1 year* after exit from the program (not applicable for Wagner-Peyser)
- \*Measurable Skill Gains- % of participants who during the 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 credential or employment. (not applicable for Wagner-Peyser)
- \*Employer Satisfaction- Indicators of effectiveness in serving employers

\*-New for WIOA—See additional explanations below

### **Youth programs:**

- Placement in Employment/Education/Training-% of participants who are in education or training activities, or in unsubsidized employment, during the *2<sup>nd</sup> quarter* after exit from the program
- Retention in Employment/Education/Training- % of participants who are in education or training activities, or in unsubsidized employment during the *4<sup>th</sup> quarter* after exit from the program
- Median Earnings- Median earnings of participants in unsubsidized employment during the *2<sup>nd</sup> quarter* after exit
- Credential Attainment Rate-% of Youth who obtain a recognized postsecondary credential or a secondary school diploma# or its recognized equivalent during program participation or within *1 year* after exit from program.



*#-Secondary School Diploma/Equivalency:* Counts only if the participant is employed or enrolled in a training program leading to a recognized postsecondary credential within 1 year after exit from program.

- Measurable Skill Gains- % of participants who during the 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 credential or employment

---

\*\* -Additional WIOA Explanations:

➤ Median Earnings 2<sup>nd</sup> Quarter after Exit

Median earnings of participants who are in unsubsidized employment during the 2<sup>nd</sup> quarter after exit from the program. The median is the middle number in a series of numbers.

Example: 7, 9, 11, 18, 22, 27, 30

In this series of numbers, the Median would be: 18

➤ Measurable Skills Gain

Percentage of participants who, during a program year, are in an education or training program which leads to a recognized postsecondary credential or employment and who are achieving measureable skill gains toward such a credential or employment. This measure has 5 components:

- Educational Functioning Level
- Attain High School Diploma/Equivalent
- Secondary/Postsecondary Transcript or Report Card
- Training Milestone
- Skills Progression

**What are considered Positive Measurable Skill Gains?**

Educational Functioning Level: Achievement of at least 1 educational functioning level of a participant who received educational instruction below the postsecondary level. These are participants that have low levels of literacy or are basic skills deficient at program entry who had a successful outcome.

Attained Secondary School Diploma/Equivalent: Those participants that did not have a secondary education diploma at program entry who had a successful outcome.

Transcript or Report Card: For those participants that have a transcript or report card for either secondary or postsecondary education for 1 academic year (or 24 credit hours) that shows they are achieving the state unit's policies for academic standards. Satisfactory Academic Progress has been defined as attaining a 2.0 grade point average (GPA) or maintaining a 'C' average within the core curriculum. These are participants who are enrolled in either secondary education or postsecondary education at program entry or during the period of participation who had a successful outcome.

Training Milestone: Satisfactory or better progress report, towards established milestones from an employer/training provider who is providing training. These are participants who are enrolled in On-the-job Training, Apprenticeship or Work Experience during program participation who have a successful outcome (e.g., completion of On-the-Job training, completion of 1 year of an apprenticeship program or work experience).

Skills Progression: Participants enrolled in education or training during the program who successfully passes an exam that is required for a particular occupation, progress in attaining technical or occupational skills as evidenced by trade-related benchmarks such as knowledge-based exams.

**Notes:**

- A participant can attain multiple Skill Gains (e.g., A Youth who gains an EFL and then passes the GED would garner 2 Measurable Skill Gains for performance purposes).
- Measurable Skill Gains performance measures are reported in *real time* (within current program year), not reliant on an Exit date.

➤ Effectiveness in Serving Employers

This measure has 3 components:

- Retention with *same* employer in the 2<sup>nd</sup> and 4<sup>th</sup> quarters after Exit
- Employer Penetration Rate
- Repeat Business

Retention: Participants who exited during the reporting period who were employed by the *same* employer during the 2<sup>nd</sup> quarter after exit and the 4<sup>th</sup> quarter after exit. This will be captured during *Follow-up*, not UI wage information.

**Note:** Keep in mind the Effectiveness in Serving Employers Retention Rate is different than the Employment Retention rate for Adults/Dislocated Workers or Youth

Employer Penetration: The number of establishments, as defined by the Bureau of Labor Statistics Quarterly Census of Earnings and Wages program, that received a service or, if it is an ongoing activity, are continuing to receive a service or other assistance during the reporting period.

Repeat Business: The number of establishments, as defined by Bureau of Labor Statistics Quarterly Census of Earnings and Wages program, that receive an employer service or other assistance during the reporting period AND received an employer service anytime within the previous 3 program years.

## Performance Goals

### Statewide Negotiated Performance Goals

<u>Adult</u>	<u>PY16</u>	<u>PY17</u>
	<i>(90% Thresholds)</i>	
Employed 2 <sup>nd</sup> Quarter after Exit	72.3% (65.1%)	75.3% (67.8%)
Employed 4 <sup>th</sup> Quarter after Exit	70.4% (63.4%)	73.4% (66.1%)
Median Earnings 2 <sup>nd</sup> Quarter after Exit	\$5,250 (\$4,725)	\$5,550 (\$4,995)
Credential Attainment within 4 Quarters after Exit	52.8% (47.5%)	53.8% (48.4%)

### Dislocated Worker

Employed 2 <sup>nd</sup> Quarter after Exit	75.0% (67.5%)	78.0% (70.2%)
Employed 4 <sup>th</sup> Quarter after Exit	72.0% (64.8%)	75.0% (67.5%)
Median Earnings 2 <sup>nd</sup> Quarter after Exit	\$6,000 (\$5,400)	\$6,300 (\$5,670)
Credential Attainment within 4 Quarters after Exit	52.5% (47.2%)	55.5% (49.9%)

### Youth

Employed 2 <sup>nd</sup> Quarter after Exit	50.0% (45.0%)	53.0% (47.7%)
Employed 4 <sup>th</sup> Quarter after Exit	61.5% (55.4%)	64.5% (58.1%)
Credential Attainment within 4 Quarters after Exit	49.8% (44.8%)	52.8% (47.5%)

**Note:** Baselines for *Measurable Skill Gains* and *Effectiveness in Serving Employers* will be established after PY16

## Eligible Training Providers Performance

WIOA establishes performance and reporting requirements for Eligible Training Providers (ETPs). ETPs are required to submit annual Performance Reports. Results will apply to both WIOA and **ALL** student populations.



Primary Indicators of Performance with respect to all individuals engaging in the *program of study*\*:

- Entered Employment Rate-% of participants in unsubsidized employment 2<sup>nd</sup> quarter after exit
- Employment Retention Rate-% of participants in unsubsidized employment 4<sup>th</sup> quarter after exit
- Median Earnings- of participants in unsubsidized employment 2<sup>nd</sup> quarter after exit
- Credential Rate- % of participants who obtain recognized credential during participation or 1 year after exit. *GED recipients must be employed or in another training program to be counted.*

#### Other ETP Reporting Elements

- Total # of Individuals Exiting- total # of students who completed, withdrew, or transferred from this program of study
- Total # of WIOA Training Participants by Funding Stream- for Adult/Dislocated Workers for current program year and preceding 3 years
- Total # of WIOA Training Exiters- total # of WIOA participants who received training services in this program of study who completed, withdrew, or transferred from this program of study in the reporting period and preceding 3 years
- Average Cost per WIOA Participant- average cost per WIOA participant who received training services in a program of study for current program year and preceding 3 years
- Number of Individuals with Barriers to Employment- by funding stream (Adult/Dislocated Workers), by subpopulation (Veterans, etc.), by demographics (age, race, gender, ethnicity)

\*-Types of 'Program of Study' include:

- Leading to an Industry-recognized certificate/credential
- Leading to a Certificate of Completion of an Apprenticeship
- Leading to a License recognized by State or Federal Government
- Leading to an Associate Degree
- Leading to a Baccalaureate Degree
- Leading to a Community College Certificate of Completion
- Leading to a Secondary School Diploma/Equivalent
- Leading to Employment
- Leading to a Measureable Skills Gain leading to a Credential
- Leading to a Measureable Skills Gain leading to Employment

**Time Periods for Reporting PY16 and PY17 WIOA Quarterly Reports**

**Program Year (PY) 2016 Time Periods to Be Reported**

<b>Report Quarter Report Due Date</b>	<b>July – Sept. November 14, 2016</b>	<b>Oct. – Dec. February 14, 2017</b>	<b>Jan. – Mar. May 15, 2017</b>	<b>Apr. – June August 14, 2017</b>
Number Served (Reportable Individual)	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17	7/01/16 to 6/30/17
Number Exited (Reportable Individual)	Data Not Available	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17
Funds Expended	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17	7/01/16 to 6/30/17
Number Served (Participant)	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17	7/01/16 to 6/30/17
Number Exited (Participant)	Data Not Available	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17
Employment Rate Second Quarter After Exit	Data Not Available	Data Not Available	Data Not Available	Data Not Available
Employment Rate Fourth Quarter After Exit	Data Not Available	Data Not Available	Data Not Available	Data Not Available
Median Earnings Second Quarter After Exit	Data Not Available	Data Not Available	Data Not Available	Data Not Available
Credential Attainment Rate	Data Not Available	Data Not Available	Data Not Available	Data Not Available
Measurable Skill Gains	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17	7/01/16 to 6/30/17
Effectiveness in Serving Employers	Data Not Available	Data Not Available	Data Not Available	Data Not Available
Veterans' Priority of Service	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17	7/01/16 to 6/30/17

**Program Year (PY) 2017 Time Periods to Be Reported**

<b>Report Quarter Report Due Date</b>	<b>July – Sept. November 14, 2017</b>	<b>Oct. – Dec. February 14, 2018</b>	<b>Jan. – Mar. May 15, 2018</b>	<b>Apr. – June August 14, 2018</b>
Number Served (Reportable Individual)	10/01/16 to 9/30/17	1/01/17 to 12/31/17	4/01/17 to 3/31/18	7/01/17 to 6/30/18
Number Exited (Reportable Individual)	7/01/16 to 6/30/17	10/01/16 to 9/30/17	1/01/17 to 12/31/17	4/01/17 to 3/31/18
Funds Expended	10/01/16 to 9/30/17	1/01/17 to 12/31/17	4/01/17 to 3/31/18	7/01/17 to 6/30/18
Number Served (Participant)	10/01/16 to 9/30/17	1/01/17 to 12/31/17	4/01/17 to 3/31/18	7/01/17 to 6/30/18
Number Exited (Participant)	7/01/16 to 6/30/17	10/01/16 to 9/30/17	1/01/17 to 12/31/17	4/01/17 to 3/31/18
Employment Rate Second Quarter After Exit	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17	7/01/16 to 6/30/17
Employment Rate Fourth Quarter After Exit	Data Not Available	Data Not Available	7/01/16 to 9/30/16	7/01/16 to 12/31/16
Median Earnings Second Quarter After Exit	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17	7/01/16 to 6/30/17
Credential Attainment Rate	Data Not Available	Data Not Available	7/01/16 to 9/30/16	7/01/16 to 12/31/16
Measurable Skill Gains	10/01/16 to 9/30/17	1/01/17 to 12/31/17	4/01/17 to 3/31/18	7/01/17 to 6/30/18
Effectiveness in Serving Employers	7/01/16 to 9/30/16	7/01/16 to 12/31/16	7/01/16 to 3/31/17	7/01/16 to 6/30/17
Veterans' Priority of Service	10/01/16 to 9/30/17	1/01/17 to 12/31/17	4/01/17 to 3/31/18	7/01/17 to 6/30/18

## ❖ Summary

Common performance indicators ensure federal investments in employment and training programs are evidence-based, data-driven, and accountable to participants and taxpayers. While WIA awarded incentive monies for exceeding performance, WIOA eliminates the incentive provision and instead applies sanctions that fail to meet performance targets.

DOL has outlined some proven strategies to succeed in meeting Performance:

- Match participants with compatible long-term employment that will meet their needs
- Prepare participants to secure employment that offers financial independence
- Identify training needed to meet an individual's employment goals
- Provide value to employers
- Collaborate and make appropriate referrals

The State and Local Areas are required to submit quarterly as well as annual reports that collect a broad array of information about programs and services. Some information is broken down by specific subpopulations in order to provide transparency about who is accessing services and the outcomes they achieve. For example, the annual performance report includes a breakout of those participants who have barriers to employment. Reportable barriers include:

- Displaced Homemaker
- Low-Income
- Older Individuals
- Ex-Offender
- Homeless Adult or Homeless/Runaway Youth
- Current or former Foster Care Youth
- English Language Learners
- Low Levels of Literacy
- Exhausting TANF within 2 years
- Single Parents (including single pregnant women)
- Long-Term Unemployed

Additionally, reports will include information on *Average Cost per participant*.

### **Why does WIOA Performance matter?**

Because we are in this together. If one of our partners fails, the entire State Fails. A Fail for one partner is a Fail for all!

## ❖ Additional Resources

[www.doleta.gov/performance](http://www.doleta.gov/performance) - Reporting information including Policy Guidance's and Q & A's  
**TEGL 22-15** issued May 12, 2016, "Data Validation and Performance Reporting Requirements"  
**OMB Control No. 1205-0521**; DOL Performance Accountability Information & Reporting System