

WORKFORCE INNOVATION NOTICE: 18-05

TO: Local Workforce Development Boards, WIOA Partner Programs

FROM: Governor's Workforce Board

SUBJECT: WIOA Performance Accountability Policy

DATE: Effective: February 15, 2018

- 1. PURPOSE:** The purpose of this policy is to establish a comprehensive WIOA performance accountability system for Rhode Island. The provisions of this policy are intended to hold the Governor's Workforce Board (GWB), Local Workforce Development Boards (LWDB), and partner programs accountable for the results obtained by their workforce development programs and systems. The policy is also intended to assess the effectiveness of workforce development activities and promote continuous improvement.
- 2. REFERENCES:** WIOA Section 116; TEGL 10-16 Change 1; 20 CFR Part 677
- 3. BACKGROUND:** All States submitting State WIOA Plan must propose expected levels of performance for each primary indicator of performance for the adult, dislocated worker, and youth programs under Title I of WIOA, the Adult Education and Family Literacy Act (AEFLA) program under Title II of WIOA, the Wagner-Peyser Act under Title III of WIOA, and the Vocational Rehabilitation Program as amended by WIOA (§677.155(a)). This policy is written in accordance with the guidelines in the Workforce Innovation and Opportunity Act.
- 4. INQUIRIES:** Questions concerning this issuance may be directed by phone or by email at:

Rhode Island Department of Labor and Training
Governor's Workforce Board RI
1511 Pontiac Avenue, Building 72-3
Cranston, Rhode Island 02920
(401) 462-8860 Phone (401) 462-8865 Fax
www.dlt.ri.gov | www.qwb.ri.gov

5. WIOA Performance Structure: The Workforce Innovation and Opportunity Act identifies, in specific titles, and focuses on four “core” programs (§677.155(a)). These programs are:

- Title I: WIOA Adult, WIOA Dislocated Worker, and WIOA Youth Programs
- Title II: Adult Education and Family Literacy (AEFLA)
- Title III: Wagner-Peyser
- Title IV: Vocational Rehabilitation

In accordance with §677.155(a)(1)(i-vi), the primary indicators of performance for the following programs in Rhode Island are:

WIOA Adult & Dislocated Worker Performance Measures

Employment Rate – Percentage of participants in unsubsidized employment in the second quarter after exit (Q2 post-exit).

Employment Retention – Percentage of participants in unsubsidized employment in the fourth quarter after exit (Q4 post-exit).

Median Earnings – Median earnings of participants in the second quarter after exit (Median earnings Q2 after exit).

Credential Rate – Percentage of participants with post-secondary credential attainment or high school diploma or GED during participation in the program or within one (1) year after exit.

Measurable Skills Gain – Percentage of participants who, during the PY, are in education or training programs that lead to recognized post-secondary credential or employment, and who achieve measurable skills gain (documented academic, technical, occupational or other forms of progress, toward the credential or employment).

WIOA Youth Performance Measures

Placement in Employment/Training/Education (E/T/E) – Percentage of participants who are in education and training, or in unsubsidized employment, during the second quarter after exit (Q2 post-exit).

Placement in (E/T/E) – Percentage of participants who are in education and training, or in unsubsidized employment, during the fourth quarter after exit (Q4 post-exit).

Median Earnings - Median earnings of participants in the second quarter after exit (Median earnings Q2 after exit).

Credential Rate - Percentage of participants with post-secondary credential attainment or high school diploma or GED during participation in the program or within one (1) year after exit.

Measurable Skills Gain - Percentage of participants who, during the PY, are in education or training programs that lead to recognized post-secondary credential or employment, and who achieve measurable skill gain (documented academic, technical, occupational or other forms of progress, toward the credential or employment).

Employer Effectiveness Measures

WIOA sec. 116(b)(2)(A)(i)(VI) requires the US Departments of Labor and Education to establish a primary indicator of performance for effectiveness in serving employers. In December 2016, the Departments announced they will be piloting three approaches designed to gauge three critical workforce needs of the business community.

Approach 1 – Retention with the same employer – addresses the programs' efforts to provide employers with skilled workers;

Approach 2 – Repeat Business Customers – addresses the programs' efforts to provide quality engagement and services to employers and sectors and establish productive relationships with employers and sectors over extended periods of time; and

Approach 3 – Employer Penetration Rate – addresses the programs' efforts to provide quality engagement and services to all employers and sectors within a State and local economy.

Since this indicator is a new approach for measuring performance under WIOA's six core programs, the Departments have implemented a pilot program during which States must select two of the three approaches. The Departments will evaluate state experiences with the various approaches and plan to identify a standardized indicator that the Departments anticipate will be implemented no later than the beginning of Program Year 2019.

The Governor's Workforce Board elects to adopt Approach 1 (Retention with the same employer) and Approach 3 (Employer Penetration Rate) at this time. The Board may revisit these measures in future and may adopt additional measures. These two approaches are measured as follows:

Approach 1 – Retention with the same employer: The number of participants with wage records who exit during the reporting period and were employed by the same employer during the second quarter after exit *and* the fourth quarter after exit DIVIDED by the number of participants with wage records who exit and were employed during the second quarter after exit.

Approach 3 – Employer Penetration Rate: The total number of establishments, as defined by the BLS QCEW 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 DIVIDED by the total number of establishments, as defined by BLS QCEW, located within the State during the final month or quarter of the reporting period.

6. WIOA Performance Definitions:

Participant

Under WIOA, the definition of “participant” establishes a common point of measurement at which an individual is meaningfully engaged in a core program. The term “participant” is defined as a reportable individual who has received staff-assisted services after satisfying all applicable programmatic requirements for the provision of services, such as eligibility determination (§677.150(a)).

For the AEFLA program, individuals who have been determined eligible and who have completed at least 12 contact hours in an adult education and literacy activity under AEFLA would be considered participants.

For the Vocational Rehabilitation program, individuals who have been determined eligible for services and who have an approved and signed Individual Plan for Employment (IPE) that outlines the services that the individual will receive would be considered participants.

The following individuals **do not** meet the definition of Participant:

- i. Individuals who have not completed at least 12 hours contact hours in the AEFLA program;
- ii. Individuals who only use the self-service system; and
- iii. Individuals who only receive information services or activities.

Reportable Individual

Under WIOA, a “reportable individual” is defined as one who has taken action that demonstrates intent to use program services and who meets specific reporting criterion of the core program (§677.150(b)). This criterion is:

- i. Individuals who provided identifying information;
- ii. Individuals who only use the self-service system; and
- iii. Individuals who only receive information services or activities.

Exit

For the purposes of performance calculations in all core programs, except Vocational Rehabilitation, exit is the point after which an individual who has received services through any program meets specific criteria (§677.150(c)). This criterion is:

- i. 90 days of no services has elapsed, and
- ii. No future services are planned

For the purposes of this definition, a participant’s use of self-service or the provision of information-only activities or follow-up services will not prevent a participant’s exit.

For the Vocational Rehabilitation program, an individual would be determined to have exited the program on the date the individual’s case is closed in accordance with the Vocational Rehabilitation program requirements. Under Vocational Rehabilitation, those individuals who have achieved a supported employment outcome at a subminimum wage are excluded from the definition of “exit”.

Measurable Skills Gain Documentation

Documentation verifying progression during participation in an education or training program includes the following:

- i. The achievement of at least one educational functioning level of a participant in an education program that provides instruction below the postsecondary level;
- ii. attainment of a high school diploma or its equivalent;
- iii. a transcript or report card for either secondary or post-secondary education for 1 academic year (or 24 credit hours) that shows a participant is achieving academic standards;
- iv. a satisfactory or better progress report, towards established milestones from an employer who is providing training (e.g., completion of on-the-job training (OJT), completion of 1 year of an apprenticeship program);
- v. the successful completion of 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; and
- vi. measurable observable performance that is based on industry standards. These definitions are critical for determining who is subject to performance calculations.

7. Negotiating Levels of Performance:

State

For each State submitting a WIOA State plan, there must be expected levels of performance for each of the corresponding primary indicators of performance for the programs listed in Section 5, for the first two years of the State Plan period.

States are required to submit expected levels of performance for the third and fourth program year before the third program year.

The State must reach agreement regarding levels of performance with the U.S. Secretaries of Labor and Education, based upon the following factors:

1. How the levels of performance compare with other States;
2. The application of an objective statistical model established by the Secretaries of Education and Labor;
3. How the levels of performance promote continuous improvement and ensures optimal return on investment of Federal funds; and
4. The extent to which the levels of performance assist the State in meeting the established performance goals set by the Secretaries of Education and Labor.

Local

For each local area, the local board, the chief elected official, and the Governor shall negotiate and reach agreement on local levels of performance based on the State adjusted levels of performance.

In negotiating the local levels of performance, adjustments for expected economic conditions and the expected characteristics of participants to be served in the local area shall be made. In addition, the negotiated local levels of performance applicable to a program year shall be revised to reflect actual conditions using the statistical adjustment model.

8. Measuring Performance Using Wage Records:

In accordance with §677.175, states must use quarterly wage record information in measuring the progress on State adjusted levels of performance for the primary indicators. The use of social security numbers from participants and such other information as is necessary to measure the progress of those participants through quarterly wage record information is authorized. The Governor's Workforce Board will help facilitate the necessary agreements and instruments between the core programs identified in Section 5 and the Unemployment Insurance Division within the Department of Labor and Training to share this wage record information.

9. Assessing Performance:

State

Three criteria will be used to assess the State's performance at the end of a PY. These are:

1. An overall State program score,
2. An overall State indicator score, and
3. Individual indicator scores.

Overall State Program Score: The average score based the percent of the State's adjusted goal achieved on each of the six primary indicators for a core program.

Overall State Indicator Score: The average score of the percent of the State's adjusted goal achieved across core programs on each of the six primary indicators.

Individual Indicator Score: The percent of the State's adjusted goal achieved on any single primary indicator for each of the six core programs.

Table 1 one page 8 illustrates the manner in which the State will be assessed using the overall State program score and the overall State indicator score. A failing average program score for any core program, a failing average indicator score for any indicator across programs, or a failing score on any individual indicator for each of the core programs would be a performance failure under WIOA.

Table I. State Program Score and State Indicator Scores – Thresholds for Unsatisfactory Performance

Indicator/Program	Title II Adult Education	Title IV Rehabilitation Services	Title I WIOA Adults	Title I WIOA Dislocated Workers	Title I Youth	Title III Wagner - Peyser	Average Indicator Scores
Employment 2nd Quarter After Exit	50% min.	50% min.	50% min.	50% min.	50% min.	50% min.	State Indicator #1
Employment 4th Quarter After Exit	50% min	50% min	50% min	50% min	50% min	50% min	State Indicator #2
Median Earnings 2nd Quarter After Exit	50% min	50% min	50% min	50% min	50% min	50% min	State Indicator #3
Credential Attainment Rate	50% min	50% min	50% min	50% min	50% min	N/A	State Indicator #4
Measureable Skill Gains	50% min	50% min	50% min	50% min	50% min	N/A	State Indicator #5
Effectiveness in Serving Employers	50% min	50% min	50% min	50% min	50% min	50% min	State Indicator #6
Average Program Score	Title II – Adult Education Indicator Average #7	Title IV – Rehabilitation Services Indicator Average #8	Title I – Adults Indicator Average #9	Title I – WIOA DLW Indicator Average #10	Title I – Youth Indicator Average #11	Title III – Wagner – Peyser Indicator Average #12	

As the table indicates, there are a total of 12 scores on which the State will be assessed for the overall State indicator score and overall State program score. The first six scores will be the average of the core programs’ percent achieved against their adjusted goals, while the second six scores are the average of the core programs’ percent achieved against their adjusted goals. Employment Services provided under the Wagner-Peyser Program are exempt from indicators four and five. Consequently, the State’s Employment Services program will be assessed using the total average scores for indicators one, two, three, and six only.

Local

Each local workforce development area in the State under Title I of WIOA is subject to the same primary indicators of performance for the core programs for WIOA Title I that apply to the State (§677.205). Under §677.220 (a), the State must establish the threshold for a local area to meet levels of performance prior to negotiating local area adjusted levels of performance. The State must annually make local area performance reports available to the public using the federally-approved template. These performance reports must provide information on the actual achieved performance levels for the local area based on quarterly wage records consistent with the requirements for States under §677.175.

10. Performance Failure Sanctions

State

In §677.190, WIOA establishes two thresholds for performance failure. The first threshold is at 90 percent for each of the overall State program scores and overall State indicator scores. The second threshold is at 50 percent for individual indicator scores.

For the State, a performance failure occurs when:

1. Any overall State program score or overall state indicator falls below 90% for any program year; or
2. Any State individual indicator fall below 50% for any program year.

State sanctions for performance failure will be applied to the State if, for two (2) consecutive years, the State fails to meet 90% of the overall State program score, 90% of the overall State indicator score, or 50% on any individual indicator score for the same program or indicator.

If the State fails to meet adjusted levels of performance for any year, technical assistance will be provided, including assistance in the development of a performance improvement plan provided by the Secretary of Labor or Secretary of Education.

If the State fails to meet adjusted levels of performance for a second consecutive year, the Secretary of Labor and the Secretary of Education will reduce the Governor's Reserve Allotment by 5% of the maximum available amount for the immediately succeeding program year.

State Performance Improvement Plan Requirement:

In all instances where a state performance improvement plan is required by the Secretaries of Labor and Education, the specific program(s) identified as failing to meet their adjusted levels of performance will provide to the Governor's Workforce Board a Performance Improvement Plan (PIP) This plan must be submitted using a PIP template approved by the GWB (see Appedix A) and must include the following:

1. A detailed analysis of the program's performance problems that is based upon an extensive assessment of the following:
 - program reports
 - program policies
 - program participant documentation
 - program processes
 - program staffing patterns
2. The results of the assessments in these areas will be provided in a report including comprehensive recommendation for problem resolutions, corrective actions with corresponding milestones, quarterly performance report analysis and new performance-enhancing service delivery strategies.

Local

If a local area fails to meet the levels of performance for the primary indicators of performance in the adult, dislocated worker, and youth programs authorized under WIOA Title I in any program year, technical assistance must be provided by the Governor or, upon the Governor's request, by the Director of the Department of Labor and Training.

The technical assistance may include:

1. Assistance in the development of a performance improvement plan;
2. The development of a modified local or regional plan; or
3. Other actions designed to assist the local area in improving performance.

If a local area fails to meet the levels of performance for the primary indicators of performance for the adult, dislocated worker, and youth programs authorized under WIOA Title I for a third consecutive year, the Governor must take corrective actions. The corrective actions must include the development of a reorganization plan under which the Governor:

1. Requires the appointment and certification of a new Local Board;
2. Prohibits the use of eligible providers and one-stop partners that have been identified as achieving poor levels of performance; or
3. Takes such other significant actions as the Governor determines are appropriate.

A local board and chief elected official for a local area that is subject to a reorganization plan, as referenced above, may appeal to the Governor to rescind or revise the reorganization plan not later than 30 days after receiving notice of the reorganization plan. The Governor must make a final decision within 30 days after receipt of the appeal.

The Local Board and chief elected official may appeal the final decision of the Governor to the US Secretary of Labor not later than 30 days after receiving the decision from the Governor. Any appeal of the Governor's final decision must be:

1. Appealed jointly by the Local Board and chief elected official to the Secretary of Labor; and
2. Must be submitted by certified mail, return receipt requested, to the Secretary, U.S. Department of Labor, 200 Constitution Ave. NW. Washington, DC 20210, Attention: ASET. A copy of the appeal must be simultaneously provided to the Governor.
3. Upon receipt of the joint appeal from the Local Board and chief elected official, the Secretary must make a final decision within 30 days. In making this determination the Secretary may consider any comments submitted by the Governor in response to the appeals.
4. The decision by the Governor to impose a reorganization plan becomes effective at the time it is issued and remains effective unless the Secretary of Labor rescinds or revises the reorganization plan under WIOA Sec. 116(g)(2)(B)(ii).

11. Impact of Performance Failure on LWDA Risk Assessment

Local areas that fail to meet their negotiated levels of performance may experience an increase in their risk assessment rating.

Local Areas that are placed in “High Risk Grantee” status may be unable to draw WIOA Title I funds until such time that this status is addressed in a satisfactory manner and the High Risk designation is removed.

12. Funding of Performance Accountability System

Each core partner shall be responsible for the costs associated with data collection and compilation for performance accountability within their respective programs.

APPENDIX A

Potential Elements of a Performance Improvement Plan

This is a template; not all items may be required.

- A. Description/Assessment of the current situation and problem
 - 1. Strategies and tactics
 - a. Review strategies currently in use to address local needs
 - b. Assess effectiveness of current practices
 - c. Consider successful strategies from other local areas
 - 2. Stakeholders: Who's included, who's missing
 - 3. Spending
 - a. Are all opportunities being leveraged
 - b. Review eligibility (barriers/concerns)
 - c. Cost per participant
 - d. Spending detail (allocations, allowable cost, training vendors, etc.)
 - 4. Performance/Outcomes
 - a. Ensure expectations are in line with federal and state guidance
 - b. Run appropriate reports consistently to identify actual status
 - c. Confirm strategies in use target specific outcomes being measured
 - d. Analyze and ensure data integrity
 - e. Compare actual status to planned status, i.e. enrollments, allocations, etc.
- B. Actions and interventions already taken to remedy the problem
- C. Strategies and elements to be applied as interventions and solutions to the problem, at a minimum:
 - 1. Staff Training
 - a. Assessment methodologies
 - b. Job development and client job retention
 - c. Case management
 - d. WIOA program/performance management
 - e. Effective and efficient use of management information system data
 - f. WIOA participant reporting forms
 - g. Improvement of procurement systems
 - h. Detailed plans to improve customer service and customer satisfaction
 - 2. Outreach/Internal Monitoring
 - a. Improved methods for monitoring of service providers and other subcontractors
 - b. Plans for more effective use of up-to-date labor market information tailored to local participant and employer needs
 - c. Development of specialized outreach efforts to publicize services available in the One Stop career centers
 - d. Detailed plans to improve local partnerships and/or expand services at workforce centers
 - 3. Administrative Process Improvements
 - a. Plans to improve monitoring of subcontractors and training providers
 - b. Improved procurement time frames
 - c. Improved expenditure reporting

4. Consultant Assistance

- a. Plans to obtain independent consultant services to assess and improve contract and fiscal systems, and/or program/service delivery
- b. Plans to improve linkages with the business community
- c. Plans for improving client follow-up services

D. Detailed steps of the Performance Improvement Plan

E. Timetable for implementation of additional actions and periodic reporting

F. Evaluation of effectiveness of interventions, to include a determination of criteria or benchmarks that demonstrate the local workforce area has fulfilled the requirements of the Performance Improvement Plan