

SOUTH CENTRAL OKLAHOMA WORKFORCE BOARD, INC.

1703 SW 11th

Lawton, Oklahoma 73501

580-357-3500/ 580-467-3486

Telephone Relay Service is available by dialing 711 or 800-722-0353



SUBJECT: Effectiveness in Serving Employers Policy

PURPOSE: The Oklahoma Office of Workforce Development (OOWD) as the Governor's chosen Workforce Innovation and Opportunity Act (WIOA) administrative entity, provides this issuance as guidance for the Effectiveness in Serving Employers requirements within the Oklahoma Works workforce development system for the Chief Local Elected Officials (CLEOs) and SCOWB in carrying out the performance accountability requirements under WIOA section 116.

REFERENCES:

- The Workforce Innovation and Opportunity Act (WIOA) Section 116
- The Workforce Innovation and Opportunity Act (WIOA) Section 134
- 20 CFR Part 678.435
- U.S. Department of Education/Office of Career, Technical, and Adult Education Program Memorandum (OCTAE-PM) No. 17-2
- U.S. Department of Education/Office of Special Education and Rehabilitative Services Rehabilitation Services Administration Technical Assistance Circular (RSA-TAC) No. 17-01
- U.S. Department of Labor/Employment and Training Administration Training and Employment Guidance Letter (TEGL) No. 10-16, Change 1

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POLICY: The Workforce Innovation and Opportunity Act (WIOA) created a comprehensive workforce development system that places an emphasis on implementing innovative programs and strategies designed to meet the needs of all employers in the State, improve linkages between the Oklahoma Works American Job Centers and all employers, provide business services and strategies that better engage employers in the workforce investment activities,

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and make the workforce development system more relevant to the needs of the State and local businesses.

Businesses should have access to a one-stop experience in which high quality and professional services are provided across partner programs in a seamless manner. Local areas should provide a single point of contact to each employer representing all core programs, making the difference between specific core programs invisible to the businesses they serve and provide services to the local area as a unified unit. Effective business services must be developed in a manner that supports engagement of employers of all sizes in the context of both regional and local economies avoiding multiple uncoordinated contacts.

As stated in TEGL 10-16 - Change 1, OCTAE-PM 17-2, and RSA-TAC 17-01 WIOA Section 116 establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of the State and local areas in achieving positive outcomes for individuals served by the workforce development system's six core programs. These six core programs are the Adult, Dislocated Worker, and Youth programs, authorized under WIOA title I and administered by DOL; the Adult Education and Family Literacy Act (AEFLA) program, authorized under WIOA title II and administered by 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.

WIOA sec. 116(b)(2)(A)(i)(VI) requires the Departments to establish a primary indicator of performance for effectiveness in serving employers, the sixth primary indicator of performance. Since this indicator is a new approach for measuring performance under WIOA's six core programs, a pilot program is being implemented during which States must select two of the three approaches to report data that the Departments will use to assess a permanent indicator. The States experiences with the various approaches will be evaluated and a standardized indicator will be identified and implemented by the Departments no later than the beginning of Program Year 2019. Oklahoma has elected to pilot all three approaches as indicated in The Oklahoma State Plan.

- 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.

This indicator will be measured as a shared outcome across all six core programs to ensure a holistic approach to serving employers. This indicator is being implemented in the form of a pilot program to test the rigor and feasibility of three approaches, to solicit State input on suggested employer measures the State voluntarily develops and reports, and to subsequently

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set a standardized indicator. This indicator is reported on an annual basis; therefore, the reporting period for the effectiveness in serving employers indicator is the program year.

The three approaches are designed to gauge three critical workforce needs of the business community:

- Providing employers with skilled workers;
- Providing quality engagement and services to employers and sectors and establishing productive relationships with employers and sectors over extended periods of time; and
- Providing quality engagement and services to all employers and sectors within a State and local economy.

The development of industry and sector partnerships is a critical business service that local areas must explicitly provide as required by WIOA sec. 134(c)(1)(A)(v). Industry or sector partnerships and industry sector strategies are two different services. It is important for business services provided through Oklahoma Works American Job Centers to properly support industry sector partnerships.

Oklahoma Works American Job Centers should structure business services to best meet the needs of the employers that they service, although an individual liaison which creates an effective mechanism for serving employers, is encouraged. The business services must fall within the 8 core program services included within this guidance, however the description of services is a non-exhaustive list as not to restrict innovative thinking about methods of service provision. The LWDB and Oklahoma Works One-Stop Operator has the flexibility for the development of sector-based strategies that support the meet the needs of the areas businesses and comply with relevant statutory provisions.

WIOA sec. 134(d)(1)(A) does require that business services be provided through the one-stop delivery system, Oklahoma Works American Job Centers. These business services may be provided by SCOWB or through effective business intermediaries (e.g. local chambers, regional economic development organizations, industry association groups, etc.) working in conjunction with SCOWB or through other public and private entities in a manner determined appropriate by SCOWB and in cooperation with the state, consistent with 678.435(c).

The Three Approaches to Measuring Effectiveness in Serving Employers

Approach 1: Retention (Retention with the same employer)

This approach captures the percentage of participants who exit and are employed with the same employer in the second and fourth quarters after exit. States must use wage records to identify whether a participant's employer wage record indicates a match of the same establishment identifier (such as a Federal Employer Identification Number (FEIN) or State tax id) in the second and fourth quarters.

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This approach is useful in determining whether the core programs are serving employers effectively by improving the skills of their workforce and decreasing employee turnover.

Calculation Methodology

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.

For this measure, States must report on the Participant Individual Record Layout (PIRL) data element 1618 (Retention with the Same Employer in the 2nd Quarter and the 4th Quarter) in the WIOA Joint PIRL. This data element is calculated based on information included in the wage record matches for participants in their fourth quarter after exit. This means that the only participants who are included in this approach are those for whom a wage record match is available. In order to count as a “yes” for this measure, the participant must have the same establishment identifier (such as an employer FEIN or State tax id) in both the second and fourth quarters after exit. This creates the numerator for this measure.

The denominator for this measure is calculated based on those participants with wage records who were employed in the second quarter after exit.

Data Collection

Data on employee retention for all participants who received Employment and Training Administration (ETA)-funded WIOA program services will be collected by the Oklahoma Works American Job Centers, utilizing OKJobMatch, and reported at the State-level by OOWD.

Outcomes for title II AEFLA participants who are co-enrolled and receiving career services through Oklahoma Works American Job Centers will be collected utilizing OKJobMatch as they will be captured in that set of data. Title II AEFLA participants who are not co-enrolled in ETA-funded WIOA programs are not included in this approach.

Data on title IV VR participants will be collected at the State level, through the State VR agency, and submitted to the Performance Officer at OOWD, who will aggregate both sets of information to provide one shared outcome for this approach.

Approach 2: Repeat Business Customers (Percentage of repeat employers using services within the previous three years)

This approach tracks the percentage of employers who had received services from the core programs more than once during the last three reporting periods.

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This approach is useful in determining whether employers who receive services from the core programs are satisfied with those services and become repeat customers. It also assesses the Oklahoma Works American Job Center's ability to develop and maintain strong relationships with employers over extended periods of time.

Calculation Methodology

The total number of establishments, as defined by Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) program, served during the current reporting period (i.e., one program year) and that during the prior three reporting periods have used core program services more than once DIVIDED by the number of establishments, as defined by BLS QCEW, served during the current reporting period.

This measure is a unique count of employers who use WIOA core programs more than once. Regardless of the incidence of repeat usage of WIOA core program services, an employer who uses WIOA core program services more than once during the last three reporting periods should be counted only once in this calculation.

Note: As this indicator is implemented, it is the Departments' intent to look forward until three program years' worth of data become available. The Departments are not requiring States to use data for services delivered to employers prior to July 2016 to fulfill the prior three reporting periods' requirement. The reporting period for this indicator is a program year (July 1 through June 30).

Data Collection

For this measure, States must report on the Effectiveness in Serving Employers Report in the WIOA Statewide Performance Report (ETA-9169). For employers with more than one physical location, the BLS QCEW reports each work site as a separate establishment, and therefore, the total number of business establishments receiving services should be counted this way.

The definitions for the different categories of "Core Program Services" that may be counted when calculating this approach are listed on Attachment I. For example, a placement through title IV would fall under the "Worker Recruitment Assistance" category and would therefore count as a core program service.

Approach 3: Employer Penetration Rate (Percentage of employers using services out of all employers in the State)

This approach tracks the percentage of employers who are using the core program services out of all employers in the State served by the public workforce system (i.e., employers served).

This approach is useful in determining whether the core programs are serving a large portion of employers in an area and are adequately meeting the workforce needs of the area.

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Calculation Methodology

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.

This measure is a unique count of employers using WIOA core programs. If an establishment receives, or continues to receive, more than one service during the reporting period (i.e., during the program year), that establishment should be counted only once in this calculation.

Data Collection

For this measure, States must report on the Effectiveness in Serving Employers Report in the WIOA Statewide Performance Report (ETA-9169). For employers with more than one physical location, the BLS QCEW reports each work site as a separate establishment and therefore, the total number of business establishments receiving services should be counted this way.

The definitions for the different categories of “Core Program Services” that may be counted when calculating this approach are listed on Attachment I. For example, a placement through the title IV VR program would fall under the “Worker Recruitment Assistance” category and would therefore count as a core program service.

State Data Collection and Reporting

In order to implement the effectiveness in serving employers indicator as a shared indicator, the coordination of data collection and reporting will be a joint effort between core partners. Since the measure is dependent on BLS QCEW data, UI wage data and an establishment identifier, the Oklahoma Employment Security Commission (OESC) is responsible for comparing the data to the BLS QCEW and calculating the outcomes according to WIOA Joint Reporting requirements and guidance. The Oklahoma Office of Workforce Development (OOWD), as support to the Governor’s Council for Workforce and Economic Development, is responsible for reporting the data for the Effectiveness in Service Employers as a required section in the WIOA Statewide Performance Report (ETA-9169) in conjunction with the WIOA Title I Adult Annual Performance Report beginning with the PY 2017 WIOA Annual Report. OESC will provide the appropriate data to OOWD no later than September 15st for the Annual Performance Report, due October 1st.

The reporting methodology depends on the approaches selected.

Approach 1:

Retention with the Same Employer in the 2nd Quarter and the 4th Quarter (data element 1618) is based on individual participant data and is calculated using data collected within the PIRL and, therefore, can be aggregated and reported like the other primary performance indicators. Data for all participants who received ETA-funded WIOA program services will be collected by

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the Oklahoma Works American Job Centers, utilizing OKJobMatch. Outcomes for title II AEFLA participants who are co-enrolled and receiving career services through the Oklahoma Works American Job Centers will also be captured in that set of data. Data on title IV VR participants will be collected at the State level, through the State VR agency, and submitted to OOWD on a quarterly basis, within 30 days after the end of the quarter. OOWD will report the statewide outcome for this approach on the WIOA Statewide Performance Report in conjunction with the WIOA Title I Adult Annual Report by October 1st.

Approach 2&3:

The Employer Penetration and Repeat Business Customer approaches are not based on individual participant data and will not be derived from the PIRL. Therefore, the following requirements for collecting and validating data related to these approaches have been established.

- The business services must fall within the listed **8 Core Program Services** (Attachment I)
- Title I business services, Local and State, must be recorded in the Employer Contact Tracking functionality within OKJobMatch and all services must be recorded within a timely manner for reporting.
- State coordinated Rapid Response events will be reported by the OOWD Rapid Response Coordinator.
- Title II business services must be recorded in the Employer Services Tracking Sheet (Attachment III) or OKJobMatch and all services must be recorded within a timely manner for reporting.
- Title III business services, Local and State, must be recorded in the Employer Contact Tracking functionality within OKJobMatch and all services must be recorded within a timely manner for reporting.
- Title IV business services must be recorded in the Employer Contact Tracking functionality within the AWARE system and all services must be recorded within a timely manner for reporting.
- The attached employer contact tracking sheet (Attachment III) must be utilized by the ODCTE and DRS to report provided business services to OOWD on a quarterly basis, within 30 days after the end of the quarter.
- OOWD will combine and provide OESC the data no later than August 15st for comparison with the BLS QCEW.
- OESC will compare data to the BLS QCEW report and provide OOWD with the calculations and percentage required for performance reporting no later than September 15th.

The BLS QCEW program publishes a quarterly count of employment and wages reported by employers covering 98 percent of U.S. jobs, available at the county, Metropolitan Statistical Area (MSA), State and national levels by industry. This data is considered to be an accurate count of the total work sites in a given State or county. Due to the lag in BLS QCEW data availability for the Employer Penetration and Repeat Business Customers approaches, the complete data will not be available for reporting in the PY17 WIOA annual report. When submitting initial and subsequent results for the Employer Penetration approach, it is required that the most recently available BLS QCEW data published by BLS is utilized.

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Program-Specific Criteria of Exit

Title I Adult, Dislocated Worker and Youth; Title II AEFLA; & Title III Employment Service Programs

- The date of exit cannot be determined until 90 days have elapsed since the participant last received services.
- There must be no plans to provide the participant with future services.
- The date of exit is applied retroactively to the last date of service.
- PIRL data element 901 (Date of Program Exit) is used to collect and report the date of exit.

Title IV VR Program

- The participant's record of service is closed in accordance with 34 CFR 361.56 because the participant has achieved an employment outcome; or
- The participant's service record is closed because the individual has not achieved an employment outcome or the individual has been determined ineligible after receiving services in accordance with 34 CFR 361.43
- VR participants are NOT considered to have exited if the service record is closed because the participant has achieved a supported employment outcome in an integrated setting, but not in competitive integrated employment at the time the VR service record is closed.
- RSA-911 data element (Date of Exit) is the VR equivalent of PIRL data element 901 (Date of Program Exit).
- For VR program participants who have achieved an employment outcome, the exit date is at least 90 days after the attainment of the employment outcome and the individual has met the requirements under 34 CFR 361.56
- For VR program participants who have not achieved an employment outcome, or have been determined ineligible after receiving services in accordance with 34 CFR 361.43, the exit is based on the date of the determination to close the service record.

EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT: All Recipients, and Sub-recipients/Sub-grantees must comply with IWOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

ACTION REQUIRED: SCOWB Policy is to become a part of your permanent records and made available to appropriate staff and sub-recipients.

SCOWB in conjunction with their CLEO will develop processes and procedures that provide businesses access to a one-stop experience in which high quality and professional services are provided across partner programs in a seamless manner. SCOWB will provide a single point of contact to each employer representing all core programs, making the difference between specific core programs invisible to the businesses they serve and provide services to the local area as a unified unit. Effective business services must be developed in a manner that supports

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engagement of employers of all sizes in the context of both regional and local economies avoiding multiple uncoordinated contacts.

ATTACHMENTS:

Attachment I: Core Program Services

Attachment II: Employer Service Tracking Form

Attachment III: Employer Service Tracking Sheet

APPROVED: SCOWB 09/13/18

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