WORKFORCE INNOVATION AND OPPORTUNITY ACT

Core Performance Measures Policy

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EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT: All Recipients and sub-recipients/subgrantees must comply with WIOA'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.

South Central Oklahoma Workforce Board's Workforce Innovation and Opportunity Act Title I program funding statement can be found at https://scowib.info/funding

Caddo County, Grady County, McClain County, and City of Chickasha Labor Market Area
Comanche County, Cotton County, Tillman County, and City of Lawton Fort Sill Labor Market Area
Jefferson County, Stephens County, and City of Duncan Labor Market Area

CORE PERFORMANCE MEASURES POLICY

PURPOSE: To establish and implement procedures for the operation of the performance accountability system under WIOA.

BACKGROUND: WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of 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 the U.S. Department of Labor (DOL); the Adult Education and Family Literacy Act (AEFLA) program, authorized under WIOA Title II and administered by the 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. WIOA requires states and direct grantees of the Departments to collect and report information on all participants.

REFERENCES:

- The Workforce Innovation and Opportunity Act (WIOA) Section 116
- Federal Register/Vol. 81. No.161, Parts 677
- Training and Employment Guidance Letter (TEGL) No. 10-16, Change 1
- Training and Employment Guidance Letter (TEGL) No. 11-19
- Training and Employment Guidance Letter (TEGL) No. 14-18
- Training and Employment Guidance Letter (TEGL) No. 03-18
- Workforce System Directive (WSD) #20-2024
- Workforce System Directive (WSD) #33-2024, Change 1
- Workforce System Directive (WSD) #07-2024
- Workforce System Directive (WSD) #06-2024

POLICY:

This SCOWB Policy provides guidance to the Oklahoma Works workforce development system on core performance accountability indicators and performance reporting requirements for individuals served by the programs authorized under WIOA Title I and the Employment Service program authorized under the Wagner-Peyser Act, as amended by WIOA Title III, established by section 116 of WIOA. All performance measures are reported by the One Stop Operator to SCOWB at the full board meetings for review. This policy also includes the State of Oklahoma's approach to measuring effectiveness in serving employers, as required by WIOA Section 116(b)(2)(A)(i)(VI).

WIOA Primary Indicators of Performance

Section 116(b)(2)(A) of WIOA identifies six primary indicators by which all core programs will be measured in order to assess effectiveness in achieving positive outcomes for individuals served by the programs. The six primary indicators of performance are as follows:

1. Employment Rate 2nd Quarter After Exit;
2. Employment Rate 4th Quarter After Exit;
3. Median Earnings 2nd Quarter After Exit;
4. Credential Attainment (excludes Wagner Peyser Program);
5. Measurable Skill Gains (excludes Wagner Peyser Program);
6. Effectiveness in Serving Employers;

Employment Rate 2nd Quarter After Exit, Employment Rate 4th Quarter After Exit, Median Earnings, and Credential attainment are exit-based, and cannot be calculated until the allotted time after exit has passed, resulting in a delay of available performance data. Additionally, exits are determined as outlined in WSD #06-2024, WIOA Definitions: Period of Participation, Categories of Enrollment, Categories of Exits, Services, Career Services, and Training Service Costs Policy.

For the employment-related performance indicators (Employment Rates and Median Earnings), status in unsubsidized employment and quarterly earnings may be determined by direct Unemployment Insurance (UI) wage match, Federal employment records, military employment records, or supplemental wage information. Participants who are in the military or in a Registered Apprenticeship (RA) program are also considered employed for the purpose of these indicators. Participants who do not provide a Social Security Number or who are self-employed will also be included in these indicators; therefore, it will be necessary to collect supplemental wage information to determine wage data.
The following provides *definitions* for each indicator, including, where necessary, the *numerator and denominator* criteria utilized to calculate the indicator.

Employment Rate 2nd Quarter After Exit

The percentage of Title I Adult, DLW, and Title III Participants who are in unsubsidized employment during the second quarter after exit from the program, as established through direct UI wage record match, Federal or military employment records, or supplemental wage information.

For Title I Youth, it is the percentage of participants who are in education or training activities, or in unsubsidized employment during the second quarter after exit, as established through direct UI wage record match, Federal or military employment records, or supplemental wage information.

- *Denominator Criteria:* Title I Adult, DLW, Youth, or Title III Participants that have exited the program.

- *Numerator Criteria:* Title I Adult, DLW, or Title III Participants in unsubsidized employment during the 2nd quarter after exit. Title I Youth Participants in an education or training activity, or in unsubsidized employment during the 2nd quarter after exit.

Employment Rate 4th Quarter After Exit
The percentage of Title I Adult, DLW, and Title III Participants who are in unsubsidized employment during the fourth quarter after exit from the program, as established through direct UI wage record match, Federal or military employment records, or supplemental wage information.
For Title I Youth, it is the percentage of participants who are in education or training activities, or in unsubsidized employment during the fourth quarter after exit, as established through direct UI wage record match, Federal or military employment records, or supplemental wage information.

- *Denominator Criteria:* Title I Adult, DLW, Youth, or Title III Participants that have exited the program.
- *Numerator Criteria:* Title I Adult, DLW, or Title III Participants in unsubsidized employment during the 4th quarter after exit. Title I Youth Participants in an education or training activity, or in unsubsidized employment during the 4th quarter after exit.

Median Earnings 2nd Quarter After Exit
The median earnings of Title I and Title III Participants who are in unsubsidized employment during the second quarter after exit from the program, as established through direct UI wage record match, Federal or military employment records, or supplemental wage information.

- *Denominator Criteria:* Title I Adult, DLW, Youth, or Title III Participants employed in the 2nd quarter after exit.
- *Numerator Criteria:* Total quarterly earnings are collected and listed in order, from the lowest to the highest value. The values in the middle of this list is the median earnings values.

Credential Attainment
The percentage of Title I Adult & DLW Participants enrolled in an education or training program (excluding those in on-the-job training (OJT) and customized training) who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program.
Participants who attained a secondary school diploma or its recognized equivalent are included only if the participants are also employed within one year (quarter based) after exit or are enrolled in an education or training program leading to a recognized postsecondary credential during program participation or within one year after exit from the program.
Title I In-School Youth Participants are included in the credential attainment indicator.

Title I Out-of-School Youth Participants enrolled in occupational skills training, secondary education, postsecondary education, Title II-funded adult education, YouthBuild, and Job Corps are included in the credential attainment indicator.
A credential must recognize technical or industry/occupational skills for a specific industry/occupation rather than general skills related to safety, hygiene, etc., even if general skills certificates are broadly required to qualify for entry-level employment or advancement in employment. The technical or industry/occupational skills certified must be based on standards developed or endorsed by employers or industry associations. The credential must be awarded in recognition of an individual's attainment of measurable technical or industry/occupational skills necessary to obtain employment or advance within a specific industry/occupation. Certificates awarded by workforce development boards and work readiness certificates are not included in this definition because neither type of certificate is recognized industry-wide, nor do these types of certificates document the measurable technical or industry/occupational skills needed to gain employment or to advance within an occupation. Likewise, certificates awarded by workforce development boards for general safety, first aid, food preparation, accessibility preparation, or work readiness are not included in the definition of a credential.

- *Denominator Criteria:* Title I Participants who were enrolled in postsecondary or secondary education or training programs (excluding OJT & Customized Training) and have exited during the reporting period.
- *Numerator Criteria:* Title I Participants who attain a postsecondary credential OR attain a secondary credential and enroll in an education or training program leading to a recognized postsecondary credential or are employed, during participation or within 1 year after exit from the program.

Measurable Skill Gains
The percentage of Title I 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, defined as documented academic, technical, occupational, or other forms of progress, towards such a credential or employment. Depending on the type of education or training program, documented progress is defined as one of the following five types of measurable skill gains:

1. *Educational Functioning Level (EFL)*: Documented achievement of at least one of the following educational functioning levels by a participant who is receiving instruction below the postsecondary level.
    a. Comparison of the participant's initial EFL, as measured by a pre-test, with the participant's EFL, as measured by a post-test;
    b. States that offer adult high school programs that lead to a secondary school diploma or its recognized equivalent may measure and report educational gain through the awarding of credits or Carnegie units; or

   c. States may report an EFL gain for participants who exit a program below the postsecondary level and enroll in postsecondary education and training during the program year. A program below the postsecondary level applies to participants enrolled in a basic education program.
2. *Secondary School Diploma/Recognized Equivalent*: Documented attainment of a secondary school diploma or its recognized equivalent if the participant obtains certification of attaining passing scores.
   a. High School Diploma;
   b. Obtaining certification of attaining passing scores on a State-recognized high school equivalency test;
   c. Diploma or State-recognized equivalent documenting satisfactory completion of secondary studies or an alternate diploma, including a high school or adult secondary school diploma.
3. *Secondary or Postsecondary Transcript/Report Card*: Documented secondary or postsecondary transcripts or report cards, identifying attainment for the sufficient number of credit hours meeting Oklahoma's academic standards.
   a. For Secondary education (specific to youth attending high school): transcript or report card for one semester showing that the participant is achieving the States unit's policies for academic standards.
   b. For Postsecondary education:
      i. Full-time students: one-semester transcript or report card with 12 hours (or equivalent) achieving Oklahoma's academic standards;
      ii. Part-time students: two semesters transcripts or report cards with a total of at least 12 hours over the course of two completed consecutive semesters during a 12-month period.
4. *Training Milestone*: Documented satisfactory or increased progress towards established training milestones from an employer or training provider who is providing training.
   a. Progress reports must document substantive skill development that the participant has achieved from an employer or training provider:
      i. Mastered required job skills or steps to complete an OJT or apprenticeship program;
      ii. Increase in pay resulting from newly acquired skills;
      iii. Increased performance resulting from newly acquired skills.
5. *Successful Passage of an Exam*: Documentation of a knowledge-based exam required for a particular occupation or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks.
   a. Passage of a component exam in a Registered Apprenticeship (RA) program;
   b. Employer-required knowledge-based exam;
   c. Satisfactory attainment of an element in an industry or occupational competency-based assessment;

d. Other completion tests necessary to obtain a credential.

- *Denominator Criteria:* Title I Participants who, during any point in the program year, are in an education or training program that leads to a recognized postsecondary credential or employment. This includes participants who continue to receive services as well as those who have participated during the reporting period and have exited the program.
- *Numerator Criteria:* The number of Title I Program Participants included in the denominator criteria that achieved at least one type of gain based on benchmarks a through d, above.

Effectiveness in Serving Employers

WIOA Sec. 116(b)(2)(A)(i)(VI) requires the State to establish a primary indicator of performance for effectiveness in serving employers as a collective measure for the State representing all core partner programs.

The State of Oklahoma is piloting three approaches 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 service to employers and sectors, and to 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 service to all employers and sectors within the State and local economy.

Special Note: Because these approaches are pilots, they will be evaluated and the State of Oklahoma will implement a standardized indicator once the Department of Labor's pilot phase concludes.

Performance Requirements for Eligible Training Providers and Other DOL Non-Core Programs

Eligible Training Providers are required to submit performance data on both WIOA and non-WIOA participants for its programs of study. WSD #07-2024, Workforce Innovation and Opportunity Act (WIOA) Title I Training Provider Eligibility and State List of Eligible Training Providers (ETPs) and programs, provides additional information on the performance requirements for ETPs.

DOL programs that are not included in the core programs, known as non-core programs, have DOL-specific guidance on performance accountability outlined in TEGL 14-18. Non-core programs include:

- Indian and Native American (INA) Program, under WIOA section 166;
- Job Corps, under WIOA sections 141-162;
- National Farmworker Jobs Program (NFJP), under WIOA section 167;
- YouthBuild, under WIOA section 171;
- Reentry Employment Opportunities (REO), authorized under WIOA section 169 [3];

- National Dislocated Worker Grants (DWG), under WIOA section 170;
- H-1B Job Training Programs (grants awarded July 1, 2016, and later), authorized under section 414(c) of the American Competitiveness and Workforce ImprovementAct of 1998 (29 U.S.C. § 3224a);
- Senior Community Service Employment Program (SCSEP), authorized under title V of the Older Americans Act of 1965 (42 U.S.C. 3056 *et seq.*);
- Trade Adjustment Assistance (TAA), authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 *et seq*.); and
- Jobs for Veterans State Grants (JVSG), authorized under 38 U.S.C. chapter 41.

It should be noted that the performance guidance for each non-core program may differ due to the unique statutory limitations and policies of each program. Please refer to TEGL 14-18 and its attachments for specific information and guidance for each program.

Establishing Performance Indicator Goals at the Local Levels

The state and each local area agree upon negotiated levels of performance for Employment Rate 2nd Quarter After Exit, Employment Rate 4th Quarter after Exit, Median Earnings, Credential Attainment, and Measurable Skills gains for Title I programs (Adult, Youth, and Dislocated Workers).

One of the requirements in the negotiation process is to use a statistical adjustment model. A statistical adjustment model is an objective regression model used to estimate levels of performance. Before the program year, the *statistical adjustment model* determines estimates that are used as a factor in the negotiation process.

There are three measurable performance success thresholds for performance set during the negotiation process. The performance success thresholds were most recently established in WSD #33-2024, Change 1, Local Performance Goals Negotiation and Performance Success Thresholds for PY 2020 and PY 2021. In accordance with 20 CFR § 677.190(d) and 34 CFR §§ 361.190(d) and 463.190(d), a performance failure occurs if:

- any single Individual Indicator Score for any single core program falls below 50 percent of the adjusted level of performance;
- the Overall Local Program Score falls below 90 percent for that single core program; or
- the Overall Local Indicator Score falls below 90 percent for that single measure.

Applying the Statistical Adjustment Model

At the end of the program year, the *Actual Level of Performance* is reported by the state on the Statewide Performance Report (ETA-9169 OMB No. 1205-0526) for each primary indicator of performance for each core program (section 116(d)(2) of WIOA). *Actual levels of performance* will be compared to the *adjusted levels of performance* at the close of the program year to determine the locals' performance success or failure.

Adjusted levels of performance are determined by adjusting the *negotiated levels of performance* for the actual economic conditions experienced and actual characteristics of

participants served (section 116(b)(3)(A)(vii) of WIOA). Economic conditions include differences in unemployment rates and job losses or gains in particular industries. Characteristics of participants may include, but are not limited to, indicators of poor work history, lack of work experience, lack of educational or occupational skills attainment, dislocation from high-wage and high-benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency. The *statistical adjustment model* also takes into account other factors that, through empirical support, are determined to have an effect on predicting state outcomes.

The estimates derived from the same *statistical adjustment model* used to negotiate the levels of performance are applied to the actual economic conditions and characteristics of participants served to determine the *adjustment factor* (WIOA section 116(b)(3)(A)(viii)). The *adjustment factor* is a positive or negative difference that will be added to the *negotiated level of performance* to determine the *adjusted level of performance*. The *adjustment factor* is the difference between the estimated levels of performance predicted by the *statistical adjustment model* prior to the start of the program year and the levels of performance re-estimated by the *statistical adjustment model* after the close of the program year. This calculation will yield a positive or negative difference, which will be used as the *adjustment factor* for the program year.

Local Performance Success and Failure

Local performance goals for WIOA title I programs are used for two required purposes: (1) to determine if a local area "performed successfully" for subsequent local area designation, and (2) to determine when a state must take corrective action when a local area fails to meet the adjusted levels of performance. For more information about sanctions and corrective actions related to failure to achieve performance goals, see WSD#20-2024, Sanctions and Resolution Process.

Calculating Individual Indicator Scores

The individual indicator score is calculated by dividing the actual level of performance achieved by the adjusted level of performance. The adjusted level of performance is calculated by adding the adjustment factor to the negotiated level of performance. The individual indicator score will not be rounded; it will be truncated to the first decimal place. Performance success is 50.0% and above.

Calculating Overall Local Program Score

Once the individual indicator scores are calculated, the average of the individual indicator scores in each single core program is computed to determine the overall local program score. Percentages will not be rounded in this calculation; they will be truncated to the tenth of a percent. Performance success is 90.0% and above.

Calculating Overall Local Indicator Score

The overall local indicator score is the average of all individual indicator scores. Percentages will not be rounded in this calculation; they will be truncated to the tenth of a percent. Performance success is 90.0% and above.

ACTION REQUIRED: SCOWB will disseminate the Core Performance Measures Policy to all SCOWB contractors, staff and board members. All contractors, staff and board members will be responsible for following this policy.

APPROVED: 06/10/2021