



COMMONWEALTH OF VIRGINIA
VIRGINIA COMMUNITY COLLEGE SYSTEM

WORKFORCE INNOVATION AND OPPORTUNITY ACT

VIRGINIA WORKFORCE LETTER (VWL) No. 20-02

TO: Local Workforce Development Boards

FROM: George Taratsas 
Director of WIOA Title I Administration and Compliance

SUBJECT: Performance Goals Negotiations Process, PY 2020 and 2021

EFFECTIVE DATE: July 8, 2020

PURPOSE:

To inform Local Workforce Development Areas (LWDAs) of the guidelines for negotiating Workforce Innovation and Opportunity Act (WIOA) Title I performance levels for Program Years (PY) 2020 and 2021.

REFERENCES:

TEGL 11-19: Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act (WIOA) Core Programs, available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_11-19.pdf

WIOA Section 116, Performance Accountability System

WIOA Section 503, Transition Provisions

Government Performance and Results Act of 1993 (GPRA) (Public Law 103-62; 107 Stat. 285)

GPRA Modernization Act of 2010 (Public Law 111-352; 124 Stat. 3866)

WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions Final Rule, 20 CFR parts 676, 677, and 678 and 34 CFR parts 361 and 463

Workforce Innovation and Opportunity Act (WIOA) Common Performance Reporting (OMB No. 1205-0526)

DOL-only Performance Accountability, Information, and Reporting System (OMB No. 1205-0521)

Required Elements for Submission of the Unified or Combined State Plan and Plan Modifications under the Workforce Innovation and Opportunity Act (OMB No. 1205-0522)

“A Methodology for Statistical Adjustment under WIOA” report (2016), available at https://doleta.gov/performance/guidance/docs/WIOA_Statistical_Model_Methodology_Report-6-24-2016.pdf

TEGL 14-15: Workforce Innovation and Opportunity Act (WIOA) Requirements for Unified and Combined State Plans, available at https://wdr.doleta.gov/directives/attach/TEGL/tegl_14-15.pdf

TEGL 10-16, Change 1: Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III, and Title IV Core Programs, available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_10-16-Change1.pdf

TEGL 19-16: Guidance on Services provided through the Adult and Dislocated Worker Programs under the Workforce Innovation and Opportunity Act (WIOA) and the Wagner- Peyser Act Employment Service (ES), as amended by title III of WIOA, and for Implementation of the WIOA Final Rules, available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_19-16.pdf

TEGL 03-17: WIOA Annual Performance Report Submission, available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_3-17.pdf

TEGL 6-17: Modification Requirements for Workforce Innovation and Opportunity Act (WIOA) Unified and Combined State Plans, available at https://wdr.doleta.gov/directives/attach/TEGL/TEGL_6-17.pdf

REVISION HISTORY:

Rescinds Virginia Workforce Letter No. 18-03, Subject: Performance Goals Negotiations Process, PY 2018 and PY 2019.

DEFINITIONS:

- **Estimated levels of performance** are produced by the *local statistical adjustment model* prior to beginning the local negotiations process. *Estimated levels of performance* are considered, along with other factors, when determining negotiated levels of performance. Estimates are prepared separately for each core program and indicator.
- **Negotiated levels of performance** are the levels of performance for each of the primary indicators for each core program, agreed to by the state and the Local Workforce Development Board (LWDB). These levels must be incorporated into the Local Workforce Development Area Plan.
- **Adjusted levels of performance** are levels of performance determined by adjusting the *negotiated levels of performance* at the end of the program year to reflect actual characteristics

of participants served and the actual economic conditions experienced, using the *local statistical adjustment model*.

- **Actual levels of performance** are the results reported for each of the primary indicators for each core program, by Local Workforce Development Area. *Actual levels of performance* will be compared to the *adjusted levels of performance* at the close of the program year to determine performance success or failure at the local level.
- **Local statistical adjustment model** is an objective regression model used to determine *the estimated levels of performance* and *adjusted levels of performance*. This local model was developed using a similar methodology to the statewide statistical adjustment model provided by the U.S. Department of Labor (DOL). Before the program year, the *local statistical adjustment model* determines *estimated levels of performance* that are used as a factor in the negotiations process. After the program year, the *statistical adjustment model* uses data on the actual economic conditions and characteristics of participants served in order to determine *adjusted levels of performance*. The economic and participant data used in the *local statistical adjustment model* are obtained from the U.S. Bureau of Labor Statistics and the Participant Individual Record Layout (PIRL). Variables were selected based on the DOL model.

BACKGROUND:

Section 116 of the WIOA specifies the core metrics that will be measured for the LWDB and the state. The following Primary Indicators of Performance are part of the performance accountability system under WIOA:

- The percentage of program participants who are in unsubsidized employment during the 2nd quarter after exit from the program (Adult and Dislocated Worker). For the Youth program, the percentage of program participants in education or training activities, or unsubsidized employment, during the 2nd quarter after exit.
- The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program (Adult and Dislocated Worker). For the Youth program, the percentage of program participants in education or training activities, or unsubsidized employment, during the 4th quarter after exit.
- The median earnings of program participants who are in unsubsidized employment in the 2nd quarter after exit from the program (Adult, Dislocated Worker, Youth).
- The percentage of program participants who attain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent, during program participation, or within 1 year after exit from the program (Adult, Dislocated Worker, Youth).
- The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment, and who are achieving measurable skill gains toward such a credential or employment (Adult, Dislocated Worker, Youth).

- Effectiveness of the core programs in serving employers.

Section 116 (c) requires the state to negotiate performance levels for each indicator for the three core WIOA Title I programs (Adult, Dislocated Workers and Youth) with the LWDBs. Section 116 requires that a local statistical adjustment model be used in the performance negotiations process between the state and the LWDBs.

Currently, sufficient data is available for the following performance indicators to be estimated using the local statistical adjustment model: **Employment 2nd Quarter after Exit, Median Earnings 2nd Quarter after Exit, Measurable Skill Gains**. Program Year 2020 is the first year for which performance success or failure can be determined for these.

Sufficient data is not yet available for the following indicators to be estimated using the local statistical adjustment model: **Employment 4th Quarter after Exit, Credential Attainment**. The first year for which performance success or failure can be determined for these indicators is PY 2022

Effectiveness in Serving Employers is a statewide measure which will not be applied to the LWDA performance evaluation.

See Attachment B indicating the Time Periods for Reporting Performance Information on the WIOA Annual Report that will be covered for PY 2020 and PY 2021 performance.

GUIDANCE:

The state's final performance levels negotiated with the U.S. DOL-ETA are included as Attachment A. As a next step, the state is required to negotiate performance levels with the local workforce development boards. The following is the performance negotiation process that the WIOA Title I Administrator will implement:

1. Provide the LWDBs with their proposed performance goals. As outlined in TEGL 11-19, these should be based on state negotiated levels of performance. Furthermore, TEGL 11-19 states that the following four factors must be considered in local negotiations: 1) negotiated levels of performance for other local areas; 2) estimated levels of performance produced by the local statistical adjustment model; 3) continuous improvement, and 4) goals established by the Government Performance and Results Act (GPRA) of 1993.
2. Distribute the local statistical adjustment model (created based on guidance provided by U.S. DOL-ETA) that is pre-populated with LWDA data. The local statistical adjustment model will be provided as an Excel spreadsheet that calculates estimated and adjusted performance for each LWDA using the required methodology. Estimated levels of performance produced by the statistical adjustment model will be used to inform the negotiations process prior to the performance period. Adjusted levels of performance produced by the statistical adjustment model will be used to evaluate success after the end of the performance period.

- i. Each LWDB will receive an email from the WIOA Title I Workforce Performance and Evaluation Coordinator that will contain the local statistical adjustment model and instructions for using it.
- 3. Virginia will use the same thresholds for determining performance success or failure at the local level that U.S. DOL-ETA will use for state determinations. See TEGL 11-19 for guidance. Performance failure will be defined as follows:
 - i. An overall local program score that falls below 90% of the average of all individual indicator scores for a single core program.
 - ii. An individual performance indicator score that falls below 50% of the adjusted level of performance.
- 4. If a local area fails to meet performance goals, they may receive the following sanctions and are required to complete the appropriate remedial actions based in the Sanctions and Appeals Policy :
 - i. Level 2 Sanction: Failure to meet levels of performance of programmatic or fiscal performance for the same performance measure under WIOA Title I formula funds for two consecutive years.
 - ii. Level 3 Sanction: Failure to meet levels of performance of programmatic or fiscal performance for the same performance measure under WIOA Title I formula funds for three consecutive years.

Context—The negotiated (estimated) levels of performance are based on Virginia’s negotiated level of performance with DOLETA for state level performance. The performance levels will be adjusted once the actual data is reported at the end of the program year and will become the adjusted levels of performance. The adjusted levels of performance will be used to determine compliance.

- 5. If the LWDA agrees with the proposed performance levels, they shall submit in writing their acceptance of the proposed performance goals by (August 14, 2020).
- 6. If the local area does not accept the proposed performance levels, the local area must provide alternative levels with a justification for the local proposed levels in writing by (August 14, 2020). The justification should be submitted to the WIOA Title I Administrator at WIOA@VCCS.edu and should include the following:
 - i. The local economic conditions that are impacting the local area’s ability to meet the VCCS proposed levels.
 - ii. Demographics of participants being served by the local area, that are not represented in the local statistical adjustment model and describe the extent that these characteristics impact local performance.
 - iii. The extent to which the locally proposed numbers assist the local area in meeting the goals established under the Government Performance and Results Act (GPRA).

- iv. Any additional information that the LWDB believes pertinent to support not accepting the proposed performance levels.
 - v. The locally proposed levels and justifications will be reviewed and a negotiation process will occur if necessary.
7. The Title I Administrator will issue the LWDB a letter indicating acceptance of negotiated performance levels. The LWDB shall include the negotiated performance goals in their WIOA LWDA Local Plans.

The following are key dates in the Performance Negotiation Process:

Date	Event
July 15, 2020	Issue VWL outlining PY 2020 and PY 2021 performance goals negotiation processes.
July 29, 2020	Distribute proposed performance goals to each LWDB.
August 14, 2020	Deadline to submit acceptance/non-acceptance of proposed performance goals.
August 24, 2020 – September 15, 2020	Individual calls scheduled to negotiate local performance goals.
September 30, 2020	Performance goals negotiation process finalized and acceptance letters distributed to the LWDBs.
September 30, 2020	Notify DOL-ETA that local performance goals negotiation process complete.

ACTION REQUIRED:

The Title I Administrator will provide each LWDB with the following by (July 29, 2020):

- Proposed performance goals
- Local Area Tool
- PY 2018 WIOA performance data

LWDBs must submit in writing an acceptance or non-acceptance of the proposed performance goals by 3 p.m., August 14, 2020. An email addressed to the WIOA Title I Administrator indicating acceptance or non-acceptance must be sent to wioa@vccs.edu and the subject line should state “PY 2020 and PY 2021 WIOA Performance Goals”. An email response will be sent within two (2) business days acknowledging receipt. If the LWDB does not accept the proposed performance goals, see Guidance, Section 6 of this VWL for additional information to include in the non-acceptance letter.

INQUIRIES:

Questions regarding this guidance should be emailed to wioa@vccs.edu.

Attachment A

Virginia Negotiated Performance Levels under the Workforce Innovation and Opportunity Act Program Years 2020 and 2021

WIOA Performance Measures	Virginia	
	Final Negotiated Goals	
	PY 2020	PY 2021
WIOA Adults		
Employment (Second Quarter after Exit)	79.0%	79.0%
Employment (Fourth Quarter after Exit)	85.0%	85.0%
Median Earnings	\$ 6,000.00	\$ 6,000.00
Credential Attainment Rate	72.0%	74.0%
Measurable Skill Gains	55.0%	58.0%
WIOA Dislocated Workers		
Employment (Second Quarter after Exit)	85.0%	85.0%
Employment (Fourth Quarter after Exit)	90.0%	90.0%
Median Earnings	\$ 8,700.00	\$ 8,700.00
Credential Attainment Rate	70.0%	70.0%
Measurable Skill Gains	55.0%	57.0%
WIOA Youth		
Employment (Second Quarter after Exit)	70.0%	72.0%
Employment (Fourth Quarter after Exit)	62.8%	62.8%
Median Earnings	\$ 3,500.00	\$ 3,500.00
Credential Attainment Rate	70.0%	70.0%
Measurable Skill Gains	55.0%	55.0%

Attachment B

WIOA PERIODS FOR REPORTING OUTCOMES

Time Periods for Reporting Performance Information on the WIOA Annual Report

Program Year 2020 Annual Report	
Report Due Date: October 15, 2021	
Number Served (Reportable Individual)	7/1/2020 to 6/30/2021
Number Exited (Reportable Individual)	4/1/2020 to 3/31/2021
Funds Expended	7/1/2020 to 6/30/2021
Number Served (Participants)	7/1/2020 to 6/30/2021
Number Exited (Participants)	4/1/2020 to 3/31/2021
Employment Rate Second Quarter after Exit	7/1/2019 to 6/30/2020
Employment Rate Fourth Quarter after Exit	1/1/2019 to 12/31/2019
Median Earnings Second Quarter after Exit	7/1/2019 to 6/30/2020
Credential Attainment Rate	1/1/2019 to 12/31/2019
Measurable Skill Gains	7/1/2020 to 6/30/2021
Effectiveness in Serving Employers	7/1/2020 to 6/30/2021
Veterans Priority of Service	7/1/2020 to 6/30/2021

Program Year 2021 Annual Report	
Report Due Date: October 15, 2022	
Number Served (Reportable Individual)	7/1/2021 to 6/30/2022
Number Exited (Reportable Individual)	4/1/2021 to 3/31/2022
Funds Expended	7/1/2021 to 6/30/2022
Number Served (Participants)	7/1/2021 to 6/30/2022

Number Exited (Participants)	4/1/2021 to 3/31/2022
Employment Rate Second Quarter after Exit	7/1/2020 to 6/30/2021
Employment Rate Fourth Quarter after Exit	1/1/2020 to 12/31/2020
Median Earnings Second Quarter after Exit	7/1/2020 to 6/30/2021
Credential Attainment Rate	1/1/2020 to 12/31/2020
Measurable Skill Gains	7/1/2021 to 6/30/2022
Effectiveness in Serving Employers	4/1/2020 to 3/31/2021
Veterans Priority of Service	7/1/2021 to 6/30/2022