



OKLAHOMA WORKFORCE DEVELOPMENT ISSUANCE #05-2020

TO: Chief Local Elected Officials
Workforce Development Board Chairs
Workforce Development Board Staff

FROM: Don Morris, Executive Director

DATE: June 4, 2020

SUBJECT: Local Performance Goals Negotiation Process and Performance Success Thresholds for PY 2020 and PY 2021

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 to the local workforce development boards for the provision of the Local Performance Goals Negotiation Process and Performance Success Thresholds for Program Year (PY) 2020 and PY 2021 for WIOA Title I performance levels.

REFERENCES:

- The Workforce Innovation and Opportunity Act (WIOA) of 2014 (Public Law (Pub. L. 113-128)) Titles I and III
- Federal Register/Vol. 81. No.161, Parts 677, 679 and 683
- U.S. Department of Labor/Employment and Training Administration Training and Employment Guidance Letter (TEGL) No. 11-19

MESSAGE: WIOA significantly advances the strategic alignment of workforce development programs, with particular emphasis on aligning the “core programs” administered by the United States Departments of Labor and Education. Such alignment requires the development of one strategic plan including the alignment of performance accountability for WIOA core programs. Oklahoma in consultation with the core partners will utilize an objective statistical adjustment model as prescribed in WIOA sec. 116(b)(3)(viii), and will agree upon the negotiated performance levels at the State and Local level.

Performance Indicators

Under WIOA, there are six primary indicators of performance:

- The percentage of participants who are in unsubsidized employment during the second quarter after exit from the program (for title I Youth, the indicator is participants in education, or training activities or employment in the 2nd quarter after exit);
- The percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program (for title I Youth, the indicator is participants in education, or training activities or employment in the 4th quarter after exit);
- Median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program;
- The percentage of 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; and
- Effectiveness in serving employers. For Program Years 2020 and 2021, Effectiveness in Serving Employers will not be included in the local negotiations process.

RESCISSIONS
OWDI #18-2017

EXPIRATION DATE
Continuing



WIOA sec. 116(b)(3)(viii) established that an objective statistical adjustment model developed and distributed by the Departments of Labor and Education will be used to reach an agreement on the State negotiated levels of performance. The statistical model will also be used to revise the negotiated levels of performance at the end of a program year. The objective statistical adjustment model accounts for actual economic conditions and characteristics of participants, including all factors required by WIOA. Local areas are also required to use a statistical adjustment model. The model used for the local areas is the one provided by the U.S. Department of Labor (DOL).

PY 2020 and PY 2021 State Negotiated Performance Levels

The State’s negotiated levels of performance for the PY 2020 and PY 2021 under WIOA, for each of the core programs under WIOA sec. 116(b)(3)(A)(iv)(I), are published in the Oklahoma Unified State Plan. The negotiated levels are provided below:

Indicator	Title I Adults	Title I Dislocated Workers	Title I Youth
Employment 2nd Quarter After Exit	66.7%	75.0%	70.0%
Employment 4th Quarter After Exit	67.0%	75.5%	66.0%
Median Earnings 2nd Quarter After Exit	\$5,700	\$8,200	\$3,200
Credential Attainment Rate	65.5%	68.0%	50.0%
Measurable Skill Gains	62.5%	65.0%	59.9%
Effectiveness in Serving Employers	Baseline	Baseline	Baseline

Performance Negotiation Process

The Governor, Local Workforce Development Board (LWDB), and the Chief Elected Official must negotiate and reach an agreement on the local levels of performance based on the State negotiated levels of performance using the objective statistical adjustment model provided by the DOL no later than September 30th.

The objective statistical adjustment model will be applied at the end of the program year to adjust negotiated local levels of performance in order to reflect the actual economic conditions experienced in the local area and the characteristics of participants served consistent with WIOA sec. 116.

In negotiating the local levels of performance, the local board, the Chief Elected Official, and the Governor must use the following four factors of negotiation used at the state level:

1. **Comparison to other states:** Take into account how the levels involved compare with the negotiated levels of performance established for other states (section 116(b)(3)(A)(v)(I) of WIOA).
2. **Statistical adjustment model:** This statistical adjustment model includes levels of performance, as estimated by DOL, to be used to inform the negotiations process.
3. **Continuous improvement:** The negotiation process should take into account the extent proposed levels promote continuous improvement in performance accountability measures and ensure optimal return on the investment of Federal funds (section 116(b)(3)(A)(v)(III) of WIOA). Please note that state and local areas must adhere to the priority of service requirements of WIOA title I programs as established in WIOA.
4. **Government Performance and Results Act (GPRA):** Take into account the extent to which the levels involved will assist the state in meeting the performance goals established by the Secretaries of Education and Labor in accordance with the Government Performance and Results Act of 1993 (GPRA) (section 116(b)(3)(A)(v)(IV) of WIOA).

Each Local Workforce Development Board will submit a written narrative that includes the four above factors in its justification for proposed performance levels along with any other factors not accounted for in the statistical adjustment model. This narrative is due to OOWD no later than August 14th, 2020.

Starting August 15, 2020 OOWD will review the proposed performance levels submitted by the local areas. In the negotiation process, the State will consider the previously discussed four negotiation factors. Additionally, OOWD will consider past performance levels, its own review of the economic and demographic profile of the local area, a discussion of circumstances not accounted for in the statistical adjustment model, take into account how the levels compare with other local areas, information/analysis submitted by the local area, and the extent to which the levels will assist the State in meeting the State expected levels of performance.

After reviewing proposed levels, OOWD will notify local areas of the acceptance status no later than September 1, 2020. The letter will detail which proposed levels are accepted, if any. If a local area has all proposed levels accepted, no negotiation call is needed. If there are any levels not accepted, a teleconference will be scheduled to negotiate the remaining individual levels. Negotiations will take occur from September 10 through September 21. Once levels are agreed upon, OOWD will report these levels to DOL no later than September 30, 2020.

At the end of the program year, OOWD will apply the statistical adjustment model to each local area to assess local performance levels. There are three measureable performance success thresholds for performance set for the state. These thresholds are also used at the local level:

- A threshold for performance failure is 90 percent of the adjusted level of performance for the overall State program score. *Determined by an average of each indicator for each program.*
- A threshold for performance failure is 90 percent of the adjusted level of performance for the overall State indicator score. *Determined by an average across the core programs for each indicator.*
- A threshold for performance failure is 50 percent of the adjusted level of performance on any individual indicator of any individual program. *Determined by each individual measure.*

Each score will be determined based on the actual results achieved relative to the adjusted levels of performance. Following the conclusion of the program year, the state will establish the adjusted level of performance for a local area, using the statistical adjustment model described. Determination of financial sanctions will occur only after two years of complete data are available for inclusion in the statistical adjustment model, and after the model has been utilized to set targets for two full program years. For more information about sanctions and corrective actions related to failure to achieve performance goals, see OWDI #02-2020, Sanctions and Resolution Process.

Definitions

- Expected levels of performance: The levels of performance on each primary indicator of performance on each core program submitted.
- Negotiated levels of performance: The levels of performance for each primary indicator of each core program, agreed to by the Local Workforce Development Board and the State.
- Actual results: The results reported for each primary indicator for each core program. Actual results will be compared to the adjusted levels of performance at the close of the program year to determine if an area failed to meet the adjusted levels of performance.
- Adjusted levels of performance: The negotiated levels of performance, after being revised at the end of the program year using the statistical adjustment model. The statistical adjustment model is run to account for actual economic conditions and characteristics of participants served.
- Performed Successfully: The local area met or exceeded the levels of performance the Governor negotiated with the local board and chief elected official for WIOA primary indicators of performance and that the local

area has not failed any individual measure for the last two consecutive program years in accordance with a state-established definition, provided in the state plan, of met or exceeded performance.

TIMELINE:

- August 14, 2020: Local areas submit their proposed goals and narrative to OOWD.
- August 15-August 31, 2020: OOWD reviews the proposed goals and narratives.
- September 1, 2020: OOWD notifies local areas of acceptance or rejection of individual indicator goals.
- September 10-September 21, 2020: Negotiation process with local areas, as needed.
- September 30, 2020: Local performance negotiated levels due to DOL.

EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT: All Recipients, and Subrecipients/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.

ACTION REQUIRED: This Oklahoma Workforce Development Issuance (OWDI) is to become a part of your permanent records and made available to appropriate staff and subrecipients.

INQUIRIES: [If you have any questions about this issuance, please contact Staff in the Oklahoma Office of Workforce Development. Contact information can be found at http://www.oklahomaworks.gov/about/.](http://www.oklahomaworks.gov/about/)