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TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 25-13

TO: STATE WORKFORCE AGENCIES
 STATE WORKFORCE ADMINISTRATORS
 STATE WORKFORCE LIAISONS

FROM: PORTIA WU /s/
 Assistant Secretary

SUBJECT: Negotiating Performance Goals for the Workforce Investment Act (WIA) Title 1B Programs and Wagner-Peyser Act Funded Activities for Program Year (PY) 2014

1. Purpose. To inform states of the guidelines for negotiating WIA Title 1B program performance and performance levels for Wagner-Peyser Act funded activities for PY 2014. Once performance goals are agreed upon by the state and the Employment and Training Administration (ETA), they will be incorporated into the state's Strategic Plan. This Training and Employment Guidance Letter (TEGL) also announces that ETA will require that all states negotiate performance goals for credential outcomes beginning in PY 2015. Prior to 2015, ETA will work with states to modify the terms of approved common measure waivers. Currently, states are required to report on credentials in their quarterly Workforce Investment Act Standardized Record Data (WIASRD) submissions regardless of whether or not they have a common measure waiver.

2. References.

- WIA Section 136;
- WIA regulations at 20 CFR Part 666 and Part 661;
- TEGL No. 38-11 *Negotiating Performance Goals for the WIA Title 1B Programs and Wagner-Peyser Act Funded Activities for PY 2012*;
- TEGL No. 26-12, *Negotiating Performance Goals for the Workforce Investment Act, Title 1B Programs and Wagner-Peyser Act Funded Activities for Program Year (PY) 2013*;
- TEGL No. 21-11, *Requirements for 2012 State Workforce Plans*;
- TEGL No. 9-07, *Revised Incentive and Sanction Policy for Workforce Investment Act Title 1B Programs*;
- TEGL No. 17-05 and 17-05 Change 2, *Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues*;

RESCISSIONS TEGL 26-12	EXPIRATION DATE Continuing
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- *TEGL 11-01 Change 1, Guidance on Revising Workforce Investment Act State Negotiated Levels of Performance;*
- *State Integrated Workforce Plan Requirements for Workforce Investment Act Title I/Wagner-Peyser Act and Department of Labor Workforce Programs (OMB No. 1205-0398); and*
- *Planning Guidance for State Unified Plans and Unified Plan Modifications Submitted under Section 501 of the Workforce Investment Act (OMB No. 1205-038).*

3. Background. This guidance specifies the performance measures for which states will be held accountable in PY 2014, provides an outline of the negotiation process, and provides a description of the factors that should be considered during the negotiation of state and local performance goals. Additional information is available on ETA's performance Web site at <http://www.doleta.gov/performance/guidance/negotiating.cfm>. In addition, this guidance provides national performance targets required for the Government Performance and Results Act of 1993 (GPRA) and the more recent GPRA Modernization Act of 2010 (Pub. L. 111-352), also referred to as the GPRA goals. The GPRA goals are used by Congress and the Office of Management and Budget to (OMB) manage Federal programs, including those operated by States and local areas.

As the economy began to contract in 2009, the U.S. Department of Labor (Department) began adjusting national GPRA targets to account for the deterioration in the labor market using a series of statistical models. The underlying models were subsequently applied to the common performance measures at the State and local level. Targets for states and local areas adjust for changes in the characteristics of participants in addition to employment conditions and price-levels. The targets are made available to help inform the negotiation process that ultimately establishes the performance goals between ETA and each State.

4. The Negotiations Process. Negotiations will continue to take place between the states and corresponding ETA Regional Offices. Specific guidance regarding contacts and time frames will be provided to the states by the appropriate Regional Office.

States must establish PY 2014 performance levels for the Wagner-Peyser Act component of the State Plans when they negotiate performance levels for the WIA Title 1B programs. In order to ensure negotiated goals are in alignment with the vision and strategic goals described in the State Strategic Plan, states must negotiate new goals for PY 2014. All states must negotiate their PY 2014 performance goals in accordance with the guidance contained herein. The regression adjusted performance targets for PY 2014 for all states and local areas will be made available at <https://sites.google.com/site/wiaexchange/home> (state and Federal staff can access the site using an existing Google account or by creating an account and requesting access to the page) for use in PY 2014 negotiations. (See section 10 for further discussion about the regression adjusted targets.)

5. Methodology for Assessing Performance Against Negotiated Levels. For both WIA Title 1B programs and Wagner-Peyser Act programs, the floor of the range for acceptable performance is 80 percent of the negotiated level of performance. Performance on an individual measure will be interpreted based on the position of the outcome relative to the negotiated performance goal using the Exceeds, Meets, and Fails criteria defined below:

- **Exceeds** - when the actual performance achieved against an individual performance measure is in excess of 100 percent of the negotiated level of performance for the measure;
- **Meets** - when the actual performance achieved against an individual performance measure falls in the range of 80 to 100 percent of the negotiated level of performance for the measure; and
- **Fails** - when the actual performance achieved against an individual performance measure is less than 80 percent of the negotiated level of performance.

For example, if a state negotiates a 90 percent goal for the employment retention rate indicator, the state would:

- **Exceed** the goal if the actual performance level achieved was greater than 90.0 percent;
- **Meet** the goal if the actual performance level achieved was greater than or equal to 72.0 percent and less than 90.0 percent; and
- **Fail** the goal if the actual performance level achieved was less than 72.0 percent.

While whole percentages are used in this example, it should be noted that this is simply because 80 percent of the negotiated 90.0 percent happens to be exactly 72.0 percent. There will be no rounding up in interpreting performance results since negotiated performance levels and results are stated to the tenth of a percent.

These three categories are consistent with WIA regulations (http://www.doleta.gov/performance/guidance/laws_regs.cfm):

666.220(b)(3) The State exceeded the State negotiated levels of performance for title I, the levels of performance under Title II and the levels for vocational and technical programs under Carl D. Perkins Vocational and Technical Education Act. (WIA sec. 503 (b));

666.230(c) (2) The extent to which the negotiated levels of performance were exceeded; and

666.240(d) Only performance that is less than 80 percent of the negotiated levels will be deemed to be a failure to achieve negotiated levels of performance.

6. WIA Incentive Grant Eligibility. For WIA Title 1B programs there are two levels in measuring performance for incentive awards: 1) the individual measure, which must exceed 90 percent of the negotiated goal; and 2) the average for a specific cluster of measures, which must exceed 100 percent for states to be considered eligible for an incentive. For more information please refer to TEGl 09-07 regarding the specific guidelines around incentive grant eligibility.

7. Applicable Performance Measures for the PY 2014 Performance Negotiations Process.

The negotiations process for PY 2014 will focus on establishing 20 agreed-upon levels of performance for WIA and Wagner-Peyser Act programs for those states reporting statutory measures. The 20 performance measures include the 17 statutory WIA indicators of performance (15 Adult, Dislocated Worker, and Youth program measures and two customer satisfaction indicators) and three Wagner-Peyser Act performance measures. All states (whether reporting statutory or common measures) no longer have to use the American Customer Satisfaction Index. States must still measure customer satisfaction using a rigorous methodology; however they now have the flexibility to use an approach that best suits their specific needs and data systems. States that report using the statutory measures must continue to negotiate customer satisfaction targets and report the results in the annual report and the annual report narrative.

Applicable Performance Measures

WIA Measures				Common Measures			Wagner-Peyser Measures (All States)
Adult	Dislocated Worker	Youth	Customer Satisfaction	Adult	Dislocated Worker	Youth	
Entered Employment Rate	Entered Employment Rate	Older Youth Entered Employment Rate	Participant Customer Satisfaction	Entered Employment Rate	Entered Employment Rate	Placement in Employment or Education	Entered Employment Rate for Total Exitors
Employment Retention Rate	Employment Retention Rate	Older Youth Employment Retention Rate	Employer Customer Satisfaction	Employment Retention Rate	Employment Retention Rate	Attainment of a Degree or Certificate	Employment Retention Rate for Total Exitors
Employment and Credential Rate	Employment and Credential Rate	Older Youth Credential Rate		Average Six Months Earnings	Average Six Months Earnings	Literacy and Numeracy Gains	Average Six Months Earnings for Total Exitors
Average Six Months Earnings	Average Six Months Earnings	Older Youth Earnings Change					
		Younger Youth Skill Attainment Rate					
		Younger Youth Diploma or Equivalent Rate					
		Younger Youth Retention Rate					

For those states that requested a waiver to report common performance measure outcomes only, and received approval to do so in accordance with the waiver authority granted to the Secretary of Labor at WIA section 189(i)(4), the negotiations process will focus on establishing a total of nine agreed-upon levels of performance for the WIA Adult, Dislocated Worker and Youth programs and the three Wagner-Peyser Act measures. For these states, the three adult common measures will be applied separately to the WIA Adult and Dislocated Worker programs, and the

three youth common measures will be applied to the WIA Youth program. The table above summarizes the performance measures involved in the negotiations process. States with an approved common measure waiver will only have to negotiate goals for the common measures and Wagner-Peyser measures listed in the table. The remaining states will have to negotiate goals for the WIA measures and Wagner-Peyser measures identified in the table.

Below are the source documents with definitions and related reporting specifications for the applicable performance measures:

- **The WIA program performance measures**
 - TEGL No. 17-05, *Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues* (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>);
 - *Workforce Investment Act Annual Report: General Reporting Instructions and ETA Form 9091*, Revised 2012 (<http://www.doleta.gov/performance/guidance/WIA/WIAAnnualReportSpecifications.pdf>);

- **The WIA program common measures**
 - TEGL No. 17-05, *Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues* (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>);
 - TEGL No. 17-05, Change 2, *Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues* (<http://wdr.doleta.gov/directives/attach/TEGL17-05c2acc.pdf>); and
 - *Workforce Investment Act Annual Report; General Reporting Instructions and ETA Form 9091*, Revised 2010 (<http://www.doleta.gov/performance/guidance/WIA/WIAAnnualReportSpecifications.pdf>).

As required since PY 2007, all states must continue to collect and report against the three youth common performance measures for the entire youth population (older and younger youth combined) in PY 2014. However, when considering performance measure outcomes for the incentive awards and sanction determinations for states, the reported common measures outcomes will only be considered for those states that have received an approved waiver to implement and report against “WIA common performance measures only.” ETA will not consider performance against these measures for those states that are accountable for outcomes on the full 17 WIA statutory measures.

Please note that for purposes of WIA incentive awards and sanctions determinations, the applicable performance measures are listed in TEGL 9-07, *Revised Incentive and Sanction Policy for WIA Title IB Programs* (<http://wdr.doleta.gov/directives/attach/TEGL09-07.pdf>).

- **The Wagner-Peyser Act program performance measures**
 - TEGL No. 17-05, *Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues* (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>); and

- *ETA 9002 and VETS 200 Data Preparation Handbook*, ET Handbook No. 406, released in August 2012:
http://www.doleta.gov/performance/guidance/WIA/406_handbook.pdf.

The Veterans' Employment and Training Service (VETS) will issue separate guidance on negotiating PY 2014 veterans' performance targets with State workforce agencies. This negotiation of specific levels of performance for veterans includes: 1) performance targets for veterans served by American Job Center Network employment services; and, 2) grant-based performance targets for veterans served through the Jobs for Veterans State Grants.

States should also be aware that ETA will be increasing its focus on credential attainment data in PY 2014 and beyond. Credentials are a critical component of helping people upgrade their skills and obtain good jobs. All states are currently required to report on credentials in their quarterly WIASRD submissions regardless of whether or not they have a common measures waiver. As well, credential attainment outcomes were added to the quarterly reports (ETA 9090) beginning in PY 2013. All states will be required to negotiate performance goals for credential outcomes beginning in PY 2015. Prior to PY 2015, ETA will work with States to modify the terms of approved common measures waivers.

8. Reaching Agreement on State Performance Levels. States should use negotiated levels of performance to drive continuous improvement and enhance customer satisfaction. In proposing performance targets for both WIA Title 1B and Wagner-Peyser Act programs, states should negotiate their goals within the context of integrated service delivery, priority of service, local economic conditions, customers served, and workforce solutions that contribute to the economic competitiveness of their State and local areas.

A. Customers to Be Served

Customers served by the local area may have a significant impact on outcomes depending on the type of services provided and other factors unique to the population. In accordance with WIA Section 195(1), which states that services should be targeted to, "those who can benefit from, and who are most in need of, such opportunities," ETA encourages states to serve those individuals with barriers to employment and individuals more at-risk of not connecting to the labor market, including the long term unemployed, those who were incarcerated, homeless, individuals with disabilities, and out-of-school youth. In addition, states are reminded that veterans are entitled to priority of service in all employment and training programs funded whole or in part by the Department (38 U.S.C. 4215) and that workforce services should emphasize stackable credentials that put participants on a path to high quality sustained employment. States should bring appropriate and sufficient information to the negotiation process that demonstrates either their past performance in serving these populations and/or their current strategy for serving these populations. Note that the regression model explicitly considers these factors when estimating the regression adjusted targets.

ETA will continue to adjust performance targets to accommodate states currently serving a significant number of at-risk individuals who need higher levels of service to achieve a positive labor market outcome and who are not accounted for in the model. States that have ongoing initiatives for serving at-risk individuals, who are not included in the regression model, may work with their respective Regional Administrator to negotiate appropriate goals for PY 2014. During the negotiation process, states must provide data to support adjustments of goals based on

numbers of individuals with barriers currently being served. This data should show increasing numbers of at-risk individuals in past performance years. Additionally, the state must demonstrate that participants with these barriers will exit in the negotiated performance year, as well as how these individuals will quantitatively impact the performance outcomes.

When negotiating youth goals, states should consider the importance of serving the neediest youth, especially out-of-school youth, including youth in foster care, youth in the juvenile justice system, children of incarcerated parents, migrant youth, as well as youth with disabilities, and Native American youth. States that transition to serving a higher percentage of these more difficult to serve populations should take into account the effects of those changes when proposing performance levels for the youth goals, since serving a greater percentage of the neediest youth may impact outcomes. Again, it is important to note that the regression model accounts for many, if not all, of these groups. States that are serving a greater percentage of omitted groups should provide evidence that shows how outcomes may be impacted by serving this population, citing academic or other studies that identify the quantitative impact.

Efforts to expand services to at-risk populations are consistent with WIA legislation. Under WIA Section 101(13) an “eligible youth” is a low-income individual between the ages of 14 and 21 who is deficient in basic literacy skills, a school dropout, homeless, a runaway or foster child, pregnant or parenting, an offender, or an individual who requires additional assistance to complete an educational program or hold employment. Section 112 (b)(17)(A)(iv) requires that the State Plan describe, “how the State will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance), individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals and individuals with disabilities).” Section 134(d)(4)(E) requires that priority, under the WIA Adult program, must be given to recipients of public assistance and other low-income individuals for intensive services and training services.

When negotiating goals for the Adult program, states proposing new efforts to increase access to services for special populations who may face significant barriers (such as the long term unemployed, veterans, older workers, individuals with disabilities, migrant or seasonal farm workers, Indian and Native Americans or Temporary Assistance for Needy Families recipients) should provide evidence to show how these new efforts will impact WIA Adult, WIA Dislocated Worker and/or Wagner-Peyser Act outcomes. If these populations are included in the regression adjustment methodology then changes in these groups are already accounted for. If the groups are not included, the state should provide evidence that quantifies the level of impact to expect. ETA supports efforts that will help states better tap into a wider variety of available workers. Available performance data indicate that the workforce investment system’s employment and training programs have positive impacts on individuals’ employment, including traditionally underserved populations. ETA expects states to document how outcomes are impacted by changes in the mix of participants served.

For future negotiations, ETA invites states to suggest mechanisms for expanding services to the long term unemployed and at-risk populations within our current performance framework. Suggestions should be e-mailed to ETAperforms@dol.gov.

B. Continuous Improvement

WIA Section 136 (b)(3)(A)(iv)(III) encourages continuous performance improvement to ensure optimal return on the investment of Federal funds. Continuous improvement should be considered in all aspects of the negotiations process. Negotiations should begin with the formation of expectations regarding future performance based on relevant available data, including past performance, and the tools discussed in section 8.C. Once established, expectations about future performance should be considered a starting point from which to negotiate improvement upon past performance.

Continuous improvement does not necessarily imply that the goals for PY 2014 must be higher than those for PY 2012 or PY 2013. If future performance is expected to decline due to deterioration in the local labor market, an increase in hard to serve participant populations compared to previous years, or some other exogenous event, it is possible for program effectiveness to increase while the performance outcomes actually decline. As a result, expectations for continuous improvement should be negotiated considering all relevant factors impacting performance outcomes.

C. Tools for Proposing Levels of Performance

The following tools and process guidelines provide a uniform framework for states to use to set performance goals. These tools and guidelines are designed to aid the negotiation process. Final performance levels must be negotiated and agreed upon by the state and the ETA Regional Administrator no later than June 27, 2014.

Prior to proposing levels of performance to the appropriate Regional Administrator (see section 8.D and **Attachment I** for information on the negotiations process), states should review and make use of the following resources/tools to ensure that these factors have been considered in determining proposed levels and that there is a sound rationale for proposed levels of performance:

- I. *Past performance.* States should use historical, annual performance information (PY 2007-2012) to determine projected levels of performance for PY 2014. Recent quarterly performance results should also be used to inform the performance path the state is following. Wagner-Peyser Act funded activities began reporting against the common performance measures in PY 2005 and now have more than eight full years of data on which to base future performance projections. The Department anticipates that states will submit proposed levels of performance that reflect continuous improvement in service provision and quality.

While states should have ready access to their own historical performance information, various tools and resources are available to examine all states' performance data, including state-by-state files (www.doleta.gov/Performance/results/wia_national_performance.cfm); VETS' performance data (<http://www.dol.gov/vets/vetoutcomes/index.htm>); and Bureau of Labor Statistics (BLS) data for employment, industries, counties, average earnings, etc. (www.bls.gov/cew/home.htm). When using BLS data as a guide, states should be careful to consider the timeframes covered by BLS employment and wage

information, and the relative time periods in which WIA and Wagner-Peyser Act exiters enter employment and obtain post-program earnings.

- II. *GPRA goals.* Throughout the performance negotiation process, states should be aware of GPRA goals the Department established through PY 2014. The Regional Offices will use GPRA goals as one of several benchmarks by which to gauge their states' proposed performance levels in the context of these national system goals. GPRA is an important mechanism by which Congress and OMB evaluate the success of Federal programs, including those operated by States and local areas. GPRA goals for the Department's WIA Adult and Dislocated Workers and Wagner-Peyser Act programs, in addition to other national programs, are listed in **Attachment II**, and more information is available at <http://www.doleta.gov/Performance/goals/gpra.cfm>.
- III. *The effects of economic and demographic variables and other factors.* WIA Section 136(b)(3)(A)(iv) (see <http://www.doleta.gov/usworkforce/wia/wialaw.htm#sec136>) addresses additional factors, such as differences in economic conditions, characteristics of participants, and services to be provided, that should be considered in the negotiation process.

Attachment III contains a description of the time periods during which individuals should have exited program services to be included in the different performance measures. This attachment will assist states in their analysis of the impact of any given factor on the different measures against which the state will be negotiating levels for in PY 2014. Factors are only pertinent to negotiations when they affect the program exiters included in the time periods associated with any given outcome measure.

D. Process for Reaching Agreement on State Performance Levels

The process for reaching agreement on state performance goals will include the following steps, and follow the attached timeline (**Attachment I**):

- I. After conducting their own analysis of factors that may affect performance, as discussed above (in Part A of this section), states will propose levels of performance for each of the applicable performance measures for PY 2014 by submitting these proposed levels to the Regional Administrator serving the state. Proposed performance levels should be stated to a tenth of a percent (XX.X%) or to the nearest whole dollar for average earnings and must be submitted to the appropriate Regional Administrator no later than May 30, 2014; however, Regional Offices will work with states to begin the negotiation process prior to that date in order to ensure that final levels are agreed upon by June 27, 2014.

When submitting the proposed levels, states should provide the following as support for the levels (see Section I and II of the State Integrated Workforce Plan Requirements or Part I Section F of the Unified Planning Guidance):

- The methodology used for developing proposed levels of performance, including a description of data sources, calculations, and additional environmental factors (such as those previously addressed in TEGl 9-07, and discussed in Sections 5-7 of this guidance).

- How the target levels will promote **continuous improvement** in state performance.

When submitting the proposed levels for review, states also should include a discussion of how the proposed levels will positively impact customer satisfaction with services received and the extent to which the proposed levels ensure optimal return on investment of Federal funds. (See WIA Section 136(b)(3)(A)(iii) and (iv).)

- II. The Regional Office will review the analyses used by the state to develop the proposed performance levels and work with the state to set mutually agreed-upon levels of performance. Regional Offices will take into account the environmental factors addressed by the state, including current and future economic conditions. The Regional Office will consider the proposed levels in light of previously negotiated goals, past performance results, national GPRA goals, and the regression adjusted targets.
- III. The Regional Administrator will employ the regression adjusted targets as a tool from which to begin negotiations. Additionally, Regional Offices will consider the quality of the data presented by the state, including its relevance, source, the time period from which it is drawn, and whether the data are part of a trend or are anomalous.

The negotiations process will focus on whether each performance level appears appropriate in light of statutory criteria and this guidance, and the adequacy of any information the state offers to substantiate each level. If a Regional Office determines, through its analysis, that a state could increase its proposed performance levels to more fully support continuous improvement and customer satisfaction strategies, negotiations with the state to obtain mutually agreed-upon higher performance levels will take place.

- IV. Once the performance levels are agreed upon, the Regional Administrator will send a letter to the state confirming the finalized performance levels. This letter constitutes a modification to the State Plan and serves to incorporate the agreed-upon performance goals into the State Strategic Plan.

9. Inclusion of Performance Goals in State Plans. States are required to submit *proposed* levels of performance no later than May 30, 2014. When the state submits the proposed levels to ETA, the state should confirm with the Regional Administrator that it has made the proposed levels available to the public for review and comment.

The Regional Administrator's letter advising the states of the agreed-upon goals will constitute a modification to the State Plan. For subsequent revisions to performance goals during the life of the State Plan, the Regional Administrator's letter advising the state of the agreed-upon goals also will constitute a modification to the State Plan. The state must ensure that the agreed-upon goals are included in the state's official copy of the State Plan, and that any published State Plan, on the state's Web site or through other forums, includes the agreed-upon goals. ETA will incorporate these performance goals into the Regional and National Office copies of the State Plan.

10. State and Local Regression Analysis. The Department, through the relevant Regional Office, will use the regression-based performance levels as a tool in the negotiation process with all states in the PY 2014 negotiations. In a similar manner, states are encouraged to use the regression-based performance levels as a tool to aid their negotiations with their local areas. Previous experience with the regression model has demonstrated that the regression-based performance levels would best serve the goal setting process as an additional tool for use in the negotiations process. Regional Administrators as well as the states are in no way precisely bound to the regression-adjusted targets; instead, they should use the regression targets to inform the negotiations process in order to ensure continuous improvement as outlined in the WIA Section 136 (b)(3)(A)(iv)(III).

This TEGl also provides WIA and Wagner-Peyser Act GPRA goals. These goals support the FY 2015 Congressional Budget Justification, and were developed using a national regression model. National GPRA goals serve as an additional guide for negotiations; however, ETA encourages states and local workforce boards to negotiate performance goals according to the local area labor market and economic conditions.

11. Renegotiation of State Goals. WIA allows for the renegotiation of performance levels if circumstances arise that result in a significant change in the factors used to develop the original performance levels. Such criteria could include significant changes in economic conditions, changes in service mix, or changes in client characteristics. States should notify their Regional Office of any intent to renegotiate their performance. States that renegotiate goals should note that renegotiation after the end of any program year's second quarter (December 31st) eliminates that State from being eligible to receive a WIA incentive grant. TEGl 11-01, Change 1 offers further guidance on renegotiating state goals.

Under 20 CFR 661.230(b)(2), a change in performance indicators is considered a substantial change that must be officially incorporated into the State Plan through a modification. Therefore, States must submit modifications to the State Plan reflecting the agreed-upon performance levels. These plan modifications are subject to the same public review and comment requirements that apply to the development of the original State Plan. The state must provide an opportunity for public comment on the modification prior to submission to the Regional Office. The agreed-upon performance levels are incorporated into the State Plans when the Regional Administrator approves the State's modification of its plan. Regional Offices will monitor state progress toward achievement of the targets and may request a corrective action plan if a state does not appear on track to achieve its negotiated levels.

12. Action Requested. States are requested to distribute this information to the appropriate State and local staff.

13. Inquiries. Questions concerning this guidance should be directed to the appropriate Regional Office.

14. Attachments.

Attachment I: Recommended Timeline for the PY 2014 Negotiations Process

Attachment II: WIA and Wagner-Peyser Employment Service Performance Goals
Established for the Fiscal Year 2015 Congressional Budget
Justification and the Government Performance and Results Act
Attachment III: Time Periods for Reporting Performance Information in the WIA
Annual Report for PY 2013 and PY 2014