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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER WIOA NO. 10-16 OPERATING GUIDANCE for the WORKFORCE INNOVATION AND OPPORTUNITY ACT (referred to as WIOA)

TO: STATE AND LOCAL STAKEHOLDERS IN THE WORKFORCE
INNOVATION AND OPPORTUNITY ACT
STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS

FROM: PORTIA WU /s/
Assistant Secretary for Employment and Training, Department of Labor

SUBJECT: Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III and Title IV Core Programs

1. Purpose.

This Training and Employment Guidance Letter (TEGL) provides sub-regulatory guidance on the requirements set forth in the Workforce Innovation and Opportunity Act (WIOA), related to the implementation and operation of the performance accountability system under section 116 of WIOA and the implementing joint regulations in 20 CFR part 677 (and reprinted in 34 CFR parts 361 and 463). As explained further in this guidance, developed jointly by the U.S. Departments of Labor (DOL) and Education (ED) (Departments), WIOA requires all States and direct grantees of the Departments to collect and report information on all the participants described in this TEGL.

WIOA, signed into law on July 22, 2014, is designed to help job seekers access employment, education, training, and support services to succeed in the labor market and to match employers with the skilled workers they need to compete in the global economy. WIOA supersedes titles I and II of the Workforce Investment Act of 1998 (WIA) and amends the Wagner-Peyser Act and the Rehabilitation Act of 1973.

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The WIOA Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions (Joint WIOA Final Rule) was published in the Federal Register on August 19, 2016, at 81 FR 55791, and took effect on October 18, 2016. This guidance is based on the statutory requirements of WIOA, as well as its implementing final regulations.

2. References. See Attachment 11.

3. Background.

Section 116 of WIOA establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of States 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 provides a historic opportunity to align performance-related definitions, streamline performance indicators, integrate reporting, and ensure comparable data collection and reporting across all six of these core programs, while also implementing program-specific requirements related to data collection and reporting.

Through this guidance, the Departments elaborate on the performance accountability requirements in section 116 of WIOA, part 677 of the Joint WIOA Final Rule (also reproduced in 34 CFR parts 361 (VR) and 463 (AEFLA)), and the performance reporting requirements in the WIOA Joint Performance Accountability Information and Reporting System (WIOA Performance ICR), approved by the Office of Management and Budget (OMB) on June 30, 2016 as No. 1205-0526. Specifically, this TEGl addresses the:

- Methodology for calculating the six primary indicators of performance for the core programs;
- Definitions of: (1) reportable individual, (2) participant, (3) exit, and (4) period of participation; and
- Guidance related to: (1) career services vs. training services, (2) core services, (3) incumbent worker training, and (4) indicator of performance score calculation.

Where applicable, this document refers to data elements in the WIOA Joint Participant Individual Record Layout (Joint PIRL).¹ Additional references are also made to the DOL-only PIRL, as applicable for the DOL-administered programs.

The specific sections of this guidance can be found on the following pages:

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- **Attachment 2:**
 - **Table A:** Exclusions (PIRL Data Element 923): Title I Adult, Title I Dislocated Worker, Title II AEFLA, Title III Employment Service, and Title IV VR Programs;
 - **Table B:** Exclusions (PIRL Data Element 923): Title I Youth program; and

¹ETA Form-9170, the WIOA Participant Individual Record Layout (Joint PIRL), has been approved with OMB Control Number 1205-0526 (Workforce Innovation and Opportunity Act Common Performance Reporting, expiration date June 30, 2019), available at https://doleta.gov/performance/reporting/eta_default.cfm. The PIRL provides a standardized set of data elements, definitions, and reporting instructions used to describe the characteristics, activities, and outcomes of WIOA participants.

- **Table C:** Exclusions: Sec. 225 of WIOA
- **Attachment 3:** Wage Conversion Chart
- **Attachment 4:**
 - **Table – A:** Effectiveness in Serving Employers’ Data Elements Specifications
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 - **Table – B:** Participation Level Services Chart – WIOA Title I Youth Program;
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- **Attachment 8:** Incumbent Worker Training Required Data Elements
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- **Attachment 11:** References – WIOA Operating Guidance

5. Definitions of Terms Related to the Performance Accountability System.

This guidance uses the following terms. See **Attachment 1** for complete definitions.

- Common Exit
- Competitive Integrated Employment
- Customized Training
- Employment
- Exit
- Incumbent worker
- Integrated Education and Training Program (IET)
- Participant
- Participant Individual Record Layout
- Period of participation
- Reportable individual
- Secondary school diploma
- Unsubsidized employment

6. Primary Indicators of Performance.

Under section 116(b)(2)(A) of WIOA, there are six primary indicators of performance:

- A. Employment Rate – 2nd Quarter After Exit: 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 the percentage of participants in education or training activities, or in unsubsidized employment during the second quarter after exit);
- B. Employment Rate – 4th 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 the percentage of participants in education or training activities, or in unsubsidized employment during the fourth quarter after exit);
- C. Median Earnings – 2nd Quarter After Exit: The median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program;
- D. Credential Attainment: The percentage of those 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. A participant who has attained a secondary school diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary school diploma or its recognized equivalent only if the participant also is employed or is enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit from the program;
- E. Measurable Skill Gains: 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, 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:
 - a) Documented achievement of at least one educational functioning level of a participant who is receiving instruction below the postsecondary education level;
 - b) Documented attainment of a secondary school diploma or its recognized equivalent;

- c) Secondary or postsecondary transcript or report card for a sufficient number of credit hours that shows a participant is meeting the State unit's academic standards²;
- d) Satisfactory or better progress report, towards established milestones, such as completion of OJT or completion of one year of an apprenticeship program or similar milestones, from an employer or training provider who is providing training; or
- e) Successful passage of an exam that is required for a particular occupation or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks such as knowledge-based exams.

F. Effectiveness in Serving Employers: WIOA sec. 116(b)(2)(A)(i)(VI) requires the Departments to establish a primary indicator of performance for effectiveness in serving employers. The Departments are piloting three approaches designed 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 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.

Since this indicator is a new approach for measuring performance under WIOA's six core programs, the Departments have implemented a pilot program during which States must select two of the three approaches. They also may develop an additional State-specific approach. The Departments will evaluate State experiences with the various approaches and plan to identify a standardized indicator that the Departments anticipate will be implemented no later than the beginning of Program Year 2019.

² Within each State there is an administrative unit that provides authorization to postsecondary institutions within the State. States differ in the requirements to which they hold postsecondary institutions responsible for satisfactory progress. Progress for WIOA purposes must comply with any applicable State standards. Likewise, every State has a State educational agency that establishes education standards for secondary education within the State, which would apply for purposes of determining if a participant is meeting the State's academic standards.

The methodologies for calculating most of the primary indicators of performance are written as equations (see **Attachment 10**), clearly identifying which cohorts are in the numerator and which cohorts are in the denominator. In cases where there are conditions that apply to both the numerator and denominator, the condition is represented in italics at the beginning of the discussion about the indicator.

These primary indicators of performance apply to all six core programs, except that the indicators for credential attainment and measurable skill gains do not apply to the title III Employment Service program.

For the three employment-related performance indicators (employment rate in the second and fourth quarters after exit and median earnings in the second quarter after exit), 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 program are also considered as employed, and their quarterly earnings are calculated, for the purpose of these indicators. Supplemental wage information may be collected in those circumstances where quarterly wage records are not available or may not apply (e.g. for participants who are self-employed, or for participants who decline to provide a social security number (SSN)). States must submit supplemental wage information to the Departments by using the data reporting instruments (i.e., PIRL and Statewide and Local Performance Report Template and Specifications). The Departments will provide specific protocols on the use and reporting of supplemental wage information in future guidance.

In addition, as set forth in more detail in **Attachment 2, Table A** and **Attachment 2, Table B**, under very limited circumstances, some participants who exit programs are excluded from the performance calculations for the six indicators. These categories of exclusions apply to participants in all six core programs who exit for any of the reasons described in **Attachment 2, Tables A** and **B**. Additionally, participants receiving services under WIOA sec. 225 are excluded from exit-based measures described in **Attachment 2, Table C**.

Furthermore, participants who have exited a program, but for whom exit-based information (e.g., employment-related information) is not yet available, are not included in performance calculations until such data subsequently become available. For the employment-related indicators (i.e., employment rate in the second and fourth quarters after exit, and median earnings in the second quarter-s after exit), if employment status is recorded as “Information not yet available” or if total earnings are recorded as “999999.99” (data were not yet available), the participant record will be excluded from the performance calculations. The Departments anticipate, however, that data for the employment indicators will generally be

available, as there is a two-quarter lag built into the reporting times for the employment- and wage-based indicators to allow time for reporting participant exit and conducting direct UI wage record match.

The methodology for calculating the primary indicators of performance for the core programs, and the operational parameters determining the population assessed for each primary indicator, are as follows.

A. Employment Rate – 2nd Quarter After Exit

Employment Rate – 2nd Quarter After Exit is the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program.

Methodology:

Calculation includes all program participants, except those participating in the title I Youth program (which will be discussed separately below):

The number of participants who exited during the reporting period who are found to be employed, either through direct UI wage record match, Federal or military employment records, or supplemental wage information, in the second quarter after the exit quarter DIVIDED by the number of participants who exited during the reporting period. This is described in **Attachment 10, Figure 1**.

Operational Parameters:

When calculating levels of performance for this indicator, States must include all participants exiting the title I Adult, title I Dislocated Worker, title II AEFLA, title III Employment Service, and title IV VR programs, except States must not include (in either the numerator or denominator) those participants who exit during the reporting period for any of the reasons listed in **Attachment 2, Table A** or **Attachment 2, Table C** (PIRL 923) regarding exclusions.

A-1. Title I Youth Education and Employment Rate – 2nd Quarter After Exit

Title I Youth Education and Employment Rate – 2nd Quarter After Exit is the percentage of title I Youth program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from the program.

Methodology:

Calculation includes all title I Youth program participants:

The number of title I Youth program participants who exited during the reporting period who are found to be employed, either through direct UI wage record match, Federal or military employment records, or supplemental wage information, OR found to be enrolled in secondary education, postsecondary education, or occupational skills training (including advanced training) in the second quarter after the exit quarter DIVIDED by the number of title I Youth program participants who exited the program during the reporting period. This is described in **Attachment 10, Figure 2**.

Operational Parameters:

Calculations for determining levels of performance for this indicator include all participants who exit the title I Youth program except those that exit for any of the reasons listed in **Attachment 2, Table B** or **Attachment 2, Table C** (PIRL 923). Title I Youth who are in the AmeriCorps program or Job Corps program in the second quarter after exit are counted as a success in the training portion of the indicator.

B. Employment Rate – 4th Quarter After Exit

Employment Rate – Fourth Quarter After Exit is the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program.

Methodology:

Calculation includes all program participants, except those participating in the title I Youth program (which will be discussed separately below):

The number of participants who exited during the reporting period who are found to be employed, either through direct UI wage record match, Federal or military employment records, or supplemental wage information, in the fourth quarter after the exit quarter DIVIDED by the number of participants who exited during the reporting period. This is described in **Attachment 10, Figure 3**.

Operational Parameters:

Calculation of levels of performance for this indicator includes all participants who exit from the title I Adult, title I Dislocated Worker, title II AEFLA, title III Employment Service, and title IV VR programs, except States must not include (in either the numerator or denominator) those who exit for any of the reasons listed in **Attachment 2, Table A**.

B - 1. Title I Youth Education and Employment Rate – 4th Quarter After Exit

Title I Youth Education and Employment Rate – Fourth Quarter After Exit is the percentage of program participants who are in education or training activities, or in unsubsidized employment, during the fourth quarter after exit from the program.

Methodology:

Calculation includes all title I Youth program participants who exit from the program:

The number of title I Youth program participants who exited the program during the reporting period who are found to be employed, either through direct UI wage record match, Federal or military employment records, or supplemental wage information, OR found to be enrolled in secondary education, postsecondary education, or occupational skills training (including advanced training) in the fourth quarter after the exit quarter DIVIDED by the number of title I Youth program participants who exited the program during the reporting period. This is described in **Attachment 10, Figure 4**.

Operational Parameters:

Calculation of levels of performance for this indicator includes all participants who exit from the title I Youth program, except those who exit for any of the reasons listed in **Attachment 2, Table B**. Title I Youth who are in the AmeriCorps program or Job Corps program in the fourth quarter after exit are counted as a success in the training portion of the indicator.

C. Median Earnings – 2nd Quarter After Exit

Median Earnings – 2nd Quarter After Exit is the median earnings of program 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.

Methodology:

To calculate the median earnings for all participants employed in the second quarter after exit from any of the core programs, including the title I Youth program:

Total quarterly earnings, for all participants employed in the second quarter after exit, are collected by either direct wage record match or supplemental wage information. The collected quarterly wage information values are listed in order, from the lowest to the highest value. The value in the middle of this list is the median earnings value,

where there is the same quantity of numbers above the median number as there is below the median number. This is described in **Attachment 10, Figure 5**.

The Wage Conversion Chart (**Attachment 3**) is used to convert supplemental wage information values that do not represent the total amount a participant earned in the second quarter after exit.

Operational Parameters:

The following participants and any associated earnings figures are excluded from the calculation for median earnings:

1. Participants who have exited and are not employed in the second quarter after exit (PIRL 1602 – Employed in 2nd Quarter After Exit Quarter – with code value 0)
2. Participants who have exited a program and for whom earnings information is not yet available:
 - PIRL 1602 – Employed in 2nd Quarter After Exit Quarter – with code 09 (Information not yet available); or
 - PIRL 1603 – Type of Employment Match 2nd Quarter After Exit Quarter – with code value 5 (Information not yet available); or
 - PIRL 1704 – Wages 2nd Quarter After Exit Quarter – with code value 999999.99 or blank.

There is a two quarter lag built into the reporting times for the wage- and employment-based indicators to allow time for reporting participant exit and conducting direct wage record match. After two quarters, if the information is still not available, wages will be converted to \$0 permanently. Wages reported as \$0 will indicate that the participant was not employed in the second quarter after exit, thereby counting as a negative outcome in the Employment Rate 2nd Quarter After Exit indicator and excluding that participant from the Median Earnings 2nd Quarter After Exit indicator.

3. Participants who have exited from a program and who have \$0 income. For purposes of the VR program, these participants would include unpaid family workers and homemakers.
4. Participants who have exited a program and are in subsidized employment.
5. Participants who have exited for any of the reasons listed in **Attachment 2, Tables A through C**.

D. Credential Attainment

Credential Attainment is the percentage of those participants enrolled in an education or training program (excluding those in OJT and customized training) who attained 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.

A participant who has attained a **secondary** school diploma or its recognized **equivalent** is included in the percentage of participants who have attained a secondary school diploma or its recognized equivalent **only** if the participant also is employed or is enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit from the program.

Methodology:

Calculation includes all participants who exited from a program and were in either a postsecondary education or training program (other than OJT and customized training) OR in a secondary education program at or above the 9th grade level without a secondary school diploma or its equivalent:

The number of participants who exited during the reporting period who obtained a recognized postsecondary credential during the program or within one year after exit PLUS those who were in a secondary education program and obtained a secondary school diploma or its recognized equivalent during the program or within one year after exit and were also employed, or in an education or training program leading to a recognized postsecondary credential within one year after exit DIVIDED by the number of participants enrolled in an education or training program (excluding those in OJT and customized training) who exited during the reporting period. This is described in **Attachment 10, Figure 6**.

Operational parameters:

Definition of Credential: This indicator measures attainment of two types of credentials: either a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent.

A recognized postsecondary credential is defined as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the State involved or Federal government, or an associate or baccalaureate degree, as well as graduate degrees for purposes of the VR program as required by section 103(a)(5) of the Rehabilitation Act of 1973, as amended

by title IV of WIOA. A recognized postsecondary credential is awarded in recognition of an individual's attainment of measurable technical or industry/occupational skills necessary to obtain employment or advance within an industry/occupation. These technical or industry/occupational skills generally are based on standards developed or endorsed by employers or industry associations. Neither certificates awarded by workforce development boards (WDBs), nor work readiness certificates, are included in this definition because neither type of certificate documents the measurable technical or industry/occupational skills necessary to gain employment or advance within an occupation. Likewise, such certificates must recognize technology or industry/occupational skills for the specific industry/occupation rather than general skills related to safety, hygiene, etc., even if such general skills certificates are broadly required to qualify for entry-level employment or advancement in employment.

A variety of different public and private entities issue recognized postsecondary credentials. Below is a list of the types of organizations and institutions that award recognized postsecondary credentials (not all credentials by these entities meet the definition of recognized postsecondary credential).

- A State educational agency or a State agency responsible for administering vocational and technical education within a State;
- An institution of higher education described in Section 102 of the Higher Education Act (20 USC 1002) that is qualified to participate in the student financial assistance programs authorized by title IV of that Act. This includes community colleges, proprietary schools, and all other institutions of higher education that are eligible to participate in Federal student financial aid programs;
- An institution of higher education that is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or tribes.
- A professional, industry, or employer organization (e.g., National Institute for Automotive Service Excellence certification, National Institute for Metalworking Skills, Inc., Machining Level I credential) or product manufacturer or developer (e.g., recognized Microsoft Information Technology certificates, such as Microsoft Certified IT Professional (MCITP), Certified Novell Engineer, a Sun Certified Java Programmer, etc.) using a valid and reliable assessment of an individual's knowledge, skills and abilities;
- ETA's Office of Apprenticeship or a State Apprenticeship Agency;

- A public regulatory agency, which awards a credential upon an individual's fulfillment of educational, work experience, or skill requirements that are legally necessary for an individual to use an occupational or professional title or to practice an occupation or profession (e.g., Federal Aviation Administration aviation mechanic license, or a State-licensed asbestos inspector);
- A program that has been approved by the Department of Veterans Affairs to offer education benefits to veterans and other eligible persons.
- Job Corps, which issues certificates for completing career training programs that are based on industry skills standards and certification requirements.

Definition of a Secondary School Diploma: For purposes of the credential attainment performance indicator, a secondary school diploma (or alternate diploma) (commonly referred to as high school diploma) is one that is recognized by a State and that is included for accountability purposes under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). A secondary school equivalency certification signifies that a student has completed the requirements for a high school education. The types of recognized equivalents, for those not covered under ESEA, that would satisfy this performance indicator are those recognized by a State.

Examples of secondary school diplomas, alternate diplomas, and recognized equivalents recognized by individual States include:

- Obtaining certification of attaining passing scores on a State-recognized high school equivalency test.
- Earning a secondary school diploma or State-recognized equivalent through a credit bearing secondary education program sanctioned by State law, code, or regulation.
- Obtaining certification of passing a State recognized competency-based assessment.
- Completion of a specified number of college credits.

Types of Acceptable Credentials: The following are acceptable types of credentials that count toward the credential attainment indicator:

- Secondary School diploma or recognized equivalent
- Associate's degree

- Bachelor’s degree
- Graduate degree for purposes of the VR program
- Occupational licensure
- Occupational certificate, including Registered Apprenticeship and Career and Technical Education educational certificates
- Occupational certification
- Other recognized certificates of industry/occupational skills completion sufficient to qualify for entry-level or advancement in employment.

Who is included in the Calculation of the Credential Attainment Indicator:

Participants who exit and are in a postsecondary education or training program, or who are in a secondary education program (at or above the 9th grade level) without a secondary school diploma or equivalent, are included in the credential attainment indicator, subject to the “Special Rule” below. However, participants enrolled in work-based OJT or customized training are excluded from this indicator because such training does not typically lead to a credential.

Special Rule Relating to Secondary School Diplomas and Recognized Equivalents in the Calculation of the Credential Attainment Indicator:

Participants who obtain a secondary school diploma or its recognized equivalent must also meet an additional condition before they are counted as a successful outcome and included in the numerator of the credential attainment indicator. These participants must be employed, or enrolled in an education or training program leading to a recognized postsecondary credential within one year following exit.

For each core program, a description of who is considered to be enrolled in an “education or training program”, and thus included in the credential attainment indicator, follows:

- **Title I Adult:** All Adult program participants who received training that was not OJT or Customized Training are included in the credential attainment indicator.
- **Title I Dislocated Worker:** All Dislocated Worker program participants who received training that was not OJT or Customized Training are included in the credential attainment indicator.
- **Title I Youth:** All in-school Youth (ISY) are included in the credential attainment indicator since they are attending secondary or postsecondary school. Only out-of-school Youth (OSY) who participate in one of the following are included in the credential attainment indicator:

- the program element occupational skills training
 - secondary education during participation in the title I Youth program
 - postsecondary education during participation in the title I Youth program
 - Title II-funded adult education during participation in the title I Youth program
 - YouthBuild during participation in the title I Youth program
 - Job Corps during participation in the title I Youth program
- **Title II AEFLA:** The following AEFLA program participants are included in this measure:
 - For the secondary school credential: Participants without a secondary school diploma or recognized equivalent, who were enrolled in a secondary education program at or above the 9th grade level.
 - For the postsecondary credential: Participants who were co-enrolled in a postsecondary education or training program.
- **Title IV VR:** The following VR program participants are included in this measure:
 - All participants who have participated in an educational or training program leading to a postsecondary credential.
 - All participants who are enrolled in secondary education and who have the attainment of a secondary school diploma or its equivalent identified on their Individualized Plan for Employment (IPE).

Exclusions from the Measure:

Participants who exited a program and who were enrolled in the following are excluded from the credential attainment indicator:

- a. OJT only;
- b. Customized training only; or
- c. The title III Employment Service program (Wagner-Peyser) only.

Also, participants who exit for any of the reasons listed in **Attachment 2, Tables A through C** are excluded from the credential attainment indicator.

E. Measurable Skill Gains

The Measurable Skill Gains indicator is the percentage of participants who, during a program year, are in education or training programs that lead 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.

The measurable skill gains indicator is used to measure interim progress of participants who are enrolled in education or training services for a specified reporting period. Therefore, it is not an exit-based measure. Instead, it is intended to capture important progressions through pathways that offer different services based on program purposes and participant needs and can help fulfill the vision for a workforce system that serves a diverse set of individuals with a range of services tailored to individual needs and goals. Depending upon the type of education or training program in which a participant is enrolled, documented progress is defined as one of the following:

1. Documented achievement of at least one educational functioning level of a participant who is receiving instruction below the postsecondary education level;
2. Documented attainment of a secondary school diploma or its recognized equivalent;
3. Secondary or postsecondary transcript or report card for a sufficient number of credit hours that shows a participant is meeting the State unit's academic standards;
4. Satisfactory or better progress report, towards established milestones, such as completion of OJT or completion of one year of an apprenticeship program or similar milestones, from an employer or training provider who is providing training; or
5. Successful passage of an exam that is required for a particular occupation or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks, such as knowledge-based exams.

Examples:

- A participant is enrolled in a 4-year registered apprenticeship program: the measurable skill gains indicator tracks the skills the participant gains throughout the reporting period, not just at the end of the 4-year training program.

- Low-skilled adult participants of an adult education program: the measurable skill gains indicator provides an opportunity to track and report gains in reading, writing, mathematics, and English proficiency.

Documenting Progress for Types of Measurable Skill Gains

- 1. Documented achievement of at least one educational functioning level of a participant who is receiving instruction below the postsecondary level** – Programs may measure educational functioning level gain in one of three ways:
 - (a) States may compare the participant’s initial educational functioning level, as measured by a pre-test, with the participant’s educational functioning level, as measured by a post-test;³
 - (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 educational functioning level 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. Documented attainment of a secondary school diploma⁴ or its recognized equivalent** – Programs may document attainment of a secondary school diploma or its recognized equivalent if the participant obtains certification of attaining passing scores on all parts of a State-recognized high school equivalency test, or the participant obtains a diploma or State-recognized equivalent documenting satisfactory completion of secondary studies or an alternate diploma⁵, including a high school or adult secondary school diploma.
- 3. Secondary or postsecondary transcript or report card for a sufficient number of credit hours that shows a participant is meeting the State unit’s academic**

³The approved pre- and post-tests must be based on the list of tests the Secretary of Education determines to be suitable for use in the National Reporting System for Adult Education. The list of approved assessments is published annually in the Federal Register. See *Tests Determined To Be Suitable for Use in the National Reporting System for Adult Education*; Education Department, 80 Fed. Reg. 48304 (August 12, 2015). <https://federalregister.gov/a/2015-19847>.

⁴Secondary school diploma refers to a regular high school diploma, as defined in section §101(43) of the ESEA, as amended by the ESSA. See *Every Student Succeeds Act*, Pub. L. 114-95, Sec. 8002. December 2015.

⁵Alternate diploma must meet the requirements under the ESEA, as amended by the ESSA.

standards – For secondary education, this gain may be documented through receipt of a secondary transcript⁶ or report card for one semester showing that the participant is achieving the State unit’s policies for academic standards. For postsecondary education, this gain must demonstrate a sufficient number of credit hours—which is at least 12 hours per semester or, for part-time students, a total of at least 12 hours over the course of two completed consecutive semesters during the program year—that shows a participant is achieving the State unit’s academic standards (or the equivalent for other than credit hour programs).

- 4. Satisfactory or better progress report, towards established milestones, such as completion of OJT or completion of one year of an apprenticeship program or similar milestones, from an employer or training provider who is providing training** – Documentation for this gain may vary, as programs should identify appropriate methodologies based upon the nature of services being provided, but progress reports must document substantive skill development that the participant has achieved. The gain may be documented by a satisfactory or better progress report from an employer or training provider. Progress reports may include training reports on milestones completed as the individual masters the required job skills, or steps to complete an OJT or apprenticeship program. Increases in pay resulting from newly acquired skills or increased performance also can be used to document progress.
- 5. Successful passage of an exam that is required for a particular occupation or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks, such as knowledge-based exams** – Documentation for this gain may include passage of a component exam in a Registered Apprenticeship program, employer-required knowledge-based exam, satisfactory attainment of an element on an industry or occupational competency-based assessment, or other completion test necessary to obtain a credential.

Methodology:

Calculation includes all participants:

The number of program participants during the reporting period who are in an education or training program that leads to a recognized postsecondary credential or employment and are achieving measurable skill gains based on attainment of at least one type of gain DIVIDED by the number of program participants during the reporting period who are in an education or training program that leads to a recognized postsecondary credential or employment.

⁶Secondary transcript is specific to youth attending high school.

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 are included in the **denominator**. This includes participants who continue to receive services as well as those who have participated during the reporting period and have exited the program. Data for the denominator in this calculation is drawn from *PIRL 1811: Date Enrolled During Program Participation in an Education or Training Program Leading to a Recognized Postsecondary Credential or Employment*.

The **numerator** is the number of program participants defined above who achieved at least one type of gain. A participant may have achieved more than one type of gain in a reporting period; however, only one gain per participant in a reporting period may be used to calculate success on the measurable skill gains indicator. These calculations are described in **Attachment 10, Figure 7**.

Operational Parameters:

All participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment are counted in the calculation of this indicator. Participants who exit for any of the reasons listed in **Attachment 2, Tables A and B** are excluded from the measurable skill gains indicator. The following participants in education or training programs are included:

- **Title I Adult and Dislocated Worker** – All participants who are in a title I Adult- or Dislocated Worker-funded training program are included in the measurable skill gains indicator (which includes funding a training program for a secondary school program equivalent). This includes all participants in work-based training. (Refer to Incumbent Workers Training section on page 39.)
- **Title I Youth** – All ISY are included in the measurable skill gains indicator since they are attending secondary or postsecondary school. Only OSY who are in one of the following are included in the indicator:
 - the program element occupational skills training
 - secondary education during participation in the title I Youth program
 - postsecondary education during participation in the title I Youth program
 - Title II-funded adult education during participation in the title I Youth program
 - the YouthBuild program during participation in the title I Youth program
 - Job Corps during participation in the title I Youth program

- **Title II AEFLA** – All participants in title II AEFLA programs are considered to be in an education program leading to a recognized postsecondary credential or employment and, as such, would be included in the measurable skill gains indicator.
- **Title IV VR** – All VR program participants who are in an education or training program that leads to a recognized secondary or postsecondary credential, which is identified on the individual’s IPE, would be included in the measurable skill gains indicator.

Additional Operational Parameters:

- Participants are only included in the denominator one time per reporting period (i.e., program year), regardless of how many skill gains they achieve in a given program year unless the individual has more than one period of participation in a given program year. Likewise, participants are only included in the numerator one time per reporting period (i.e., program year), regardless of how many skill gains they achieve in a given program year unless the individual has more than one period of participation in a given program year (See Section 9, page 35, for discussion on periods of participation.);
- A participant who exits the program and re-enrolls in the program during the same program year and is in an education or training program will be in the indicator two times for that particular program year, as explained in the discussion of periods of participation in Section 9 of this guidance;
- The measurable skill gains indicator is different from the other indicators because it is not exit-based, meaning that a participant can achieve a measurable skill gain while still participating in a program; and
- Programs should not delay enrollment or services to participants until a new program year even if programs believe there is insufficient time for the participant to make any type of measurable skill gain by the end of that program year.

For performance accountability purposes, the measurable skill gains indicator calculates the number of participants who attain at least one type of gain during each period of participation within a given program year. Since this indicator is not exit-based, each unique program entry date (not exit date) triggers inclusion in the calculation. Participants will achieve a successful outcome in the indicator as long as they attain one type of gain applicable to the core programs. See the example below for how this would apply in a typical scenario.

Example

Chris enters an American Job Center and becomes a participant on October 2, 2016 (PY16). He exits the program on February 10, 2017. During this time, Chris achieves two types of gain under the measurable skill gain indicator.

He re-enters the program as a participant on June 11, 2017 (PY16). By the end of the program year (June 30, 2017), he is still in his second participation period. During this time, Chris obtains an additional type of gain under the measurable skill gain indicator.

In this example, Chris has two periods of participation and two positive outcomes on the measurable skill gains indicator. Although two types of gain were achieved in the first period of participation, only one of the two types of gains counts toward the indicator in the first participation period. During the second period of participation, another type of gain was achieved before the end of the program year, which counts as another positive outcome towards the measurable skill gains indicator.

This information is collected, for all core programs (except the title III Employment Service program), as part of the Measurable Skill Gains Report Template. If a participant achieves more than one type of measurable skill gain in a reporting period, the most recent gain is the skill gain type that should be recorded on the Measurable Skill Gains Report Template.

Operational Parameters – Individual Core Programs:

The appropriate types of measurable skill gains for each core program are detailed in the table below. These parameters are intended to focus performance accountability under measurable skill gain on the services that are allowable under the respective statutory provisions.

Operational Parameters – Individual Core Programs	
Core Program	Type of Measurable Skill Gains
Title I – Adult and Dislocated Worker	<ul style="list-style-type: none"> ▪ Measured by achievement of any of the 5 types of measurable skill gains ▪ No specific measurable skill gain types required for specific Adult or Dislocated Worker participants
Title I – Youth	<ul style="list-style-type: none"> ▪ Measured by achievement of any of the 5 types of measurable skill gains ▪ No specific measurable skill gains types required for specific Youth participants ▪ Type of skill gain should be based on the youth’s individual service strategy

Operational Parameters – Individual Core Programs	
Core Program	Type of Measurable Skill Gains
Title II – AEFLA	<ul style="list-style-type: none"> ▪ Measured by: <ul style="list-style-type: none"> - Achievement of at least one educational functioning level, OR - Documented attainment of a secondary school diploma or its recognized equivalent.
Title IV – VR	<ul style="list-style-type: none"> ▪ May be measured by achievement of any of the 5 measurable skill gains.

F. Effectiveness in Serving Employers

WIOA sec. 116(b)(2)(A)(i)(VI) requires the Departments to establish a primary indicator of performance for effectiveness in serving employers. The Departments have determined that this indicator will be measured as a shared outcome across all six core programs within each State to ensure a holistic approach to serving employers. The Departments are implementing this indicator in the form of a pilot program to test the rigor and feasibility of three approaches, and to subsequently 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.

As described in the Joint WIOA Final Rule and the Joint WIOA Performance ICR (OMB Control No. 1205-0526), the Departments have developed three approaches for measuring effectiveness in serving employers. States must select two of these three approaches to report on this indicator. Governors also may establish and report on a third State-specific approach for measuring effectiveness, in addition to the two Departmental approaches selected. The Departments will evaluate State experiences with the various approaches and plan to identify a standardized indicator that the Departments anticipate will be implemented no later than the beginning of Program Year 2019.

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

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

a. Three Approaches to Measuring Effectiveness in Serving Employers (Each State must select two and may also develop a third State-established measure(s).)

- 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.

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.

- 2. Repeat Business Customers (Percentage of repeat employers using services within the previous three years) – This approach tracks the percentage of employers who receive services that use core program services more than once.**

This approach is useful in determining whether employers who receive services from the core programs are satisfied with those services and become repeat customers. This approach also assesses the workforce system’s ability to develop and maintain strong relationships with employers over extended periods of time.

- 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 represented in an area or State served by the public workforce system (i.e., employers served).** States are required to track data elements E1 – E4 in **Attachment 4, Table A** (“Effectiveness in Serving Employers Specifications”) of the WIOA joint reporting requirements for employer penetration rate and repeat business customer measures. American Job Centers will keep track of the number of establishments served within a program year, and States will collect that data and compare it to the aggregate number of employers in a given State and/or county.

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.

b. How to Calculate

In order to implement the effectiveness in serving employers indicator as a shared indicator, the Departments recommend that States centralize the coordination of data collection and reporting into a single agency. Since the measure is dependent on UI wage data and an establishment identifier (such as an employer FEIN or State tax id), the Departments anticipate that the State Workforce Agency (SWA) may be best positioned to report this measure for the State.

States have flexibility in determining which agency is responsible for tracking these services, including the collection of the data and the setting of goals with the local workforce boards.

Approach 1 – Retention with the Same Employer

Percentage of participants with wage records who exit and were employed by the same employer in the second and fourth quarters after exit.

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 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 on employee retention for all participants who received ETA-funded WIOA program services will be collected by the American Job Centers and reported at the State-level by the SWA. Outcomes for title II AEFLA participants who are co-enrolled and receiving career services through the American Job Center would 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 the SWA, which will aggregate both sets of information to provide one shared outcome for this approach.

Approach 2 – Repeat Business Customers

Percentage of employers who have used WIOA core program services more than once during the last three reporting periods

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: The reporting period for this indicator is a program year (July 1 through June 30).

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.

For this measure, States must report on data elements E1 and E2 as shown in **Attachment 4, Table A - Effectiveness in Serving Employers Specifications**. Please note that for employers with more than one physical location, the QCEW reports each work site as a separate establishment, and therefore, the total number of business establishments receiving services should be counted this way.

Attachment 4, Table B also includes definitions for the different categories of “Core Program Services” that may be counted when calculating levels of performance for the effectiveness in serving employers indicator. For example, a placement through title IV would fall under the “Worker Recruitment Assistance” category and would therefore count as a core program service.

Note: For more information about QCEW, see below.

Approach 3 – Employer Penetration

Percentage of employers using WIOA core program services out of all employers in the State

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, located within the State during the final month or quarter of the reporting period. 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.

For this measure, States must report data elements E3 and E4 found in “WIOA Effectiveness in Serving Employers’ Data Elements and Specifications” part of the WIOA joint reporting requirements (see **Attachment 4, Table A** for the data elements and their definitions). For employers with more than one physical location, the QCEW reports each work site as a separate establishment and therefore, the total number of business establishments receiving services should be counted this way.

Attachment 4, Table B also includes definitions for the different categories of “Core Program Services” that may be counted when calculating this measure. 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.

Note: For more information about QCEW, see below.

c. Pilot Program

Since these metrics are new to WIOA core programs, the Departments have developed options by which States can pilot two of the above approaches to measure effectiveness in serving employers. States must select two of the approaches discussed above, and also may develop, at the Governor’s discretion, an additional State-specific approach.

These three approaches are outlined in the WIOA joint reporting requirements. Data reporting references include PIRL data element 1618 (Retention with the Same

Employer in the 2nd Quarter and 4th Quarter) and Effectiveness in Serving Employer Data elements (i.e., E1, E2, E3, and E4) in **Attachment 4, Table A**.

States must implement and report on two of three approaches, with initial results to be included in the first WIOA annual report due in October 2017. Having said this, due to the lag in data availability for the first and third approaches, the Departments understand that complete data will not be available for reporting in October 2017.

The Departments believe that these options provide States flexibility in selecting the approaches that best suit their needs, while providing partner agencies the opportunity to evaluate States' experiences in using these approaches during PY 2016 and PY 2017. This pilot program also allows the Departments to obtain employer feedback regarding the extent to which these indicators measure effectiveness in serving employers. For States that choose to develop an additional approach, the outcomes for that approach should be reported in the Statewide Performance Report Template for Effectiveness in Serving Employers Section C.4. A brief definition of the calculation should be included in Section D.1 of the same report template. The Departments will evaluate State experiences with the various approaches and plan to use the results of that evaluation to identify a standardized indicator for implementation no later than the beginning of PY 2019.

d. Reporting “Effectiveness in Serving Employers” to the Departments

The reporting methodology depends on the approaches selected. Retention with the Same Employer in the 2nd Quarter and the 4th Quarter (data element 1618) is calculated using data collected in the PIRL and, therefore, can be aggregated and reported like the other primary performance indicators. The Employer Penetration and Repeat Business Customers approaches are not based on individual participant data and will not be derived from the PIRL. Therefore, States must establish processes and policies for collecting and validating data related to these approaches before reporting the outcomes in the Statewide Performance Reporting Template.

e. Overview of the BLS QCEW Program

The 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. The Departments consider this data, collected from the States, to be an accurate count of the total work sites in a given State or county. For more information about the QCEW program and for accessing the work-site counts in a given State or county, please visit: <http://www.bls.gov/cew/>.

7. Categories of Enrollment: Reportable Individual, Participant & Date of Program Exit.

Reportable Individual: The category of reportable individual allows the Departments to identify the individuals who engaged with the workforce development system on an initial level but who do not complete the requirements to become participants. The Departments will use this category to track the number of individuals who may take part in self-services, receive information-only services or activities, or those who do not complete the program requirements for eligibility or for participation. A reportable individual is an individual who has taken action that demonstrates an intent to use program services and who meets specific reporting criteria of the program, including:

- 1) Individuals who provide identifying information;
- 2) Individuals who only use the self-service system;
- 3) Individuals who only receive information-only services or activities; or
- 4) For purposes of the title IV VR program only, a student with a disability who solely receives pre-employment transition services and who does not apply for VR services, who is not determined eligible, and who does not have an approved IPE.

The Departments will not negotiate levels of performance or impose sanctions based on the outcomes of reportable individuals, because only “participants” are included in the performance indicators. However, the Departments require inclusion of certain information about reportable individuals in the State annual performance reports and associated WIOA performance reporting instruments or program-specific performance reporting instruments. For example, the Departments will track the number of individuals taking part in self-services, receiving information-only services or activities, or failing to complete the program requirements for eligibility or participation. Collecting such information allows the Departments to identify the individuals who engaged with the system on an initial level but who do not complete the requirements to become participants.

Participant: Although the definition of participant is consistent across the core programs, there are some slight differences to account for programmatic requirements. For the WIOA title I Adult, title I Dislocated Worker, title II AEFLA, and title III Employment Service programs, a participant is a reportable individual who has received services other than the services described in 20 CFR § 677.150(a)(3) or 34 CFR § 463.150(a)(3) for the AEFLA program, after satisfying all applicable programmatic requirements for the provision of services, such as eligibility determination.

As set forth in more detail in section 677.150(a)(3) or section 463.150(a)(3), as applicable, the following individuals are not participants:

- Individuals in an AEFLA program who have not completed at least 12 contact hours;
- Individuals who only use the self-service system; and
- Individuals who receive information-only services or activities, which provide readily available information that does not require an assessment by a staff member of the individual's skills, education, or career objectives.

For the title I Youth program, a participant is a reportable individual who has satisfied all applicable program requirements for the provision of services, including eligibility determination, an objective assessment, and development of an individual service strategy, and received one or more of the 14 WIOA Youth program elements identified in sec. 129(c)(2) of WIOA.

For the title IV VR programs, a participant is a reportable individual who has applied and been determined eligible for VR services, has an approved and signed IPE, and has begun to receive services.

In summary, a participant is an individual who:

- (1) Meets the definition of reportable individual;
- (2) Has received services other than the services described in 20 U.S.C. § 677.150(a)(3) (or 34 CFR § 361.150(a)(3) or § 463.150(a)(3), as applicable); and
- (3) Has satisfied all applicable programmatic requirements for the provision of services.

The Departments will negotiate levels of performance and calculate sanctions based on the outcomes of program participants because the performance indicators are based on the experience of participants upon exit from or, as applicable, during participation in a program.

Programmatic Criteria For Becoming a Participant in Each of the Core Programs:

Due to the variability in programmatic criteria to receive services, the particular services that trigger inclusion as a participant vary across the core programs:

- **Title I Adult and Dislocated Worker** – Receipt of any training services or individualized career services makes a reportable individual a participant. For basic career services, a reportable individual becomes a participant when he or she receives a service that is neither self-service nor information-only. See the chart in **Attachment 7, Table A**, which lists types of services received; identifies those services as basic career services, individualized career services, or training services; and states whether each type of service triggers inclusion in participation for the title I Adult and Dislocated Worker programs and for the title III Employment Service program.

- **Title I Youth** – When a reportable individual has satisfied all applicable program requirements for the provision of services, including eligibility determination, an objective assessment, development of an individual service strategy, and received one of the 14 WIOA Youth program elements identified in sec. 129(c)(2) of WIOA, he or she is considered a participant. See the chart in **Attachment 7, Table B**.
- **Title II AEFLA** – When a reportable individual in an AEFLA program has completed at least 12, contact hours he or she is considered a participant.
- **Title III Employment Service** – When a reportable individual receives an individualized career service, he or she is considered a participant. For basic career services, a reportable individual becomes a participant when he or she receives a service that is neither self-service nor information-only. See the chart in **Attachment 7, Table A**.
- **Title IV VR** – When a reportable individual has applied and been determined eligible for VR services, has an approved and signed IPE, and has begun to receive services under the IPE, he or she is considered a participant. The date the individual begins receiving services under the IPE corresponds with data element 127 on the RSA-911.

Exit: Exit from a program generally occurs, as described below, when the participant has not received services for a specified period of time and has no additional services scheduled. The title IV VR program has a consistent, but slightly different, definition of exit to account for programmatic requirements.

Follow-up services (for participants in the title I Adult, Dislocated Worker and Youth programs) occur, by definition, after exit and therefore do not trigger the exit date to change or delay exit. States should count each exit of a participant during the same program year as a separate period of participation if a participant has more than one exit in a program year.

Program-Specific Criteria of Exit:

- **Title I Adult, Dislocated Worker and Youth; Title II AEFLA; and Title III Employment Service programs** – The date of exit from the program is the last date of service. Specifically:
 - The date of exit cannot be determined until 90 days have elapsed since the participant last received services; furthermore, there must be no plans to provide the participant with future services. At that point, the date of exit is applied retroactively to the last date of service.

- For determining whether 90 days have elapsed since the participant last received services, do not include receipt by the participant of any self-service, information-only services or activities, or follow-up services, as these services do not delay, postpone, or affect the date of exit. Because the date of exit is retroactive to the last date of service, follow-up services may begin immediately following the last date of service if it is expected that the participant will not receive any future services other than follow-up services. Provision of follow-up services does not extend the date of exit.
 - PIRL data element 901 (Date of Program Exit) is used to collect and report the date of exit. For exit-based performance measures, the quarter for collecting follow-up data is determined by the quarter in which the date of exit occurs. For example, if the date of exit is between January 1st and March 31st, the first quarter after exit would be April 1st through June 30th.
- **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.
 - The RSA-911 data element 353 (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.

Date of Exit for Titles I and III Programs – Reportable Individuals:

For tracking purposes, the date of “exit” for reportable individuals from a title I Adult, Dislocated Worker, or Youth program or title III Employment Service program is determined as follows:

- The individual does not become a participant; and
- The individual is served under WIOA titles I or III through receipt of services that do not result in the individual becoming a participant; and
- The individual has had 90 days elapse since being identified as a reportable individual and the individual has not received additional self-service or information-only services or activities during that 90-day time period.

- The date of exit for reportable individuals cannot be determined until 90 days have elapsed since the reportable individual last received any of the following services: self-service, information-only services or activities, and/or services under WIOA titles I or III that do not result in the individual becoming a participant (See **Attachment 7, Table A**), with no future services scheduled. At that point, the date of exit is applied retroactively to the last date of receipt of self-service, information-only services or activities, and/or services under WIOA titles I or III that do not result in the individual becoming a participant.

Date of Exit for Title II AEFLA Program – Reportable Individuals:

- Reportable individuals are those with less than 12 contact hours. For tracking purposes, a reportable individual must be considered “exited” when 90 days have elapsed since the last date of service and no future services are planned. This means the individual has had 90 days of no services, including self-service and information-only service, since being identified as a reportable individual.

Date of Exit for title IV VR Program – Reportable Individuals:

- For a student with a disability who solely receives pre-employment transition services and who has not applied or been determined eligible to receive other VR services, the service record is closed when the student is no longer receiving such services as indicated in the pre-employment transition services data elements 96 through 126 included in the RSA-911. At that time, the student is no longer considered a reportable individual. However, if a student with a disability has applied and been determined eligible for VR services and has an approved and signed IPE, the student’s service record would be “closed” when the student satisfies the definition

of “exit” at 34 CFR 361.150(c) because his or her service record is closed pursuant to 34 CFR 361.43 or 361.56. At that time, the student would be considered to have exited the VR program for purposes of WIOA’s performance accountability system as a participant.

- For all other reportable individuals under the VR program, the individual will be determined to have “exited” the VR program as of the date reported in RSA-911 data element 353 (Date of Exit).

Common Exit for DOL–Administered Programs Only:

DOL encourages States to utilize a “common exit” for DOL-administered programs, and envisions full implementation of a common exit across the DOL-administered core programs within each State. A “common exit” occurs when a participant, enrolled in multiple DOL-administered partner programs, has not received services from *any* DOL-administered program to which the common exit policy applies for at least 90 days, and no future services are planned.

States that retain or develop a common exit policy must require that a participant is only exited when all the criteria for exit are met for the WIOA titles I and III core programs, as well as any additional DOL-administered required partner programs to which the State’s common exit policy applies in which the participant is enrolled. The WIOA title I and title III core programs are:

- WIOA title I Adult formula program;
- WIOA title I Dislocated Worker formula program;
- WIOA title I Youth formula program; and
- Wagner-Peyser Act Employment Service program.

Additionally, DOL encourages the additional required partner programs listed in sec. 121(b)(1)(B) of WIOA (i.e., the title I non-core programs) that are under the authority of DOL to be included in the common exit policy. Those partner programs, which may⁷ be included in a common exit policy, are as follows:

- Job Corps program, under WIOA sec. 141 et seq.;
- Native American programs, under WIOA sec. 166;
- National Farmworker Jobs program, under WIOA sec. 167;
- National Dislocated Worker Grants, under WIOA sec. 170;

⁷ Some of these programs may require common exit. Grantees should refer to guidance specific to these programs for more information.

- YouthBuild program, under WIOA sec. 171;
- 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 program (TAA), authorized under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.);
- Jobs for Veterans State Grants program (JVSG), authorized under chapter 41 of title 38, United States Code; and
- Reentry Employment Opportunities program (REO), authorized under section 212 of the Second Chance Act of 2007 (42 U.S.C. 17532)

If a State chooses to retain or implement a common exit policy, the policy must require that a participant is “exited” when that individual has not received services for 90 days, and no future services are planned (with the exception of self-service, information-only activities, or follow-up services) from any of the DOL-administered programs to which the common exit policy applies, in which the participant is enrolled.

States must identify the programs for which they have adopted a common exit in their annual narrative reports. The Departments will provide further information on this requirement in the Departments’ forthcoming amended information collection request. Additionally, States will identify in the annual Program Performance Report Template (ETA – 9173) the programs that share a common exit with the program being reported.

8. Self-Service and Information-Only Activities.

Workforce development system programs offer many services to the public, both virtually and in person, that are general in nature and not customized to an individual’s needs. These are commonly known as self-services or information-only services or activities. These services do not constitute participation in a program. Therefore, individuals who receive only self-services or information-only services or activities are considered reportable individuals, not participants.

Self-service occurs when individuals independently access any workforce development system program’s information and activities in either a physical location, such as an American Job Center resource room or partner agency, or remotely via the use of electronic technologies.

However, it is important to note that self-service does not uniformly apply to all virtually-accessed services. For example, virtually-accessed services that provide a level of support beyond independent job or information seeking on the part of an individual would not qualify

as self-service. This more intensive level of service would qualify the individual as a participant.

Information-only services or activities are those that provide readily available information that does not require an assessment by a staff member of the individual's skills, education, or career objectives.

9. Period of Participation.

For all indicators, except measurable skill gains, a period of participation refers to the period of time beginning when an individual becomes a participant and ending on the participant's date of exit from the program. States must count each participant's exit during the same program year as a separate period of participation for purposes of calculating levels of performance. For all indicators, except the measurable skill gains indicator, a new period of participation is counted each time a participant re-enters and *exits* the program—even if both exits occur during the same program year. For the Measurable Skill Gains indicator, a new period of participation is counted each time a participant *enrolls*—even if both enrollments occur within the same program year. It is not necessary to wait until the participant exits the program in order to count a measurable skill gain because the measurable skill gains indicator is not an exit-based indicator. The skill gain may be counted as soon as it is earned at any point during the participation period of the program year in which it was earned. **Attachment 5** illustrates the counting of periods of participation and its relation to each performance indicator.

A person with more than one period of participation in a program year is counted separately for each period of participation in both the numerator and denominator of each applicable performance indicator. Therefore, the person is counted multiple times—once for each period of participation. Specific examples of counting periods of participation are included in **Attachment 6**.

State levels of performance on all primary indicators under WIOA are calculated as a percentage of the number of outcomes achieved for each reporting period (whether quarterly or annually, as applicable) by the number of periods of participation during the same reporting period.

Reporting Unique Participants

The Departments have determined it necessary to calculate the unique number of participants being served each program year, by each core program. As a result, it is likely that many States and programs will need to modify their data systems and processes to be able to track

each period of participation (i.e., a duplicate count) while also retaining the ability to calculate an unduplicated count of individual participants across multiple periods of participation in any given program year.

To meet this requirement, States must:

1. Develop systems to track multiple periods of participation within a program year;
2. Calculate a unique count of individual participants across multiple periods of participation in any given program year; and
3. Establish a unique identification number that will be retained by the same individual across multiple programs.

Note that the Departments will not accept a SSN as a form of unique identifier, unless specifically noted and required under the particular program.

10. Career Service and Training Service Guidance.

WIOA section 116(d)(2) specifies the data elements and outcomes to be included in the Statewide Annual Performance report for WIOA core programs. One of those elements is: “the average cost per participant of those participants who received career and training services, respectively, during the most recent program year and the three preceding program years” (sec. 116(d)(2)(F) of WIOA). WIOA provides specific definitions for career services (sec. 134(c)(2)), training services (sec. 134(c)(3)), and administrative costs (sec. 3(1)).

Classifying Career Services and Training Services

When the definitions of career services and training services do not directly correlate to all of the services provided by a core program, the Departments have developed separate tables in **Attachment 7, Tables A through D** of this TEGL identifying which specific services are to be classified as career services and which are to be classified as training services. When a program service includes components of both career services and training services, the programs must use those tables to determine which category will be used to ensure uniform reporting among all States and agencies. It may not be possible to classify all of a program’s services as either a career or a training service. In other words, a program may provide services that go beyond the scope of career services and training services (e.g., follow-up services, for participants in the title I Adult, Dislocated Worker, or Youth program, or instructional or program services, for participants in the title II AEFLA program). In such instance, the program must report only those services that satisfy the definition of career services and training services for this particular reporting purpose.

Identifying Career Services and Training Service Costs

WIOA requires that the costs for career and training services be determined separately. Given that WIOA defines “administrative costs” separately from the definitions of career services and training services, the Departments made clear in the WIOA Performance ICR that States must not include administrative costs when reporting costs for career services and costs for training services.

Career and training costs include any career service or training service provided by a core program, regardless of whether the service occurred “at” a one-stop center. Each of the data elements required by section 116(d)(2) is presented in the context of activities performed and services provided by the core programs, with no specificity that the activities or services be provided in a one-stop center. Additionally, section 121(b)(1)(A)(i) of WIOA states that one-stop partners must “provide access through the one-stop delivery system to such program or activities carried out by the entity, including making the career services described in section 134(c)(2) that are applicable to the program or activities available at the one-stop centers *(in addition to any other appropriate locations).*”

Therefore, consistent with the statutory requirement, as least some career services must be provided at the comprehensive American Job Center. However, not all partners must provide career services at the American Job Center.

Calculating Career Service and Training Service Costs

Career Service Costs
<p>The calculation for the cost of providing career services described in section 134(c)(2):</p> <ul style="list-style-type: none"> ▪ <u>Title I Adult, title I Dislocated Worker, title I Youth, title III Employment Service, and title IV VR programs:</u> $\frac{\text{Career Services Costs}}{\text{receiving Career Services in the Program}} = \frac{\text{Total Expenditures for Career Services}}{\text{Total Participants}}$ ▪ <u>Title II AEFLA program:</u> $\frac{\text{Career Services Costs}}{\text{receiving career services from the AEFLA One-stop Partner}} = \frac{\text{Total Expenditures for Career Services}}{\text{Total participants}}$

Career Service Costs

Core programs define the **numerator** in the calculation of career service costs differently; therefore, the numerator for each should be adjusted accordingly as follows:

- **Title I Adult, Dislocated Worker, and Youth⁸ programs:**
Total Expenditures for Career Services is calculated by subtracting the sum of administrative expenditures and training expenditures from total expenditures. It is important to note that the costs incurred by these particular programs are categorized only as costs for career services, training services, and administrative costs.
- **Title II AEFLA program:**
Total Expenditures for Career Services is the sum of expenditures for career services indicated in **Attachment 7, Table C**, provided by the AEFLA one-stop partner.
- **Title III Employment Service:**
Total Expenditures for Career Services is calculated by subtracting the sum of administrative expenditures from total expenditures. It is important to note that the costs incurred by this particular program are categorized only as costs for career services and administrative costs.
- **Title IV VR program:**
Total Expenditures for Career Services is the sum of the total expenditures for purchased career services as reported on the RSA-911 and the total expenditures for career services provided directly by VR agencies as reported on the RSA-2. The Total Participants Receiving Career Services in the Program is the total number of participants receiving either purchased career services or career services provided directly by the VR agency as reported on the RSA-911.

Training Service Costs

- Average Cost of Training Services per Participant = Total expenditures for training services (not including administrative costs) / the total number of participants receiving such services.

Note: A participant who receives more than one career service during the participant's

⁸ For title I adult, dislocated worker, and youth programs; DOL will issue future guidance explaining the calculation of training expenditures.

period of participation is included in the denominator for the career services calculation only one time. The costs of all of the career services the participant received are included in the numerator. Similarly, a participant who receives more than one training service during the participant's period of participation is included in the denominator for the training services calculation only one time. The costs of all of the training services the participant received are included in the numerator. However, if a participant has multiple periods of participation during a program year, the participant will appear in the denominator of the career and training services calculations more than one time.

For WIOA title I Adult, Dislocated Worker and Youth programs and title III Employment Service programs, a participant who receives career services or training services from multiple programs (e.g., title I Adult and Dislocated Worker) will be counted in the respective career services or training service denominator for all of the programs from which they received services.

Each core program will establish a process for separating the administrative costs from career service and training service costs. For example, in the VR program, the RSA-2 form requires agencies to report separately the total administrative and direct service costs for VR staff providing VR services. These administrative costs will not be included in the total expenditures for career services or training services, but rather will be included only in the administrative costs incurred by the program.

11. Incumbent Worker Training Under Title I.

For the WIOA title I Adult and Dislocated Worker programs, local WDBs may use up to 20 percent of their total Adult and Dislocated Worker formula allocation to provide incumbent worker training (see WIOA sec. 134(d)(4)). However, the Departments do not consider individuals who receive incumbent worker training to be participants required for inclusion in the WIOA performance indicator calculations. Therefore, individuals who receive only incumbent worker training are not included in WIOA performance indicator calculations for the core programs.

The Departments do not consider individuals receiving incumbent worker training to be participants for the purpose of inclusion in WIOA performance indicator calculations because of WIOA sec. 134(d)(4)'s unique eligibility requirements. Unlike with other types of training, incumbent worker eligibility is determined at the employer level by the local WDB, which determines if the employer is eligible to have its employees receive incumbent worker training. There is no separate determination of the eligibility of any particular employee to receive incumbent worker training. Therefore, an incumbent worker does not have to meet

the eligibility requirements for career services and training services for the Adult and Dislocated Worker programs under WIOA, unless he or she also is enrolled as a participant as a result of receiving other services from the WIOA Adult or Dislocated Worker program, or is a participant in a separate WIOA program.

Even though individuals receiving incumbent worker training are not participants for the purpose of inclusion in WIOA performance indicator calculations, States and local areas are still required to report certain participant and performance data on all individuals who receive only incumbent worker training. The required elements for these incumbent worker individuals are limited to demographic information and the elements needed to calculate employment in the 2nd and 4th quarters after exit, Median earnings in the 2nd quarter after exit, and Credential Attainment (see **Attachment 8** for specific list of required elements). For the purposes of calculating these metrics, the exit date for an individual who only has received incumbent worker training will be the last date of training, as indicated in the training contract.

State and local boards may require additional elements be reported to collect additional information on incumbent workers, which, if collected, should also be reported through the PIRL. All recipients of Incumbent Worker Training must be reported in the DOL-only PIRL under data element number 907 (Recipient of Incumbent Worker Training), regardless of whether they become a participant in one of the WIOA programs. Individuals that only receive Incumbent Worker Training (who, therefore, are not participants in the Adult or Dislocated Worker programs) should be reported with a “Date of Program Entry” in element 900, and a “0” in elements 903 “Adult” and 904 “Dislocated Worker.” The Departments also encourage the collection of incumbent worker SSNs as part of the training contract with the employer so that wage records will be available for these individuals. If no SSN is available, the State or Local WDB may utilize supplemental wage information to verify the wages reported.

Incumbent worker training that is funded with Statewide Rapid Response (data element 908 in the DOL-only PIRL) funds under WIOA section 134(a)(2)(A)(i)(I) must also be reported under DOL-only PIRL data element 1501 (Most Recent Date Received Rapid Response Services).

12. Average Indicator Score Calculation. See **Attachment 9** for a brief overview. The calculations and sanctions determination process will be discussed in greater detail in the forthcoming guidance relating to sanctions.

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

14. Inquiries. Questions concerning this guidance should be directed to the appropriate regional office.