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|  | North Carolina Department of Commerce Division of Workforce Solutions |
| | DWS Policy Statement Number: PS 01-2017 |
| | Date: January 17, 2017 |
| | Subject: Requirement for Local Workforce Development Boards to Meet or Exceed All Federal Performance Measures. |
| | From:  William H. Collins, Jr. Assistant Secretary for Workforce |

Purpose: To inform local Workforce Development Boards (Boards) of the requirement that Boards must meet or exceed all of the individual Workforce Innovation and Opportunity Act Title I Youth, Adult, and Dislocated Worker federal performance measures.

Background: The Workforce Innovation and Opportunity Act, Public Law No. 113-128, establishes performance measures for the workforce programs described in Titles I – IV. The measures for Title I listed in Section 116 (b)(2)(A)(i) are:

For Adults

- Employment Rate in Quarter 2
- Rate Retained in Employment in Quarter 4
- Median Earnings in Quarter 2
- Credential Rate
- Measurable Skill Gains

For Dislocated Workers

- Employment Rate in Quarter 2
- Rate Retained in Employment in Quarter 4
- Median Earnings in Quarter 2
- Credential Rate
- Measurable Skill Gains

For Youth

- Placement in Employment, Training, or Education in Quarter 2
- Rate Retained in Employment, Training, or Education in Quarter 4
- Median Earnings in Quarter 2
- Credential Rate
- Measurable Skill Gains

In addition, there are three effectiveness in serving employers measures that are shared across all WIOA core programs. Further information on those measures and their calculations will be forthcoming. They are not included as part of the local negotiated performance levels at this time.

Action:

With the full implementation of the Workforce Innovation and Opportunity Act (WIOA) on July 1, 2016, it is expected that beginning with Program Year 2016, each Workforce Development Board will meet or exceed at the negotiated levels, each of the individual federal performance measures.

For WIOA programs, the minimum acceptable performance is 90 percent of the negotiated level of performance. Performance on an individual measure will be interpreted based on the position of the outcome relative to the negotiated performance using Exceeds, Meets, and Fails criteria defined as follows:

- **Exceeds** – when the actual performance achieved against an individual performance measure is in excess of 100 percent of the negotiated level of performance for the measure;
- **Meets** – when the actual performance achieved against an individual performance measure falls in the range of 90 to 100 percent of the negotiated level of performance for the measure;
- **Fails** – when the actual performance achieved against an individual performance measure is less than 90 percent of the negotiated level of performance.

In the event the State or a local WDB fails to meet any of the required elements of performance achievement, sanctions can be put in place. Because WIOA has only recently begun, USDOL, as noted in TEGL 26-15, has determined that any sanctions “will occur only after two years of complete data are available for inclusion in the statistical adjustment model, and after the model has been utilized to set targets for two full program years.” This delayed application is an excellent opportunity for the State and WDBs to continually refine their performance under the new WIOA primary indicators in order to be prepared well in advance of when sanctions are instituted.

WIOA Section 116(g)(1) states that if a local Workforce Development Board fails to meet the levels of performance for any of the individual indicators of performance in the Youth, Adult, and Dislocated Worker programs authorized under WIOA Title I in any program year, technical assistance must be provided by the Governor or, upon the Governor’s request, by the Secretary of Labor.

The technical assistance may include:

- Assistance in the development of a performance improvement plan;
- The development of a modified local or regional plan; or
- Other actions designed to assist the local area in improving performance.

If a local Board fails to meet the levels of performance for any of the individual indicators of performance for the Youth, Adult, and Dislocated Worker programs authorized under WIOA Title I for a third consecutive program year for the same primary indicators of performance under the same core program, the Governor must take corrective actions including the development of a reorganization plan through which the Governor shall:

- require the appointment and certification of a new local board, consistent with the criteria established under WIOA Section 107(b);
- prohibit the use of eligible providers and One Stop partners identified as achieving a poor level of performance; or
- take such other significant actions as the Governor determines are appropriate.

If a State fails to submit its annual performance reports or fails performance for two consecutive years, the Governor's Reserve Allotment will be reduced by five percent of the maximum available amount.

Effective Date: Immediately

Expiration: Indefinite

Contact: Performance and Accountability Unit