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**FINAL STATE LEVEL W-PA AND WIOA TITLE IB AND PROPOSED LWDA  
PERFORMANCE GOAL NEGOTIATIONS FOR PY 2016 AND PY 2017**

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**GENERAL INSTRUCTIONS**

The attached directive is being issued in draft to give the Workforce Development Community the opportunity to review and comment prior to final issuance.

Submit any comments by email or mail no later than **August 16, 2016**.

All comments received within the comment period will be considered before issuing the final directive. Commenters will not be responded to individually. Rather, a summary of comments will be released with the final directive.

**Comments received after the specified due date will not be considered.**

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**Email**      [Loren.Shimanek@cwdb.ca.gov](mailto:Loren.Shimanek@cwdb.ca.gov)

Include "Draft Directive Comments" in the e-mail subject line.

**Mail**      CWDB  
Attn.: Loren Shimanek  
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If you have any questions, contact Loren Shimanek at (916) 657-1459.

# D FINAL STATE LEVEL W-PA AND WIOA TITLE IB AND PROPOSED LWDA PERFORMANCE GOAL NEGOTIATIONS FOR PY 2016 AND PY 2017

## EXECUTIVE SUMMARY

This policy provides the guidance and establishes the procedures regarding the final state level Wagner-Peyser Act (W-PA) and State level *Workforce Innovation and Opportunity Act* (WIOA) Title IB Adult, Dislocated Worker, and Youth program performance goals for Program Year (PY) 2016-17 and PY 2017-18. Also provided is guidance on negotiating local workforce development area (LWDA) Adult, Dislocated Worker, and Youth program performance for PY 2016-17 and PY 2017-18.

The California Workforce Development Board (State Board) intends to negotiate Title IB primary indicators for PY 2016-17 and PY 2017-18 with LWDA through a negotiation process with representatives of Regional Planning Units (RPU). This provides LWDA and RPU information on the negotiation process. This policy applies to the Employment Development and all LWDA, and is effective on the day of issuance.

This policy contains some state-imposed requirements. All state-imposed requirements are indicated by ***bold, italic*** type.

Retain this directive until further notice.

## REFERENCES

- WIOA Sec. 116 (b) and (c)
- WIOA Sec. 503
- Department of Labor (DOL) Employment and Training Administration (ETA), Department of Education (ED) Office of Career, Technical, and Adult Education (OCTAE) and Rehabilitation Services Administration (RSA) [20 CFR Part 677](#) "Workforce Innovation and Opportunity Act; Joint Rule for Unified and Combined State Plans, Performance Accountability, and the One-Stop System Joint Provisions; Final Rule"

- DOLETA [20 CFR Part 679](#) “Workforce Innovation and Opportunity Act; Final Rule”
- DOL Training and Employment Guidance Letter (TEGL) [No. 26-15](#), “Negotiating Performance Goals for the Workforce Innovation and Opportunity Act (WIOA) Title I Programs and the Wagner-Peyser Employment Service as amended by Title III, for Program Year (PY) 2016 and PY 2017”

## BACKGROUND

*Workforce Innovation and Opportunity Act (WIOA) Sec. 116 (b)* requires the State to reach an agreement with the Secretary of Labor on state level performance goals for the *Wagner-Peyser Act*, and WIOA Title IB Adult, Dislocated Worker, and Youth programs for the two program years of performance accountability beginning on July 1, 2016.

The process by which state level goals have been negotiated began with the submission of proposed goals in the WIOA Unified State Plan (state plan). The proposed goals, along with the submitted state plan, were open to a 30-day public comment period. The proposed goals were based on estimates using available WIA participant data and WIOA proposed federal regulations on definitions of “participant,” and timelines for data to be used in adjusting performance levels for the purposes of performance accountability.

The state plan was approved, establishing proposed goals for W-PA and WIOA Title IB Adult, Dislocated Worker, and Youth primary indicators that have not been determined as “baseline” indicators. On June 29, 2016, DOLETA, ED OCTAE and RSA (Departments) provided joint–guidance for performance accountability via [TEGL 26-15](#), including information on method, process, and timelines to negotiate *proposed* goals to *adjusted* goals using the legislatively mandated statistical adjustment model. Underlying this guidance was an understanding from the Departments that the statistical adjustment model will be a work-in-progress as WIOA participant data will be collected over the course of two program years. There is, however, enough participant data collected from WIA participant records that provide feasible levels of current and estimated performance for the employment, wage, and credential attainment primary indicators. (For an explanation and definition of baseline indicators, negotiation process, and use of the statistical adjustment model, please refer to TEGL 26-15.)

The state used the statistical adjustment model provided by the Departments as a baseline to assess potential performance goal levels within the policy context developed through the state plan. The policy context to establish performance levels based on current and projected performance levels seeks to enable local areas in their planning efforts to provide industry-relevant skills attainment to participants who face barriers to employment. Increasing percentages of participants from identified target populations helps develop the state’s vision to build and sustain regional sector pathways and prepare a workforce for in-demand middle skill jobs. The rationale and subsequent data-driven analysis also sought to establish a baseline

for continuous improvement in the workforce education and training system and ensure a return on targeted investments.

In July 2016, DOL informed the State Board of its desire to schedule negotiations and complete negotiations by August 15, 2016. The goals negotiated with DOL (Attachment A) will be the baseline for state negotiations with local areas.

WIOA Section 116 (c) states that the Local Workforce Development Board (LWDB), chief elected official, and the Governor shall negotiate and reach agreement on the local levels of performance for the same time periods as the state negotiated goals for the primary indicators of performance.

The primary indicators of performance to be negotiated are the following:

- Adult, Dislocated Worker, and Youth
  - The percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program (for Title I Youth, the indicator is participants in education, or training activities or employment in the 2nd quarter after exit).
  - The percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program (for Title I Youth, the indicator is participants in education, or training activities or employment in the 4th quarter after exit).
  - The percentage of program participants who attain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent, during participation in or within 1 year after exit from the program.
- Adult and Dislocated Worker only
  - The median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program.

The median earnings indicator was proposed for Title I Youth in the state plan, but due to insufficient data for use in the adjustment model, the Departments determined Youth median earnings to be a “baseline” indicator.

Baseline indicators are indicators for which local areas will not propose an expected level of performance in the Local Plan submission for PY 2016 or PY 2017 and will not need to come to agreement with the state on negotiated levels of performance. Baseline indicators include Adult, Dislocated Worker, and Youth “measurable skill gains” and “employer effectiveness” (as well as Youth “median earnings”). Even though “Baseline” indicators will not be negotiated and will not be used to determine failure to achieve adjusted levels of performance for purposes of performance accountability, local areas are expected to collect data and report on these

indicators of performance. The state will issue guidance and provide technical assistance for the collection and reporting of these indicators.

In accordance with WIOA sec. 107(d)(9), which requires that locals negotiate performance, CFR 679.510(a)(1)(viii) requires an agreement between LWDBs and chief elected officials for how a planning region will collectively negotiate and reach agreement with the Governor on local levels of performance.

The state has identified 14 Regional Planning Units (RPUs) for the purposes of WIOA strategic planning, and the State Board will negotiate local area goals through a negotiation process with each RPU.

## POLICY AND PROCEDURES

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***This directive publishes the final state level Wagner-Peyser Act (W-PA) and Workforce Innovation and Opportunity Act (WIOA) Title IB Adult, Dislocated Worker, and Youth program performance goals for Program Year (PY) 2016-17 and 2017-18 (See Attachment).***

***This directive also provides guidance for negotiating LWDA performance goals for the Adult, Dislocated Worker, and Youth programs for PY 2016-17 and 2017-18.***

***For the first two program years covered in the local plan, local areas will negotiate and reach agreement with the Governor on local levels. The objective of the negotiations process is to define local performance targets that are aligned with current economic indicators, reflect local area service strategies and local achievements, while at the same time building on the overall system goal of continuous improvement for our clients and customers, providing the greatest return on workforce investments, and enabling the regional planning implementation of WIOA by providing industry-relevant skills attainment framework for individuals with barriers to employment.***

***As the primary contact for performance negotiations, the State Board will negotiate performance goals for all 46 LWDA's for PY 2016-17 and 2017-18 through their designated RPUs using the state level goals as a baseline for negotiations, as well as other analytical tools and resources that will help establish representative performance levels, such as the statistical adjustment model provided by US DOLETA.***

***Local areas must come to agreement within their RPUs on a method for negotiating collectively. If an RPU is a single LWDA, then that LWDA is solely responsible for regional negotiations.***

***Local areas within a RPU may develop their own collective method and provide proposed adjusted levels of performance keeping in mind the following:***

1. **Local areas will be held accountable for local level negotiated performance. However, PY 2016-17 negotiated performance will not be used for performance accountability purposes.**
2. **Local areas must negotiate as an RPU.**
3. **Local areas within an RPU must provide a data-driven rationale for how local areas goals are established.**
4. **RPUs are not held accountable to negotiated goals, but local areas should consider an RPU negotiated level of performance in developing local area goals.**
5. **State level goals are a baseline for negotiations and should be considered as a point of comparison for how local areas and RPUs propose goals.**
6. **The state level credential attainment goals for Adult, Dislocated Worker, and Youth are being proposed as local area goals for PY 2016.**
7. **Local areas may select any number of representatives from the RPU to negotiate goals.**
8. **An RPU must provide a single point of contact for communication and coordination with the state board.**
9. **Employment Development Department Performance and Reporting staff will be invited to attend all performance negotiations.**

**Please provide the contact information of the RPU single point of contact prior to scheduling negotiations. Negotiations will be scheduled the week of August 29 to September 2, 2016 with an option of continuing negotiations September 12-16, 2016.**

**All local area negotiations must be completed no later than September 30, 2016.**

**All LWDAs must enter into negotiations with the State through a collective RPU process to establish performance levels that will be used as a benchmark for future performance accountability.**

**Local areas will have the opportunity to renegotiate PY 2017-18 in the fourth quarter of PY 2016-17, following the state's negotiation with DOLETA and the approval of their local and regional plans.**

**A data-driven analysis supporting the preferred method of regionally negotiating performance goals must be documented and included in RPU regional plans. Data, such as**

*past and current program performance, de-identified program participant data by barrier to employment or training type, and data that informs the regional economic analysis may be used to support the establishment of performance goals. The analysis should consider, to the extent possible, how performance is connected to service delivery strategies, expected percentages of target populations to be served, and providing skills attainment to prepare workers for regional sector pathways.*

## ACTION

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This directive should be called to the attention of the Chief Elected Official (CEO), LWDB, local area administrators, and staff.

## INQUIRIES

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If you have any questions about this policy, please contact Loren Shimanek at [Loren.Shimanek@cwdb.ca.gov](mailto:Loren.Shimanek@cwdb.ca.gov) or by phone at (916) 657-1459.

/S/ JOSÉ LUIS MÁRQUEZ, Chief  
Central Office Workforce Services Division

Attachment is available on the internet:

[Attachment A – PY 16-17 & 17-18 W-PA and WIOA Title IB Adult, Dislocated Worker, and Youth Negotiated Performance Goals](#)