

PERFORMANCE GUIDANCE

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 no later than **July 27, 2023**.

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.

Email WSBManagePerformance@edd.ca.gov
Include "Draft Directive Comments" in the email subject line.

If you have any questions, contact the Program Reporting and Analysis Unit at WSBManagePerformance@edd.ca.gov.

PERFORMANCE GUIDANCE

EXECUTIVE SUMMARY

This policy provides the guidance and establishes the procedures regarding the *Workforce Innovation and Opportunity Act* (WIOA) six primary indicators of performance. This policy applies to all Title I subrecipients, Title III staff, Jobs for Veterans State (JVSG) staff, National Dislocated Worker Grant (NDWG) project operators, and Trade Adjustment Assistance (TAA) staff, and is effective immediately.

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

This policy supersedes Workforce Services Directive *Performance Guidance* (WSD21-03), dated July 18, 2022. Retain this Directive until further notice.

REFERENCES

- *Workforce Innovation and Opportunity Act* ([Public Law 113-128](#)), [Section 116 \(PDF\)](#)
- Title 20 *Code of Federal Regulation (CFR)* [Part 677 \(PDF\)](#): Performance Accountability under Title I of the Workforce Innovation and Opportunity Act (Joint Guidance)
- Training and Employment Guidance Letter (TEGL) [10-16](#), [Change 2](#), *Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Core Programs* (September 15, 2022)
- TEGL [21-16](#), [Change 1](#), *Third Workforce Innovation and Opportunity Act (WIOA) Title I Youth Formula Program Guidance* (July 30, 2021)
- TEGL [14-18 \(PDF\)](#), *Aligning Performance Accountability Reporting, Definitions, and Policies Across Workforce Employment and Training Programs Administered by the U.S. Department of Labor* (March 25, 2019)
- TEGL [26-16](#), *Guidance on the use of Supplemental Wage Information to implement the Performance Accountability Requirements under the Workforce Innovation and Opportunity Act* (June 1, 2017)

The EDD is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

- DOL-only Performance Accountability, Information, and Reporting System – Office of Management and Budget (OMB) Control No. 1205-0521, [Participant Individual Record Layout \(PIRL\)\(PDF\)](#)
- [Workforce Services Directive](#) (WSD) 19-06, *CalJOBSSM Activity Codes* (December 27, 2019)
- WSD18-02, *Data Change Request Form Procedure* (July 31, 2018)
- labormarketinformation.ca.gov
- [California Department of Education](#) (CDE)

BACKGROUND

To comply with WIOA, the Employment Development Department (EDD) is required to submit accurate participant reports and validated individual participant data to the Department of Labor (DOL) on a quarterly and annual basis. The DOL utilizes this data to assess the effectiveness of the state and subrecipients in achieving positive outcomes for individuals served under the core and non-core programs. The WIOA six core programs include Title I Adult, Dislocated Worker (DW), and Youth programs; Title II administered by the California Department of Education (CDE); Title III Wagner-Peyser; and Title IV Vocational Rehabilitation (VR) program. The non-core programs that are included in this policy are JVSG, NDWG, and TAA.

POLICY AND PROCEDURES

The following definitions are needed to understand WIOA performance when using federal funds, and the mechanisms for calculating the six primary indicators of performance.

Definitions

Reportable Individual – An individual who engages with the workforce development community, but does not meet the requirement to be a program participant. A reportable individual is someone who demonstrates an intent to use program services and meets one or more of the following criteria:

- Provides identifying information.
- Accesses the self-service system only.
- Only received information-only services or activities.

Reportable individuals are not included in the calculations for performance. However, certain information about reportable individuals is required to be reported in quarterly and annual WIOA reports. Collecting and reporting information allows for accurate representation of the number of individuals engaged with the workforce system.

Example – An individual comes to an America's Job Center of CaliforniaSM (AJCC) to use the computer for a job search and declines any staff-assisted services. However, the individual

accepts a labor market information handout. Since this individual only engaged in self-service activities, he/she is a reportable individual.

Date of Participation – The actual begin date of the first clock-restarting service (as referenced in the [CalJOBS Activity Codes](#) [WSD19-06] Directive) an individual receives in non-Youth programs. For the Youth program, the youth must receive all four required components (eligibility determination, assessment, individual service strategy development, and receipt of a program element) to begin a period of participation. Once all four required components are received, other Youth services can be received.

Note – The date in the CalJOBS application’s Participation tab may not be the same as the Date of Participation. The Participation tab can be created with a non-clock restarting activity, but the actual begin date of the first clock-restarting service will trigger the participation date.

Participant – A reportable individual who has received services other than self-service activities and has satisfied all applicable programmatic requirements to receive program services. The definition of participant varies slightly between programs:

1. Adult, DW, Wagner-Peyser, JVSG, NDWG, and TAA Participant

An individual becomes a participant in the program when they complete the following:

- Meet the definition of a reportable individual.
- Satisfy all applicable program requirements for the provision of services, including an eligibility determination.
- Receive any training service, individualized career service, or staff-assisted basic career service, disaster relief employment (for NDWG participants only), and/or any trade payments funded by TAA (for TAA participants only).

Staff should ensure all individuals have met applicable program requirements for the provision of clock-restarting services, including eligibility determination, prior to the receipt of a clock-restarting service.

Example – An individual who is already registered in CalJOBS goes to an AJCC. The AJCC staff completes the Title I Adult application and provides a community service referral. The individual then attends a job search workshop and receives an objective assessment from staff. Since this individual provided identifying information, was deemed eligible for the Title I Adult program, and received at least one staff-assisted service, the individual is a participant. Staff should make sure all individuals are deemed eligible before providing a staff-assisted service, such as a referral.

2. Youth Participant

An individual becomes a participant in the Youth program when they complete all of the following:

- Meet the definition of reportable individual.
- Satisfy all applicable program requirements for the provision of services:
 - Eligibility determination.

- An objective assessment.
- Development of an individual service strategy.
- Receive one of the 14 WIOA Youth program elements, as defined in [TEGL 10-16, Change 2, Attachment 7, Table B \(PDF\)](#).

Example – An individual goes to an AJCC or a Youth Provider and staff determines they are eligible for the Youth program. The individual then receives an objective assessment, study skills training, and develops an individual service strategy. Since this individual has been determined to be program eligible, received an objective assessment and a program element, and developed an individual service strategy, the individual is a participant.

If an individual fails to meet one or more of the items needed to be a participant, the individual will be reported as a reportable individual, and will not be included in performance calculations.

Note – Participants who exit the program without an exclusionary exit are included in performance. NDWG participants who ONLY receive disaster relief employment will not be included in performance.

Period of Participation – The period of participation begins when an individual becomes a participant in a program, and ends on the participant’s date of exit from the program. A new period of participation is counted each time a participant re-enters and exits the program (even if the exits occur in the same program year [PY]). An example illustrating periods of participation, and its relation to each performance indicator can be found in [TEGL 10-16, Change 2, Attachment 5 \(PDF\)](#) and [Attachment 6 \(PDF\)](#).

Exit – The date of exit is the last date of service. There are four different types of exits:

1. Date of Exit – Participant

An exit occurs when the participant has not received program services for 90 consecutive calendar days, and no additional future services are scheduled. The program exit date is applied retroactively after 90 days to the last service’s actual end date. Follow-up services, self-services, information-only services or activities, and supportive services do not delay, postpone, or affect the date of exit.

2. Date of Exit – Reportable Individual

Reportable individuals are not considered participants in a program, so they do not “exit.” However, the date of exit for reporting purposes is determined as follows:

- Individual does not become a participant.
- Individual is served with only self-service and/or information-only services.
- 90 days elapsed since being identified as a reportable individual, and the individual has not received additional self-service or information-only services or activities during the 90-day time frame.

Once the above criteria are met, the date of exit is applied *retroactively* to the last day of receipt of self-service and/or information-only services or activities. This methodology is used to ensure reportable individuals do not remain in the system indefinitely.

3. Common Exit

A common exit happens when a participant is enrolled in multiple DOL-administered programs, and the following occurs:

- Has not received clock-restarting services for at least 90 consecutive calendar days from any DOL-administered programs to which the common exit policy applies.
- No future services are scheduled except for self-service, information-only activities, or follow-up services.

In CalJOBS, common exit takes into consideration enrollment and activities provided by the following programs: Title I Adult, DW, and Youth programs, Title III Wagner-Peyser, JVSG, NDWG, Section 167 National Farmworker Jobs Program utilizing CalJOBS, and the TAA program. Follow up forms are only available in the system after a common exit has occurred, but follow up services can be provided after the staff is aware that an individual is no longer receiving clock-restarting services, and a CalJOBS Closure form has been completed.

4. Exclusionary Exit

An exclusionary exit occurs when a participant is not included in one or more performance calculations because they exit the program due to not receiving services for one or more of the following reasons:

- Has become incarcerated or becomes a resident at a facility providing 24-hour support, such as a hospital or treatment center.
- Has received medical treatment that is expected to last longer than 90 days.
- Becomes deceased.
- Is a member of a military reserve unit and is called to activity duty for at least 90 days.
- Is in foster care and exits the program due to moving outside the subrecipient's area (only applies to the Youth program).

A participant who experiences one of the exclusionary exit reasons after they have exited the program and are in follow-up is still included in the performance indicators.

Please reference [Attachment 2](#) for additional information regarding exclusionary exits for each program.

Exit Cohort – The group of participants who exited during the same quarter and who will be a part of the same measure. Some indicators report on different exit cohorts than other

indicators. Please see the PIRL Reporting Timelines under PIRL Resources on [DOL's website](#) for further guidance on which exit cohorts are reported for each performance indicator.

Participant Individual Record Layout (PIRL) – The data layout that provides a standardized set of data elements, definitions, and reporting instructions that are used to describe the characteristics, activities, and outcomes of WIOA participants. The DOL quarterly and annual report data is calculated using the PIRL file.

Unsubsidized Employment – Employment in the private or public sector where the employer does not receive a subsidy from public funds to offset all or part of the wages and costs of employing the individual.

Supplemental Wage Information – Employment-related wage data found using specific methods and procedures as described in TEGL 26-16 when matching a participant's SSN against quarterly wage record information is not possible. In addition, [TEGL 10-16, Change 2, Attachment 3 \(PDF\)](#) can be used to convert supplemental wage into quarterly wages.

Secondary School Education – Instruction at or above the 9th grade level that leads to a high school diploma or its recognized equivalent.

Postsecondary Education/Training – Instruction from an accredited postsecondary education institution where technical or industry/occupational skills are attained that lead to a recognized postsecondary credential.

Occupational Skills Training – Instruction that includes vocational education and classroom training that is designed to provide technical skills and information required to perform a specific job or group of jobs.

Secondary School Diploma or Recognized Equivalent – **California recognized diplomas issued by a California public school, as well as by private schools accredited by the Western Association of Schools and Colleges or equivalent regional accreditation body. The requirements of a secondary school diploma are outlined by the [CDE](#).**

A secondary school equivalency certification indicates that a student has completed the requirements for a high school education. **California has approved the use of two high school equivalency tests ([HSET](#)): GED® and HiSET®. These tests are for students 18 years old and older (17 years old in some instances). Those who pass the California High School Proficiency Examination ([CHSPE](#)) are awarded a Certificate of Proficiency by the California State Board of Education.** While some HSET preparation programs may issue “diplomas or certificates” of completion, these documents are not genuine high school equivalency credentials. There are various HSET preparation programs available for free through the California Adult Education Provider Directory. For more information see the [CDE](#) website.

Postsecondary Credential – An industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the state or federal government, or an associate or bachelor's degree. A recognized postsecondary credential is based on the

attainment of measurable technical or industry/occupational skills necessary to obtain employment or advance within an industry/occupation. These technical or industry/occupational skills are generally based on standards developed or endorsed by employers or industry associations.

The following are types of recognized postsecondary credentials:

- Associate degree.
- Bachelor's degree.
- Occupational licensure (e.g., Certified Nursing Assistant license).
- Occupational certificate, including Registered Apprenticeship and Career and Technical Education educational certificates.
- Occupational certification (e.g., Automotive Service Excellence certification).
- Other recognized certificates of industry/occupational skills completion sufficient to qualify for entry-level or advancement in employment.

Certificates awarded by Local Workforce Development Boards and work readiness certificates are not considered postsecondary credentials because neither type of certificate is recognized industry-wide, nor documents the measurable technical or industry/occupational skills necessary to gain employment or advancement within an occupation. Certificates/credentials that provide general skills related to safety, hygiene, etc., even if such general skills are broadly required to qualify for entry-level employment or advancement in employment, are not considered postsecondary certificates/credentials.

The following are examples of credentials/certificates that are not recognized postsecondary credentials:

- Occupational Safety and Health Administration 10-hour course on job-related common safety and health hazards (OSHA 10).
- Microsoft Office, Customer Service, and/or General Office.
- National Career Readiness Certification.
- National Retail Federation Credentials.
- ServSafe Food Handler's Certification.
- Cardiopulmonary Resuscitation (CPR) Certification.

Reporting Period – The timeframe in which performance data is reported. Many of the performance indicators are exit-based, so data cannot be reported until a participant exits the program. For further guidance on what performance indicators are reported during a reporting period, please refer to the PIRL Reporting Timelines under PIRL Resources on [DOL's website](#).

Performance Indicators

The WIOA strives to ensure federal investments in employment and training programs are evidence-based, data-driven, and accountable to participants and taxpayers. One way WIOA strives to accomplish this is by requiring the core programs to report on common performance indicators. Under the WIOA, all six core programs will report on the following indicators of performance:

- Employment Rate – 2nd Quarter After Exit
- Employment Rate – 4th Quarter After Exit
- Median Earnings – 2nd Quarter After Exit
- Credential Attainment*
- Measurable Skill Gains*
 - Educational Functioning Level
 - Secondary School Diploma
 - Transcript/Report Card
 - Progress Towards Established Milestones
 - Skills Progression (Passage of an Exam)
- Effectiveness in Serving Employers**
 - Retention with the Same Employer
 - Repeat Business Customers

*These performance indicators do not apply to Wagner-Peyser and JVSG.

**This performance indicator does not apply to TAA.

The standardization of WIOA indicators of performance introduces the ability to “share” performance across core and non-core programs, which enables multiple programs to take credit for co-enrolled participants. For example, if a participant is co-enrolled in Title I Dislocated Worker, and TAA programs, both programs can take performance credit for the recognized credential obtained from attending training funded by TAA. For Title I programs, subrecipient staff should enter performance information (i.e., credentials, MSG, etc.) received through other core programs into CalJOBS to ensure performance credit is received. Additionally, up to three Local Workforce Development Areas (Local Areas) can share performance for a participant that is co-enrolled across Local Areas.

Note – All performance measures (for both participants and employers) are quantified by the data that is entered into CalJOBS. Therefore, it is mandatory that all performance related data (i.e., activity codes, MSGs, credentials, etc.) are entered accurately. If data in CalJOBS is incorrect, staff should follow the guidance outlined in [Data Change Request Form Procedure](#) (WSD18-02).

The following provides the methodology for calculating each primary indicator of performance.

Employment Rate – 2nd Quarter (Q2) After Exit

The percentage of participants who are in unsubsidized employment (and/or education for Youth participants) during the second quarter after program exit.

1. Adult, DW, Wagner-Peyser, NDWG, JVSG, and TAA
 The number of program participants who exited during the reporting period who are found to be employed, either through direct Unemployment Insurance (UI) wage record match or supplemental wage information, in the second quarter after exit (numerator) DIVIDED BY the total number of program participants who exited during the reporting period (denominator). For example:

$$\frac{\# \text{ employed in Q2 after exit}}{\text{Total \# exited during reporting period}} = \text{Employment Rate Q2 After Exit}$$

2. Youth

The number of program participants who exited during the reporting period who are found to be employed, either through direct UI wage record match or supplemental wage information, OR found to be enrolled in secondary education, postsecondary education, or occupational skills training in the second quarter after exit (numerator) DIVIDED BY the total number of program participants who exited the program during the reporting period (denominator). For example:

$$\frac{\# \text{ employed or in education Q2 after exit}}{\text{Total \# exited during reporting period}} = \text{Employment Rate Q2 After Exit}$$

Youth who are in AmeriCorps or Job Corps programs in the second quarter after exit are counted as a positive in the numerator.

Note – With the exception of those that exited with an exclusionary exit or NDWG participants who ONLY received disaster relief employment, all participants in all core and non-core programs are included in this indicator regardless of employment or education status at program entry.

Employment Rate – 4th Quarter (Q4) after Exit

The percentage of participants who are in unsubsidized employment (and/or education for Youth participants) during the fourth quarter after program exit.

1. Adult, DW, Wagner-Peyser, NDWG, JVSG, and TAA

The number of program participants who exited during the reporting period who are found to be employed, either through direct UI wage record match or supplemental wage information, in the fourth quarter after exit (numerator) DIVIDED BY the total number of program participants who exited during the reporting period (denominator). For example:

$$\frac{\# \text{ employed in Q4 after exit}}{\text{Total \# exited during reporting period}} = \text{Employment Rate Q4 After Exit}$$

2. Youth

The number of program participants who exited during the reporting period who are found to be employed, either through direct UI wage record match or supplemental wage information, OR found to be enrolled in secondary education, postsecondary education, or occupational skills training in the fourth quarter after exit (numerator) DIVIDED BY the total number of program participants who exited the program during the reporting period (denominator). For example:

$$\frac{\text{\# employed or in education in Q4 after exit}}{\text{Total \# exited during reporting period}} = \text{Employment Rate in Q4 After Exit}$$

Youth who are in AmeriCorps or Job Corps programs in the fourth quarter after exit are counted as a positive in the numerator.

Note – With the exception of those that exited with an exclusionary exit or NDWG participants who **ONLY** received disaster relief employment, all participants in all core and non-core programs are included in this indicator regardless of employment or education status at program entry.

Median Earnings – 2nd Quarter after Exit

The median earnings of program participants who are in unsubsidized employment during the second quarter after program exit.

The median earnings of participants who are found to be employed, either through direct UI wage record match or supplemental wage information in the second quarter after exit. To find the median wages in the second quarter after exit, place the total quarterly earnings of each participant in numerical order from lowest to highest and find the middle wage. To simplify, the example below will use values with no more than two digits:

12, 3, 5 becomes 3, 5, 12.

The middle digit is 5, therefore, the **Median** is 5.

When there are an even number of values, place them in numerical order, find the **middle pair** of numbers, add them together, and then divide their total by 2. For example:

3, 13, 7, 5 becomes 3, 5, 7, 13.

The middle digits are 5 and 7, so $5 + 7 = 12 \div 2 = 6$, therefore the **Median** is 6.

Note – The outcome for this measure is a dollar amount, not a percentage.

The following participants are excluded from the median earnings performance indicator:

- Participants who have exited and are not employed in the second quarter after exit.
- Participants who have exited a program and for whom earnings information is not yet available.
- Participants who have exited from a program and who have \$0 income in the 2nd quarter after exit.
- Participants who have exited and are in subsidized employment.
- Participants who have exited with an exclusionary exit.
- NDWG participants who received **ONLY** received disaster relief employment.

Credential Attainment

The number of participants enrolled in an education or training program (excluding On-the-Job Training [OJT] or customized training) who attain a recognized postsecondary credential or a

secondary school diploma or its recognized equivalent, during participation or within one year of program exit. For the Adult and Dislocated Worker program, the education or training program must be funded by a program that is included in Common Exit for the participant to be in the Credential Attainment measure. For the Youth program, any education or training program, regardless of funding source, puts the participant in the Credential Attainment measure.

1. Participants in Postsecondary

The number of participants who attained a recognized postsecondary credential during participation or within one year (365 days) of program exit (numerator) DIVIDED BY the total number of participants who were enrolled in postsecondary education or training during program participation (excluding OJT or customized training) who have exited during the reporting period (denominator).

$$\frac{\# \text{ attained credential within time period}}{\text{Total \# exited who enrolled in education or training}} = \text{Credential Attainment}$$

2. Participants in Secondary

The number of Youth participants who obtain a secondary school diploma, or its recognized equivalent, during the program or within one year (365 days) after exit AND who are either employed or enrolled in a postsecondary program leading to a recognized postsecondary credential within one year* of program exit (numerator) DIVIDED BY the total number of participants who enrolled in an education or training program (excluding OJT or customized training) who exited during the reporting period (denominator).

$$\frac{\# \text{ attain diploma \textbf{and} employed or in education w/in time period}}{\text{Total \# exited who enrolled in education or training}} = \text{Credential Attainment}$$

*To be counted as a success in this indicator, the credential must be attained within 365 days of exit, whereas the employment can be in any of the four quarters after exit.

Title I Out-of-school Youth in one of the following are included in this indicator:

- Occupational Skills Training.
- Education Offered Concurrently w/Workforce Preparation and Training.
- Secondary or postsecondary school attendance school during participation.
- Title II-funded Adult Education.
- YouthBuild during participation.
- Job Corps during participation.

The following participants are **excluded** from this indicator:

- OJT-only participants.
- Customized training-only participants.
- Exclusionary exit participants.
- NDWG participants who received ONLY received disaster relief employment.

The successful completion of a training program does not mean a credential was attained. The participant must have completed the training, fulfilled all requirements to receive the credential (e.g., passage of credential exam), and provided credential verification.

Note – With the exception of those that exited with an exclusionary exit or NDWG participants who **ONLY** received disaster relief employment, all participants in all core and non-core programs who are in an education or training program are included in this indicator regardless of employment or education status at program entry.

The State Plan calls for the production of one million industry-recognized credentials over the next ten years. In alignment with the vision articulated in the State Plan, the ideal characteristics of a quality industry-recognized credential include:

- ***Accessible — Affordable and readily available at places and times convenient for working adults.***
- ***Transparent — Clearly articulated costs and prerequisites; accurate picture of what skills, knowledge and abilities are benchmarked by a given credential, and the value it carries in the labor market.***
- ***Stackable — One of multiple manageable chunks that add up to a more substantial credential and do not require starting over at each new step.***
- ***Portable — Transferable between firms, regions, and educational institutions.***
- ***Meaningful — Has value in the labor market.***
- ***Connected — Links to a job or an educational pathway.***

The goal is the workforce system will assess credentials based on the characteristics above.

Two tools are available to assist with determining if a training leads to an industry-recognized credential: DOL's [Post Secondary Credential Attainment Tool](#) and the EDD's Labor Market Information Division (LMID) [California Occupational Guides](#).

The LMID is the official source for California Labor Market Information by providing analyzed data on the state's labor force, industries, occupations, employment qualifications, employment projections, and wages. Utilizing resources provided by LMI assists with making an informed decision regarding a participant's career and educational choices. The LMID's California Occupation Guides tool on the EDD's Labor Market Information site enables an individual to research an industry and identify if a credential is required for employment. If a credential is required for employment, then that credential often qualifies for the credential attainment indicator.

Example steps to confirm valid credential are as follows:

1. ***Select [Launch the California Occupational Guide](#) and then select "Search for Occupations."***

- *The Occupation Guide Welcome provides information and guidance on how to utilize the tool.*
- 2. *Search for and select an occupation's profile (e.g., Certified Nursing Assistant [CNA]).*
- 3. *Navigate to "Entry Requirements" to determine if this occupation requires a credential (i.e., Recommended Education and/or Occupational Licenses) and to view other relevant information about the occupation.*
 - *For a CNA, the Recommended Education states "Certificate/Non-Degree" and the Occupational Licenses indicates that passing a Public Health Exam is required and includes a link to the California Department of Public Health's website for more information. For this example, a certificate issued by the California Public Department of Public Health counts as a credential for the Credential Attainment measure.*

Subrecipients are strongly encouraged to access EDD's [California Occupational Guides](#) before determining if a credential and/or occupational certificate qualifies under the Credential Attainment indicator.

For a visual guide regarding this performance indicator, please see Attachment 1, [Credential Attainment Decision Path \(PDF\)](#).

For more information on how to enter a Credential in the system, please see the *Guide to Entering a Credential and MSG* located in the Staff Online Resources section of CalJOBS.

Measurable Skill Gains (MSG)

MSGs track a participant's *interim* progress up to the end of the program year. Therefore, it is intended to capture important education or training progressions based upon "real time." It is not an exit-based performance indicator, which enables subrecipients to track and report progress and performance for participants while they are in the program.

For the MSG performance indicator, a new period of participation is counted each time a participant receives a training/education service during the PY (July 1 – June 30). A participant is included in the performance indicator even if they are enrolled late in the PY. Local Areas must not delay enrollment or services to participants. If the period of participation spans over multiple PYs, a new MSG must be calculated for each PY the participant is enrolled in an education or training program. For the Adult and Dislocated Worker program, the education or training program must be funded by a program that is included in Common Exit for the participant to be in the measure. For the Youth program, any education or training program, regardless of funding source, puts the participant in the measure.

Subrecipients are required to document all MSGs during the PY that a participant is enrolled in education or training, regardless of if the participant exits in the same PY. Participants must attain their skill goals by June 30 of each PY, but they can be documented and recorded as attained up until the state submits and certifies the annual report for the PY. An MSG can be

added after exit, and if applicable, may be counted toward the previous PY. This requirement applies to each PY the participant is enrolled in an education or training program.

The five MSG types require documentation contingent upon the type of training or education for which the participant is enrolled. Participants may fall into one or more of the five skill gain types; however, the MSG type for Youth participants must be based on the Youth's individual service strategy, and the type of documentation that can be collected to verify the skill gained to meet the goal will determine the skill gain type. All MSGs that the participant earns must be documented and recorded (not just their most recent gain). While multiple MSGs can be attained in a PY, only the most recent MSG per period of participation per PY will be factored into the performance measure. The five MSG measures, and their corresponding documentation are as follows:

1. Educational Functioning Level

Achievement of an increase of at least one educational functioning level for a participant receiving instruction below the postsecondary level.

- Compare educational functioning levels using a pre-test and post-test as described in [TEGL 10-16, Change 2](#).
 - Pre-tests may be provided up to six months prior to program entry so long as they are paid for through Youth funding or through a partner program.
 - The date of post-test must be within the PY and must be before the program exit date.
- Earned credits from an adult high school program that leads to a secondary school diploma or recognized equivalent.
 - Local Boards must work with the local school districts to determine what constitutes as an "earned credit."
- Exits program at the secondary level and enrolls in postsecondary education or training during the PY.

2. Secondary School Diploma

Achievement of a secondary school diploma or its recognized equivalent.

3. Transcript/Report Card

Secondary or postsecondary transcript or report card that documents the participant is meeting the state's academic standards outlined by the [CDE](#).

- Enrolled in secondary education: transcript or report card for one semester meeting the state's academic standards.
- Enrolled in postsecondary education: transcript or report card showing a completion of a minimum of 12 hours per semester, or for part-time students a total of at least 12 credit hours over two completed consecutive semesters during the PY, and showing that the participant is meeting the state's academic standards

4. *Progress Towards Established Milestones*

A satisfactory or better progress report from the OJT employer or training provider documenting progress of meeting established benchmarks. Milestones should be established in advance of the education or training program, or in advance of the program year being measured, to qualify as an “established milestone.”

- Progress report showing the attainment of an established milestone from an employer or training provider within the reporting period.
- Documentation may vary as subrecipients should identify appropriate methodologies based up on the nature of services being provided, but the progress reports must document substantive skill development the participant has achieved. Examples include the following:
 - Training reports on milestones completed as the individual masters the required job skills, or steps to complete the training program.
 - Increase in pay resulting from newly acquired skills.
 - Increase in performance based on newly acquired skills.
 - Completion of a specific milestone of a registered apprenticeship program.

5. *Skills Progression (Passage of an Exam)*

Successful passage of a knowledge-based exam that is required to document progression of trade or training-related benchmarks. Documentation may include the following:

- Passage of an exam in an occupational program.
- Employer-required knowledge-based exam.
- Passage of an occupational competency-based assessment.
- Completion test necessary to obtain a credential.

If there is documentation indicating the training/education curriculum includes the passage of an exam in order to earn a certificate of completion, then the certificate of completion is sufficient evidence to meet this MSG. However, if the participant will not complete the program in the PY, then documentation of the passed exam is necessary.

This indicator includes the number of participants who are in an education or training program that leads to a recognized postsecondary credential or employment AND are achieving documented measurable skill gains (numerator) DIVIDED BY the total number of participants who are in an education or training program that leads to a postsecondary credential or employment during the reporting period (denominator).

$$\frac{\text{\# in education or training and earned a MSG}}{\text{Total \# in education or training}} = \text{MSG}$$

All participants who are in a Title I Adult or Dislocated Worker funded training program and all In-School Youth (ISY) are included in the MSG indicator. Only Out-of-school Youth who are in one of the following are included in this indicator:

- Occupational Skills Training;
- Secondary or postsecondary school attendance school during participation;

- Title II-funded Adult Education at or above the 9th grade level;
- YouthBuild during participation; or
- Job Corps during participation.

Note the following:

- OJT and customized training place participants in the MSG indicator.
- Work experience and transitional jobs do not place participants in the MSG indicator.

Note – With the exception of those that exited with an exclusionary exit or NDWG participants who ONLY received disaster relief employment, all participants in all core and non-core programs who are in an education or training program are included in this indicator regardless of employment or education status at program entry.

For resources regarding this performance indicator, please see Attachment 2, [Measurable Skill Gains Decision Path \(PDF\)](#).

For more information on how to enter a MSG in the system, please see the *Guide to Entering a Credential and MSG* located in the Staff Online Resources section of CalJOBS.

Effectiveness in Serving Employers

There are three Effectiveness in Serving Employer measures being piloted by DOL: Retention with the Same Employer, Repeat Business Customers, and Employer Penetration. The states have the flexibility to choose at least two of these measures to report to DOL. California will report on Retention with the Same Employer and Repeat Business Customer. These measures are designed to comprehensively gauge how well the state is serving employers. These measures are different than other performance measures in that they are not calculated for each program individually, but rather all data from the core programs are aggregated to produce one state-level figure.

This guidance will be updated when the finalized guidance from DOL is issued.

It has been determined the best solution on guidance and data collection for this measure, until the pilot is concluded, is a solution that (1) does not incur any additional costs to the state, and (2) minimizes the impact to Local Areas. All Title I and Wagner-Peyser staff must track employer services. Wagner-Peyser staff are required to use the CalJOBS Customer Relationship Management (CRM) module. Local Areas are not required to use the CalJOBS CRM module to track employer services. If a Local Area uses the CalJOBS CRM module, the EDD will utilize this data for the employer services measures; however, if staff do not use the CalJOBS CRM module to track employer services, Local Areas are required to provide the federally required data to EDD at the end of the PY to ensure all the data is captured and reported to the DOL. The EDD will provide additional guidance on the required data and file format to be submitted by Local Areas annually.

Once the DOL finalizes the employer measures, the EDD and the California Workforce Development Board (CWDB) will determine the best long-term solution for capturing and reporting this data.

1. *Retention with the Same Employer*

The Retention with the Same Employer measure determines if WIOA core programs are serving the state's employers by improving employee workforce skills and reducing employee turnover.

The state must report Retention with the Same Employer in the second quarter and fourth quarter after exit, and calculate it based on wage data for participants who are in the fourth quarter after exit. To be included in the calculation, a participant must have a wage record match with the same employer State Tax ID number for the second and fourth quarters after exit, or supplemental wages with the same Federal Employer Identification Number (FEIN) in the second and fourth quarters after exit.

The number of participants with wage data who exit during the reporting period and were employed by the same employer during the second and fourth quarters after exit (numerator) DIVIDED BY the total number of participants with wage records who exit and were employed during the second quarter after exit (denominator). For example:

$$\frac{\text{\# employed by same employer in Q2 \& Q4}}{\text{Total \# who exited and were employed in Q2 after exit}} = \text{Retention with Same Employer}$$

2. *Repeat Business Customers*

The Repeat Business Customers measure tracks the percentage of employers who have used qualifying core program services in the current PY and received services in any of the three preceding PYs. This allows the state to determine if business customers are sufficiently satisfied to seek core program services again, and to develop and maintain durable employer relationships.

The total number of Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW) establishments served during the current reporting period, and who have used qualifying core program services in the current PY and in any of the three previous reporting periods (numerator) DIVIDED BY the total number of establishments served during the current reporting period (denominator). For example:

$$\frac{\text{\# establishments served in prior 3 report periods}}{\text{Total \# of establishments served}} = \text{Repeat Business Customers}$$

Note the following:

- An employer who uses WIOA core program services more than once during the last three reporting periods is only counted once in reporting.
- For employers with more than one physical location, each location is counted as a separate establishment ([TEGL 10-16, Change 2, Attachment 4, Table A \(PDF\)](#)).
- Qualifying "Core Services" are defined in [TEGL 10-16, Change 2, Attachment 4, Table B \(PDF\)](#).

ACTION

Bring this Directive to the attention of all affected parties.

INQUIRIES

If you have any questions, contact your Regional Advisor

/s/ JAVIER ROMERO, Deputy Director
Workforce Services Branch

Attachments:

1. [Credential Attainment Decision Path \(PDF\)](#)
2. [Measurable Skill Gains Decision Path \(PDF\)](#)