

Policy Recommendation for Minnesota Association of Workforce Boards (MAWB) and Department of Employment and Economic Development (DEED)

Topic: WIOA Performance Measures

Policy Objective: To provide an agreed-upon plan for instances when local Workforce Development Areas (WDA's) do not meet Workforce Innovation and Opportunity Act (WIOA) Title 1 (Adult, Dislocated Worker and Youth) annual performance measures as negotiated with the Minnesota Department of Employment and Economic Development (DEED).

Policy Background: The Minnesota Workforce Council Association (MWCA) now known as MAWB, had such a policy in place for Workforce Investment Act (WIA) measures. WIOA, which passed in 2014, has somewhat different measures. Now, after the transition time between WIA and WIOA, there can be repercussions to local areas for not meeting performance standards. Program year 2020 is the first year there could be consequences on three of the five indicators of performance for the WIOA Adult, Dislocated Worker and Youth programs. Those three are: Employment 2nd Quarter after Exit; Median Earnings 2nd Quarter After Exit; and Measurable Skills Gain. PY 2022 is the first program year for which performance success or failure can be determined for the other two indicators: Employment 4th Quarter After Exit; and Credential Attainment.

Commented [JM1]: Amy to verify the first year for this.

DEED could also face consequences from the Department of Labor (DOL) for not meeting agreed upon goals. From TEGL-11-19. If the state has the same performance failure occur in two consecutive program years, the Departments will apply sanctions, pursuant to section 116(f)(1)(B) of WIOA. Specifically, the Departments will reduce the Governor's discretionary funds provided under section 128(a) of WIOA by five percent of the maximum available amount in the program year immediately succeeding the second consecutive performance failure. The WIOA Joint Final Rule at 20 CFR § 677.195 and 34 CFR §§ 361.195 and 463.195 clarified that the sanction is equal to five percent of the maximum allotment percentage that could be reserved by the Governor in the succeeding program year rather than a five percentage point reduction from the percentage that a Governor elected to reserve. This sanction will be enforced each successive year in which the state continues to have the same performance failure. Note: There are two types of failures than can lead to sanction to the state. The aforementioned meeting adjusted levels of performance and also "failure to report."

Suggested Policy:

- 1) A performance failure at a local level occurs if:
 - a. any single Individual Indicator Score for any individual core program falls below 50 percent of the adjusted level of performance as negotiated with the state.
 - b. the Overall Local Program Score falls below 90 percent for that single core program; or
- 2) If an area fails at one or both of the items as outlined above:
 - a. The first year, the WDB can request technical assistance from DEED
 - b. If the WDA fails the same one or more of the same items as listed in #1) for two consecutive years the state will provide technical assistance to the local area and a corrective action plan developed
 - c. If an area fails one or more of the same items as outlined in #1) for three consecutive years, per TEGL 11-19, the Governor must take corrective actions which must include the development of a reorganization plan for the area.

Example:

Definition:

Individual indicator score is the proportion the actual level of performance represents of the adjusted level of performance for a single performance indicator for a single program. It is calculated by dividing the actual level of performance achieved by the adjusted level of performance;

- Overall state program score is the average of the individual indicator scores for a single WIOA core program across performance indicators;

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