



**Illinois**  
**Department of Commerce**  
& Economic Opportunity

**OFFICE OF EMPLOYMENT & TRAINING**

JB Pritzker, Governor

**WIOA NOTICE NO. 20-NOT-01**

**TO:** Chief Elected Officials  
Local Workforce Innovation Board Chairpersons  
Local Workforce Innovation Board Staff  
WIOA Fiscal Agents and Grant Recipients  
WIOA Program Services Administrators  
Illinois workNet® Operators  
WIOA State Agency Partners  
Other Interested Persons

**SUBJECT:** WIOA Title IB Local Performance Goals Negotiations

**DATE:** August 3, 2020

**I. PURPOSE**

To inform Local Workforce Innovation Boards (LWIBs) and Chief Elected Officials (CEOs) of the guidelines for the process for negotiating local levels of performance for WIOA Title IB programs (Adult, Dislocated Worker and Youth) as required by section 116(c)(2) and provide information and resources on the negotiations.

**II. ISSUANCES AFFECTED**

**A. References:**

Workforce Innovation and Opportunity Act Section 116  
Workforce Innovation and Opportunity Act: Final Rule Section 677 Subpart C published at Federal Register Vol. 81, No. 161 (August 19, 2016)  
U.S. DOL Training and Employment Guidance Letter (TEGL) No. 10-16, Change 1, Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III and Title IV Core Programs (August 23, 2017)  
U.S. DOL Training and Employment Guidance Letter (TEGL) No. 09-17, Negotiating Performance Goals for the Workforce Innovation and Opportunity Act (WIOA) Title I Programs and the Wagner-Peyser Act

Employment Service as amended by Title III of WIOA, for Program Years (PYs) 2018 and PY 2019 (February 16, 2018)  
U.S. DOL Training and Employment Guidance Letter (TEGL) No. 11-19, Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act (WIOA) Core Programs (February 6, 2020)

B. Rescissions:

PY 1999 WIA Policy Letter No. 99-PL-02, Negotiation of Performance Goals for Title IB of the Workforce Investment Act (January 4, 2000)

### III. **BACKGROUND**

WIOA Section 116(c)(2) requires that the Local Workforce Innovation Board, Chief Elected Official and the Governor negotiate and reach agreement on local levels of performance. The primary performance indicators for WIOA Title IB programs (Adult, Dislocated Worker and Youth) are the same for the local areas and the State as outlined in WIOA Final Rule Section 677.155(a)(1). These five indicators will be included in the negotiations process for PY 2020 and PY 2021. The sixth indicator, Effectiveness in Serving Employers, is a baseline measure therefore the State and LWIAs will not negotiate rates for PY 2020 or PY 2021.

### IV. **COMPONENTS**

The process outlined ensures a meaningful, open-communication, two-way negotiation in which the Local Workforce Innovation Board and Chief Elected Official reach agreement with the Illinois Department of Commerce and Economic Opportunity (DCEO), Office of Employment and Training (OET), acting on behalf of the Governor of Illinois, on local levels of performance.

The United States Department of Labor has introduced a Statistical Adjustment Model (SAM) as required at WIOA Section 116(b)(3)(A)(viii) to enhance objectivity in identifying appropriate performance goals. As this model is used in negotiations between the Department and the State, it will be utilized in the local negotiations. While the SAM accounts for many economic and demographic statistical variables, it is recognized that it does not account for all factors that may affect local performance. As such, local negotiations will allow for additional information that the local areas may consider important and relevant when negotiating each level of performance.

There are six primary indicators of performance for the adult, dislocated worker and youth programs authorized under WIOA Title IB as outlined in WIOA Final Rule Section 677.155(a)(1). The first five indicators will be negotiated for each of the Title IB programs (fifteen total measures to be negotiated), while there is no negotiated level required for the final indicator and thus will not be included.

The primary indicators include:

1. The percentage of participants who are in unsubsidized employment during the second quarter after exit from the program;
2. The percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program;
3. Median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program;
4. The percentage of those participants enrolled in an education or training program (excluding those in on-the-job training [OJT] and customized training) who attained 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;
5. The percentage of 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; and
6. Effectiveness in serving employers.

Upon completion of the local negotiation process and formal communication of agreement of local levels of performance, it is required that each LWIB and CEO inform the public. LWIBs are to accomplish this by including the negotiated measures within the Performance Goals and Evaluation chapter of the local plan (effective July 1, 2020) and ensuring the public is aware the updated plan is available to view on the local area website per the sunshine provision of WIOA no later than October 16, 2020.

Contained within the attachments to this WIOA Notice are the formal process to be utilized in the local negotiation process, a timeline of the activities leading up to and including the formal negotiation, and tools, worksheets and references that will assist in preparation for the negotiations.

These documents and information have been developed and updated, as necessary, to reflect the current Program Year(s) for which negotiations are being conducted.

**V. ACTION REQUIRED**

All Local Workforce Innovation Boards (LWIBs), Chief Elected Officials, recipients and subrecipients shall review this notice and distribute it to all appropriate individuals within the organization.

**VI. INQUIRIES**

Inquiries should be directed to OET, Mark Burgess, [mark.a.burgess@illinois.gov](mailto:mark.a.burgess@illinois.gov).

**VII. EFFECTIVE DATE**

This notice is effective on release.

**VIII. EXPIRATION DATE**

This notice will remain in effect until amended or rescinded by the Office of Employment and Training.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julio Rodriguez', with a stylized flourish at the end.

Julio Rodriguez, Deputy Director  
Office of Employment and Training

JR:ld

Attachment(s): A - Local Negotiations Timeline  
B - Local Performance Goals Negotiation Process  
C - Illinois Title I Negotiated Levels of Performance for PY20-21  
D - WIOA PY20-21 IA ID IY Measures  
E - Performance Failure Phase-In for Incentives and Sanctions  
F - Local Performance Goals Negotiations References

**Local Performance Goals Negotiations for PY 2020 and 2021**  
**Local Negotiations Timeline**

Date	Event
May 19, 2020	WIOA Title IB & III Performance Negotiation Call between USDOL, Region 5 and State of Illinois
May 26, 2020	Official Notification from USDOL to State of Illinois of agreed-upon PY 2020 and 2021 negotiated levels of performance
June 25, 2020	Informal notification of Local Performance Goals Negotiations Process and Timeline
July 23, 2020	IWP Performance Task Force Meeting
August 3, 2020	Issue WIOA Notice with Final Timeline, process and other information for negotiation process to LWIBs and CEOs
August 18, 2020	Distribute local area performance information to each LWIB and CEO
August 20, 2020; 1:00-2:00pm	Webinar for all LWIBs, CEOs and LWIB Staff, and other interested parties, as appropriate
August 28, 2020	LWIBs submit their proposed levels of performance goals for consideration by State
August 28 – September 4, 2020	State reviews local expected levels of performance in preparation of negotiation process
September 7-25, 2020	Local negotiation process with LWIBs, as necessary
September 30, 2020	Final LWIB Negotiated Performance Levels submitted to DOL Regional Office
October 7, 2020	Performance Goals Negotiations Process finalized; acceptance letter distributed to LWIBs
October 16, 2020	Local Plans updated to include negotiated performance levels

## WIOA Performance Goals Negotiation Process

The following process will be used by the State and Local Workforce Innovation Boards (LWIBs) for negotiating local area performance measures.

1. The State will evaluate the proposed State/Federal Performance Measures using the Statistical Adjustment Model (SAM) and suggest proposed measures for State/Federal Negotiations.
2. The State will finalize negotiations with the Federal Department of Labor based on analysis using the Statistical Adjustment Model and input from the local areas.
3. The State will release final approved State negotiated levels to the local boards and Chief Elected Officials (CEOs) and update the State Plan accordingly.
4. In reaching agreement on the negotiated levels of performance, the State requests that the LWIAs apply the following four Negotiation Factors. Also note, WIOA does not specify more or less weight on any specific negotiation factor.
  - a. Take into account how the levels involved compare with the negotiated levels of performance established for other local areas.
  - b. Ensure that the levels involved are adjusted using an objective Statistical Adjustment Model provided by the Departments and the State.
  - c. Take into account the extent to which the levels involved promote continuous improvement in performance accountability measures and ensure optimal return on the investment of Federal and State funds
  - d. Take into account the extent to which the levels involved will assist the state in meeting the performance goals established by the Secretaries of Education and Labor in accordance with the Government Performance and Results Act of 1993 (GPRA) (section 116(b)(3)(A)(v)(IV) of WIOA).
5. Other considerations by local boards in presenting proposed measures should include the following.
  - a. Local Areas must adjust for their expected economic conditions and expected characteristics of participants to be served in the local area using the Statistical Adjustment Model developed at the Federal level.
  - b. Local areas must use verifiable and replicable data such as but not limited to Bureau of Labor Statistics data, local management information systems data, IWDS system data, official LWIB actions, etc. as supporting documentation under the Federally developed Statistical Adjustment Model.
  - c. Local Areas should present any proposed adjustments in writing to Department of Commerce and Economic Opportunity (DCEO) with supporting documentation.
6. The State meets (in person or via teleconference) with the appointed representative(s) of the Local Chief Elected Official (CEO) and LWIB for final negotiation and/or acceptance of levels of performance.
7. The LWIBs will update Local Plans accordingly to reflect performance goals.
8. The State will notify the Department of Labor (DOL) Regional office that negotiations are complete.

**Illinois Workforce Development Activities (Title I of WIOA)  
Negotiated Levels of Performance for PY 2020 and 2021**

**Adult**

	<b>PY 2020</b>	<b>PY 2021</b>
Employment Rate 2nd Quarter after Exit	77.0%	77.0%
Employment Rate 4th Quarter after Exit	75.5%	75.5%
Median Earnings 2nd Quarter after Exit	\$6,500	\$6,500
Credential Attainment within 4 Quarters after Exit	70.0%	70.0%
Measurable Skill Gains	39.0%	39.0%

**Dislocated Worker**

Employment Rate 2nd Quarter after Exit	81.0%	81.0%
Employment Rate 4th Quarter after Exit	81.0%	81.0%
Median Earnings 2nd Quarter after Exit	\$9,600	\$9,600
Credential Attainment within 4 Quarters after Exit	71.0%	71.0%
Measurable Skill Gains	43.5%	43.5%

**Youth**

Employment or Education Rate 2nd Quarter after Exit	73.5%	73.5%
Employment or Education Rate 4th Quarter after Exit	73.0%	73.0%
Median Earnings 2nd Quarter after Exit	\$3,275	\$3,275
Credential Attainment within 4 Quarters after Exit	65.0%	65.0%
Measurable Skill Gains	31.0%	31.0%

## WIOA Indicators of Performance - PY 2020/PY 2021

### Adult and Dislocated Workers

**Employment Rate 2nd Quarter after Exit** - The percentage of WIOA registered participants who are in unsubsidized employment during the 2nd quarter after exit from the program.

- Who is in the measure? All WIOA registered participants (who exit the program).
- Who is a positive (in the numerator)? WIOA registered participants who exit the program and are in unsubsidized employment **during the 2nd quarter** after exit from the program.

**Employment Rate 4th Quarter after Exit** - The percentage of WIOA registered participants who are in unsubsidized employment during the 4th quarter after exit from the program.

- Who is in the measure? All WIOA registered participants (who exit the program).
- Who is a positive (in the numerator)? WIOA registered participants who exit the program and are in unsubsidized employment **during the 4th quarter** after exit from the program.

**Median Earnings** - The median earnings of WIOA registered participants who are in unsubsidized employment during the 2nd quarter after exit from the program.

- Who is in the measure? WIOA registered participants who exit the program and are in unsubsidized employment during the 2nd quarter after exit from the program.
- How is the Median Wage Calculated for this measure? Total quarterly earnings, for all participants employed in the 2nd 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.

**Credential Attainment – Includes all Adult and Dislocated workers who received training or education (excluding OJT or Customized Training)** - The percentage of WIOA registered participants who obtain a postsecondary credential or a high school diploma or GED during participation in a program or within 1 year after exit from the program. If participant obtains secondary school diploma or equivalent, they **must** also be employed or in an education/training program leading to a postsecondary credential within 1 year after exit to count as having met the performance indicator.

- Who is in the measure? All Adult and Dislocated workers who received training or education (*excluding* OJT or Customized Training).
- How is the measure calculated, who is a positive (in the numerator)? The percentage of WIOA registered participants who obtain a postsecondary credential or a high school diploma or GED during participation in a program or within 1 year after exit from the program. If participant obtains secondary school diploma or equivalent, they **must** also be employed or in an education/training program leading to a postsecondary credential within 1 year after exit to count as having met the performance indicator.



## **Measurable Skill Gains (MSG)**

### **What is the Measurable Skill Gains indicator of WIOA performance?**

Measurable Skill Gains (MSG) is a new indicator required by the Workforce Innovation Opportunity Act (WIOA) designed to track and measure important progress and achievements made by WIOA participants who are in training or education (leading to a postsecondary credential/certificate) during a program year (PY). See TEGL No. 10-16, Change 1.

- Who is in the measure? All Adults who receive any WIOA Training service in a PY. The measure is not exit based and a gain is needed each year of participation when a training service is received. Adults and Dislocated workers in OJTs and Customized training *will be* counted in the measure.
- Calculation: The percentage of 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.
- 5 Types of Measurable Skill Gains are as follows: Secondary and Postsecondary Transcript or Report Card, Training Milestone, Skills Progression and Education Functioning Level (EFL) Gain.

## **Youth**

**Employment/Education Rate 2nd Quarter after Exit** - The percentage of WIOA registered participants in unsubsidized employment, or postsecondary education/training in the 2nd quarter after exit from the program.

- Who is in the measure? **All** WIOA registered participants (who exit the program).
- Who is a positive (in the numerator)? WIOA registered participants who exit the program and are in unsubsidized employment, or postsecondary education/training **during the 2nd quarter** after exit from the program.

**Employment/Education Rate 4th Quarter after Exit** - The percentage of WIOA registered participants in unsubsidized employment, or postsecondary education/training in the 4th quarter after exit from the program.

- Who is in the measure? **All** WIOA registered participants (who exit the program).
- Who is a positive (in the numerator)? WIOA registered participants who exit the program and are in unsubsidized employment **or postsecondary education/training during the 4th quarter** after exit from the program.

**Median Earnings** - The median earnings of WIOA registered participants who are in unsubsidized employment during the 2nd quarter after exit from the program.

- Who is in the measure? WIOA registered participants who exit the program and are in unsubsidized employment during the 2nd quarter after exit from the program.
- How is the Median Wage Calculated for this measure? Total quarterly earnings, for all participants employed in the 2nd 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.

**Credential Attainment – Includes all In-School Youth (ISY) and Out-of-School Youth (OSY) who received training or education (excluding OJT or Customized Training)** - The percentage of WIOA registered participants who obtain a postsecondary credential or a high school diploma or GED during participation in a program or within 1 year after exit from the program. If participant obtains secondary school diploma or equivalent, they **must** also be employed or in an education/training program leading to a postsecondary credential within 1 year after exit to count as having met the performance indicator.

- Who is in the measure? All In-School Youth are in the measure. Out-of-School Youth (OSY) who received training or education (excluding OJT or Customized Training).
- How is the measure calculated, who is a positive (in the numerator)? The percentage of WIOA registered participants who obtain a postsecondary credential or a high school diploma or GED during participation in a program or within 1 year after exit from the program. If participant obtains secondary school diploma or equivalent, they **must** also be employed or in an education/training program leading to a postsecondary credential within 1 year after exit to count as having met the performance indicator.

### **Measurable Skill Gains (MSG)**

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- Who is in the measure? All In-School Youth are in the measure. Out-of-School Youth (OSY) who received training or education (excluding OJT or Customized Training). Note, this is the same pool as Youth Credential Attainment indicator.
- Calculation: The percentage of 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.
- 5 Types of Measurable Skill Gains are as follows: Secondary and Postsecondary Transcript or Report Card, Training Milestone, Skills Progression and Education Functioning Level (EFL) Gain.

## **Performance Failure Phase-In for Incentives and Sanctions**

The Departments used their transition authority under Section 503(a) of WIOA to implement a phased-in approach to determine performance success or failure for each indicator or program, due to data availability, as described in 20 CFR 677.190(c) and 34 CFR 361.190(c) and 463.190(c). The State will follow the same phase in approach to determine when incentives have been earned or sanctions applied.

If a performance failure occurs at the end of the program year, the State and respective Local Workforce Innovation Board (LWIB) will work to develop a performance improvement plan or the development of a modified local plan, including technical assistance, in accordance with Section 116(g)(1) of the Workforce Innovation and Opportunity Act (WIOA). If failure to meet the same performance occurs in two consecutive years, additional corrective actions as outlined in WIOA Section 116(g)(2) may be applied.

The table below summarizes the first years in which each performance indicator for WIOA core programs will be evaluated for performance success or failure (with the exception of the Effectiveness in Serving Employers performance indicator, which is currently being piloted and will be established in subsequent guidance).

### Implementation of Performance Determination by Indicator

Title	Indicators of Performance	First Program Year for which Performance Success or Failure can be Determined
Title I	<ul style="list-style-type: none"> <li>▪ Employment 2nd Quarter after Exit*</li> <li>▪ Median Earnings 2nd Quarter after Exit</li> <li>▪ Measurable Skill Gains</li> </ul>	PY 2020
Title I	<ul style="list-style-type: none"> <li>▪ Employment 4th Quarter after Exit*</li> <li>▪ Credential Attainment</li> </ul>	PY 2022
Title II	<ul style="list-style-type: none"> <li>▪ Employment 2nd Quarter after Exit</li> <li>▪ Median Earnings 2nd Quarter after Exit</li> <li>▪ Measurable Skill Gains</li> </ul>	PY 2020
Title II	<ul style="list-style-type: none"> <li>▪ Employment 4th Quarter after Exit</li> <li>▪ Credential Attainment</li> </ul>	PY 2022
Title III	<ul style="list-style-type: none"> <li>▪ Employment 2nd Quarter after Exit</li> <li>▪ Median Earnings 2nd Quarter after Exit</li> </ul>	PY 2020
Title III	<ul style="list-style-type: none"> <li>▪ Employment 4th Quarter after Exit</li> </ul>	PY 2022
Title IV	<ul style="list-style-type: none"> <li>▪ Measurable Skill Gains</li> </ul>	PY 2020
Title IV	<ul style="list-style-type: none"> <li>▪ Employment 2nd Quarter after Exit</li> <li>▪ Median Earnings 2nd Quarter after Exit</li> <li>▪ Employment 4th Quarter after Exit</li> <li>▪ Credential Attainment</li> </ul>	PY 2022

*\*Note that for WIOA Title I Youth, these indicators include placement in education or training.*

## **Local Performance Goals Negotiations for PY 2020 and 2021**

### **REFERENCES**

[Workforce Innovation and Opportunity Act Section 116\(c\)](#)

[Workforce Innovation and Opportunity Act: Final Rule Section 677 Subpart C published at Federal Register Vol. 81, No. 161](#) (August 19, 2016)

[U.S. DOL Training and Employment Guidance Letter \(TEGL\) No. 10-16, Change 1, Performance Accountability Guidance for Workforce Innovation and Opportunity Act \(WIOA\) Title I, Title II, Title III, and Title IV Core Programs](#) (August 23, 2017)

[U.S. DOL Training and Employment Guidance Letter \(TEGL\) No. 09-17, Negotiating Performance Goals for the Workforce Innovation and Opportunity Act \(WIOA\) Title I Programs and the Wagner-Peyser Act Employment Service as amended by Title III of WIOA, for Program Years \(PYs\) 2018 and PY 2019](#) (February 16, 2018)

[U.S. DOL Training and Employment Guidance Letter \(TEGL\) No. 11-19, Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act \(WIOA\) Core Programs](#) (February 6, 2020)

[WIOA Wednesday: Using the Statistical Adjustment Model for Negotiating WIOA Performance Levels](#)  
(April 4, 2018)  
PowerPoint Presentation  
Executive Summary  
Transcript

[“WIOA Performance Indicators – Definitions and Training Timing Chart”](#) by FutureWork Systems

[A Methodology for Statistical Adjustment under the Workforce Innovation and Opportunity Act \(WIOA\)](#)  
U.S. Department of Labor