

WIOA Performance Targets: Incentives to Improve Workforce Services for Individuals with Barriers to Employment

CLASP's [Opportunities for Action](#) is a series of short memos with recommendations for state and local areas to fully realize the options in the Workforce Innovation and Opportunity Act (WIOA) to help low-income and lower-skilled youth and adults achieve economic success.

States and local areas can use several provisions of the Workforce Innovation and Opportunity Act (WIOA) to target workforce development funds to proven strategies such as intensive job training and career pathways programming for lower-skilled, low-income adults. These provisions include:

- The strengthened [priority of service](#) for WIOA title I adult funds, which requires that priority be given to recipients of public assistance; other low-income individuals; and individuals with basic skills deficiencies.
- WIOA's [removal of the prior law's "sequence of services" rule](#), which discouraged job training and overemphasized low-touch, low-intensity services.
- The law's focus on services that lead to a [recognized postsecondary credential](#), including measuring programs' performance based (in part) on WIOA participants' credential attainment.
- WIOA's strong emphasis on [career pathways](#). The law requires WIOA agencies to [bring partners together](#) to design career pathways; encourages cross-program partnerships to develop [Integrated Education and Training](#) (IET) programs (which, when combined with support services, can be the foundation for robust career pathways initiatives); and measures career pathways both through interim milestones using the [Measureable Skill Gain](#) performance metric and by collecting data on IET participants using the Adult Education National Reporting System.

WIOA's new system for performance target setting reinforces the law's focus on improved services to low-income participants with barriers to employment. Effective July 2016, several performance measurement provisions remove disincentives that [existed under prior federal law](#). Taken together, these provisions of WIOA should help overcome the concerns of state and local officials, who can focus on serving disadvantaged populations without the risk of lost funding or federal or state sanctions if they fail to meet performance targets.

Negotiating Annual Performance Targets to Increase Equity

In setting annual performance goals, the U.S. Department of Labor's Employment and Training Administration (ETA) will take into account how states serve participants with barriers to employment, who may need more services to succeed. See "Operating Guidance for Negotiating Performance Goals for WIOA Titles I and Title III, for Program Year (PY) 2016 and PY 2017," ([Training and Employment Guidance Letter \(TEGL\) No. 26-15](#)):

"ETA will consider setting performance targets to accommodate States currently serving a significant number of individuals with barriers to employment who need higher levels of service to achieve a positive outcome. In such circumstances, the performance levels would be agreed upon during the negotiation process based on expectations to serve a significant population of individuals with barriers to employment, and subsequently adjusted to account for the actual characteristics of individual served."

For states choosing to serve larger numbers of individuals with significant barriers to employment in the WIOA Title I Adult Program, the guidance letter encourages them to negotiate performance goals based on realistic data about the expected performance levels for these populations:

When negotiating goals for the Adult program, States proposing new efforts to increase access to services for special populations that may face significant barriers to employment, such as older individuals, individuals with disabilities, eligible migrant or seasonal farm workers, Indians, Alaska Natives, and Native Hawaiians, individuals who are basic skills deficient, public assistance recipients, or other low income individuals should provide data to show how these new efforts will impact outcomes. ETA supports efforts that will help States reach a wider variety of available workers as they expand their talent pipelines.

Similarly, the performance targets for WIOA Title I Youth Programs will take into account the particular needs and circumstances of the most vulnerable out-of-school youth:

When negotiating the Youth goals, States should consider the importance of serving youth most in need, especially out-of-school youth (including those who are dropouts, in foster care, youth who are homeless or runaways, subject to the juvenile or adult justice system, pregnant or parenting, basic skill deficient or English language learners). States that have ongoing initiatives for serving individuals with barriers to employment or serving the youth most in need may work with their respective Regional Administrator to negotiate appropriate goals for PY 2016 and PY 2017.

State workforce agency officials should follow this model in their intrastate performance target negotiations to encourage local boards to increase services to individuals with barriers to employment.

During the first two years of a state's WIOA plan (through the program year ending June 30, 2018), adult education programs will collect baseline data on second and fourth quarter employment, median earnings, and credential attainment metrics to inform performance conversations in subsequent years. Staff from title I and title II programs should begin developing state-wide data sharing agreements to collect information about title II participants, either through in the state's wage record database or using supplemental methods

Continuous Improvement

By taking a broad view of “continuous improvement,” the federal government has offered an additional incentive for states and local areas to use WIOA funds to serve more individuals with barriers to employment. Previously, continuous improvement was defined only as ever-increasing expectations for absolute levels of performance. [TEGL 26-15](#) expands the definition to include additional efforts to deliver services to different types of participants or to deliver different types of services:

Continuous improvement may reflect an increase in the level of performance, a change in service strategy and delivery, or a change in the customers served. The customers served by the local area may have a significant impact on outcomes depending on the type of services provided and other factors unique to the population. WIOA emphasizes serving those individuals with barriers to employment and individuals more at-risk of not connecting to the labor market.

Objective Statistical Adjustment Model

The U.S. Departments of Labor and Education have developed an “objective statistical adjustment model” to be used to set performance targets in federal-state negotiations. (States also use the model to set goals for local areas.) At the end of each year, the model will be used to revise state targets to adjust for economic conditions and the characteristics of the participants who were actually served.

As a result, states and/or local workforce areas that target their funding to serve more people from vulnerable populations can get “credit” in the form of end-of-year adjustments to their performance targets based on the characteristics of the participants who actually received services. This adjustment will take into account participant characteristics such as “indicators of poor work history, lack of work experience, lack of educational or occupational skills attainment, dislocation from high-wage and high-benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency.”

Section 677.210 of the [Joint Final Rule](#) on WIOA describes this performance target adjustment process:

The model will increase the performance levels required if a State or local area were to serve lower-than anticipated percentages of hard-to-serve populations...because it would presumably be easier to serve these individuals. Similarly performance levels (or targets) would be decreased if a State or local area were to serve a higher-than-anticipated percentage of individuals with barriers, because those individuals are harder to serve.

The U.S. Department of Labor has released a detailed [spreadsheet tool](#) that shows how performance expectations would change based on increasing or decreasing services to different types of participants.

Setting a Baseline for Future Years

CLASP urges states and local areas to begin expanding their WIOA services to individuals with significant barriers to employment, including out-of-school youth and the high-need adult populations who are required to be given priority in the WIOA title I-Adult program. These include public assistance recipients, other low-income individuals, and individuals with barriers to employment. By documenting performance results from intentional strategies that improved services to these populations across core and required WIOA partners, states and local areas can develop a new baseline to use in future negotiations and in revising the federal statistical adjustment model.

During the initial phase of WIOA implementation, states will not be subject to federal sanctions if they fail to achieve performance targets over the next two years. Coupled with an expanded interpretation of continuous improvement to include changes in participant characteristics, this moment offers a crucial opportunity for states and local workforce areas to significantly expand services to those in need.

Do you have examples of states or local areas using the performance target negotiations process to create incentives to serve individuals with barriers to employment? Do you have comments or questions?

Questions? Contact [Anna Cielinski](#), Senior Policy Analyst

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