

Performance Negotiations

STATE PLAN LOCAL PLAN POLICIES & GUIDANCE BUDGET CHOICES

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.

WIOA includes substantial revisions to performance management requirements, including common measures applied across each of the core programs, new measures of interim skill gains and effectiveness in serving employers, a new approach to defining overall performance success and failure, and revised sanctions for states.

State Plan

The WIOA state plan must include the state-level proposed performance goals for each of the WIOA core programs. As under the Workforce Investment Act, these proposed goals become the starting point for negotiations with the U.S. Departments of Labor and Education, leading to the final approved goals for the first two years of WIOA. Unlike WIA, WIOA uses a more structured approach for setting state performance targets for all of the core programs and for setting local workforce investment area performance targets for the WIOA Title I core programs. WIOA requires the Secretaries of Labor and Education to jointly develop “an objective statistical model” (more likely multiple models) based on economic conditions and participant characteristics to be used in setting state performance targets for each of the common measures. The participant characteristics include: 1) indicators of poor work history; 2) lack of work experience; 3) lack of education or occupational skills attainment; 4) dislocation from high-wage and high-benefit employment; 5) low levels of literacy; 6) low levels of English proficiency; 7) disability status; 8) homelessness; 9) ex-offender status; and 10) welfare dependency. CLASP has encouraged the Departments to look beyond this list of characteristics to include other factors—such as gender, race/ethnicity, and age—as needed to improve the models’ ability to adjust for important differences in the populations served by states and local areas.

CLASP encourages states to include in their plans a discussion of the specific linkage between state targeting policies for participants with barriers to economic success and the proposed goals for each of the common measures. The plan should cite the specific changes the state intends to implement in the levels of participation for individuals qualifying under the Priority of Service policy and describe how these changes are expected to impact performance results for each of the measures. States should take steps now to document prior performance results for Priority of Service populations from each of the core programs to create a baseline against which to measure future results. Having good baseline results data for targeted populations will give states an advantage in negotiating realistic goals.

With respect to negotiating local performance targets, Governors must develop a process for negotiations and disseminate it to all local boards and chief elected officials. As part of this, the proposed regulation implements the statutory requirement that Governors apply a statistical adjustment model when determining local adjusted levels of performance. CLASP encourages states to follow the steps below to foster a meaningful negotiation process, rather than simply setting the target independently and passing it down to local stakeholders. In addition, the timeline for the negotiation process should begin early enough in the program year to allow for meaningful and constructive

discussion between states and local areas regarding the populations, program design, and important factors to be included in setting the standards.

Rather than approaching the implementation of WIOA performance requirements solely within the context of each individual core program, CLASP urges states to take a broader view that places these performance requirements in the context of joint planning among the core programs. Convening the performance experts from each of the core programs (supplemented by other program partners such as TANF and SNAP) can help ensure staff from each program is aware of the performance environment for *all* of the programs. This will help states develop a strategy that is more effective at encouraging co-enrollment, access to services for participants with barriers to economic success, and improved results for each participant.

Policies & Guidance

What states can do now:

1. **Convene a cross-program performance planning team as part of the WIOA state planning process.** This team should include staff with program and performance management expertise from each of the core programs (WIOA Title I Adult, Dislocated Worker and Youth, WIOA Title II, WIOA Title III and WIOA Title IV). The state may also want to include representation from Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP) Employment and Training, and Career and Technical Education (CTE). The performance planning team could assist each of the programs with its preparation for the negotiation of state performance goals with the U.S. Departments of Education and Labor, as well as provide overall guidance to the state agencies and the State Workforce Development Board on planning issues and policy recommendations related to performance.
2. **Examine the impact of program design and targeting.** The performance planning team should consider how changes to program design and targeting requirements may change the population that will become participants in each of the WIOA core programs and how these changes may affect performance results. In particular, the strengthening of WIOA title I priority of service provisions will likely result in an increase in participation by public assistance recipients, low-income persons, and persons with lower academic skills. States should produce baseline data from WIA for these populations to gain insights into the effect that substantial increases in services to these priority populations will have on performance results. As noted above, WIOA mentions 10 specific types of participant characteristics that the statistical adjustment model will take into account, and understanding the baseline results for these types of participants will be essential for a state to prepare for negotiation of its WIOA performance goals.
3. **Examine the impact of common measures and sanctions policy.** The performance planning team should consider how new common measures applied across the core programs, coupled with the state goal-setting process, may affect performance results as well as program design choices. How will the new proposed approach (outlined in the NPRM) to defining overall success and failure, as well as determining when sanctions will be applied to a state, influence performance negotiation? How could common measures facilitate shared accountability at the local level? How could common measures and a shared approach to goal setting encourage co-enrollment of participants in multiple core programs? What steps could the state take now to facilitate this? For instance, the state could coordinate its local goal-setting processes across the core programs to increase the alignment of goals for programs serving similar participants in similar economic conditions. The state could also align its reporting systems so that measurement is applied in a consistent manner across each core program, in order that outcomes achieved under each program are used in all programs in which a participant is co-enrolled.
4. **Explore opportunities for shared accountability and improved services.** The performance planning team should discuss how the new approach to local goal setting could help facilitate shared accountability, improved service quality, and increased services to low-income participants at the local level. What steps could the state take now to help local areas and their partners prepare for performance negotiations under

WIOA title I? What approaches will help ensure that the factors specified in WIOA for local performance adjustment are properly taken into account? What process will the state agencies use for setting local performance expectations for programs other than title I, and how can these approaches be designed to encourage shared accountability and improved services to participants?

5. **Support for the local system.** The performance planning team should consider what steps it might take to help local WIOA providers prepare for implementation of the WIOA performance requirements. What baseline data can be provided to local entities? How can the state help local providers assess the potential impact of the service priority requirements? What technical assistance is needed now for local areas to help them think about how to maximize results for new measures such as measurable skill gains?

In WIOA, as under WIA, states are in the uncomfortable position of having to negotiate performance targets for programs where the actual performance is in many respects out of their control. The local delivery system is the place where performance happens and therefore where success and failure will occur. Under WIA, many states responded to this uncertainty by pushing for the highest possible goals from the local system, notwithstanding the substantial differences among providers in the employment barriers of their participants. Beginning now to take the above steps to prepare for WIOA performance negotiations will pay off down the road for states when they are faced with the inevitable short timeframes on goal setting and negotiation with the Departments and local areas.

Related CLASP resources: [Comments on proposed regulations](#); [Shared Accountability in WIOA and Career Pathways](#).

Questions? Contact [David Socolow](#), director of CLASP's Center for Postsecondary and Economic Success.

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