



## OKLAHOMA WORKFORCE DEVELOPMENT ISSUANCE # 06-2014

**TO:** Workforce Investment Board Staff

**FROM:** Deidre D. Myers  
Deputy Secretary of Commerce for Workforce Development

**DATE:** July 14, 2014

**SUBJECT:** Negotiation of Program Year 2014 Performance Levels

**PURPOSE:** To inform Local Workforce Boards (LWIBs) of the State of Oklahoma's Program Year 2014 negotiated levels of performance for the Adult, Dislocated Worker and Youth Common Measures and provide instructions for LWIBs to negotiate local levels.

**REFERENCES:** WIA Section 136  
20 CFR parts 666.300-310, 661.345-355  
Training and Employment Guidance Letter (TEGL) 25-13  
TEGL 17-05, TEGL 17-05, Change 1 and Change 2  
Oklahoma Workforce Development Issuance (OWDI) 04-2014

**BACKGROUND:** Department of Labor Employment and Training Administration (DOLETA) has identified 9 Common Performance Measures, outlined in TEGLs 17-05 and 17-05, changes 1 & 2, that each state must attain at a negotiated rate each program year (July 1 through the following June 30). The state shall then negotiate and reach agreement on the same Common Performance Measures with each LWIB taking into consideration the demographics and other characteristics of the population served in their workforce area.

**MESSAGE:** The State of Oklahoma has completed the negotiation process with DOLETA for program year 2014. The agreed upon state levels are indicated in the following table.

<b>Performance Measures</b>	<b>Program Year 2014</b>
Adult Entered Employment Rate	57%
Adult Employment Retention Rate	83%
Adult Average Earnings Rate	\$13,000
Dislocated Worker Entered Employment Rate	73%
Dislocated Worker Employment Retention Rate	87%
Dislocated Worker Average Earnings Rate	\$14,500
Youth Placement in Employment/Education	67%
Youth Attainment of a Degree or Certificate	54%
Youth Literacy/Numeracy Gain	40%

In addition to the negotiation with DOLETA the State must negotiate and reach agreement with each LWIB on the local levels of performance for the WIA Title IB programs. The negotiation process for local levels of performance must follow the guidance contained in the policy.

The bottom of the range for acceptable performance is 80 percent of the negotiated level of performance. Each individual performance measure will be interpreted based on the position of the outcome in comparison to the negotiated level using Exceeds (above 100% of negotiated level), Meets (in the range of 90% to 100% of negotiated level and Fails (below 80% of the negotiated level).

Incentive eligibility is based on two levels of measurement.

- The individual measure must meet or exceed 90% of the negotiated level.
- No individual measure can fall below 80% of the negotiated level.

The amount of the incentive award is dependent upon each LWIA's total contribution to meeting the statewide goal. The numerators (number of those individuals achieving) the performance measures met or exceeded at 90% or above will be divided into the total incentive fund giving each individual in the numerator a monetary value. Each LWIA will be awarded a dollar amount based on the number of individuals in the numerators of the measure(s) that met or exceeded 90% of the negotiated level.

### **Reaching Agreement on Local Performance Levels**

Each LWIB should negotiate performance targets with integrated service delivery, priority of service, local economic conditions, customers served and contributions to the local economy in mind.

LWIBs should review and make use of the following resources to ensure that all factors have been considered in determining proposed levels and provide a sound rationale for the proposed levels.

- Historical LWIB annual performance information from Program Years 2007-2013.
- State negotiated levels of performance. LWIBs should be aware of the goals the State has negotiated with DOLETA. Statewide performance is used as a way for Congress to gauge the success of WIA Adult, Dislocated Worker and Youth programs.
- Federally generated regression models

The USDOLETA used regression-based performance levels as a tool in the negotiation process with the State. The State is providing each LWIB with a copy of the federally generated regression model for their local area. These models will serve as an additional tool for use in the negotiation process. Neither the State nor the LWIBs are bound to the regression targets, but they will be used during the negotiation process to ensure continuous

improvement. The customers served by a local area may impact outcomes depending on the services provided and other factors unique to the population. WIA section 195 (1) states that services should be targeted to those who can benefit from and are most in need of such opportunities. Information pertaining to the populations served should be provided and be appropriate to the negotiation process. These factors were considered when estimating the regression model targets.

Continuous improvement should be the key factor in beginning the negotiation process. Expectations of future performance will be based on relevant economic conditions in addition to present and historical performance data. Examination of this information will provide a baseline from which to negotiate improvement upon past performance.

The process for the LWIBs and State to reach agreement on performance goals will include the same steps that the State was required to use when negotiating the agreed upon PY14 levels. The steps and timelines are as follows:

1. Local proposed levels of performance should be submitted to the State on or before August 8, 2014. To support the proposed levels the LWIB should outline the methodology used to reach the levels, including a description of data sources, calculations and other factors considered. They should also include how the proposed targets will promote continuous improvement.
2. The State will review the proposed levels, the methodology used to develop the levels and work with the LWIB to come to mutually agreed upon performance levels. The State will also consider LWIB historical performance; regression models, LWIB policy and the States negotiated levels of performance. If the State determines that a LWIB could increase it proposed performance, negotiations with the LWIB to obtain mutually agreed upon higher levels will take place.
3. When the levels are agreed upon, the Deputy Secretary of Commerce for Workforce Development will send a letter to the LWIB confirming the finalized numbers.

### **Renegotiation of Local Goals**

If circumstances arise that result in a significant change in the factors used to develop the original performance levels, a renegotiation may be requested. The changes must be changes in economic conditions, changes in the service mix or changes in the client characteristics. The renegotiation process must include the same type of data used in the initial negotiation. LWIBs must notify the State of intent to renegotiate and provide substantiating data with the notification. LWIB's that choose to renegotiate after the end of the second quarter of the program year (December 31) will be eliminated from eligibility to receive an incentive award.

**ACTION REQUIRED:** This OWDI is to become a part of your permanent records and made available to appropriate staff.

**INQUIRIES:** If you have any questions about this issuance, please contact Robyn Coman [robyn.coman@okcommerce.gov](mailto:robyn.coman@okcommerce.gov) or Tina Lindsay at [tina.lindsay@okcommerce.gov](mailto:tina.lindsay@okcommerce.gov).