

Attachment II: Use of Transition Authority

Use of WIOA Transition Authority for Individual Indicator Scores

For purposes of the WIOA titles I and IV core programs (the Adult, Dislocated Worker, Youth, and Vocational Rehabilitation programs), the Departments have determined that the statistical adjustment model is yielding reliable results for the following performance indicators for purposes of assessing the Individual Indicator Score, pursuant to 20 C.F.R. § 677.190(c)(5) and 34 C.F.R. §§ 361.190(c)(5):

- Employment Rate 2nd Quarter after Exit;
- Median Earnings 2nd Quarter after Exit;
- Employment Rate 4th Quarter after Exit; and
- Credential Attainment Rate.

For purposes of the Wagner-Peyser Act Employment Service program (referred to as “WIOA title III”), the Departments have determined that the statistical adjustment model is yielding reliable results for the following performance indicators for purposes of assessing the Individual Indicator Score, pursuant to 20 C.F.R. § 677.190(c)(5):

- Employment Rate 2nd Quarter after Exit;
- Median Earnings 2nd Quarter after Exit; and
- Employment Rate 4th Quarter after Exit.⁹

Therefore, the Departments have determined there is no need to use the transition authority of section 503(a) of WIOA for purposes of delaying assessing the Individual Indicator Score for these four indicators for the WIOA titles I and IV core programs and these three indicators for the WIOA title III core program.

However, the Departments have determined that the baseline data, which includes economic variables required by the statute, for the other indicators and core programs are not sufficient for the statistical adjustment model to yield consistently reliable results. For these performance indicators and programs, more baseline data are necessary for the model to yield reliable results. Therefore, the Departments have determined it necessary to continue to use the transition authority in section 503(a) of WIOA in PY 2022 to delay assessing performance and imposing sanctions for:

⁹ Pursuant to section 116(b)(2)(A)(i) of WIOA, the Credential Attainment Rate and Measurable Skill Gains Rate indicators are not applicable to the Wagner-Peyser program.

- Measurable Skill Gains Rate for the WIOA titles I and IV core programs, pursuant to 20 C.F.R. § 677.190(c)(5) and 34 C.F.R. §§ 361.190(c)(5); and
- All performance indicators for the WIOA title II AEFLA core program, pursuant to 34 C.F.R. § 463.190(c)(5).

Section 116 of WIOA requires that the Departments use the same participant characteristics and economic conditions in the statistical adjustment model for all primary indicators of performance. This requirement has proved challenging, especially in the case of the Measurable Skill Gains Rate, where there is little empirical evidence the economic conditions within the state have a meaningful effect on state performance. Nevertheless, with each PY's worth of data added to the statistical adjustment model, its ability to produce reliable estimates improves considerably. Despite the challenges faced by the Departments with respect to the Measurable Skill Gains Rate indicator for the titles I, II, and IV core programs to date, the Departments are increasingly confident the model will produce reliable estimates for this indicator for most applicable programs in PY 2023.

Use of WIOA Transition Authority for Overall State Indicator Score and Overall Program Score

While the model is yielding reliable results for certain performance indicators for the WIOA titles I, III, and IV core programs, the Departments have concluded it would not be reasonable to assess an Overall State Indicator Score, as required by 20 C.F.R. § 677.190(c)(3) and 34 C.F.R. § 361.190(c)(3), because such a score would not be an accurate representation of the state's overall performance across all core programs on any of the indicators.

Similarly, the Departments have determined it would not be reasonable to assess an Overall State Program Score by considering only four performance indicators for which there are reliable data for the WIOA titles I and IV core programs (20 C.F.R. § 677.190(c)(1) and 34 C.F.R. § 361.190(c)(1)). The Departments have determined that it would be reasonable to assess an Overall State Program Score for the WIOA title III core programs because such a score takes into account all of the Individual Indicator Scores applicable to this program, as required by 20 C.F.R. § 677.190(c)(2).

Therefore, the Departments have determined it necessary to use the transition authority in section 503(a) of WIOA to delay assessing performance for Overall State Indicator Scores and Overall State Program Scores, with the exception of the WIOA title III core program's Overall State Program score, and for imposing sanctions for any state that fails in accordance with 20 C.F.R. § 677.190(d)(1) and 34 C.F.R. §§ 361.190(d)(1) and 463.190(d)(1), for PY 2022.