



Montana Department of LABOR & INDUSTRY

1 Division: Workforce Services Division
2 Category: WIOA
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5 Policy No.: 17-18

6 Performance Measures and Reporting Policy

7 **Background:** Workforce Innovation and Opportunity Act (WIOA) quarterly and annual performance reports
8 include participants who receive services financially assisted by formula or statewide reserve funds under the
9 following programs:

- 10 • WIOA Adult Program
- 11 • WIOA Dislocated Worker Program
- 12 • WIOA Youth Program
- 13 • Wagner-Peyser

14 This policy describes the requirements and process for WIOA program performance reporting. Montana
15 Department of Labor & Industry's (MTDLI) Workforce Services Division (WSD) negotiates performance rates with
16 the U.S. Department of Labor (USDOL) biennially.

17 **Scope:** This policy applies to all service providers operating WIOA Title I and Wagner-Peyser programs; WIOA
18 Title I and Wagner-Peyser program managers; the reporting analyst, and the monitoring team. This policy is
19 effective July 10, 2024.

20 Policy:

21 Performance Measures and Reporting

22 Performance Reporting is completed through submittal of the WIOA PIRL (Participant Individual Record Layout)
23 report to USDOL. The report features data on individuals participating in WIOA programs and includes
24 demographic, employment and education, service provision, and outcome data. The data is collected from
25 program service providers who enter it into the management information system. That information is collected
26 and compiled for reporting by the WSD central office and is ultimately used to provide insight into the
27 population being served including the number of individuals who find employment through the programs, their
28 earnings, and their skills progression over time. Based on this reporting, MTDLI makes informed decisions
29 about resource allocation and program improvement, and ensures that the state is adequately equipped to
30 serve individuals throughout Montana in their search for meaningful employment and advancement of their
31 careers. The PIRL is the mechanism that USDOL utilizes to calculate performance metrics on which to assess
32 MTDLI's overall program performance.

33 Participation and Exit

34 A. Reportable Individuals

- 35 • Reportable Individuals engage with the workforce system on an initial level but do not meet program
36 requirements for eligibility or for participation. They are individuals who:

- 37 • Provide identifying information and
- 38 ○ Only use self-service; or
- 39 ○ Only receive information-only services or activities.
- 40 • Reportable individuals do not have performance goals and cannot be used to impose sanctions on the
- 41 state. Reportable Individuals will be tracked and reported in MTDLI's annual performance reports but do
- 42 not help or hurt performance.
- 43 • Participant in WIOA Title I Adult and Dislocated Worker and Title III Wagner-Peyser programs: A
- 44 reportable individual who has received services other than self-service or informational-only services
- 45 and meets all program requirements such as eligibility and the provision of certain demographic and
- 46 other data elements.
- 47 • WIOA Title I, Youth: A reportable individual who satisfied all applicable program requirements for the
- 48 provision of services, including eligibility determination, an objective assessment, development of an
- 49 Individual Service Strategy (ISS), and received one or more of the 14 WIOA Youth program elements.
- 50 • Participants are included in performance outcomes. Performance indicators are based on participant
- 51 experience upon exit from or, as applicable, during participation in a program.
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53 B. Common Exit

- 54 • Montana utilizes common exit when a participant, enrolled in multiple partner programs, has not
- 55 received services from any USDOL-administered program in which the common exit applies. Once ninety
- 56 days have lapsed since the participant last received a countable service with no additional services
- 57 planned, a date of exit can be determined. The exit date is retroactive to the last date of service.
- 58 Montana's common exit applies to the following programs:
- 59 • WIOA Adult
- 60 • WIOA Dislocated Worker
- 61 • WIOA Youth
- 62 • Wagner-Peyser Employment Services
- 63 • TAA
- 64 • DWG
- 65 • Self-service, information-only services or activities, and follow-up services do not delay, postpone or
- 66 affect the date of exit.

67 C. Exclusions

- 68 • Only participants who exited due to one of the following reasons will be excluded from performance
- 69 calculations:
- 70 ○ Institutionalized
- 71 ○ Health/Medical
- 72 ○ Deceased
- 73 ○ Reserve forces called to active duty
- 74 ○ Foster care
- 75 ○ Ineligible
- 76 ○ Criminal offender
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78 Employment Rate and Median Earnings

79 A. Employment Rate – 2nd Quarter after Exit

- 80 • Adult, Dislocated Worker, and Wagner-Peyser
- 81 ○ The percentage of program participants who are in unsubsidized employment during the 2nd
- 82 quarter after exit.
- 83 ○ The number of participants who exited during the reporting period who are found to be
- 84 employed, either through direct Unemployment Insurance (UI) wage record match, federal or
- 85 military employment records, or supplemental wage information, in the 2nd quarter after the
- 86 exit quarter divided by the number of participants who exited during the reporting period.

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- Youth:
 - The percentage of Youth program participants who are in education or training activities, or in unsubsidized employment, during the 2nd quarter after exit.
 - The number of youth participants who exited during the reporting period who are found to be employed, either through direct UI wage record match, federal or military employment records, supplemental wage information, or found to be enrolled in secondary education, postsecondary education or occupational skill training in the 2nd quarter after the exit quarter divided by the number of youth participants who exited the program during the reporting period.
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96 B. Employment Rate – 4th Quarter after Exit

- Adult, Dislocated Worker, and Wagner-Peyser:
 - The percentage of program participants who are in unsubsidized employment during the 4th quarter after exit.
 - The number of participants who exited during the reporting period who are found to be employed, either through direct UI wage record match, federal or military employment records, or supplemental wage information, in the 4th quarter after the exit quarter divided by the number of participants who exited during the reporting period.
 - Youth:
 - The percentage of youth program participants who are in education or training activities, or in unsubsidized employment, during the 4th quarter after exit.
 - The number of youth participants who exited during the reporting period who are found to be employed, either through direct UI wage record match, federal or military employment records, supplemental wage information or found to be enrolled in secondary education, postsecondary education, or occupational skill training in the 4th quarter after the exit quarter divided by the number of youth participants who exited the program during the reporting period.
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113 C. Median Earnings – 2nd Quarter after Exit

- The median earnings of program participants who are in unsubsidized employment during the 2nd quarter after exit from the program, as established through direct UI wage match, federal or military employment records, 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 the 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.
 - The following participants are not included in this measure:
 - Participants who have exited and are not employed in the 2nd quarter after exit.
 - Participants who have exited the program and for who earnings are not yet available. There is a 2-quarter lag in reporting wage outcomes. If after 2 quarters, the person's wages are not available, it is permanently reported as a \$0 which would count as a negative for Employment Rate – 2nd quarter and excluded from Median Earnings – 2nd quarter because the person is considered not employed.
 - Participants who have exited a program who have \$0 income.
 - Participants who have exited a program and are in subsidized employment.
 - Participants who have exited for any of the "Exclusions".
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131 D. Effectiveness in Serving Employers

- The percentage of participants with wage records who exited a program and were employed by the same employer in the second and fourth quarters after exit.
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135 E. Wage and Supplemental Data Sources

136 Use of supplemental wage information is necessary for verifying and reporting on employment-related
137 performance indicators including:

- 138 • Employment Rate 2nd Quarter After Exit
- 139 • Employment Rate 4th Quarter After Exit
- 140 • Median Earnings

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142 To the extent it is consistent with state law, UI wage records will be a primary data source; including private
143 sector, non-profit sector, and government employer wage reports. Certain types of employment, including but
144 not limited to federal, military, and self-employment, are either excluded from the primary sources of data
145 identified above or very difficult MTDLI to access due to data confidentiality. Therefore, MTDLI may use
146 supplemental sources of data to document a participant's entry and retention in employment for those
147 participants not covered by wage records. All supplemental data and methods must be documented and are
148 subject to monitoring. Supplemental data must be added to the appropriate participant data files in MIS to
149 ensure it will be used when calculating performance. Sources of supplemental wage information for the types of
150 employees listed above include:

- 151 • Montana's New Hire Reporting Program
- 152 • Montana Department of Revenue
- 153 • Railroad Retirement System
- 154 • State Wage Interchange System (SWIS)

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156 Other allowable sources of supplemental information for tracking employment-related outcomes include but
157 are not limited to:

- 158 • Tax documents, payroll records, and employer records such as an employer's quarterly tax return;
159 copies of at least two pay stubs; or a signed employer letter on company letterhead attesting to an
160 individual's employment status and earnings;
- 161 • Program participant's follow-up survey;
- 162 • Sales commission income;
- 163 • Case management notes verified by employer; or
- 164 • One-Stop operating systems' administrative records, such as current records of eligibility for programs
165 with income-based eligibility (i.e. Temporary Assistance for Needy Families/TANF);
- 166 • Self-employment worksheets signed and attested to by program participants.

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168 **Additional Performance Measures:**

169 **A. Credential Attainment**

170 For details about credentials as a performance measure, please refer to the Credentials Policy.

171 **B. Measurable Skill Gains (MSG)**

172 For details about MSGs as a performance measure, please refer to the Measurable Skill Gains Policy.

173 **Performance Negotiations and Accountability**

174 **A. Definitions**

- 175 • Expected Levels of Performance – MTDLI's proposed levels of performance for each of the WIOA
176 primary indicators of performance. These are included in the state plan.
- 177 • Negotiated Levels of Performance – performance goals that are mutually agreed upon by MTDLI and
178 USDOL during the negotiations process.
- 179 • Adjusted Levels of Performance – the levels of performance calculated by USDOL and determined using
180 a statistical adjustment model. The model adjusts negotiated performance levels by factoring in actual
181 characteristics of participants served and the actual economic conditions experienced in the state, if
182 adjusting the negotiated levels of performance to reflect those factors.

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- Actual Level of Performance – the outcomes reported by a state on the PIRL for each primary indicator of performance for each core program.
 - Individual indicator Score – the actual level of performance achieved divided by the adjusted levels of performance.

188 B. Negotiations Process

189 MTDLI negotiates performance goals with USDOL biennially for WIOA Adult, Youth, Dislocated Worker, and
190 Wagner-Peyser. The process for negotiating the Montana’s WIOA and Wagner Peyser performance indicators is
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- MTDLI submits expected levels of performance for two consecutive program years in Montana’s State Plan.
 - Negotiations between MTDLI and USDOL occur in the spring and must be completed by June 30. During this process, the expected levels of performance submitted in the state plan are reviewed using the following criteria:
 - How expected levels of performance compare with the negotiated levels of performance for other states.
 - How the expected levels of performance promote continuous improvement in performance accountability measures by the states and ensure optimal return on the investment of federal funds; and
 - How the expected levels of performance 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.
 - Upon reaching agreement on negotiated performance levels, USDOL sends official communication to MTDLI detailing the negotiated levels of performance for each program.
 - MTDLI updates the state plan with the agreed upon negotiated levels of performance and shares them with stakeholders.

210 C. Assessment of Performance Goals

211 At the end of a program year, USDOL assesses the state’s annual PIRL report to determine whether a state has
212 passed/failed performance goals. Performance success is determined using the following criteria:

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1. The individual indicator score: the scores are calculated by dividing the actual level of performance by the adjusted level of performance.
 - States have a performance failure if an overall score is below 50%.
 2. The overall program score: the average percentage of all individual indicators within a core program
 - States have a performance failure if an overall score is below 90%.
 3. The overall state indicator score: the individual indicator score for each of the primary indicators of performance across all programs are averaged to calculate the state indicator score.
 - States have a performance failure if an overall score is below 90%.

222 USDOL compiles their annual assessment report detailing how the adjusted levels of performance were
223 determined and whether a state met the above criteria. A meeting with the state to discuss outcomes will
224 follow. If a state is unable to achieve adjusted levels of performance at the end of a program year, the state will
225 be required to develop a performance improvement plan and will receive technical assistance with USDOL.

227 D. Determination of Sanctions

228 There are two different types of failure that can lead to federal sanctions:

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1. Failure to submit an annual PIRL report
 - Does not submit a state annual PIRL report by the date for timely submission set in performance reporting guidance; or

- 232 • Submits a state annual PIRL report by the date for timely submission, but the report is incomplete.
233 • Sanctions will not be applied if the reporting failure is due to exceptional circumstances outside of the
234 state's control. Exceptional circumstances may include, but are not limited to:
235 ○ Natural disasters;
236 ○ Unexpected personnel transitions; and
237 ○ Unexpected technology related issues
238 2. Failure to meet adjusted levels of performance for two consecutive program years.
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240 E. Sanctions

- 241 • USDOL will reduce the Governor's discretionary funds provided under section 128(a) of WIOA by five
242 percent of the maximum available amount in the program year immediately succeeding the second
243 consecutive year of performance failure. This sanction will be enforced each successive year in which
244 the state continues to have the same performance failure.
245 • If the state has both types of failure that would result in sanctions being applied in the same program
246 year, the Secretaries of Labor and Education will reduce the Governor's Reserve Allotment by 10
247 percent of the maximum available amount for the immediately succeeding program year.
248 • If a State's Governor's Reserve Allotment is reduced:
249 ○ The reduced amount will not be returned to the State in the event that the State later improves
250 performance or submits its annual performance report; and
251 ○ The Governor's Reserve will continue to be set at the reduced level in each subsequent year
252 until the Secretary of Labor or the Secretary of Education, depending on which program is
253 impacted, determines that the State met the State adjusted levels of performance for the
254 applicable primary performance indicators and has submitted all of the required performance
255 reports.
256 ○ A State may request review of a sanction the Secretary of Labor imposes in accordance with the
257 provisions of [20 CFR 683.800](#).
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259 F. MTDLI's Negotiated Performance Rates

260 For MTDLI's current negotiated performance rates, please refer to the [WIOA State Plan](#).

261 Technical Assistance:

- 262 • Technical assistance will be provided by the Reporting Analyst and Performance Analyst.

263 References:

- 264 • [Monitoring and Audits Policy](#)
265 • [Data Validation Policy](#)
266 • [MCA 39-51-603 Employing Unit to Keep Records and Make Reports](#)
267 • [TEGL 26-16 Use of Supplemental Wage Information to Implement Performance Accountability](#)
268 [Requirements under WIOA](#)
269 • [TEGL 11-19, Change 1 Negotiations and Sanctions](#)
270 • [Training and Employment Notice 24-23 Effectiveness in Serving Employers](#)