



**NORTH CAROLINA DEPARTMENT OF COMMERCE
DIVISION OF WORKFORCE SOLUTIONS**

DWS Operational Guidance Number: OG 06-2024

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Subject: Defining Performance Standards and Performance Assessment

From:

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Purpose: To define minimum standards that must be met for a Workforce Development Board (WDB) to successfully pass performance in a given program year and provide guidance and clarification on the consequences of Performance failures.

This Operational Guidance (OG) rescinds PS 01-2017 and PS 11-2020, and the procedures herein supersede all previous policies, procedures, and guidelines regarding Performance Standards and Performance Assessments.

Background: Under the Workforce Innovation and Opportunity Act (WIOA), each of the Title I and Title III programs has performance metrics used to assess the respective programs' achievement. The performance metrics apply to the programs as follows:

WIOA Title I – Adult	Employment Rate – 2 nd Quarter After Exit
	Employment Rate – 4 th Quarter After Exit
	Median Earnings – 2 nd Quarter After Exit
	Credential Attainment
	Measurable Skill Gains

WIOA Title I – Dislocated Worker	Employment Rate – 2 nd Quarter After Exit
	Employment Rate – 4 th Quarter After Exit
	Median Earnings – 2 nd Quarter After Exit
	Credential Attainment
	Measurable Skill Gains

WIOA Title I – Youth	Employment Rate – 2 nd Quarter After Exit
	Employment Rate – 4 th Quarter After Exit
	Median Earnings – 2 nd Quarter After Exit
	Credential Attainment
	Measurable Skill Gains

WIOA Title III – Wagner-Peyser	Employment Rate – 2 nd Quarter After Exit
	Employment Rate – 4 th Quarter After Exit
	Median Earnings – 2 nd Quarter After Exit

Training and Employment Guidance Letter (TEGL) 10-16, Change 3 provides the following definitions for the metrics:

- **Employment Rate – 2nd Quarter After Exit:** The percentage of participants who are in unsubsidized employment during the second quarter after exit from the program (for Title I Youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the second quarter after exit).
- **Employment Rate – 4th Quarter After Exit:** The percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program (for Title I Youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the fourth quarter after exit).
- **Median Earnings – 2nd Quarter After Exit:** The median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program.
- **Credential Attainment:** The percentage of those participants enrolled in an education or training program (excluding those in on-the-job training (OJT) and customized training) who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program. A participant who has attained a secondary school diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary school diploma or its recognized equivalent only if the participant also is employed or is enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit from the program.
- **Measurable Skill Gains:** The percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains, defined as documented academic, technical, occupational, or other forms of progress, towards such a credential or employment. Depending on the type of education or training program, documented progress is defined as one of the following:
 - Documented achievement of at least one educational functioning level of a participant who is receiving instruction below the postsecondary education level.
 - Documented attainment of a secondary school diploma or its recognized equivalent.

- Secondary or postsecondary transcript or report card for a sufficient number of credit hours that shows a participant is meeting the State unit’s academic standards.
- Satisfactory or better progress report, towards established milestones, such as completion of OJT or completion of one year of an apprenticeship program or similar milestones, from an employer or training provider who is providing training.
- Successful passage of an exam that is required for a particular occupation or progress in attaining technical or occupational skills as evidenced by trade-related benchmarks such as knowledge-based exams.

For more specifics on how the metrics are defined and their programmatic applications, please refer to TEGl 10-16, Change 3.

Performance Level Negotiations

Negotiating levels of performance between the State and the WDBs happens every two program years with the final performance levels negotiated covering two program years. For example, negotiations in the summer of 2024 covered PY 2024 and PY 2025. In total, 18 specific levels of performance were negotiated for each WDB covering the WIOA Title I and Title III programs as indicated in the chart below:

Metric	WIOA Title I – Adult	WIOA Title I – Dislocated Worker	WIOA Title I – Youth	WIOA Title III – Wagner-Peyser
Employment Rate 2 nd Quarter After Exit	✓	✓	✓	✓
Employment Rate 4 th Quarter After Exit	✓	✓	✓	✓
Median Earnings – 2 nd Quarter After Exit	✓	✓	✓	✓
Credential Attainment	✓	✓	✓	✗
Measurable Skill Gains	✓	✓	✓	✗

The negotiation process is comprised of the following steps:

- The negotiation process begins with a request for each WDB to submit proposed performance levels for each of the 18 metrics covering both program years. This request will typically take place in the month of

June in a negotiation year. As a part of the request email, each WDB will be provided with relevant performance data to reflect their recent performance.

- Once proposed performance levels have been provided by each WDB, Division of Workforce Solutions (DWS) staff will review the submissions for those proposed levels that align with the State being able to meet its own negotiated performance levels. Any such performance levels will then be accepted as the WDB's final performance level for that metric without a need for further negotiations. Any remaining metrics for which the submitted proposed levels could not be accepted will then be finalized through a scheduled negotiations call with the WDB.
- The DWS staff will reach out to the WDB to schedule a negotiations call for any remaining metrics for which initially proposed levels could not be accepted. Negotiations calls will take place in July/August of the initial year of the 2-year negotiations cycle. For example, for the 2-year cycle of PY 2024-2025, the negotiations calls were scheduled in August 2024.
- At the conclusion of the negotiations calls, all WDBs will have agreed upon **Negotiated Levels of Performance (NLPs)** for each of the 18 metrics detailed in the chart above.
- The following are key factors to be considered during negotiations:
 - The WDB's recent performance levels
 - Continuous Improvement
 - The State's negotiated performance levels

Example Data Referenced

Throughout the rest of this Operational Guidance, calculation examples will be using the fictional WDB: 91 – Twin Lakes WDB. The data used for these two samples is illustrative only and does not reflect any actual data.

Performance Assessment

Under the WIOA, states are required to define standards for what constitutes performance success and performance failure. These performance standards cover all WIOA Title I and WIOA Title III programs. For the purposes of assessing performance, the values referred to are percentages of goal score achieved. Using these figures allows for comparison across all performance indicators, even when those indicators are in different units (e.g. dollars for Median Earnings, percentage for Employment Q2).

Performance data is submitted to U.S. Department of Labor (USDOL) quarterly. However, for the purposes of determining a WDB's performance assessment, those calculations are only determined on an annual, program year basis. The DWS submits final year-end data each October 1st (or the first business day following, if on a weekend). The Actual Results used in final program year performance assessments will be based on this certified annual data submission file.

There are three types of scores that comprise an annual performance assessment:

- **Individual Indicator Scores:** calculated for each performance metric by dividing the Actual Results by the Negotiated Levels of Performance. – Represented as Scores 1-18 in the chart below.
- **Average Program Score:** the average of the Individual Indicator scores for a single WIOA Title I / Title III program. – Represented as Scores 19-22 in the chart below.
- **Average Indicator Score:** the average of the Individual Indicator scores for a single performance metric type across WIOA Title I / Title III programs. – Represented as Scores 23-27 in the chart below.

Scores that Comprise the Annual Performance Assessment					
Indicator	WIOA Title I			WIOA Title III	Average Indicator Score
	Adult	Dislocated Worker	Youth	Wagner-Peyser	
Employment 2 nd Quarter After Exit	1	2	3	4	23
Employment 4 th Quarter After Exit	5	6	7	8	24
Median Earnings 2 nd Qtr After Exit	9	10	11	12	25
Credential Attainment Rate	13	14	15		26
Measurable Skill Gains	16	17	18		27
Average Program Score	19	20	21	22	

Individual Indicator Scores

In order to be considered passing performance successfully for any individual indicator, a WDB must achieve at least a 50.0% score for that specific indicator. Using our example WDB referenced above, suppose Twin Lakes WDB has a Negotiated Level of Performance of 73.4% for WIOA Title I – Adult Employment 2nd Quarter After Exit. In order to be considered as successfully passing performance for that individual indicator, Twin Lakes WDB must achieve a minimum actual performance level of at least 36.7% for that indicator. Two examples of Individual Indicator score calculations are shown in the charts below:

PY 2024 Twin Lakes WDB Performance – Example 1	
Indicator:	WIOA Title I Adult Employment 2 nd Quarter After Exit
WDB Negotiated Level of Performance:	73.4%
Actual Results:	67.1%
Score Achieved:	91.4%
Successful Performance? (Did the WDB achieve at least a 50% score?)	Yes A 91.4% score was achieved, greater than the 50.0% minimum needed

PY 2024 Twin Lakes WDB Performance – Example 2	
Indicator:	WIOA Title III Wagner-Peyser Median Earnings 2 nd Quarter After Exit
WDB Negotiated Level of Performance:	\$5,900
Actual Results:	\$2,850
Score Achieved:	48.3%
Successful Performance? (Did the WDB achieve at least a 50% score?)	No A 48.3% score was achieved, less than the 50.0% minimum needed

Average Program Scores

In addition to the individual Indicator Scores, each WIOA Title I and Title III program will also have an Average Program Score. As the chart below indicates, there are four (4) Average Program Scores that will apply to each WDB, previously indicated in the above *Scores that Comprise the Annual Performance Assessment* chart as Scores 19-22. The scores are calculated by averaging the Individual Indicator Scores for each of the components of the Average Program Score.

		WIOA Program			
		Title I			Title III
		Adult	Dislocated Worker	Youth	Wagner-Peysner
Indicator	Employment 2 nd Quarter After Exit	↓	↓	↓	↓
	Employment 4 th Quarter After Exit				↓
	Median Earnings 2 nd Quarter After Exit				↓
	Credential Attainment Rate				
	Measurable Skill Gains	↓	↓	↓	
Average Program Score		19	20	21	22

In order to be considered passing for each Average Program score, a WDB must average a score of 90.0% or higher across the program’s performance indicators. For example, in order to be considered passing for the WIOA Title I – Adult Average Program score, a board must achieve a score of 90.0%, averaged across each of the five indicators that apply to WIOA Title I – Adult. The charts below provide two examples of how these averages are calculated.

PY 2024 Example 1: Twin Lakes WDB – WIOA Title I Adult Program Average				
	Indicator	Actual Performance	Negotiated Levels of Performance	Score Achieved
WIOA Title I Adult	Employment 2 nd Quarter After Exit	67.1%	73.4%	91.4%
	Employment 4 th Quarter After Exit	72.3%	77.1%	93.8%
	Median Earnings 2 nd Quarter After Exit	\$6,648	\$8,000	83.1%
	Credential Attainment Rate	47.9%	54.7%	87.6%
	Measurable Skill Gains	55.3%	58.2%	95.0%
	Program Average Calculation		$\frac{(91.4 + 93.8 + 83.1 + 87.6 + 95.0)}{5}$	
Successful Performance?		Yes the average score achieved (90.2%) is greater than the 90.0% minimum required		

PY 2024 Example 2: Twin Lakes WDB – WIOA Title III Wagner-Peyser Program Average				
WIOA Title III Wagner-Peyser	Indicator	Actual Performance	Negotiated Levels of Performance	Score Achieved
	Employment 2 nd Quarter After Exit	62.0%	71.0%	87.3%
	Employment 4 th Quarter After Exit	64.7%	71.3%	90.7%
	Median Earnings 2 nd Quarter After Exit	\$2850	\$5,900	48.3%
	Credential Attainment Rate	N/A for Wagner-Peyser		
	Measurable Skill Gains	N/A for Wagner-Peyser		
Program Average Calculation		$\frac{(87.3 + 90.7 + 48.3)}{3}$		= 75.4%
Successful Performance?		No the average percentage of goal achieved (75.4%) is less than the 90.0% minimum required		

Average Indicator Scores

In addition to the Average Program Scores, each of the performance indicators will also have an Average Indicator Score. As the chart below indicates, there are five (5) Average Indicator Scores that will apply to each WDB, formerly indicated in the above *Scores that Comprise the Annual Performance Assessment* chart as Scores 23-27. The scores are calculated by averaging the Individual Indicator scores for each metric across programs to achieve the Average Indicator Score.

		WIOA Program				Average Indicator Score
		Title I			Title III	
		Adult	Dislocated Worker	Youth	Wagner-Peyser	
Indicator	Employment 2 nd Quarter After Exit	—————→				23
	Employment 4 th Quarter After Exit	—————→				24
	Median Earnings 2 nd Quarter After Exit	—————→				25
	Credential Attainment Rate	—————→				26
	Measurable Skill Gains	—————→				27

In order to be considered passing for each of the Average Indicator scores, a WDB must have an average score of 90.0% or higher for a given performance metric. For example, in order for a WDB to be considered passing for the Median Earnings 2nd Quarter After Exit Average Indicator score, a WDB must have a score of 90.0% or higher, averaged across the four programs to which that indicator applies. The charts below provide two examples of how these averages are calculated.

PY 2024 Example 1: Twin Lakes WDB Performance – Median Earnings 2nd Quarter After Exit Indicator Average				
Median Earnings	Program	Actual Performance	Negotiated Levels of Performance	Score Achieved
	Adult	\$7,600	\$8,000	95.0%
	Dislocated Worker	\$7,764	\$8,893	87.3%
	Youth	\$3,331	\$3,224	103.3%
	Wagner-Peyser	\$2,850	\$5,900	48.3%
Indicator Average Calculation		$\frac{(95.0 + 87.3 + 103.3 + 48.3)}{4}$		= 83.5%
Successful Performance?		No the average score achieved (83.5%) is less than the 90.0% minimum required		

PY 2024 Example 2: Twin Lakes WDB Performance – Credential Attainment Rate Indicator Average				
Credential Attainment Rate	Program	Actual Performance	Negotiated Levels of Performance	Score Achieved
	Adult	57.1%	54.7%	104.4%
	Dislocated Worker	53.1%	58.2%	91.2%
	Youth	53.0%	58.5%	90.6%
	Wagner-Peyser	N/A for Wagner-Peyser		
Indicator Average Calculation		$\frac{(104.4 + 91.2 + 90.6)}{3}$		= 95.4%
Successful Performance?		Yes the average score achieved (95.4%) is greater than the 90.0% minimum required		

Determining Annual Performance Status

Each of the 27 scores (18 individual, 4 program averages, 5 indicator averages) is a point of failure should a WDB not reach the minimum performance noted below:

Score Type	Threshold for Passing Performance
Individual Indicators	Achieve score of 50.0% or higher
Program Averages	Achieve score of 90.0% or higher, averaged across all indicators for that program
Indicator Averages	Achieve score of 90.0% or higher, averaged across all programs for that indicator

A first-time or second-time performance failure will result in technical assistance provided to the WDB. That technical assistance may take the form of:

- Assistance in the development of a performance improvement plan;
- The development of a modified local area plan; or
- Other actions designed to assist the local area in improving performance.

For information regarding third-time performance failures, please reference CPS 01-2021: Local Workforce Board Sanctions and Appeal Policy.

To determine overall Performance Success or Performance Failure for a program year, it is necessary to look at the total number of score failures that occurred during the program year. The chart below indicates the possible annual performance statuses that may apply to a WDB:

Number of Performance Score Failures	Annual Performance Status
0-2	Satisfactory Performance – the WDB either passed all performance metrics or may have 1-2 minor areas of concern. No indication of overall performance operational concerns.
3-5	Some Performance Concerns – the WDB did not pass from 3-5 performance metrics for the program year. May be indicative of overall performance operational concerns.

6 or more	Significant Performance Concerns – the WDB failed 6 or more performance metrics for the program year. There are significant performance operational concerns that need attention.
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Annual Performance Assessment Summaries

As a part of the annual performance process, each WDB will receive an Annual Performance Assessment Summary worksheet, a template of which can be found as Attachment 1 to this guidance. The Performance Assessment Summaries will be sent out each December following the program year and will indicate each WDB’s status for each of the score types (Individual Indicators, Average Program Scores, and Average Indicator Scores) as well as the WDB’s Overall Annual Performance Status.

Action: The WDBs are encouraged to monitor their performance through the use of NCWorks and FutureWorks BI. Definitions of federal performance indicators can be found, along with additional WIOA Title I and Title III program guidance, in TEGL 10-16, Change 3 and its included attachments (<https://www.dol.gov/agencies/eta/advisories/tegl-10-16-change-3>).

Effective Date: Immediately

Expiration: Indefinite

Contact: DWS Director of Performance

Attachment: Performance Assessment Template