



COVID-19 AND WIOA PERFORMANCE INDICATORS PY20 AND PY21

Some Observations and Issues

FutureWork Systems: April 13, 2020

Background:

In the FAQs on COVID-19, updated on April 8, 2020, ETA provides the following guidance on PY20 and PY21 WIOA Performance Indicators:

ETA WIOA [Performance](#)

<https://www.workforcegps.org/resources/2020/03/18/23/35/Coronavirus-COVID-19-Resources>

Related Content > Grants Management – all programs – Updated as of April 8, 2020

Q. What steps will ETA take to account for a decrease in performance across programs/states as programs are closed for a significant period of time during the pandemic? Will States be penalized for performance issues?

Response:

The Departments of Education and Labor understand the challenges States may face meeting Program Year (PY) 2019 negotiated levels of performance given the circumstances surrounding COVID19. As a reminder, as noted in ETA's Training and Employment Guidance Letter 11-19, Negotiations and Sanctions Guidance for the Workforce Innovation and Opportunity Act (WIOA) Core Programs the first year for which performance success or failure can be determined, for some of the primary indicators of performance, is PY 2020. No determinations of sanctions will be made based on the PY 2019 performance information. Furthermore, the Departments use a statistical adjustment model to calculate adjusted levels of performance at the end of the program year, which takes into account actual characteristics of participants served and the actual economic conditions experienced. The Departments will continue to closely monitor the effect of the COVID-19 outbreak and its impact on services and performance outcomes.

Q. Will ETA consider delaying negotiations, as state offices may be closed for an unspecified period of time?

Response:

At this time, the Department of Labor anticipates that the negotiations process will proceed, and we will conduct negotiations with states. The Department of Labor anticipates that the negotiations between the ETA Regional Administrators and the states will begin in May 2020. The Department of Education has begun negotiations with States, and anticipates the process will continue throughout the Spring of 2020. The Departments anticipate negotiated levels of performance will be included in the approved State Plans. The Departments are aware that some State offices are closed and some States

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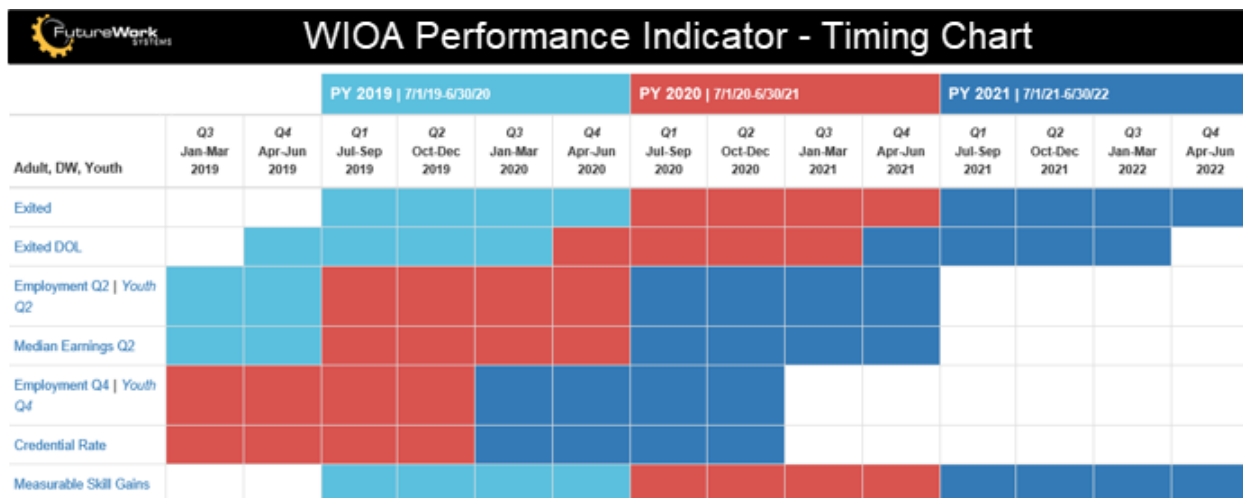
have implemented remote work. The Departments are also aware that State agency leadership and management staff may be involved with COVID-19 response efforts. As a result, the Departments will be as flexible as possible in conducting negotiations, including scheduling meetings at times that meet States' needs.

Q. Does the WIOA statistical adjustment model address unusual situations such as what we are experiencing now with COVID-19?

Response:

The statistical model is intended to adjust for changes in economic conditions and participant characteristics; however, **it is too soon to estimate the extent to which the models can address the effects of COVID-19 through these parameters.** The Departments will closely monitor the impact of COVID-19 on grantee performance and service delivery and take all necessary and available action to ensure objectively fair performance assessments.

FutureWorks Observations:



http://www.futureworksystems.com/docs/newTiming/wioa_timing_appResource.htm

1. Except for the real-time-MSG indicator, which does not have a target, **there is no impact on other PY19 Indicators***. The employment status and earnings of both the Q2 Post and Q4 Post Indicators occur in the Quarter 10-1-19 to 12-31-19 for the last cohort of exiters for PY 19 performance.

2. For PY20 Indicators, however, ***all exiter cohorts*** will be impacted by COVID-19. The employment status and earning of both the Q2 Post and Q4 Post indicators occur in the quarter 1-1-20 to 3-31-20. Thus, the dramatic change in the labor market in March 2020 will clearly have some impact on both earnings and employment status. In the PY20 indicators, 100% of the second through fourth quarter exiters will be dramatically impacted by the immense changes in the labor market.
3. For PY21 Performance Indicators, the COVID-19 crisis presents even more unknowns:
 - The first exit cohort for the PY21 Employment Q4 Post and Credential measures is the quarter ending 3-31-20. Since programs shut down in March 2020, and very few will be receiving remote staff-assisted services, will they soft exit before June 30, 2020?
 - Will ETA allow a break in service of more than 90 days due to COVID-19?
 - For those in training, when can training resume?
 - What impact will suspended training have on completion rates?
 - What will the timeframe be for calculating the Credential four quarters after exit?
 - Will there be any soft exiters in the two or three quarters after the quarter ending 3-31-20 since programs could be shut down perhaps through June or later? Thus, there will be very few in the denominator of all indicators.
 - Another concern is that hot spots within a state will unevenly impact actual performance in all indicators. How can statewide targets account for this geographical variance?

FutureWorks Issues/Comments:

Given the dramatic impact of COVID-19 on all WIOA Indicators for PY20 and PY21, the tentative plan to negotiate state Targets using an adjustment model does not appear feasible:

- The current adjustment model ***heavily weighs prior actual performance***. Prior actual performance is irrelevant to the current chaos in the labor market.
- Even if the model used a 15% unemployment rate, the adjusted targets would not be attainable. It could be a completely invalid variable given the outliers.
- Perhaps ETA will consider postponing or canceling these upcoming negotiations until more is known of the economic impact and timing of the recovery. Such a cancellation

would allow state policymakers in the public workforce system to focus on strategies to provide virtual services and plan for the recovery of the labor market.