

Appendix I

Primary Indicators of Performance

The language below is aligned with the guidance in Training and Employment Guidance Letter (TEGL) 10-16, Change 1, developed by the Department of Labor (DOL) and the Department of Education (ED) (collectively referred to in this guidance as “the Departments”), which provides joint performance guidance on the performance provisions in the Workforce Innovation and Opportunity Act (WIOA) for the six WIOA core programs: the title I Adult, Dislocated Worker, and Youth programs, administered by DOL; the title II Adult Education and Family Literacy Act (AEFLA) program, administered by ED; the Employment Service (ES) program authorized under the Wagner-Peyser Act, as amended by WIOA title III,¹ administered by DOL; and the Vocational Rehabilitation (VR) program authorized under title I of the Rehabilitation Act of 1973, as amended by WIOA title IV,² administered by ED. This appendix provides guidance for the DOL-administered core programs as well as for the DOL-administered non-core programs.

This appendix will serve as a point of reference for the individual DOL programs in their programmatic attachments in this guidance. The attachments provide guidance on when and how to implement these indicators for each program.

WIOA Primary Indicators of Performance.

Under WIOA section 116(b)(2)(A) and 20 CFR 677.155, there are six primary indicators of performance. For the first two indicators, there is a modified indicator for the title I Youth program, which is provided below:

A. Employment Rate – 2nd Quarter After Exit: The percentage of participants who are in unsubsidized employment during the second quarter after exit from the program.

Youth Education or Employment Rate – 2nd Quarter After Exit: The percentage of participants in education or training activities, or in unsubsidized employment, during the second quarter after exit.

B. Employment Rate – 4th Quarter After Exit: The percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program.

¹ Although this program is authorized under the Wagner-Peyser Act, it was amended by title III of WIOA and is a “core program” of WIOA, as defined at WIOA section 3(12). Throughout this appendix, it is referred to as the “title III Employment Service.”

² Although this program is authorized under title I of the Rehabilitation Act of 1973, it was amended by title IV of WIOA and is a “core program” of WIOA, as defined at WIOA section 3(12). Throughout this appendix, it is referred to as the “title IV VR program.”

Youth Education or Employment Rate – 4th Quarter After Exit: The percentage of participants in education or training activities, or in unsubsidized employment, during the fourth quarter after exit.

- C. 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.
- D. 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.
- E. Measurable Skill Gains (MSG): 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:
- a) Documented achievement of at least one educational functioning level of a participant who is receiving instruction below the postsecondary education level;
 - b) Documented attainment of a secondary school diploma or its recognized equivalent;
 - c) 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 standards³;
 - d) 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; or

³ Within each state there is an administrative unit that provides authorization to postsecondary institutions within the state. States differ in the requirements to which they hold postsecondary institutions responsible for satisfactory progress. Progress for WIOA purposes must comply with any applicable state standards. Likewise, every state has a state educational agency that establishes education standards for secondary education within the state, which would apply for purposes of determining if a participant is meeting the state's academic standards.

e) 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.

F. Effectiveness in Serving Employers: WIOA section 116(b)(2)(A)(i)(VI) requires the Departments to establish a primary indicator of performance for effectiveness in serving employers. This primary indicator of performance applies to many, but not all, DOL non-core programs. As described further below, particular DOL non-core programs will track effectiveness in serving employers using an approach that measures participants' retention of employment with the same employer in the 2nd and 4th quarter after exit. For the six core WIOA programs, the Departments are piloting three approaches to measuring this indicator. Descriptions of these approaches, and the pilot for the core programs, can be found in TEGL 10-16, Change 1.

The methodologies of calculating most of the primary indicators of performance are written as equations (see TEGL 10-16, Change 1, Attachment 10 https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=3255), clearly identifying what cohorts are in the numerator and what cohorts are in the denominator. In cases where conditions that apply to both, the condition is represented in italics at the beginning of the discussion about the indicator.

These primary indicators of performance apply to all six core programs, excepting indicators for credential attainment and for measurable skill gains for the title III Employment Service program. For the non-core programs, the program-specific guidance in Attachments 1 through 11 describes the extent to which these primary indicators of performance apply to each non-core program, as well as any program-specific variation in their definition, methodology, or calculation.

For the employment-related performance indicators⁴, status in unsubsidized employment and quarterly earnings may be determined by direct Unemployment Insurance (UI) wage match, federal employment records, military employment records, or supplemental wage information. Participants who are in the military or in a Registered Apprenticeship are also considered as employed, and their quarterly earnings are calculated, for the purpose of these indicators. Supplemental wage information may be used to report these indicators only in those circumstances where quarterly wage records are not available or may not apply (e.g., for participants who are self-employed, or for participants who decline to provide a social

⁴These indicators are: employment rate in the second and fourth quarters after exit, median earnings in the second quarter after exit, the employment-related portion of the credential attainment indicator, and effectiveness in serving employers as measured by retention with the same employer.

security number (SSN), as well as for grantees or Job Corps contractors that do not collect SSNs).⁵ States may document supplemental information in case files and their Management Information Systems (MIS), submitting this information to the Departments by using the data reporting instruments (e.g., Participant Individual Record Layout (PIRL) and Statewide and Local Performance Report Template and Specifications). The Departments have provided specific protocols on the use of supplemental wage information in TEGL 26-16 (https://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=5002) and in section 17 of this guidance.

As detailed in TEGL 10-16, Change 1, Attachment 2, Table A and TEGL 10-16, Change 1, Attachment 2, Table B (see link to TEGL 10-16, Change 1 above), under very limited circumstances, some participants who exit programs are excluded from the performance calculations for the six indicators. These categories of exclusions apply to participants who exit for any of the reasons described in TEGL 10-16, Change 1, Attachment 2, Table A (for programs using title I Adult performance indicators) and TEGL 10-16, Change 1, Attachment 2, Table B (for programs using title I Youth performance indicators) (see link to TEGL 10-16, Change 1 above).

Furthermore, participants who have exited a program but for whom information is not yet available, are not included in performance calculations until such data become subsequently available. For the employment-related indicators (e.g. employment rate in the second and fourth quarters after exit, median earnings in the second quarters after exit, credential attainment⁶, and effectiveness in serving employers—retention with the same employer), if employment status is recorded as “Information not yet available,” or if total earnings are recorded as “999999.99” (data were not yet available), the participant record will be excluded from the performance calculations. The Departments anticipate that data for the employment indicators will generally be available at the time of reporting, as there is a two-quarter lag built into the reporting times for the employment- and wage-based indicators to allow time for reporting participant exit and direct UI wage record match. The two-quarter lag is also sufficient for obtaining supplemental wage information.

⁵ The Department notes that as announced on July 28, 2017 via TEN 3-17, Informing the States about Reassessment of the Federal Employment Data Exchange System (FEDES), the operation of the Federal Employment Data Exchange System (FEDES) was temporarily suspended in January 2018. FEDES was a pilot program that had supported reporting based on Federal civilian and military employment records, including records maintained by the Office of Personnel Management and the Department of Defense. Until and unless a similar data sharing agreement is implemented for federal employment information, supplemental wage records is currently the only method of documenting employment status and wages after December 31, 2017, for individuals employed by the Federal government as a civilian (e.g., civil service, U.S. Postal Service, and civilians employed by the Department of Defense) or as a member of the military.

⁶ Employment status is only relevant for the credential attainment indicator when the credential attained is a secondary school diploma, which requires that the participant be employed or education/training in order to count as a positive outcome.

The methodology for calculating the primary indicators of performance for the core programs and for the non-core programs (unless otherwise specified in program-specific guidance), and the operational parameters determining the population assessed for each primary indicator, are described below.

A. Employment Rate – 2nd Quarter After Exit

Employment Rate – 2nd Quarter After Exit is the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program.

Methodology:

Calculation includes all program participants, except those participating in the title I Youth program or participating in non-core programs employing the youth indicators (which will be discussed separately below):

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 second quarter after the exit quarter DIVIDED by the number of participants who exited during the reporting period. This is described in TEGL 10-16, Change 1, Attachment 10, Figure 1 (see link to TEGL 10-16, Change 1 above).

Operational Parameters:

For the DOL core programs, when calculating levels of performance for this indicator, states must include all participants exiting the program for the WIOA title I Adult, title I Dislocated Worker, and title III Employment Service programs. However, states must not include (in either the numerator or denominator) those participants who exit during the reporting period for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table A or TEGL 10-16, Change 1, Attachment 2, Table C (PIRL 923) regarding exclusions (see link to TEGL 10-16 above).

For non-core programs for which the adult indicators apply, grantees and Job Corps contractors must include all participants exiting the program when calculating levels of performance for this indicator. Note that grantees and Job Corps contractors must not include (in either the numerator or denominator) those participants who exit during the reporting period for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table A (PIRL 923) regarding exclusions, unless specified otherwise in program-specific guidance.

A-1. Youth Education and Employment Rate – 2nd Quarter After Exit

Youth Education and Employment Rate – 2nd Quarter After Exit is the percentage of youth program participants (or participants in non-core programs using the youth indicators) who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from the program.

Methodology:

Calculation includes all youth program participants:

The number of youth program 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, OR found to be enrolled in secondary education, postsecondary education, or occupational skills training (including advanced training) in the second quarter after the exit quarter DIVIDED by the number of youth program participants who exited the program during the reporting period. This is described in TEGL 10-16, Change 1, Attachment 10, Figure 2.

Operational Parameters:

For the title I youth core program, calculations for determining levels of performance for this indicator include all participants who exit the program except those that exit for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table B (PIRL 923). Title I Youth who are in the AmeriCorps program or Job Corps program in the second quarter after exit are counted as a success in the training portion of the indicator.

For non-core programs in which the youth indicator applies, calculations for determining levels of performance for this indicator include all participants who exit the non-core youth program except those that exit for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table B (PIRL 923), unless specified otherwise in program-specific guidance. Furthermore, youth who are in the AmeriCorps program or Job Corps program in the second quarter after exit are counted as a success in the training portion of the indicator.

B. Employment Rate – 4th Quarter After Exit

Employment Rate – Fourth Quarter After Exit is the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program.

Methodology:

Calculation includes all program participants, except those participating in the title I Youth program or participating in non-core programs employing the youth indicators (which will be discussed separately below):

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 fourth quarter after the exit quarter DIVIDED by the number of participants who exited during the reporting period. This is described in TEGL 10-16, Change 1, Attachment 10, Figure 3.

Operational Parameters:

For core programs, calculation of levels of performance for this indicator includes all participants who exit from the WIOA title I Adult, title I Dislocated Worker, and title III Employment Service. Note that states must not include (in either the numerator or denominator) those who exit for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table A or TEGL 10-16, Change 1, Attachment 2, Table C (PIRL 923) regarding exclusions (see link to TEGL 10-16, Change 1 above).

For non-core programs, grantees and Job Corps contractors must include all participants exiting the program when calculating levels of performance for this indicator. Note that grantees and Job Corps contractors must not include (in either the numerator or denominator) those participants who exit during the reporting period for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table A (PIRL 923) regarding exclusions, unless specified otherwise in program-specific guidance.

B - 1. Youth Education and Employment Rate – 4th Quarter After Exit

Youth Education and Employment Rate – Fourth Quarter After Exit is the percentage of youth program participants (or participants in non-core programs using the youth indicators) who are in education or training activities, or in unsubsidized employment, during the fourth quarter after exit from the program.

Methodology:

Calculation includes all youth program participants who exit from the program:

The number of youth program participants who exited the program 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,

OR found to be enrolled in secondary education, postsecondary education, or occupational skills training (including advanced training) in the fourth quarter after the exit quarter DIVIDED by the number of youth program participants who exited the program during the reporting period. This is described in TEGL 10-16, Change 1, Attachment 10, Figure 4.

Operational Parameters:

For the WIOA title I youth core program, calculation of levels of performance for this indicator includes all participants who exit from the program, except those who exit for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table B (PIRL 923). Title I Youth who are in the AmeriCorps program or Job Corps program in the fourth quarter after exit are counted as a success in the training portion of the indicator.

For non-core programs in which the youth indicator applies, calculations for determining levels of performance for this indicator include all participants who exit the non-core youth program except those that exit for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table B or TEGL 10-16, Change 1, Attachment 2, Table C (PIRL 923), unless specified otherwise in program-specific guidance. Furthermore, youth who are in the AmeriCorps program or Job Corps program in the fourth quarter after exit are counted as a success in the training portion of the indicator.

C. Median Earnings – 2nd Quarter After Exit

Median Earnings – 2nd Quarter After Exit is the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program, as established through direct UI wage record match, Federal or military employment records, or supplemental wage information.

Methodology:

To calculate the median earnings for all participants employed in the second quarter after exit from any of the core programs or non-core programs (unless specified otherwise in program-specific guidance):

Total quarterly earnings, for all participants employed in the second quarter after exit, are collected by either direct wage record match 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 this 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. This is described in TEGL 10-16, Change 1, Attachment 10, Figure 5.

The Wage Conversion Chart (TEGL 10-16, Change 1, Attachment 3, see link to TEGL 10-16, Change 1 above) is used to convert supplemental wage information values that do not represent the total amount a participant earned in the second quarter after exit. When using the Wage Conversion Chart it is important to distinguish between wages and earnings. Wage refers to a ratio of a specified amount of earnings over a specified period of time (e.g. \$15/hour). The Wage Conversion Chart should be used only when the wage rate—and not the earnings information—is available. This Wage Conversion Chart applies to both the core and non-core programs unless otherwise specified.

Operational Parameters:

The following participants and any associated earnings figures are excluded from the calculation for median earnings:

1. Participants who have exited and are not employed in the second quarter after exit (PIRL 1602 – Employed in 2nd Quarter After Exit Quarter – with code value 0)
2. Participants who have exited a program and for whom information is not yet available:
 - PIRL 1602 – Employed in 2nd Quarter After Exit Quarter – with code 09 (Information not yet available); or
 - PIRL 1603 – Type of Employment Match 2nd Quarter After Exit Quarter – with code value 5 (Information not yet available); or
 - PIRL 1704 – Wages 2nd Quarter After Exit Quarter – with code value 999999.99 or blank.

There is a two quarter lag built into the reporting times for the wage and employment-based indicators to allow time for reporting participant exit and direct wage record match. After two quarters, if the information is still not available, wages will be converted to \$0 permanently. Wages reported as \$0 will indicate that the participant was not employed in the second quarter after exit, thereby counting as a negative outcome in the Employment Rate 2nd Quarter After Exit indicator and excluding that participant from the Median Earnings 2nd Quarter After Exit indicator.

3. Participants who have exited from a program and who have \$0 income.
4. Participants who have exited a program and are in subsidized employment.
5. Participants who have exited for any of the reasons listed in Attachment 2, Table A, Attachment 2, Table B, or Attachment 2, Table C to TEGL 10-16, Change 1.

D. Credential Attainment

Credential Attainment is the percentage of those participants enrolled in an education or training program (excluding those in OJT and customized training) who attained 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.

This indicator does not apply to the title III Employment Service program.

Methodology:

Calculation includes all participants who exited from a program and were in either a postsecondary education or training program (other than OJT and customized training) OR in a secondary education program at or above the 9th grade level without a secondary school diploma or its equivalent:

The number of participants who exited during the reporting period who obtained a recognized postsecondary credential during the program or within one year after exit OR those who were in a secondary education program and obtained a secondary school diploma or its recognized equivalent during the program or within one year after exit and were also employed, or in an education or training program leading to a recognized postsecondary credential within one year after exit DIVIDED by the number of participants enrolled in an education or training program (excluding those in OJT and customized training) who exited during the reporting period. This is described in TEGL 10-16, Change 1, Attachment 10, Figure 6.

Operational parameters:

This indicator measures attainment of two types of credentials: a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent.

Definition of a Recognized Postsecondary Credential: A recognized postsecondary credential is defined as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the

state involved or federal government, or an associate or baccalaureate degree. A recognized postsecondary credential is awarded in recognition of an individual's attainment of measurable technical or industry/occupational skills necessary to obtain employment or advance within an industry/occupation. These technical or industry/occupational skills generally are based on standards developed or endorsed by employers or industry associations. Neither certificates awarded by workforce development boards (WDBs) nor work readiness certificates are included in this definition because neither of them document measurable technical or industry/occupational skills necessary to gain employment or advance within an occupation. Likewise, to be counted as recognized postsecondary credentials, certificates must recognize technical or industry/occupational skills for the specific industry/occupation rather than general skills related to safety, hygiene, etc., even if such general skills certificates are broadly required to qualify for entry-level employment or advancement in employment.

A variety of different public and private entities issue recognized postsecondary credentials. Below is a list of the types of organizations and institutions that award recognized postsecondary credentials (not all credentials by these entities meet the definition of recognized postsecondary credential).

- A state educational agency or a state agency responsible for administering vocational and technical education within a state;
- An institution of higher education described in Section 102 of the Higher Education Act (20 USC 1002) that is qualified to participate in the student financial assistance programs authorized by title IV of that Act. This includes community colleges, proprietary schools, and all other institutions of higher education that are eligible to participate in federal student financial aid programs;
- An institution of higher education that is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or tribes.
- A professional, industry, or employer organization (e.g., National Institute for Automotive Service Excellence certification, National Institute for Metalworking Skills, Inc., Machining Level I credential) or product manufacturer or developer (e.g., recognized Microsoft Information Technology certificates, such as Microsoft Certified IT Professional (MCITP), Certified Novell Engineer, a Sun Certified Java Programmer, etc.) using a valid and reliable assessment of an individual's knowledge, skills and abilities;

- Employment and Training Administration’s (ETA) Office of Apprenticeship or a State Apprenticeship Agency;
- A public regulatory agency, which awards a credential upon an individual’s fulfillment of educational, work experience, or skill requirements that are legally necessary for an individual to use an occupational or professional title or to practice an occupation or profession (e.g., Federal Aviation Administration aviation mechanic license, or a state-licensed asbestos inspector);
- A program that has been approved by the Department of Veterans Affairs to offer education benefits to veterans and other eligible persons; or
- Job Corps, which issues certificates for completing career training programs that are based on industry skills standards and certification requirements.

Definition of a Secondary School Diploma: For purposes of the credential attainment performance indicator, a secondary school diploma (or alternate diploma) (commonly referred to as high school diploma) is one that is recognized by a state and that is included for accountability purposes under the Elementary and Secondary Education Act of 1965 (ESEA), as amended by the Every Student Succeeds Act (ESSA). A secondary school equivalency certification signifies that a student has completed the requirements for a high school education. The types of recognized equivalents, for those not covered under ESEA, that would satisfy this performance indicator are those recognized by a state.

Examples of secondary school diplomas, alternate diplomas, and recognized equivalents recognized by individual states include:

- obtaining certification of attaining passing scores on a state-recognized high school equivalency test;
- earning a secondary school diploma or state-recognized equivalent through a credit bearing secondary education program sanctioned by state law, code, or regulation;
- obtaining certification of passing a state recognized competency-based assessment; or
- completion of a specified number of college credits.

Types of Acceptable Credentials: The following are acceptable types of credentials that count toward the credential attainment indicator:

- Secondary School diploma or recognized equivalent;
- Associate’s degree
- Bachelor’s degree
- Occupational licensure
- Occupational certificate, including Registered Apprenticeship and Career and Technical Education educational certificates
- Occupational certification
- Other recognized certificates of industry/occupational skills completion sufficient to qualify for entry-level or advancement in employment.

Note: WIOA section 3(52) defines a recognized postsecondary credential as a credential consisting of an industry-recognized certificate or certification, a certificate of completion of an apprenticeship, a license recognized by the state involved or Federal Government, or an associate or baccalaureate degree. Graduate degrees are not included in the definition of a recognized postsecondary credential. Therefore, graduate degrees do not count towards credential attainment.

It should be noted that the Credential Resource Guide published as TEGL 15-10, Attachment 2 was designed for use under WIA.⁷ There are six Educational Credentials/Awards listed in that attachment that must no longer be applied toward credential attainment (with the exception of TAA). These six credentials/awards are:

1. Post-baccalaureate certificate;
2. Post-master’s certificate;
3. First-professional certificate (post-degree);
4. Master’s degree;
5. First-professional degree; and
6. Doctor’s degree.

Who is included in the Calculation of the Credential Attainment Indicator:

Participants who exit and are in a postsecondary education or training program, or who are in a secondary education program (at or above the 9th grade level) without a secondary school diploma or equivalent, are included in the credential attainment indicator, subject to the “Special Rule” below. However, participants enrolled in work-

⁷ At the time of publishing of this guidance, TEGL 15-10 is still considered to be active guidance but in areas where the guidance conflicts with WIOA guidance (such as those areas described in this section) grantees should defer to more recently published guidance and WIOA statute and final rules.

based OJT or customized training are excluded from this indicator because such training does not typically lead to a credential.

Special Rule Relating to Secondary School Diplomas and Recognized Equivalents in the Calculation of the Credential Attainment Measure:

Participants who obtain a secondary school diploma or its recognized equivalent must also meet an additional condition before they are counted as a successful outcome and included in the numerator of the credential attainment indicator. These participants must be employed, or enrolled in an education or training program leading to a recognized postsecondary credential within one year following exit.

For each core program administered by DOL, a description of who is considered to be enrolled in an “education or training program”, and thus included in the credential attainment indicator, follows:

- **Title I Adult:** All Adult program participants who received training that was not OJT or Customized Training are included in the credential attainment indicator.

- **Title I Dislocated Worker:** All Dislocated Worker program participants who received training that was not OJT or Customized Training are included in the credential indicator.

- **Title I Youth:** All in-school Youth (ISY) are included in the credential attainment indicator since they are attending secondary or postsecondary school. Only out-of-school Youth (OSY) who participate in one of the following are included in the credential attainment indicator:
 - the program element occupational skills training
 - secondary education during participation in the title I Youth program
 - postsecondary education during participation in the title I Youth program
 - Title II-funded adult education during participation in the title I Youth program
 - YouthBuild during participation in the title I Youth program; and
 - Job Corps during participation in the title I Youth program.

For each non-core program, unless otherwise specified in program guidance, all program participants who received education or training that was not OJT or Customized Training are included in the credential attainment indicator.

Exclusions from the Measure:

Participants who exited an education or training program and who were enrolled in OJT only or Customized Training only are excluded from the indicator:

Also, participants who exit for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table A, Attachment 2, Table B, or Attachment 2, Table C are excluded from the credential attainment indicator.

E. Measurable Skill Gains

The Measurable Skill Gains indicator is the percentage of participants who, during a program year, are in education or training programs that lead 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. This indicator does not apply to the title III Employment Service program.

The measurable skill gains indicator is used to measure interim progress of participants who are enrolled in education or training services for a specified reporting period. It is not an exit-based measure. Instead, it is intended to capture important progressions through educational or skill pathways that offer different services based on program purposes and participant needs. It can also help fulfill the vision for a workforce system that serves a diverse set of individuals with a range of services tailored to individual needs and goals. Depending upon the type of education or training program in which a participant is enrolled, documented progress is defined as one of the following:

1. Documented achievement of at least one educational functioning level of a participant who is receiving instruction below the postsecondary education level;
2. Documented attainment of a secondary school diploma or its recognized equivalent;
3. 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;
4. 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; or

5. 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.

Examples:

- A participant is enrolled in a four-year registered apprenticeship program: the measurable skill gains indicator tracks the skills the participant gains throughout the reporting period in each program year, not just at the end of the four-year training program.
- Low-skilled adult participants of an adult education program: the measurable skill gains indicator provides an opportunity to track and report multiple types of gains in reading, writing, mathematics, and English proficiency for each participant once per program year per period of participation (while more than one of each type can be earned, when reporting the grantee must only report the most recent of each type of gain).

Documenting Progress for Types of Measurable Skill Gains

1. **Documented achievement of at least one educational functioning level (EFL) of a participant who is receiving instruction below the postsecondary level** – Programs may measure educational functioning level gain in one of three ways:
 - (a) states may compare the participant’s initial educational functioning level, as measured by a pre-test, with the participant’s educational functioning level, as measured by a post-test;⁸
 - (b) states that offer adult high school programs that lead to a secondary school diploma or its recognized equivalent may measure and report educational gain through the awarding of credits or Carnegie units; or
 - (c) states may report an educational functioning level gain for participants who exit a program below the postsecondary level and enroll in postsecondary education and training during the program year. A program below the postsecondary level applies to participants enrolled in a basic education program.

⁸The approved pre- and post-tests must be based on the list of tests the Secretary of Education determines to be suitable for use in the National Reporting System for Adult Education. The list of approved assessments is published annually in the Federal Register. See Tests Determined To Be Suitable for Use in the National Reporting System for Adult Education; Department of Education, 81 FR 89920 (December 13, 2016). <https://www.federalregister.gov/documents/2016/12/13/2016-29899/tests-determined-to-be-suitable-for-use-in-the-national-reporting-system-for-adult-education>.

- 2. Documented attainment of a secondary school diploma⁹ or its recognized equivalent** – Programs may document attainment of a secondary school diploma or its recognized equivalent if the participant obtains certification of attaining passing scores on all parts of a state-recognized high school equivalency test, or the participant obtains a diploma or state-recognized equivalent documenting satisfactory completion of secondary studies or an alternative diploma,¹⁰ including a high school or adult secondary school diploma.
- 3. 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** – For secondary education, this gain may be documented through receipt of a secondary transcript¹¹ or report card for one semester showing that the participant is achieving the state unit’s policies for academic standards. For postsecondary education, this gain must demonstrate a sufficient number of credit hours—which is at least 12 hours per semester (or equivalent¹²) or, for part-time students, a total of at least 12 hours over the course of two completed semesters (or equivalent) during a 12 month period—that shows a participant is achieving the state unit’s academic standards (or the equivalent for other than credit hour programs). For example, if a postsecondary student completed 6 hours in the spring semester and 6 more hours in the fall semester and those semesters crossed two program years, they would not count as a skill gain in the first program year but they would count as a skill gain in the second program year.
- 4. 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** – Documentation for this gain may vary, as grantees should identify appropriate methodologies based upon the nature of services being provided. The gain may be documented by a satisfactory or better progress report from an employer or training provider. Progress reports may include training reports on milestones completed as the individual masters the required job skills, or steps to complete an OJT or apprenticeship program. Documented increases in pay resulting from newly

⁹ Secondary school diploma refers to a regular high school diploma, as defined in the Every Student Succeeds Act. *Every Student Succeeds Act*, Pub. L. 114-95, Sec. 8002(43). December 2015.

¹⁰ Alternative diploma must meet the requirements under the *Every Student Succeeds Act*.

¹¹ Secondary transcript is specific to youth attending high school.

¹² For gain type three, the Departments recommend that States and local areas develop policies suitable for the applicable academic system in use by the secondary or postsecondary institution in which the participant is enrolled including, but not limited to, semesters, trimesters, quarters, and clock hours for the calculation of credit hours (or their equivalent) when documenting progress towards Measurable Skill Gains.

acquired skills or increased performance also can be used to demonstrate successful progress.

Note: In the description of this type of Measurable Skill Gains, “completion of one year of an apprenticeship” is just one example of a timeframe that may be established for achieving a satisfactory or better progress report toward a specific milestone, and the ‘one year’ timeframe should not be construed as a required timeframe or the only way that a participant in an apprenticeship can achieve a Measurable Skill Gain.

- 5. 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** – Documentation for this gain may include passage of a component exam in a Registered Apprenticeship program, employer-required knowledge-based exam, satisfactory attainment of an element on an industry or occupational competency-based assessment, or other completion test necessary to obtain a credential.

Methodology:

Calculation includes all participants enrolled in an education or training program that leads to a recognized postsecondary credential or employment:

The number of program participants during the reporting period who are in an education or training program that leads to a recognized postsecondary credential or employment and are achieving measurable skill gains based on attainment of at least one type of gain DIVIDED by the number of program participants during the reporting period who are in an education or training program that leads to a recognized postsecondary credential or employment.

Participants who, during any point in the program year, are in an education or training program that leads to a recognized postsecondary credential or employment are included in the **denominator**. This includes participants who continue to receive services as well as those who have participated during the reporting period and have exited the program. Data for the denominator in this calculation is drawn from *PIRL 1811: Date Enrolled During Program Participation in an Education or Training Program Leading to a Recognized Postsecondary Credential or Employment*.

The **numerator** is the number of program participants defined above who achieved at least one type of gain. A participant may have achieved more than one type of gain in a reporting period and all skill gains attained are encouraged to be collected and recorded for participants; however, only the most last skill gain recorded per participant during a period of participation in a reporting period may be used to

calculate success on the measurable skill gains indicator for that reporting period. These calculations are described in TEGL 10-16, Change 1, Attachment 10, Figure 7.

Operational Parameters:

All participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment are counted in the calculation of this indicator. Participants who exit for any of the reasons listed in TEGL 10-16, Change 1, Attachment 2, Table A and TEGL 10-16, Change 1, Attachment 2, Table B are excluded from the measurable skill gains indicator. For the title I Adult and Dislocated Worker program and the title I Youth program, a description of who is considered to be enrolled in an “education or training program”, and thus included in the measurable skill gains indicator, is provided below:

- **Title I Adult and Dislocated Worker** – All participants who are in a title I Adult- or Dislocated Worker-funded training program are included in the measurable skill gains indicator (which includes funding a training program for a secondary school program equivalent). This includes all participants in work-based training.

- **Title I Youth** – All (In-School Youth) ISY are included in the measurable skill gains indicator since they are attending secondary or postsecondary school. Only (Out-of-School Youth) OSY who are in one of the following are included in the indicator:
 - the program element occupational skills training
 - secondary education during participation in the title I Youth program
 - postsecondary education during participation in the title I Youth program
 - Title II-funded adult education during participation in the title I Youth program
 - the YouthBuild program during participation in the title I Youth program
 - Job Corps during participation in the title I Youth program

For each non-core program all program participants who received education or training are included in the measurable skill gains indicator unless otherwise specified in program guidance. Unlike Credential Attainment, this includes all participants in OJT and customized training.

Additional Operational Parameters:

- Participants are only included in the denominator one time per reporting period (i.e., program year), regardless of how many skill gains they achieve in a given program year unless the individual has more than one period of participation in a given

program year. Likewise, participants are only included in the numerator one time per reporting period (i.e., program year), regardless of how many skill gains they achieve in a given program year unless the individual has more than one period of participation in a given program year (See Section 9 of this TEGL for discussion on periods of participation.);

- A participant who exits the program and re-enrolls in the program during the same program year and is in an education or training program will be in the indicator two times for that particular program year, as explained in the discussion of periods of participation in Section 9 of this guidance;
- The measurable skill gains indicator is different from the other indicators because it is not exit-based, meaning that a participant can achieve one or more measurable skill gains while still participating in a program; and
- Programs must not delay enrollment or services to participants until a new program year even if programs believe there is insufficient time for the participant to make any type of measurable skill gain by the end of that program year.

For performance accountability purposes, the measurable skill gains indicator calculates the number of participants who attain at least one type of gain during each period of participation within a given program year. Since this indicator is not exit-based, each unique program entry date (not exit date) triggers inclusion in the calculation.

Participants will achieve a successful outcome in the indicator as long as they attain one type of gain applicable to the core program or non-core program in which the participant is enrolled. See the example below for how this would apply in a typical scenario.

Example

Chris enters an American Job Center and becomes a participant on October 2, 2016 (PY16). He exits the program on February 10, 2017. During this time, Chris achieves two types of gain under the measurable skill gain indicator.

He re-enters the program as a participant on June 11, 2017 (PY16). By the end of the program year (June 30, 2017), he is still in his second participation period. During this time, Chris obtains an additional type of gain under the measurable skill gain indicator.

In this example, Chris has two periods of participation, for which he falls into the denominator of the measure twice, and two positive outcomes on the measurable skill gains indicator. Although two types of gain were achieved in the first period of participation, only one of the two types of gains counts toward the indicator in the first participation period. During the second period of participation, another type of gain was achieved before the end of the program year, which counts as another positive outcome towards the measurable skill gains indicator.

This information is collected for all core programs (except the title III Employment

Service program), as part of the Measurable Skill Gains Report Template. If a participant achieves more than one type of measurable skill gain in a reporting period, the most recent gain of each skill gain type must be recorded on the Measurable Skill Gains Report Template (MSG template is part the of WIOA core program Annual Performance Report, and is not applicable to non-core programs).

Operational Parameters – DOL-administered Core and Non-Core Programs:

For the title I Adult, Dislocated Worker, and Youth core programs, achievement may be measured by any of the five types of measurable skill gains. There are no specific measurable skill gain types required for specific participants in each of these three title I core programs, except that for participants in the title I youth program, the type of skill gain must be based on the youth’s individual service strategy. The measurable skill gains indicator does not apply to the title III Employment Service program.

For the non-core programs achievement may be measured by any of the five types of measurable skill gains unless otherwise specified in program guidance.

F. Effectiveness in Serving Employers

WIOA section 116(b)(2)(A)(i)(VI) requires the Departments to establish a primary indicator of performance for effectiveness in serving employers. For the six core WIOA programs, the Departments are piloting three approaches to measuring this indicator. Descriptions of these approaches, and the pilot for the core programs, can be found in TEGL 10-16, Change 1.

Starting in PY 2018 (or the point at which wage matching data becomes available for this indicator), and throughout the employer measure pilot, the following DOL non-core programs will begin tracking “Effectiveness in Serving Employers” using the approach that measures retention with the same employer in the 2nd and 4th quarter after exit:

- H-1B Job Training Programs
- Indian and Native American Programs (INAP)
- Job Corps
- Jobs for Veterans State Grants (JVSG)
- National Dislocated Worker Grants (DWG)
- National Farmworker Jobs Program (NFJP)
- Re-entry Employment Opportunities (REO)
- YouthBuild

This approach to the “Effectiveness in Serving Employers” indicator is based on what is reported in PIRL element #1618, which will be a part of the wage record matching that DOL

will conduct on behalf of those programs that do not conduct their own wage matching as specified in program specific guidance. Grantees and Job Corps contractors may report on this retention measure using supplemental wage information in addition to the wage match data, as provided in program-specific guidance on supplemental wage information. Grantees and Job Corps contractors may also choose to track additional measures of effectiveness in serving employers that they determine in addition to tracking and reporting on this approach. Those grantees and Job Corps contractors that do choose to track additional measures relating to this indicator are encouraged to report these approaches and their outcomes to DOL, as DOL continues to evaluate different approaches to this indicator.

Retention with the same employer – This approach captures the percentage of participants who exit and are employed with the same employer in the second and fourth quarters after exit. Grantees and Job Corps contractors must use wage records or supplemental wage information, as directed in program-specific guidance, to identify whether a participant’s employer wage record indicates a match of the same establishment identifier (such as a Federal Employer Identification Number (FEIN) or State tax id) in the second and fourth quarters.

a. How to Calculate Retention with the Same Employer

Percentage of participants with wage records who exit and were employed by the same employer in the second and fourth quarters after exit.

Methodology:

The number of participants with wage records who exit during the reporting period and were employed by the same employer during the second quarter after exit and the fourth quarter after exit DIVIDED by the number of participants with wage records who exit and were employed during the second quarter after exit.

For this measure, Grantees and Job Corps contractors must report on data element 1618 (Retention with the Same Employer in the 2nd Quarter and the 4th Quarter) in the PIRL. This data element is calculated based on information included in the wage record matches for participants in their fourth quarter after exit. This means that the only participants who are included in this approach are those for whom a wage record match is available. In order to count as a “yes” for this measure, the participant must have the same establishment identifier (such as an employer FEIN or State tax id) in both the second and fourth quarters after exit. This creates the numerator for this measure. The denominator for this measure is calculated based on those participants with wage records who were employed in the second quarter after exit.

The other two Effectiveness in Serving Employers measures – employer penetration rate and repeat business customer rate – will be piloted initially by programs under Titles I and III along with retention with the same employer in the second and fourth quarters after exit. Formula grantees will choose two of the three to report on until a permanent measure has been implemented. The Department’s evaluation of the piloted approaches will be reviewed upon its completion to make a determination about how the Department will measure effectiveness in serving employers in the future.