



**To:** Indiana's Workforce Development Boards

**From:** Indiana Department of Workforce Development

**Date:** November 29, 2018

**Subject:** DWD Policy 2018-02  
State Performance Metrics

---

## Purpose

To establish and provide guidance to the Workforce Development Boards (WDBs) on additional performance metrics.

## References

- Workforce Innovation and Opportunity Act Sections 3, 116, 134
- 20 CFR §§ 677.150, 677.205, 677.215
- TEGL 03-15

## Background

The Workforce Innovation and Opportunity Act (WIOA) provides states the authority to establish additional performance metrics beyond the federally required primary indicators of performance for Title I programs. WIOA further authorizes the use of the Governor's reserve funds to provide grants to regions that demonstrate exemplary performance. DWD has established additional regional performance metrics to improve the efficacy of Indiana's workforce development system. These additional metrics will be referred to as "state performance metrics."

## Content

DWD will work with the WDBs to set state performance metric targets for each region.

### *State Performance Metrics*

#### **Engagement Rate**

Percentage of individuals in a region that are meaningfully engaged<sup>1</sup> by the workforce system in comparison to the total number of unemployed and underemployed individuals in the region.

To determine the engagement rate:

---

<sup>1</sup> "Meaningfully engaged" means clients that visit a WorkOne Center, in addition to WIOA and Wagner-Peyser, Trade Adjustment Assistance (TAA), and Jobs for State Veterans (JVSG) performance participants.

- Numerator = Total number of WIOA, Wagner-Peyser, Trade Adjustment Assistance (TAA), and Jobs for State Veterans (JVSG) performance participants in a region who receive a service plus all individuals who sign in through VOS greeter<sup>2</sup> each month. (Data Source: ICC)
- Denominator = Total number of unemployed<sup>3</sup> and underemployed<sup>4</sup> individuals in a region. (Data Source: Local Area Unemployment Statistics<sup>5</sup> (LAUS))

The engagement rate will be accessible to the regions on a monthly basis. The regional targets for this metric will be an annualized rate.

### **Job Connectedness Rate**

Percentage of WIOA and Wagner-Peyser performance participants who are in unsubsidized employment within the first quarter after exit from the program.

To determine the job connectedness rate:

- Numerator = WIOA and Wagner-Peyser performance participants who are in unsubsidized employment during the first quarter after exit from the program (Data source: ICC, Unemployment Insurance Wage Data)
- Denominator = All WIOA and Wagner-Peyser performance exiters during the applicable timeframe (Data Source: ICC)

In order to ensure this metric is accurately calculated, WDBs should consult Performance TA/18.01, issued August 1, 2018.

The Job Connectedness rate will be determined by program (WIOA Adult, Dislocated Worker, Youth, and Wagner-Peyser) and accessible to the regions on a quarterly basis. The regional targets for this metric will be an annualized rate.

### **Wage Change**

Median wage change for WIOA and Wagner-Peyser performance participants in a region who are in unsubsidized employment during the second quarter after exit from the program.

To determine the median wage change for WIOA and Wagner-Peyser performance participants:

- Wages Post-Exit: Second quarter after exit from the program (Data source: ICC and Unemployment Insurance Wage Data) **subtracted by**
- Wages Prior to Participation: At least two but not greater than four<sup>6</sup> quarters prior to first point of participation for the most recent, active case (Data source: ICC and Unemployment Insurance Wage Data)

The median wage change metric will be determined by program (WIOA Adult, Dislocated Worker, Youth, and Wagner-Peyser) for all applicable participants and accessible to the regions on a quarterly basis. The regional targets for this metric will be an annualized amount.

<sup>2</sup> Note: Only VOS greeter individuals who can be linked to an ICC account will be counted.

<sup>3</sup> Official, LAUS U-3 Utilization Rate (<https://www.bls.gov/charts/employment-situation/alternative-measures-of-labor-underutilization.htm>)

<sup>4</sup> Calculated by subtracting the U-6 LAUS utilization rate from the U-5 LAUS utilization rate (<https://www.bls.gov/charts/employment-situation/alternative-measures-of-labor-underutilization.htm>)

<sup>5</sup> Overview of LAUS program: <https://www.bls.gov/lau/lauov.htm>

<sup>6</sup> Wages in the third or fourth quarter prior to program participation will only be used if there are not wages for the individual in the more recent quarter to evaluate the wage change.

***Process/Timeline***

DWD will work with each WDB December 3-21, 2018 to set performance targets for each metric.

**Effective Date**

Immediately

**Ending Date**

Upon rescission.

**Contact for Questions**

[policy@dwd.in.gov](mailto:policy@dwd.in.gov)