

**Discussion, Consideration and Possible Action Regarding Publishing Workforce Innovation and Opportunity Act (WIOA) Target Proposals for Program Years 2020 & 2021 for Public Comment**

**Introduction** – WIOA §116(b)(3)(A)(iv)(II) requires states to negotiate PY20 and PY21 targets as part of their State Plan Submission. Specifically, states are to propose targets, put them out for public comment, and then include them in their initial State Plan submission. Then, later in the year, states negotiate to finalize these targets with the Departments of Labor and Education (DOL and ED, respectively; “the Departments” together).

The statute requires the Secretaries of Labor and Education to consider four factors in negotiations:

- 1) How the levels involved compare with for other States;
- 2) How casemix and economic conditions vary from state to state thru their statistical models;
- 3) The degree to which the levels promote continuous improvement and return on investment; and
- 4) Goals set by the Secretaries under the Government Performance and Results Act (GPRA).

The Departments have yet to issue guidance on negotiations, yet they moved up the state plan submission date by a month compared to the last one. That shorter timeframe makes the delay in federal guidance, and more importantly the lack of their new statistical models, more problematic than in prior years. Of the four factors listed above as being required for the negotiation process, states do not have three.

We are unable to consider how our proposals might compare to other states because the statistical models include history as well as the casemix/economic condition data. In addition, the Secretaries have not yet set GPRA targets for any of these measures. That leaves states having to develop proposals almost exclusively considering continuous improvement and return on investment which obviously does not meet the intent of the statute. Nevertheless, the State Plan development guidance makes it clear that states are to submit proposals with their plans in March.

Staff have developed proposals with what data we have and with consideration for procedural and automation changes that we anticipate may improve reportable performance, but these targets will have to serve as merely placeholders. When the Departments finally do issue their guidance and models, we will have to evaluate them and may need to come back with alternate recommendations.

**PY20-21 Measures to be Negotiated Include:**

Measures to Negotiate (row) by Program (column)	Adult	Dislocated Worker (DW)	Youth	Wagner-Peyser (WP)	Adult Education & Literacy (AEL)	Vocational Rehabilitation (VR)
Employed Q2 Post-Exit (Employed/Enrolled for Youth)	YES	YES	YES	YES	YES	NO
Median Earnings Q2 Post-Exit	YES	YES	YES	YES	YES	NO
Employed Q4 Post-Exit (Employed/Enrolled for Youth)	YES	YES	YES	YES	YES	NO
Credential Rate	YES	YES	YES	NA	YES	NO
Measurable Skills Gain	YES	YES	YES	NA	YES	YES
Effectiveness Serving Employers	NO	NO	NO	NO	NO	NO

Note that this will be the first time ED is negotiating targets on any VR WIOA measure and any AEL measure other than Measurable Skills Gain. Conversely, this is the first time that DOL will be negotiating targets on Measurable Skills Gain and the first time they will negotiate Youth Median Earnings.

**Target Proposals** – Pages 2-7 provide historic data, target proposals and discussion of how they were developed.

**Commission Request** –Staff request permission to post the proposed targets to the TWC website for two weeks to allow for public review and comment. Staff will then review comments received and develop final recommendations for Commission approval and inclusion in our upcoming State Plan submission.

**Texas Workforce Commission proposed PY20 & PY21 WIOA Target Proposals for Public Comment**

**Department of Labor Targets for Adult, Dislocated Worker (DW), Youth and Wagner-Peyser (WP) Measures**

In developing DOL targets we primarily reviewed TWC’s historic trends on these measures and looking at continuous improvement. However, we also accounted for changes procedural and process changes that should impact reportable performance as well.

The following tables show TWC’s history over the last 5 complete years of performance for each measure along with the last 4 quarters of results (which overlap 3 quarters with PY18) and our proposals for PY20 and PY21.

<b>Actual Performance</b>	<b>PY14</b>	<b>PY15</b>	<b>PY16</b>	<b>PY17</b>	<b>PY18</b>	<b>Last 4 Quarters</b>	<b>PY20 Proposal</b>	<b>PY21 Proposal</b>
<b>Employed Q2 Post-Exit – Adult</b>	73.44%	74.68%	75.57%	77.62%	77.37%	77.04%	77.0%	77.0%
<b>Employed Q2 Post-Exit – DW</b>	80.40%	81.21%	80.38%	82.89%	73.75%	72.29%	74.0%	80.0%
<b>Employed/Enrolled Q2 Post-Exit – Youth</b>	72.55%	68.68%	73.37%	74.42%	74.63%	74.04%	74.0%	74.0%
<b>Employed Q2 Post-Exit – WP</b>	68.87%	70.23%	68.98%	69.55%	70.51%	70.70%	70.5%	70.5%
<b>Employed Q4 Post-Exit – Adult</b>	70.22%	72.43%	71.94%	75.03%	76.53%	76.59%	76.0%	76.0%
<b>Employed Q4 Post-Exit – DW</b>	78.75%	79.95%	80.53%	81.99%	81.86%	77.28%	73.0%	75.0%
<b>Employed/Enrolled Q4 Post-Exit – Youth</b>	73.29%	72.89%	73.78%	74.46%	75.17%	74.83%	75.0%	75.0%
<b>Employed Q4 Post-Exit – WP</b>	68.85%	70.17%	69.51%	69.67%	70.31%	70.48%	70.0%	70.0%
<b>Median Earnings Q2 Post-Exit – Adult</b>	\$4,194	\$4,044	\$5,273	\$5,683	\$5,501	\$5,360	\$5,400	\$5,500
<b>Median Earnings Q2 Post-Exit – DW</b>	\$7,219	\$7,114	\$6,981	\$8,721	\$8,311	\$8,181	\$8,200	\$8,300
<b>Median Earnings Q2 Post-Exit – Youth</b>	NA	\$2,488	\$3,190	\$3,248	\$3,121	\$3,197	\$3,200	\$3,300
<b>Median Earnings Q2 Post-Exit – WP</b>	\$4,867	\$4,973	\$5,150	\$5,793	\$6,030	\$6,133	\$5,800	\$5,900
<b>Credential Rate – Adult</b>	59.87%	71.02%	73.12%	75.95%	74.52%	74.55%	75.0%	75.5%
<b>Credential Rate – DW</b>	73.57%	74.36%	77.41%	80.59%	75.93%	74.75%	75.0%	75.5%
<b>Credential Rate – Youth</b>	64.18%	61.85%	68.58%	64.35%	69.27%	68.89%	69.0%	69.5%
<b>Measurable Skills Gain – Adult</b>	NA	NA	NA	41.90%	58.30%	NA	58.0%	60.0%
<b>Measurable Skills Gain – DW</b>	NA	NA	NA	44.00%	57.40%	NA	57.0%	60.0%
<b>Measurable Skills Gain – Youth</b>	NA	NA	NA	48.50%	46.20%	NA	48.0%	50.0%

These are the Performance Periods:

<b>Measure Type</b>	<b>PY14</b>	<b>PY15</b>	<b>PY16</b>	<b>PY17</b>	<b>PY18</b>	<b>PY19</b>	<b>PY20</b>	<b>PY21</b>
Q2 Measures	Jul13-Jun14	Jul14-Jun15	Jul15-Jun16	Jul16-Jun17	Jul17-Jun18	Jul18-Jun19	Jul19-Jun20	Jul20-Jun21
Q4 Measure & Credential	Jan13-Dec13	Jan14-Dec14	Jan15-Dec15	Jan16-Dec16	Jan17-Dec17	Jan18-Dec18	Jan19-Dec19	Jan20-Dec20
Measurable Skills Gain	NA	NA	NA	Jul17-Jun18	Jul18-Jun19	Jul19-Jun20	Jul20-Jun21	Jul21-Jun22

1 There are a few points to make about these DOL program target proposals:

- 2 1) Texas economy and labor market have never been hotter. While this will ideally continue, we’re generally assuming that Employed Q2 and Employed Q4  
3 outcomes have likely peaked but will largely sustain their high levels of performance. However, Median Earnings should slowly improve.  
4 a. There is one main exception to this approach and that involves the Employed Q2 and Employed Q4 DW measures.  
5 b. Employed Q2 Performance for PY18 dropped significantly due to a change in enrollment/service practices at one Board that have since been  
6 revised. While TWC believes performance will return to its previously higher levels, the lag in this measure and means that it will not bounce  
7 back quickly.  
8 c. Reporting on Employed Q4 lags behind Employed Q2 (it is available 2 quarters later for a given cohort). This means that we have not yet seen  
9 impact of the aforementioned shift in enrollment/service practices yet. Therefore, we expect PY20 to be considerably lower than P18 and PY21  
10 to be improving but may not reach “normal” levels until PY22.
- 11 2) For the Wagner-Peyser targets, we accounted for the shift in casemix that TWC’s new WorkInTexas.com system will have. While we hope to see general  
12 improvement in performance, the reality is that TWC made the decision to use WorkInTexas.com (and thus Wagner-Peyser) as the main point of entry  
13 into the system and to leverage it for all nearly all Participants. This means that the Wagner-Peyser casemix will change considerably and include far  
14 more Temporary Assistance for Needy Families (TANF) and Supplemental Nutritional Assistance Program - Employment & Training (SNAP E&T)  
15 participants than in the past. While these are priority populations for TWC to serve, the reality is that they often come with less work experience and  
16 less education which means that their outcomes are typically lower. We therefore examined and accounted for this shift in the Wagner-Peyser target  
17 proposals by simulating what that performance might look like if all TANF and SNAP E&T participants had been included in Wagner-Peyser performance:

Measures	PY14	PY15	PY16	PY17	PY18	Last 4 Quarters
Employed Q2 – WP	68.87%	70.23%	68.98%	69.55%	70.51%	70.70%
Employed Q2 – WP + TANF & SNAP E&T Participants	69.18%	70.50%	68.60%	69.25%	70.20%	70.38%
% Difference	0.45%	0.38%	-0.55%	-0.43%	-0.44%	-0.45%
Employed Q4 – WP	68.85%	70.17%	69.51%	69.67%	70.31%	70.48%
Employed Q4 – WP + TANF & SNAP E&T Participants	68.94%	70.39%	69.08%	69.56%	70.02%	70.18%
% Difference	0.13%	0.31%	-0.62%	-0.16%	-0.41%	-0.43%
Median Earnings Q2 – WP	\$4,867	\$4,973	\$5,150	\$5,793	\$6,030	\$6,133
Median Earnings Q2 – WP + TANF & SNAP E&T Participants	\$4,826	\$4,932	\$4,955	\$5,508	\$5,755	\$5,848
% Difference	-.84%	-.83%	-3.79%	-4.92%	-4.56%	-4.64%

1 **Department of Education Targets for Adult Education & Literacy (AEL) Measures**

2 ED’s target setting process for Measurable Skills Gains has historically involved setting 6 Adult Basic Education (ABE) and 6 English as a Second Language (ESL)  
 3 levels (one for each Educational Functioning Level - EFL) and then taking the blended average based on the number of students in each EFL. Normally the  
 4 department would provide state by state data so we could see which areas we were lagging in compared to other states in order to propose targets that focused  
 5 improvements on the areas where it was most needed. However, ED has yet to publish such data under WIOA and so neither it nor the statistical model is  
 6 available to inform target proposals. In the absence of this information staff again focused primarily on trends over the last several years.

<b>EFL Descriptions</b>	<b>PY14</b>	<b>PY15</b>	<b>PY16</b>	<b>PY17</b>	<b>PY18</b>	<b>PY20 Proposal</b>	<b>PY21 Proposal</b>
ABE Beginning Literacy (PYs 14-15) ABE Level 1 (PYs 16-18)	59.10%	51.19%	49.64%	48.57%	37.33%	43.0%	45.8%
ABE Beginning Basic Education (PYs 14-15) ABE Level 2 (PYs 16-18)	51.37%	43.88%	47.81%	44.96%	35.76%	40.4%	42.7%
ABE Intermediate Low (PYs 14-15) ABE Level 3 (PYs 16-18)	50.43%	47.47%	48.29%	45.94%	34.38%	40.2%	43.1%
ABE Intermediate High (PYs 14-15) ABE Level 4 (PYs 16-18)	45.63%	36.40%	46.57%	44.32%	32.59%	38.5%	41.4%
ASE Low (PYs 14-15) ABE Level 5 (PYs 16-18)	50.00%	40.60%	50.80%	48.64%	36.19%	42.4%	45.5%
ASE High (PYs 14-15) ABE Level 6 (PYs 16-18)	NA	NA	29.59%	29.42%	29.10%	29.5%	30.0%
ESL Beginning Literacy (14-15) ESL Level 1 (16-18)	50.65%	45.09%	51.61%	46.95%	45.66%	47%	48%
ESL Beginning Low (PYs 14-15) ESL Level 2 (PYs 16-18)	55.74%	48.69%	52.71%	51.49%	49.27%	51.5%	52%
ESL Beginning High (PYs 14-15) ESL Level 3 (PYs 16-18)	60.48%	54.60%	56.62%	54.28%	53.44%	54.3%	55%
ESL Intermediate Low (PYs 14-15) ESL Level 4 (PYs 16-18)	61.61%	56.66%	56.10%	55.36%	54.82%	55.4%	56%
ESL Intermediate High (PYs 14-15) ESL Level 5 PYs (16-18)	48.85%	44.39%	48.09%	43.03%	42.01%	43%	44%
Advanced ESL (PYs 14-15) ESL Level 6 (PYs 16-18)	48.90%	50.39%	44.92%	37.63%	43.28%	44%	44.5%
System	52.43%	45.84%	50.47%	47.79%	42.66%	45.5%	47.1%

1 One of the other biggest issues we had related to the shift to the new TABE test used by all programs in PY 18 for pre- and post-testing for ABE programs  
2 to determine whether a gain has been achieved – generally roughly 92% of the gains reported come from pre- and post-testing results. PY 18 was the  
3 first year of the new test which presented a considerable change in administration requirements and the TABE vendor made several additional policy  
4 changes during the year which was an additional source of difficulty for providers making the transition. The new TABE test is also far more rigorous and  
5 lengthy than the prior version and this has made it difficult for grantees to keep students engaged over a period of one, two or three test administration  
6 dates depending on the scheduling of the class and to complete the test. For example, the test can average six hours long. Classes schedule for two  
7 hours a night Monday and Wednesday would have to administer tests over three class nights across two weeks, resulting in many students not attending  
8 (and thus completing) all the testing. AEL staff have been working with providers to help improve program retention and approved an additional new  
9 test vendor for PY 19 that is generally less burdensome to take.

10 The impact of the new TABE on performance was very evident in the data because TABE is most commonly used in ABE courses and not ESL and it is in  
11 the ABE groups that we saw the greatest drops from PY17 to PY18 – i.e., between the old TABE test and the new. The one area where we didn't see a  
12 significant ABE drop was in ABE Level 6 and that is because generally the only way they show gains is through achievement of their High School  
13 Equivalency (HSE). So the significant drops in performance that were evidenced in PY18 ABE were limited to the groups where the new TABE was  
14 introduced.

15 While we hope that the work being done with grantees and the availability of an additional test vendor, CASAS, ~~another test~~ will improve performance,  
16 we are assuming this will take some time as programs will have to improve retention strategies and not all provides may want to switch to a different  
17 test (or at least not all on the same schedule). In addition, though the new CASAS test should improve test completion rates, implementation of a new  
18 test instrument inevitably brings short-term challenges. We therefore assume that while we'll see improvement in PY20 and PY21, it may take longer to  
19 get back to PY16 and PY17 levels.

20 The blended average Measurable Skills Gain targets that would be submitted based on the above sub-targets are 45.5% for PY20 and 47.1% for PY21.

21 We have different challenges in our Exit-based Employment and Credential outcome measures. Here the issue is more related to data entry, specifically,  
22 capturing SSNs on participants so we can match them to UI wage records to determine if they are employed and if so, how much they are earning. In  
23 addition, having SSNs makes it easier to identify whether a Credential was achieved (through data matching to the Texas Education Agency). This should  
24 eventually let us do similar matching with the Texas Higher Education Coordinating Board to determine whether the ex-student has enrolled in Post-  
25 Secondary Education of some kind or achieved a credential within the year following program exit.

1 Data shows that when we run performance for just those for whom we have a valid SSN, we have much higher reportable results. The following table shows  
 2 Employed Quarter 2 Post Exit for all Exiters, for Exiters with an SSN, and the percentage of exiters for whom we do not have an SSN:

Measure	PY14	PY15	PY16	PY17	PY18
All Exiters	31.11%	32.03%	34.26%	32.91%	34.67%
Exiters with SSNs	53.82%	54.22%	57.12%	56.04%	57.95%
- % of Exiters with missing SSN	42.2%	40.93%	40.02%	41.27%	40.17%

3 However, the need to capture SSNs has been the subject of significant TA by AEL staff and the AEL IT system was recently modified to promote better gathering  
 4 of student data, including the SSN by making it “harder” to skip over the SSN field. As student can refuse to provide one but now staff have to record that they  
 5 refused and document it. These changes were intended to ensure that the issue was not simply failing to ask for the information (as many education institutions  
 6 have historically shied away from collecting SSNs).

7 Therefore, in proposing targets for the exit-based Employment and Credential Measures, we first looked at how much SSN gathering might improve over the  
 8 next few years and assumed that we’d see a similar level of employment for those with SSNs as before (~58%) and took a weighted average. We assumed that  
 9 SSN capture would increase 10 points for PY20 exiters and another 5 points for PY21 exiters on the Employed Q2 measures. However, due to additional lag in  
 10 the Employed Quarter 4 measure, we assumed a lesser impact in P20 and PY21:

Measure	PY17	PY18	PY19	PY20 Proposal	PY21 Proposal
Employed Q2	32.91%	34.67%	NA	40.7%	43.6%
Employed Q4	34.56%	32.17%	NA	34.4%	37.2%
Assumed Emp Q2 w/no SSN	41.17%	39.05%	39.85%	29.85%	24.85%
Assumed EmpQ4 w/no SSN	40.24%	40.51%	40.50%	38.50%	33.50%

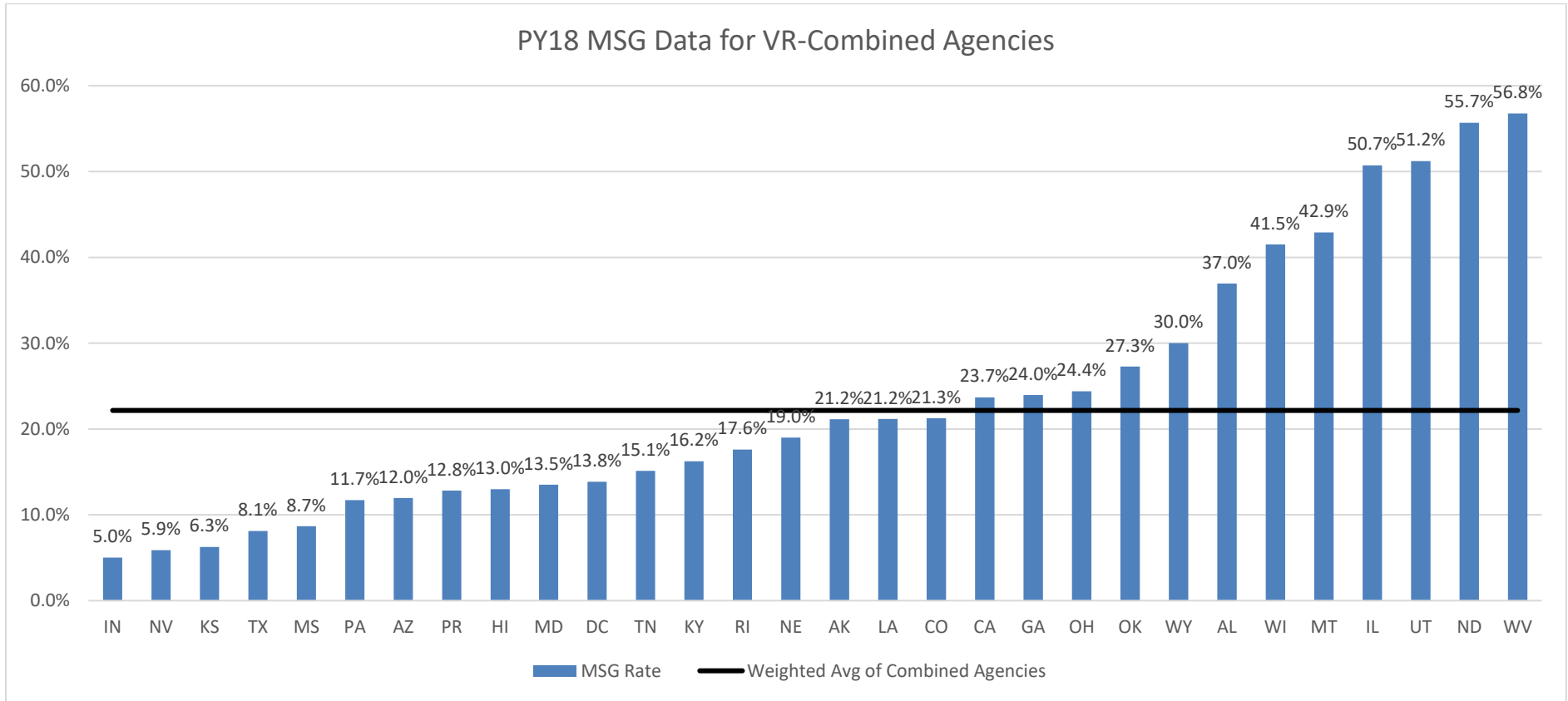
11 For Median Earnings and Credential Rates, we assumed slight increases over PY18. Note that the jump in Credential performance from PY17 to PY18 was the  
 12 result of an improve data matching methodology.

Measure	PY17	PY18	PY20	PY21
Median Earnings Q2	\$4,674	\$4,851	\$5,000	\$5,100
Credential Rate	20.41%	35.64%	37.6%	40%

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1 **Department of Education Targets for Vocational Rehabilitation (VR) Measures**

2 Because the Department implemented WIOA-based reporting for the VR program a full year after the other core programs, the VR program will only have one  
3 measure with a set of targets to be negotiated: Measurable Skills Gains. Unfortunately, TWC’s Rehab Works (RHW) system was only very recently modified to  
4 support staff in the field entering all the various types of gains that can be achieved. Therefore, TWC’s PY17 and PY18 performance was very low (8.1% in PY18)  
5 and of limited use in proposing targets. However, the Department provided a state-federal performance workgroup with PY17 and PY18 results by state and  
6 staff were able to use that data to help develop targets. Since Texas operates both VR Blind and VR General in a combined division, we cut the data to focus on  
7 “Combined” agencies:



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9 We found the weighted average performance was for VR-Combined agencies was 22% and set that as our proposed PY20 target and then we proposed PY21 at  
10 30% which would have put us roughly in the top quartile in PY18. Ultimately, results for this measure will depend heavily on communication with VR  
11 Participants while they are in education and training programs to ensure that we are able to record all appropriate gains and the VR Division has been working  
12 on procedures towards that end.