The Workforce Investment Act of 1998 (WIA)	The Workforce Innovation and Opportunity Act (WIOA)
Performance Metric Purposes	
• Built upon the foundation of the Job Training Partnership Act (JTPA) • WIA enabled the Department of Labor to provide incentives or impose sanctions on state not meeting their performance targets (increasing states' responsibility for performance) • Introduced negotiations into procedures to set performance levels. [1]	• WIOA gives license to do the work that is best for communities, but have been seemingly restricted by former WIA Policy. • Innovation to support change and continuous improvement are key components of WIOA; these activities are allowable and encouraged. • Provisions within the law ensure that States and the Department of Labor work together to share promising and proven practices; • Evaluate and disseminate information regarding such practices; and to identify and commission research to address knowledge gaps. [2]
Impact on Program Performance	
• Intended to improve legislative decisions by providing objective information on the relative effectiveness and efficiency of federal programs and spending. • WIA was a part of the continued effort of the Federal government to focus on the need to make consistent benchmarks for performance across programs with similar goals and objectives. • Foster continuous improvement through the institutionalization of methods.[1]	• The updated common performance measures establish the support of greater integration of services. • Symbolizes Congress' interest in promoting more integrated programming across WIOA-authorized programs at the state and local levels to better serve the needs of employers and participants, especially those with barriers to employment. • The common measures are an important step forward both for accountability and as the basis for engaging state and local partners in shared continuous efforts to improve participant results.

The Workforce Investment Act of 1998 (WIA) Common Measures[1]	The Workforce Innovation and Opportunity Act (WIOA) Common Measures[3]

Employment and Earnings

"Retention in unsubsidized employment 6 months after entry into the employment;"	"The **percentage** of program participants who are in unsubsidized employment during the **fourth quarter after exit** from the program;"
"Earnings received in unsubsidized employment 6 months after entry into the employment;"	"The **median earnings** of program participants who are in unsubsidized employment during the **second quarter after exit** from the program;" ***** For the Youth employment and earnings measures, participants "who are in education and training activities" are also included in the percentage.
"Retention in unsubsidized employment 6 months after entry into the employment;"	"The **percentage** of program participants who are in unsubsidized employment during the **fourth quarter after exit** from the program;"
"Earnings received in unsubsidized employment 6 months after entry into the employment;"	"The **median earnings** of program participants who are in unsubsidized employment during the **second quarter after exit** from the program;" ***** For the Youth employment and earnings measures, participants "who are in education and training activities" are also included in the percentage.

Intent of the New WIOA Measure

This change signals Congress' interest in promoting more integrated programming across WIOA-authorized programs at the state and local levels to better serve the needs of employers and participants, especially those with barriers to employment.[4]

Credential Attainment and Measurable Skill Gains

Eligible Youth Ages 19-21
"Attainment of a recognized credential relating to achievement of educational skills, which may include attainment of a secondary school diploma or its recognized equivalent, or occupational skills, by participants who enter unsubsidized employment, or by participants who are… enter postsecondary education, advanced training, or unsubsidized employment."

Adult, Dislocated Worker, and Youth
"The **percentage** of program participants who obtain a **recognized postsecondary credential**, **or a secondary school diploma** or its recognized equivalent (subject to clause (iii)), **during participation in or within 1 year after exit** from the program;"

Eligible Youth Ages 14-18
"attainment of basic skills and, as appropriate, work readiness or occupational skills;"
"attainment of secondary school diplomas and their recognized equivalents; and"
"placement and retention in postsecondary education or advanced training, or placement and retention in military service, employment, or qualified Apprenticeships."

"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 toward such a credential or employment;** "

Measurable Skills Gain[5], which has two components: 1) the number of individuals who "are achieving measurable skill gains" towards a recognized post-secondary credential or employment; and 2) the total number of individuals who "are in an education or training program" that leads toward such credential or employment.

Intent of the New WIOA Measure(s)
The new credential measure supports the renewed emphasis on education and training and acknowledges the growing importance of postsecondary credentials for accessing good jobs and advancing to better jobs.

As stated by the Manager's Report that accompanied the WIOA bill's passage in Congress, the skills gain measure recognizes that for those youth and adults who have low levels of literacy or those who are English language learners, the acquisition of basic English literacy and numeracy skills are critical steps to obtaining employment and success in postsecondary education and training. The law's sponsors stated that this measure "is intended to encourage eligible providers under Title II to serve all undereducated, low level, and underprepared adults."[4]

The Workforce Investment Act of 1998 (WIA) Common Measures	The Workforce Innovation and Opportunity Act (WIOA) Common Measures
Effectiveness of Serving Employers	
"The customer satisfaction indicator of performance shall consist of customer satisfaction of employers and participants with services received from the workforce investment activities authorized under this subtitle. Customer satisfaction may be measured through surveys conducted after the conclusion of participation in the workforce investment activities." *Included as part of the Annual Report to the U.S. Department of Labor*	**Adult, Dislocated Worker, and Youth** "Indicators of effectiveness in serving employers established pursuant to clause (iv): Prior to the commencement of the second full program year after the date of enactment of this Act, for purposes of clauses (i)(VI), or clause (ii)(III) with respect to clause (i)(IV), the Secretary of Labor and the Secretary of Education, after consultation with the representatives described in paragraph (4)(B), shall jointly develop and establish, for purposes of this subparagraph, 1 or more primary indicators of performance that indicate the effectiveness of the core programs in serving employers.

Intent of the New WIOA Measure(s)

One of WIOA's intents is to better align the workforce system with education and economic development in an effort to create a collective response to economic and labor market challenges on the national, state, and local levels. WIOA continues the trend in workforce legislation by further engaging employers to lead local workforce development efforts and focuses on introducing increased flexibility and accountability of board members. WIOA encourages an improved response to labor market needs by connecting board performance to outcomes that require an understanding of the correlation between training investments and economic return.[4]

The Workforce Investment Act of 1998 (WIA)	The Workforce Innovation and Opportunity Act (WIOA)

Reasons for Policy Update

- Make objective decisions for states to receive incentives and penalties
- WIA required states collect and report comparable data on WIA service users.
- WIA requires that these data and performance measures be calculated using Unemployment Insurance (UI) wage records.
- Data collection method updated from JTPA, when program administrators were required to collect post-program information via telephone interviews.[6]
- Adjusting performance outcome levels was intended to encourage the provision of services to traditionally hard-to-serve populations.

- WIOA ensures that federal investments in employment and training programs are evidence-based, data-driven, and accountable to participants
- WIOA establishes common performance measures across the four core programs (Titles 1-4) and also requires other programs authorized by the Act to report on the same indicators.
- In addition, WIOA requires the establishment of primary indicators on credential attainment and skills gain and on the effectiveness of services to employers. [8]

Unintended Consequences

- State and local demographic and economic conditions can vary substantially. The performance outcomes format within WIA led to states and localities being held responsible for unfortunate local economic conditions that are beyond their control.
- The introduction of performance incentives with WIA has raised concerns as to their impact on enrollment decisions, and on equity and efficiency outcomes (i.e. 'cream-skimming').[7]

- WIA moves from the use of mean wages, which did not account for outliers (i.e. one or two people who make a vastly different wage than most WIA participants)
- WIOA will be utilizing median wage levels (i.e. the wage of exactly half the population) as the performance measures used by WIA were not robust.
- Collecting median wages will the issue of robustness and getting a true average[9]

1. Kate Dunham, M. M. (2006). *Evaluation of the WIA Performance Measurement System, Final Report.* Oakland: Social Policy Research Associates.

2. National Association of Workforce Boards. (2014). The Workforce Innovation and Opportunity Act (WIOA): “Driving Innovation, Collaboration, and Performance”. Retrieved from nawb.org: http://www.nawb.org/documents/Publications/WIOA_Overview.pdf

3. Workforce Innovation and Opportunity Act. 2014.

4. Kisha Bird et al. (September 2014). "New Opportunities to Improve Economic and Career Success for Low-Income Youth and Adults: Key Provisions of the Workforce Innovation and Opportunity Act (WIOA)". Retreived from clasp.org: http://www.clasp.org/resources-and-publications/publication-1/KeyProvisionsofWIOA-Final.pdf

4. Cielinski, A. (2014, December). *Using "Measurable Skill Gains" to Best Serve Low-Income, Lower-Skilled Individuals*. Retrieved from clasp.org: http://www.clasp.org/resources-and-publications/publication-1/WIOA_skillgains.pdf

6. King, Christopher T. and Joe Siedlecki. (2005). *Approaches to Adjusting Workforce Development Performance Measures*. Lyndon B. Johnson School of Public Affairs.

7. Pascal Courty et al. (2008). Curbing Cream-Skimming: Evidence on Enrolment Incentives. *IZA Discussion Paper Series*.

8. http://www.futureworksystems.com/pdf/WIOA_PerformanceMeasures_Timeline_7_2014.pdf

9. Vladik Kreinovich et al. (2014). *From Mean to Median Income to the Most Adequate Way of Taking Inequality Into Account*. University of Texas El Paso.

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