WIOA Effectiveness in Serving Employers (ESE) Performance Indicator

Question and Answers

The Workforce Investment and Opportunity Act (WIOA) Effectiveness in Serving Employers (ESE) performance indicator was finalized in regulation and guidance as Retention with the Same Employer. WIOA core programs started collecting data for this ESE indicator in Program Year (PY) 2024, which began on July 1, 2024.

To facilitate successful reporting, the Employment and Training Administration (ETA) hosted a virtual "ESE Office Hour" for WIOA title I and III state grantee performance and reporting contacts on Thursday, August 8, 2024 from 1:00pm ET—2:00pm ET to address questions related to the implementation of the Effectiveness in Serving Employers indicator of Retention with the Same Employer as outlined in regulation (Joint Ed/DOL, DOL WIOA Title I Non-Core Programs), Training and Employment Notice No. 24-23, "Effectiveness in Serving Employers Final Rule Publication Notice" published March 22, 2024, and Training and Employment Guidance Letter 10-16, Change 3 "Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Core Programs" published June 11, 2024.

The following document reflects the key questions and responses related to the ESE indicator implementation addressed during that event. This document is for technical assistance purposes only and does not supplant regulations or formal policy.

Grantees should contact their Regional Performance Specialist and ETAPerforms@dol.gov for additional assistance.

Questions and Answers

Question #1: Training Employment Guidance Letter 10-16, Change 3 states "States must report on data element 1618 (Retention with the Same Employer in the 2nd Quarter and the 4th Quarter) in the WIOA Joint PIRL." Does this mean states need to populate this field after the matching is done using the wage file?

Answer #1: Yes. States have the option of using the wage match process or supplemental wage information. Wage matches may indicate employment with the same employer, and therefore states should ensure that they have processes to update PIRL 1618 to reflect additional successes they determined as a result of the wage match process. However, statewide ESE results for the WIOA Statewide Performance Report (ETA-9169) will not be generated by the Workforce Integrated Performance System (WIPS) and PIRL submissions. The state will need to aggregate the required statewide ESE indicator result across WIOA title I, II, III, and IV core programs and report a single statewide result.

If you have an indication that a participant was retained with the same employer, because of supplemental wage information, that is another way that you could populate this field.

Question #2: What exit date do we use if a customer has participated in multiple programs and has exit dates that are different? For example: WIOA Adult (title I) exited 9/15/23 and Vocational Rehabilitation (VR, title IV) exited 12/12/23.

Is the expectation that we would report them twice for the year because of the different exit dates? If the expectation is that we report them once for the time frame, which exit date are we supposed to use?

Answer #2: States should report this measure based on periods of participation. In this example, the individual has two periods of participation because they are co-enrolled in two programs that don't have a Common Exit and therefore cannot be reported as a single record or treated as a single period of participation. Therefore, this individual would be in the indicator twice.

Question #3: Our state did not choose Retention with the Same Employer as one of our two pilot approaches. May we continue to report on our pilot approaches for Program Year (PY) 2023?

Answer #3: States may continue to report on their existing pilot approaches for PY 2023 however, this is not a requirement. There has never been a requirement that states report the same pilot approaches each program year. States have the option to make the switch now to reporting Retention with the Same Employer as one of their pilot approaches although ETA expects that some states may need time to make that adjustment.

Question #4: For the WIOA PY2024 Annual Report (ETA-9169) due October 1, 2025, is the report going to require submission of Effectiveness in Serving Employers results for all WIOA titles I, II, III, and IV core programs? That is, will the report need to include title I and title III data and title II (AEFLA) and title IV (VR) data?

Answer #4: Yes, this shared approach is the same as under the pilot. The shared nature of the measure means that data in the report must include data for all six core programs.

Question #5: With the change to Retention with the Same Employer and the proposed revisions to the WIOA Statewide Performance Report (ETA-9169), can you please confirm that state WIOA Partners will no longer have to track and submit establishment counts, with the federal employer identification number (FEIN), for each type of employer service as part of the federal reporting requirements?

Answer #5: Establishment counts/employer services are not required reporting and are not included in the WIOA Statewide Performance Report (ETA-9169) for PY 2024. Keeping track of establishment FEINs can benefit States that intend to use supplemental wage information for this measure as FEINs can be used to confirm the retention with the same employer and establishment.

Question #6: Is the WIOA Statewide Performance Report (ETA-9169) that states submit for next program year (PY 2024) going to be updated? Is the ESE measure only going to be one performance result, for combined Retention with Same Employer 2nd and 4th Quarter? Is the reporting template going to change, meaning the employer services portion is going to be removed?

Answer #6: For PY 2023, the format is the same as it has been in previous years. Starting in PY2024 the report format is simplified to only require a single numerator and denominator for the statewide ESE result.

Question #7: Reading the specifications of the indicator, the expectation is that we would not duplicate any participants co-enrolled amongst programs. In our State, title II (AEFLA) is a completely different agency and we have been unsuccessful in getting a data sharing agreement for individual-level data approved with them. They would like to instead provide us with a numerator and denominator to include in our shared, statewide calculation. This may cause duplication. What is DOL's advice in this scenario?

Answer #7: States must de-duplicate counts of participants co-enrolled in more than one core program covered by the state's common exit policy where the co-enrolled participants are in the same period of participation. For programs that do not share a common exit policy, this means that a participant enrolled in both programs will have separate periods of participation.

Question #8: Will PIRL column 1618 be the column where this measure is collected and calculated?

Answer #8: States must report the individual employment retention results in PIRL element number 1618 *Retention with the same employer in the 2nd Quarter and the 4th Quarter.*

However, because of the shared nature of the measure WIPS will not have the individual performance data from all six core programs necessary to generate the required statewide ESE indicator result. States must prepare a statewide ESE result that reflects all WIOA core programs outside of WIPS and then report the ESE numerator and ESE denominator in WIPS.

Question #9: So does the 1 or 0 for PIRL data element 1618 *Retention with the same employer in the 2nd Quarter and the 4th Quarter* only occur for a participant after they are at least four (4) quarters after exit? If the person only has two (2) quarters after exit in the reporting period, should DE 1618 just remain blank?

Answer #9: Yes.

Question #10: Are states no longer required to track employer services, since they are not included in the WIOA Statewide Performance Report (ETA-9169)?

Answer #10: Counts of establishments that received various employer services will not be captured in the ETA-9169 as it is no longer a required element. However, states may still report their efforts through the statewide annual performance narrative submitted (outlined in TEGL 5-18) each December. States may find this information is useful in their efforts to serve employers effectively. In some instances, you will collect other specific services in participant individual performance records, such as for incumbent workers.

Question #11: In terms of the Statistical Adjustment Model process: Will the cohort of those who retain employment with the same employer be compared with other outcomes, particularly wage? Our LMI team has indicated that for a while, hopping jobs has been the biggest way to increase wages in our state in the immediate post pandemic economy.

Answer #11: Please refer to the NPRM Preamble for a more detailed response to this comment. In short, because a wage increase will be captured by other performance indicator outcomes, it is not accounted for in the ESE indicator. Through the development of the SAM for this indicator, ETA will explore factors that may have an impact. This may include a variable for average wage, where the Departments will test to see if average wages in a state impact retention with same employer in a state. As is standard in the model development, we will include only those elements which are shown to have an impact on the indicator, unless required by statute.

Question #12: How does this work with supplemental data?

Answer #12: TEGL 10-16, Change 3, "To count as a successful outcome on this indicator, the participant's employer must have the same identifier (such as an employer Federal Employer Identification Number (FEIN) or State tax ID) in both the second and fourth quarters after exit. This creates the numerator for this indicator. The denominator for this indicator is the number of participants who exited during the reporting period and who were employed in the second quarter after exit." ETA plans to update the TEGL 26-16, "Guidance on the use of Supplemental Wage Information to implement the Performance Accountability Requirements under the Workforce Innovation and Opportunity Act" to reflect how it will apply to ESE.

Question #13: Will we be entering the data manually into the Annual Report screen in WIPS or will this be automatically calculated from the state's PIRL file? Thanks.

Answer #13: States will need to enter the numerator and denominator for the shared statewide ESE result manually into the annual report screen.

Question #14: Please explain the cohorts for this indicator.

Answer #14: The ESE indicator cohort timing will align with the Employment Rate 4th Quarter After Exit cohort timing. Reference the reporting timeline tools which will also be updated.

Question #15: Are exiters employed in the second quarter after exit but not employed in the fourth quarter excluded from the denominator?

Answer #15: No. The denominator includes participants who exited during the reporting period and were employed during the second quarter after exit. Employment in the fourth quarter after exit does not impact their inclusion in the denominator.

Question #16: We are promoting registered apprenticeship as a pathway. Many union workers work for several different employers and may or may not be with the same employer during the second and fourth quarters after exit but work under the same union. Will these be counted as a negative?

Answer #16: Whether or not such individuals will count as a success in this indicator depends on the nature of their employment and who their employer(s) was during the two quarters in question or, in a group program, who the sponsor was.

For individuals who are still in a Registered Apprenticeship Program after exiting an ETA-funded grant:

- Being in the same Registered Apprenticeship Program in both the second and fourth quarters after exit makes a participant a success in the indicator. This is true even if the apprentice is in a "group" sponsored Registered Apprenticeship program, and the apprentice works at different employers in the second and fourth quarters after exit, as long as those employers are both a part of that same group program, i.e., they are signatory to the same Standards of Apprenticeship.

For individuals who are no longer apprentices (completed or withdrew) and exit an ETA-funded grant:

- Typically, once individuals have completed their Registered Apprenticeship Program, they remain with their employer or seek other opportunities. These individuals may be members of a union, but they are not typically employed by the union, nor are they typically working as independent contractors.
    - Regardless of who these individuals are employed with, their union status, or their contractor status: Individuals who were employed with the same employer at any point during both the second and fourth quarters after exit are successful outcomes on this indicator.
    - For individuals who are establishing multiple, separate employment relationships with different employers during the timeframes covered by this indicator (and, as they are no longer apprentices they cannot be part of a group program that may have many signatory employers), their success in the indicator depends on whether they had worked for an employer at any point during the fourth quarter exit that they had also worked for at any point during the second quarter after exit.
    - In rare cases, individuals who have completed their Registered Apprenticeship Program will go to work directly for the union, and in such cases the union is therefore their employer for the purposes of this measure, so they would be a success provided that the employment took place in the 2nd and 4th quarters after exit.
    - In rare cases, individuals who have completed their Registered Apprenticeship Program will go to work as an independent contractor. In such cases, if the individual does work as an independent contractor in both the 2nd and 4th quarters after exit then they would be a success in this indicator.

Question #17: It may take states some time to get their systems prepared for this change, could DOL consider opening the window in WIPS (when time appropriate) early so we can work through any errors/edit checks timely?

Answer #17: ETA does not anticipate the need to provide a significant user acceptance testing (UAT) period for the new ESE indicator. Grantees will only need to manually enter a single numerator and denominator for the statewide ESE indicator in the WIOA Statewide Performance Report (ETA-9169) to satisfy the reporting requirement.

Question #18: Are overlapping periods of performance for non-core reporting programs considered separate contributions to the ESE indicator?

Answer #18: Yes. DOL-Only programs reporting for this indicator (Job Corps, Indian and Native American Programs, and National Farmworker Jobs Programs) report ESE separately regardless of co-enrollment status.

Question #19: What data set will be used to support the SAM for the ESE indicator?

Answer #19: This will be determined during the development and testing of the model. The Departments will explore multiple options in seeking the most appropriate way to account for the statewide nature of this indicator in the SAM.

Question #20: Can someone point me to the regulation regarding how to apply common exit across WIOA core programs?

Answer #20: Common exit across WIOA core programs is not allowed. Common exit is only allowed for all or some of the core programs in WIOA title I and III.

20 CFR Part 677.150 (c)(3)

(i)A State may implement a common exit policy for all or some of the core programs in WIOA title I and the Employment Service program authorized under the Wagner-Peyser Act, as amended by WIOA title III, and any additional required partner program(s) listed in sec. 121(b)(1)(B) of WIOA that is under the authority of the U.S. Department of Labor (DOL).

(ii)If a State chooses to implement a common exit policy, the policy must require that a participant is exited only when all of the criteria in paragraph (c)(1) of this section are met for the WIOA title I core programs and the Employment Service program authorized under the Wagner-Peyser Act, as amended by WIOA title III, as well as any additional required partner programs listed in sec. 121(b)(1)(B) of WIOA under the authority of DOL to which the common exit policy applies in which the participant is enrolled.

Question #21: We would need Title II data by individual level to combine with Title I, III and IV. Would that start with PY24 or should we be getting that data now for PY23

Answer #21: States should be collecting the shared indicator information under the pilot which extends through PY 2023. Beginning PY 2024 states should report a shared indicator based on the de-duplicated records from each core program. States are responsible for developing the necessary processes and procedures to generate a combined number to report to the Departments. Note that although title II grantees only report aggregate numbers to the Department of Education, this does not mean that individual level information does not exist at the state level.

Question #22: When calculating this metric, from PIRL data element 1618, is it the percentage of those WITH employment in Q2 after exit divided into the number of those with the same employer in Q4 after exits?

Answer #22: Effectiveness in Serving Employers is the percentage of participants in unsubsidized employment during the second quarter after exit who were employed by the same employer in the second and the fourth quarters after exit. The calculation includes all program participants: The number of participants who exit during the reporting period and are found to be employed by the same employer during the second quarter after exit and the fourth quarter after exit, either through direct UI wage record match, Federal or military employment records, or supplemental wage information DIVIDED by the number of participants who exited during the reporting period and were employed during the second quarter after exit.

The denominator therefore is the exiters who were employed in the 4^{th} quarter after exit **and** employed in 2^{nd} quarter after exit. The numerator is equal to those exiters in denominator and that were with the same employer in both quarter 2 and quarter 4.