**WorkforceGPS**

**Transcript of Webinar**

**WIOA Wednesday: Using the Statistical Adjustment Model for Negotiating WIOA Performance Levels**

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JENNIFER JACOBS: So again, we want to welcome you to today's "Using the Statistical Adjustment Model for Negotiating WIOA Performance Levels" webinar. And if you haven't already done so, please introduce yourself in that welcome chat.

Now, without further ado, I'd like to turn things over to our moderator today, Sheila Lewis, workforce analyst for the U.S. Department of Labor, Employment and Training Administration. Sheila?

SHEILA LEWIS: Thank you, Jen. To our audience: to some, good morning and to others, good afternoon. We want to thank you for attending our webinar where we'll be featuring the statistical adjustment model tool. Again, I am Sheila Lewis. I'll be moderating today's session.

Thank you completing our poll questions in the chat room. Knowing more about our audience really helps us to understand who we need to develop future guidance or future technical assistance for regarding the model and any other information about the statistical adjustment model tool. Today's presenters are two of my EPA colleagues, Cesar Acevedo and Annie Leonetti. Cesar is our data expert who worked on the development of statistical adjustment model and he's also instrumental in developing the statistical adjustment model tool.

Annie is our team lead in the division of strategic planning and performance. During today's webinar, we will have a – we'll give you a couple of opportunities to answer questions. After the first segment, we ask that you type in your questions in the welcome chat portion of the webinar window. And try to focus those questions on the first part of our presentation. And then after Cesar presents the negotiations of the statistical adjustment model tool, you'll have a second opportunity to ask questions on the tool.

So again, if you have questions, type them in as you go along and we will try to get to as many questions as possible during the time that we have allotted. Next, Cesar will present today's objectives. Cesar?

CESAR ACEVEDO: Hi, everyone. Just going to be talking to you all on this topic again. Today we're going to, as Sheila mentioned, we're going to go over quickly the expectations for PY '18 and '19 negotiations.

In that we'll include a brief overview of TEGL 9-17. We'll explore the four negotiation factors outlined in TEGL 9-17. And we will introduce and explore the negotiations tool. So we'll do a lot walk-through. I'll click through all the sheets and answer as many questions as we can. So here we have – I'm going to pass it over to Annie. She's going to talk to you a bit about the TEGL.

ANNIE LEONETTI: Thank you, Cesar. So right here we have the link and the information regarding the TEGL is also available for download in the file share's section of this webinar as well as on our website. But we're going to be talking a little bit about this TEGL, mostly just the key takeaways. There's a lot of information about the negotiations process in this TEGL that we're not going to cover in the webinar today, but it's there for your reference.

The key takeaways, though, that we want you to leave today's webinar with are that, first of all, the process will be more or less the same as it was two years ago. So if you participated in the program year '16 and '17 of negotiations, it's going to be basically the same process. We have the same baseline indicators.

And we'll talk a little bit more about what baseline indicators are in a moment. And we're still using WIA data for the model. So you have on this line here you have the time line where we expect that negotiation should be completed by June 30th and that the level's performance that you'll be negotiating on the agreement upon will be for program years 2018 and 2019.

Just wanted to quickly go through some definition of terms because these are going to come up later in the webinar. These are laid out for you in the TEGL. We talk a lot about expected and negotiated levels of performance as well as adjusted levels of performance and actual results.

Adjusted levels of performance and actual results are after the end – take place after the end of the program year, and expected and negotiated are prior to the program year. So you're expected levels of performance are the levels of performance for each primary indicator for each core program. These will be submitted by you, by the state, in your initial submission of your plan. So this takes place prior to negotiations.

Your negotiated levels of performance are the levels of performance for each indicator and for each core program that both the state and either the secretary of labor or secretary of education – depending upon your program – the folks on this webinar are going to be negotiating with us here in the Department of Labor prior to the start of the program year. So these are the levels that occur after negotiation. And these negotiated levels must be incorporated into your state plan.

The adjusted levels of performance are those negotiated levels of performance that have been revised at the end of the program year using the statistical adjustment model. The statistical model is run both before and after – before the program year and after the close of the program year, and it will account for the actual economic conditions and characteristics of participants served.

So the difference between the projected levels that were estimated by the departments just simply using the statistical model before the program year and those after the program year will yield an adjustment factor, and that adjustment factor will be added to the negotiated levels to determine your adjusted levels of performance.

And then your actual results are what your actual results were, right? So those are, again, by each primary indicator and for each core program, and your actual results are compared to your adjusted level's performance at the end of the close for the program year. So that's the big thing to know there, are the timing of these different terms and how we use them. And we also wanted to mention that you're negotiated versus your baseline indicators.

So your negotiated indicators are – well, certain primary indicators will be used as baseline. So what that means is they will be used to determine your future negotiated levels for certain indicators. But they are indicators for which we do not yet have enough data to run even a proxy data. So they mentioned before the model is based on WIA data at this point in time. So we don't have WIOA data to populate the model for these indicators so we're calling them baseline in that context.

However, you do not need to come to an agreement on negotiated performance levels for these, but what you do want to keep in mind is you must still report these indicators. And so the performance data is actually going to be used to support negotiations and future model development. With that, I'm going to hand it back over to – Cesar is going to talk more about the negotiation process.

MR. ACEVEDO: Thanks Annie. So really quickly, Annie kind of put a lot out there. We have a simplified view of the overall process here. So states submit their expected levels of performance via the state plan. Sometime after that, the state and U.S. DOL reach agreement on the negotiated levels of performance.

And sometime after that, those same negotiated levels have to make their way back into the state plans. Typically, all of this should be completed before the start of the applicable program year. So keep in mind that we're negotiating two years at a time, so before the start of PY '18, it's best that we have negotiated targets in for program years '18 and '19.

So now we're getting into what Annie alluded to earlier, is what performance indicators are we actually negotiating in this go-around? Eventually, we will be negotiating all six. The timing of that depends on when the pilot phase for effectiveness employers closes when data becomes available for all of the measures to be estimated using the statistical adjustment model. But for now for program years '18 and '19, these two lists are complete. So these are the lists of indicators that we have proxy data from WIA performance reporting. And this is what we've used in the latest iteration of the statistical model.

MS. LEONETTI: Thanks, Cesar. So I'm going to quickly go over the next new slides. There is actually kind of a lot of information here. This is all in the TEGL. But what we wanted to identify is according to the statute of WIOA, lays out four negotiation factors.

One of these factors is the statistical adjustment model tool, which is the focus of this webinar. But all four factors will be considered by both states and the Department of Labor when reaching agreement on negotiated levels. So although we're focusing just on the statistical adjustment model, all four – (inaudible) – play in the negotiations press.

The four factors just really briefly are: the state comparisons, the statistical adjustment model, continuous improvement, and the GPRA goals. So for state comparisons, what the statute lays out is we're looking here at how the levels involved compare with the state adjusted levels of performance established for other states.

So this here we're looking, you can look at because we don't have adjusted levels of performance yet for WIOA data. We can look at the annual WIA performance information or we can also look at what performance information we do have for program year 2016, which is our first year of WIOA performance.

We can also look at recent quarterly performance results, state-by-State files. Department of Labor has a clearinghouse on evaluation research. There's veterans employment also has data at Bureau of Labor Statistics. All of these links are available for you in the TEGL.

For the statistical adjustment model, we're looking at how the levels involved have been proposed using an objective statistical adjustment model provided by the Department of Labor. So the model here is based on the differences in the states and actual economic conditions and characteristics of participants. Cesar's going to walk you through this model and talk a lot more about it here in the rest of the webinar.

Continuous improvement is the extent to which the levels involved promote continuous improvement and ensure optimal return on investment of Federal funds. And this may reflect an increase in the level of performance, a change in service strategy, a delivery, or a change in the customer served. But it's really important to note here that the impact of a change in the customer served will not be used to determine negotiated levels of performance. It will be accounted for in the adjusted levels of performance. So keep that in mind as you're negotiating.

And the last item in here is the GPRA goals. GPRA is the Government Performance Results Act of 1993. And the extent to which the states, the levels of all as well as assist the state in meeting the performance goals established by the secretary of educational labor in accordance with GPRA.

So the departments will use the GPRA goals as one of several benchmarks by which to gauge these expected levels of performance in the context of the national system goals. So the important note here is there are no established GPRA goals for program years '18 and '19. So all performance data for '18 and '19 in the context of GPRA are considered baseline for the establishment of GPRA goals.

So with that, I'm actually – that was a whole lot of information and I kind of went fast on it. But it's all laid out for you in lots of detail in the TEGL and want to save lots of time to talk about the model. So I'm going to turn it back over to Sheila and we're going to address some questions so far.

MS. LEWIS: Okay. Thank you, Annie. So yes. Anybody have any questions so far on today's webinar? If you haven't already, please type those into your chat window and we promise to get to as many as we're able to. For those who may have missed the first part of the presentation, we do have two opportunities to ask questions. We would hope that you would focus this time period for the first part of the webinar. And the second part, that will be an opportunity for you to ask questions on the statistical adjustment model tool. So I'll let Cesar begin with the first question.

MR. ACEVEDO: Sure. So we've got a couple questions on the GPRA goals. I assume that was answered. They were asked pretty early. But I'll just reiterate here that we have not established GPRA for program years '18 and '19. And so right now in that context we are in – we're baseline. We're developing and collecting the information necessary to establish those goals. So right now they're a nonfactor for negotiations.

MS. LEONETTI: All right. Thank you, Cesar. And I actually I see there's other several related questions here. So hopefully, that answered all of the related questions to GPRA just and to the one we just put up.

All right. The next question is to Cesar I believe. And it reads, "Since we only have two official quarters of WIOA performance outcomes, is there really sufficient data to change the negotiated levels of performance from program years 2017, right?"

MR. ACEVEDO: Sure. So you're right. We did not incorporate any PY '16 data. So the information that we had when we developed the first iteration of the model is the same information we're using at this time. We did update some of the economic characteristics of each state.

We also made some changes to the model incorporating some feedback that we got from state users, users at the regional level regarding new variables, breakouts of the economic variables. So there wasn't a lot of drastic change, but there was enough change to warrant a new round of negotiations.

And besides that, the law kind of requires us to negotiate these next few years. So we figured we might as well update the model while we had the opportunity.

MS. LEONETTI: Thanks, Cesar. And I think we'll just take maybe one more question at this time. There are a whole lot of questions that have come in regarding the model itself. And because Cesar's going to – and the tool – because Cesar's going to be doing a lot of that, I think let's hold off on those questions. My thought is many will be adjusted or adjusted – will be answered. They are addressed. They do during his presentation.

But let's just answer one more question because I think it's quick and goes to one of – what we already talked about in that. "What is the timing of the adjustment again, please?"

So the adjusted levels of performance are those levels of performance that are run at the end or identified at the end of the program year. So we take the actual participants – the characteristics of the actual participants served and the actual economic conditions and the model will then generate some slightly different expected or expected but – yeah, predictions of what performance should be. And that's where the adjusted levels come from.

So with that, I actually will hand it back to Cesar. And we appreciate the questions coming in. If you sent us a question already that we haven't addressed yet, we are going to answer more questions at the end but – because most of the rest of the questions so far are – many are related to Cesar's presentation on the model. We're going to go ahead and do that and we'll circle back.

MR. ACEVEDO: All right. Here on this next slide we have the direct link to the document to the negotiations tool. I'm going to hopefully share my screen with you in a second and I'll show you exactly where to find that on our DOL performance website. Just give me a second here to switch over. So hopefully everyone's seeing that now.

So here we are at the doleta.gov/performance site. So here we have this menu here on the left titled, Guidance for Planning and Performance. We're going to scroll down to the negotiations link. This is a go-to for when you're starting your negotiations process. There's a lot of resources here that you can use in looking at the tool, understanding where we're coming from, replicating some of the results for yourself, or replicating the results at the local level.

So here's the link to the negotiations tool. Before I click on that, I just wanted to highlight a few other resources here. I just found out today that the link to the model summary is broken. That would normally be here. It's the document that gives you all the variables that we used and their definitions. The timing of all the variables is included, and just our general approach to the model. It's a simplified version of the 100-or-so-page methodology report that's available down here.

This document was developed by our chief evaluation's office when we first started the model. It goes into our justification for the approach chosen and also defines all those variables used and all the other information that you would like to see on that. We also have our latest negotiations guidance if you need a fresh copy, if you're just worn out from reading it so much.

We have our previous negotiations guidance if you want to take a look and see how this current process differs from program years '16 and '17. And then we have at the bottom here some of the resources that Annie already mentioned from BLS, census bureau, and a few others. So with that, I'm going to click on the tool and we can all use the same fresh version. Just give me a second to switch back over. There we go. So hopefully everyone can see the negotiations tool now.

So we start out on the FYI sheet. I'm just going to go over the quick few notes here on the purpose of the tool, why we put it out the way we did, and what you should hopefully get from it. So the tool and the models that are meant to inform the negotiations process. This is not the end-all-be-all. It's one of four factors. We try to give you a lot of information in here that provides context for the negotiations process.

So at this time the tool contains – at least in my mind – information covering two of the four negotiations factors. It includes the statistical adjustment model. It's also a good source of comparisons for previous date outcomes. We went back and used the WIA performance records and simulated those WIOA performance indicators for all program years dated back to 2005. And so that gives you a good idea of how you would have been performing had these performance indicators have been in practice this entire time.

There's one other note. So the model should ground our negotiations process by providing an objective and statistically sound data-driven reference point. But again, I can't reiterate enough that it does not replace the value of a robust negotiations process.

That means that even though we put out this tool and there's a lot of information in it, you are expected to work with representatives from DOL at the regional level to actually negotiate. It is a process. It is outlined in the law. We don't expect to just hand out predicted outcomes and expect them to be your target. We do expect there to be some back-and-forth.

All right. So what's in the tool? We're at the FYI sheet. It basically contains an overview of every sheet found in the tool. It provides some key definitions and calculations for the target outcome, the predicted outcome, and the simulated outcomes, which I talked about a second ago. And we'll get into the difference between the target outcomes and predicted outcomes on another sheet where I can show you the calculation a little bit better.

We also have the cohort dates on all of the most recent measures so that you can replicate these results on your own or double check our work, which we welcome. And we also have for those of you that enjoy Excel like we do here, my colleague, Fran, put together this useful information flowchart. It just shows you how the information flows throughout the sheets in case you wanted to treat the tool to better suit your needs. With that, I'm going to go to the summary sheet.

So to start off on a summary sheet, you should start by selecting your state at the top here. We're going to go with Pennsylvania. This is just an overall; all the performance indicator values estimated using the statistical model. It includes a five-year average of the WIOA simulated outcomes.

It includes – here's the averages here – it includes historical measures. In order for these to populate, you do have to select the program and performance indicator here, the drop-down on the left here. I'm going to go with dislocated worker, employer rate second – the fourth quarter after exit. So these are annual simulated outcomes for each of the previous years.

We also chart them here so you can get some sort of a sense of a trend. We've also started charting them alongside a binomial trend line as a state user pointed out that it reflects the overall trend of what we've been charting. So again, here are all the target outcomes for all the programs, the predicted outcomes for all the programs, and these are the most recent five-year averages for all the programs and performance indicators.

In fact, I'm going to go to the next type of sheet. So we do cover adult dislocated worker, youth, and Wagner-Peyser in this single tool. So each program has its own program sheet. Here's the adult sheet, it's DW for dislocated worker, youth for WIOA youth, and WP for Wagner-Peyser. We're going to stick to the adult sheet.

But they all display the same information in the same way. So again, your state remains selected from the summary sheet. If you want to change it, you go back to the summary sheet, select another state. We'll go with South Carolina this time. Everything automatically updates. You can see South Carolina is now on the program sheet.

So here you have the target and predicted outcomes for each performance indicator. We've added some years here at the top that indicate the latest program year data available just to make sure that there was no confusion what data we were using when you go to try to duplicate this on your end.

Here we have all of the estimated coefficients for each variable included in the model. They go from the participant characteristics, and then the economic conditions are listed here towards the end along with the unemployment rate. Towards the bottom, we have the average state effect – which I'll explain in a second – and the state-specific effects – the estimated state-specific effects for all states included in the model.

So let's talk about the target and predicted outcomes. So I'll start here. So the target outcome is calculated using the average state effect. It is the sum of each product for all these estimated coefficients and the latest program year data. So we would multiple these two items together for each of these pairs. And then we sum them all. We take the sum product of this matrix here. We take that sum and we add it to the average state effect. And that is how you calculate the target outcome. Here you can see the Excel formula that we use to make that calculation.

The predicted outcome which takes into account your state-specific effect – so a little more complicated of a formula, but it's not more complicated mathematically – takes that same sum product, but instead of just adding the average state effect, we add your specific state effect based on the state that's selected up here. So this changes whenever you select a state.

So how do we interpret the difference between the target outcome and the predicted outcome? We took – using the fixed-effect approach – we tried to isolate the effect a state has on the expected outcome. That's what these estimated state effects represent. We also understand or we assume that there is some element to that that is common across all states. It's kind of the base of the measure, something inherent in how it is calculated or inherent in how the data's collected for that measure. It's something that affects all programs equally. And we assume that that is the average state effect.

So by isolating the average state effect from the state-specific effects, we can estimate the difference between what is expected if all things were held equal across states and what outcome we predict is more accurate given your state's unique characteristics and circumstances. So we have a target outcome.

We estimate that – we interpret that to be what states should get if all things were equal. Like I just said, the predicted outcome is what states will get given what we know about the state and what information is left over in this state effect. Let's see what else we wanted to cover on this sheet here. Yes.

So a word on the coefficients: All the coefficients, they work together to predict the outcomes for each state. We didn't develop the model to explore, to understand the effect of any given – any one coefficient or any one variable on the outcome. To do so would require a different statistical approach. We would not have focused so much on the state coefficients – it would been a little bit different.

We would have chosen our variables a little differently as well. So that is to say that we have to take these estimations on the whole and not focus on the effect of one coefficient over another. It has to be taken together as a unit and you have to look at the predicted power of the entire model, not just a single coefficient.

There are groups of variables in here that are highly correlated. Some of them are perfectly correlated and that results in us having to drop one of the variables. I know we've explained this in webinars before. But to deal with that issue, we do drop one variable of a highly correlated set. So for example, you'll notice that there is no estimated coefficient for male participants.

That is because more often than not, in our data, it is a perfect linear relationship between a nearly perfect with no linear relationship between males and females. And so we have to drop one of the variables in order to be able to accurately estimate the coefficient of the other variable.

So you'll notice that there is going to be one variable dropped from every correlated set. So we drop an age range. We drop a race category. We also drop one of the economic variables as well. I believe it's transportation and utilities is the one that we typically drop. So that's something that we've highlighted in the past I just want to make sure we touched on again.

We get a lot of questions on, "Where's this variable?" They are listed in the summary. But when it comes to actually running the regression, we do have to drop them in order to get around those issues and – (inaudible).

Another thing I wanted to cover – I think I did but – this is the latest program year data. This is what we have for PY '15, from your state. We did our best to give you the definitions to these variables and how we calculated them in the model summary, so if you want to take a look at those and duplicate get them again. With that, I'm going to move over to the comp sheets which give us another view of the information that the model gives us here.

So in the comp sheets, we have the target and predicted outcomes for each measure and all states are listed and they're also charted over here on the right. We also include the simulated outcomes for the latest date range, which would be program year '15. So in this first round of charts here, we have them charted in order of the target outcome.

And the target outcome has a light blue range around it that represents a 10 percent range of the actual target outcome. So you can see how close – or in some case how not close – the model came to the simulated outcome and how close the predicted outcomes are from the target outcomes.

So we do this for each of the measures. Scroll down. We'll start with second quarter after exit. There's all the states. And we scroll down. And here is fourth quarter after exit median earnings and credential attainment. So we do this for all of the programs and for all of the performance indicators. And then each program has its own comp sheet. So this would be the dislocated worker comp sheet, this is the youth comp sheet, and the Wagner-Peyser comp sheet.

So here we'll just pick out one state. I'll pick out where the model's doing well, of course – South Carolina. So here you see a cluster of the target outcome and the predicted outcome and of where we simulated that the WIOA outcome would have landed had we were using those measures in program year '15.

In all fairness we'll go to one where it looks like the model's not doing so hot. Wyoming – so here we see that the simulated outcome and the predicted outcome are outside of range, outside of that 10 percent band of the target outcome. And we can interpret this in this way, that in the past, as far as the simulated outcomes go and what we estimated, WIA – Wyoming has exceeded that expectation. We can say that WIOA – sorry WIOA – Wyoming exceeded the expectation, the expected target of 66.6 percent and achieved a simulated target of 79.8.

Now, we have to bear in mind our interpretation of what the target outcome is. It's what we think you should get if all things were equal. But Wyoming, like all states, has certain things that make it unique, certain characteristics in its economy, in its service delivery that makes it different from other states and would make the outcome different from other states.

And that's where the predicted outcome gets a little bit closer to what we think Wyoming should or would achieve given their unique circumstances. So like I tried to stress earlier, a model cannot be boiled down to one number. It has to be taken with some context.

We tried to give you as much of that context as we could here. If we scroll over to the right, we have these charts. They are the same data, just ranked using different data points to give you a different view of how the model may or may not be performing. So here I think this one's ranked by the predicted outcomes. And the next one is ranked by the simulated outcomes.

So if you think about it, the simulated outcome is what we used to estimate the model in the first place, so it is an in-sample. It is the data we assume to be true. And you can see it's a nice even spread of our estimations around those data points implying that there is no bias in this estimate of the model anyway.

We have some time left. I'm going to quickly cover the cohort sheet. This is one that we added towards the end to use as an additional aid to kind of replicate our findings. This outlines the date ranges of the most recent participant and economic data used in the estimation of targets.

Hopefully, you all are kind of familiar with this approach to outline the cohorts where we have the quarters up top here and then we shade and color the quarters for each program and measure that are included in that latest year of data. So you can kind of – sort of a visual on the time frames of all the data points used.

And here we ordered them by program as opposed to ordering them by time frame. So it's the same information here. With that, I am going to switch back over. And Sheila's going to open us up to some questions.

MS. LEWIS: Thank you, Cesar. So if you have any questions on the statistical adjustment model tool, if you have not already typed those into the chat room, we ask you do that now. We'll try to get to as many of those as possible. There are some duplicative questions so we won't be answering every question per se, but hopefully the answers that you'll be given, will cover your answer in some way. So I'll start with Annie, and she'll start with the first question we're going to tackle.

MS. LEONETTI: Thanks Sheila. So the first question has to do with the timing of state and local negotiations. And the question is, "When do states and local areas negotiate their performance?" So this information is laid out for you in the TEGL.

And basically, the local negotiations are based in part on the negotiated levels of performance that the states negotiate with here at the federal level. So the local area negotiations occur after the state or Federal negotiations are completed. And the timing in the TEGL, the expectation's that these negotiations are completed by September 30th.

And so we do know that there are a few states that have some extensions in place right now for their state to Federal negotiations. So that could affect the local but the goal is to have them completed by September 30th. And that information is in the TEGL for you. So our next question is –

MR. ACEVEDO: I'll answer 27. So we have one question here on, "Why do the youth ranges only go to age 21?" And I know that WIOA extended this age range for youth participants. But keep in mind that we're still using WIA data from '15 and prior. So we don't have that information available to us. Once we start estimating the model using WIOA data, we'll adjust the youth age ranges accordingly.

MS. LEONETTI: Thanks. So the next question is regarding some of these negotiated versus baseline indicators. And the question is: "MSG, or measurable skill gains, and negotiated goals are not required for program years '18 or '19; is that correct?" And yes. That is correct.

We do not have proxy data that we can use from WIA to populate the model for that measure. So it is a considered baseline. But of course, you are expected to report that data – that they will not be negotiated for program years '18 and '19.

MR. ACEVEDO: So I have another question here. It looks like we have some partners joining us on the call today. Does the adult tab correspond to the vocational rehabilitation program? So this jewel is put out for negotiations with DOL only. This only applies to Title I and Title III. It does not reflect any information for voc rehab or adult ed.

Next question. "Why do you use a non-seasonally adjusted unemployment rate in our model?" This was advised by the chief evaluation's office because we understand that there is some cyclical nature to our data. But the data itself that states report to us is not adjusted. So we thought it best to use the not adjusted unemployment rate so that these two data types would match in that sense.

MS. LEONETTI: The next question is, "Will the model be modified to be used at a local level, and if so, when?" Some of you may be familiar that we put out or attempted to put out a local tool a couple years ago. It didn't work very well to be honest because the data that we have doesn't break down – that we have here at the federal level doesn't break down into the local areas that align with the WIPS very well. So what we do again have some guidance around this in the TEGL.

The expectation is for states and local negotiations that the state is replicating the same four factors that we use here at the federal level. So the process is replicated and that the states – one of the factors is the use of the statistical adjustment model and that they use the same frame work for the model that we divulge here.

But the states have a better ability to make these adjustments with their own state data than we have the opportunity to do here at the federal level. So the short answer is no. We will not be providing a local tool. But each state should be doing that.

MR. ACEVEDO: I'll address one more thing on the local tool. We did try, as Annie said, to apply this model to the local level. It didn't work out so well. These estimates, they work within a certain range. Anything outside of that is not going to provide a good range.

And what I mean by that is, say, when you get down to smaller populations, this is like at the local level where you're talking about maybe 50 or 100 participants. You can get certain data points where 90 percent of them were African-American or any other participant characteristic that would be outside of the operating range of this model. And we tried it in the past and it didn't work out too well.

So to the person that asked if you could, just update the latest data with your local area data. Would that provide a good prediction? And the answer's, probably not. And it's for that very reason.

Let's go to another question here. Question is, "The adjusted performance can only be determined at the end of the program year?" That is correct. Like Annie said, we need to take into the account the participants that you actually served and the economic conditions that you actually serve them in, and then we pass that information into the model and re-estimate the outcomes. And the difference between those two will be used to adjust your negotiated outcome.

MS. LEONETTI: And related to that question there was also a question about the timing of this and how long it takes after the annual reports come in. The annual reports are due October 1 of each year. And it takes us about two to three months to get that data process and into the model. And some of that time frame is based on once they get their data that so that we do have an October 1 due date. That is a binding due date. However, the statute does lay out some reasons for extensions.

So this year was a really great example. We had a couple very – three I think – very, very significant hurricanes that came through right during the recording period. So there were understandably some state extensions offered as that does affect our time line as well. So expect the adjustment to take place in the winter following the report, so January to February.

MR. ACEVEDO: Our next question: Are exit quarters based on calendar quarters or is it based on the quarters in follow-up? So we've gotten this question a few times. We're still working through what works best. But currently, we match the exit quarter to the calendar quarter in which they exited – in which the participants exited – to the calendar quarter of the economic condition. So it's not the follow-up – it's not the measured quarter, if we're going to use the same terms – it's not the measured quarter; it is the exit quarter that we align economic conditions to.

MS. LEONETTI: There have been a couple of questions about the timing – and I'm trying to find one of here specifically – of when we will be putting WIA data into the model, because this is still based on WIOA. And the short answer to that is, as we receive it.

And so what I mean by that is some of the outcomes, most of the outcomes are time dependent. And so we receive different outcomes – or complete data on different outcomes of different types. So for instance in program year '16, none of the outcome of these measures had available data, and so we did not receive outcome data on any of these measures.

And in program year '17, we receive about half of those measures. So as we receive the data to update the model we will be doing that. So we have some highlights – and some of this is in the TEGL as well – that talk about the availability of data and when those different indicators will be modeled by the statistical adjustment model.

MR. ACEVEDO: Well, I think I'm going to answer our last question, one more. So the question is, "Will additional participant data be added in the future for forecasting?" Currently Wagner-Peyser forecasting does not include some of the data used for other programs – barriers, public assistance, etc. – will those be added in the future? The answer's yes.

If you recall right now – especially for Wagner-Peyser – we're limited to individual records from program year 2012 to program year 2015. And Wagner-Peyser had a rather limited – in comparison to the WIASRD – a limited data layout. So we will be updating the Wagner-Peyser models to reflect the information available from the PIRL. With that, I think I hand it over to Sheila. Sheila, take us out.

MS. LEWIS: All right. Annie and Cesar, thank you for answering those questions. And to our audience, thank you for submitting your questions. Unfortunately, we were not able to get to all of them. So hopefully, we'll be able to publish some answers to your questions in a public question-and-answer on our internet site.

If you have additional questions that you'd like to submit to us after today's webinar, you can submit those questions to etaperforms@dol.gov. Thank you for attending today's webinar.

And I'll hand this back over to Jen. We'll take a bow. Thank you.

(END)