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SUBJECT:

Supplemental Wage Information for Workforce Innovation and Opportunity Act Performance Reporting

ATTACHMENTS:

None.

*This Issuance is Official Policy
of the Missouri Division
of Workforce Development*

ISSUING AUTHORITY:

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**THIS ISSUANCE DOES NOT
REQUIRE CREATION OR
ALTERATION OF A
CORRESPONDING LOCAL POLICY**

KEYWORDS:

Performance reporting;
Supplemental wage;
Workforce Innovation
and Opportunity Act (WIOA)

THIS ISSUANCE AFFECTS:

Missouri One-Stop Delivery System
(MJC/AJC)
WIOA Title I Performance/Accountability
WIOA Fiscal/Administrative Procedures
State of Missouri Workforce System
Procedures

FOR THE ATTENTION OF:

DWD State Professional Staff
One-Stop frontline staff
Local WDB Directors
One-Stop Operators
One-Stop Functional Leaders
Local Quality Assurance Monitors

RESCISSIONS:

DWD Issuance 11-2017, “Supplemental Wage Information for Workforce Innovation and Opportunity Act Performance Reporting Policy,” November 9, 2017.

REFERENCES:

WIOA, Pub. L. 113-128 ([29 U.S.C. 3101 et seq.](#)).

WIOA, Section 116 [[29 U.S.C. 3141](#)], “Performance accountability system.”

20 CFR Part 677, [Subpart C](#)—Local Performance Accountability for WIOA Title I Programs, sections 677.205 through 677.210.

U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter ([TEGL](#)) [No. 7-16](#), “Data Matching to Facilitate WIOA Performance Reporting,” August 23, 2016.

U.S. Department of Labor, Training and Employment Administration, Training and Employment Guidance Letter ([TEGL](#)) [No. 10-16, Change 1](#), “Performance Accountability Guidance for WIOA Title I, Title II, Title III, and Title IV Core Programs,” August 23, 2017

SUMMARY:

This Issuance provides guidance on using Supplemental Wage Information (SWI) to meet the performance accountability requirements in Section 116¹ of WIOA² and WIOA implementing regulations³ for Local Workforce Development Area (LWDA) performance reporting. It expands the previous Issuance to include guidance on SWI procedures for reporting on the WIOA Title I Youth program. It also updates information about acceptable and available sources of information. This Issuance supersedes and rescinds previous guidance from the Division of Workforce Development (DWD) on the use of supplemental data for performance reporting.⁴

BACKGROUND:

WIOA Section 116 establishes performance accountability indicators and performance reporting requirements to assess the effectiveness of states and LWDA's. This assessment gauges achievement of positive outcomes for individuals served by WIOA's six core programs: the Adult, Dislocated Worker, and Youth programs⁵; the Adult Education and Family Literacy Act (AEFLA) program⁶; the Employment Service (ES) program⁷; and the Vocational Rehabilitation (VR) program.⁸

Section 116 establishes six primary indicators of performance:⁹

- Employment Rate of Participants, 2nd Quarter after Exit (for Youth, this indicator is the rate of education, training, or employment the 2nd Quarter after exit);¹⁰
- Employment Rate of Participants, 4th Quarter after Exit (for Youth, this indicator is the rate of education, training, or employment the 4th Quarter after exit);
- Median Earnings of Participants, 2nd Quarter after Exit;
- Credential Attainment of Participants in Education or Training;
- Measureable Skills Gains by Participant; and
- Effectiveness in Serving Employers.¹¹

The **first three** employment related performance indicators may be determined by direct Unemployment Insurance (UI) wage match. The U.S. Department of Labor (DOL) prefers this methodology whenever possible. However, states may choose to collect SWI where quarterly wage records are unavailable or inapplicable.¹²

Supplemental data allows augmentation of performance results that would be artificially deflated if only direct wage matches were used. States and Local Workforce Development Boards (WDB) that elect not to use SWI are still expected to include participants who do not have the necessary data to complete a wage record match in the denominator when calculating levels

¹ [29 U.S.C. 3141](#).

² Pub. L. 113-128 [[29 U.S.C. 3101 et seq.](#)].

³ 20 CFR Part 677, [Subpart C—Local Performance Accountability for Workforce Innovation and Opportunity Act Title I Programs](#), sections 677.205 through 677.210.

⁴ DWD Issuance 11-2017, "Supplemental Wage Information for Workforce Innovation and Opportunity Act Performance Reporting Policy," November 9, 2017 (*herein rescinded*).

⁵ Authorized under WIOA Title I and administered by the U.S. Department of Labor (DOL).

⁶ Authorized under WIOA Title II and administered by the U.S. Department of Education (ED).

⁷ Authorized under the Wagner-Peyser Act ([29 U.S.C. 49 et seq.](#)), as amended by WIOA Title III, and administered by DOL.

⁸ Authorized under Title I of the Rehabilitation Act of 1973 ([29 U.S.C. 701 et seq.](#)), as amended by WIOA title IV, and administered by ED.

⁹ DOL and ED advise that there will be further guidance forthcoming on credential attainment, measureable skills gains, and effectiveness serving employers before performance reporting on these indicators is required. (WIOA FAQs, DOL Employment and Training Administration [ETA] website: <https://www.doleta.gov/wioa/FAQs.cfm>, posted September 6, 2017.) DWD will issue statewide guidance, as appropriate, when this information becomes available.

¹⁰ The primary indicators of performance under WIOA are measured for specific quarters after exit that are different from the quarters used under the Workforce Investment Act of 1998 (WIA).

¹¹ The pilot for this indicator began on July 1, 2016. States first became responsible for reporting outcomes on this indicator in October 2018. (WIOA FAQs, DOL Employment and Training Administration [ETA] website: <https://www.doleta.gov/wioa/FAQs.cfm>, posted September 6, 2017.)

¹² U.S. Department of Labor, Training and Employment Administration, Training and Employment Guidance Letter ([TEGL](#)) No. 10-16, [Change 1](#), "Performance Accountability Guidance for Workforce Innovation and Opportunity Act (WIOA) Title I, Title II, Title III, and Title IV Core Programs," August 23, 2017.

of performance. In so doing, those individuals would be counted as negatives (0 in the numerator) when calculating levels of performance for the second and fourth quarter employment rate/status indicators. Participants will be excluded from the median earnings indicator calculation if the employment rate in the second quarter after exit is a negative (0).¹³

Effective the date of this Issuance, Missouri reauthorizes Local WDBs to use SWI to establish employment status and earnings for exited participants who do not show up in UI wage records. Local WDBs must follow federal guidance and State procedures to use supplemental data. All supplemental data sources are subject to audit during Programmatic Monitoring Review (PMR) and/or WIOA Data Element Validation.

In June 2017, DOL updated its guidance¹⁴ on using supplemental data, when appropriate, to assist in carrying out the performance reporting requirements of WIOA Section 116. *[Advisory Note: The active [TEGL No. 26-16 \(June 1, 2017\)](#) guidance refers to information and guidance in [TEGL No. 10-16 \(December 19, 2016\)](#). However, DOL thereafter made technical corrections to [TEGL 10-16](#) and rescinded and replaced it with [TEGL No. 10-16, Change 1](#), on August 23, 2017. The latter document, therefore, should be associated with the guidance given in [TEGL No. 26-16](#).]*

SUBSTANCE:

The majority of employees in Missouri’s workforce are “covered,” that is, included in UI wage records. However, certain types of employers and employees are excluded by federal unemployment law standards or are not covered under the State’s UI law (“uncovered employees”). Supplemental data can be used for the Employment Rate—Second Quarter after Exit, the Employment Rate—Fourth Quarter after Exit, the Median Earnings—Second Quarter after Exit, and the Credential Attainment measures when no UI wage record exists.

As examples, the State UI data system would *not* have quarterly wage records for:

- Individuals with “No SSN,” therefore, no wage match; and
- Individuals *not covered* by UI (therefore, no wage match), such as:
 - Federal employees;
 - Military/National Guard;
 - Some self-employed;
 - Railroad employees;
 - Some maritime employees;
 - Some agricultural employees; and
 - Other state-specific exclusions.¹⁵

Acceptable sources¹⁶ of SWI *include, but are not limited to:*

- IRS Form 941—Employer’s Quarterly Tax Return;
- Copies of pay stubs (minimum of two pay stubs for the quarter after exit being examined);
- Employment verification on company letterhead attesting to an individual’s employment status and earnings;
- Follow-up survey (self-reported) from program participants;
- Worksheets verifying income received from commissions;

¹³ DOL, Employment and Training Administration, Training and Employment Guidance Letter ([TEGL](#)) No. 26-16, “Guidance on the Use of Supplemental Wage Information to Implement the Performance Accountability Requirements under the Workforce Innovation and Opportunity Act,” June 1, 2017.

¹⁴ [TEGL No. 26-16](#).

¹⁵ That is, statutory exclusions from the definition of covered employee. See [RSMo 288.034.9](#), “Employment defined.”

¹⁶ In February 2018, DOL temporarily suspended the Federal Employee Data Exchange System (FEDES) to assess its structure, costs, and benefits to states. Therefore, FEDES is not currently available for queries about federal wage information.

- Automated database systems that data match with other partners with whom data sharing agreements exist;
- Self-employment worksheets attested to (signed) by program participants;
- State directory of new hires;
- Detailed Case Notes verified by employer and signed by the counselor, if appropriate to the program; and
- State Wage Interchange System (SWIS) [when deployed].¹⁷

A participant’s quarterly earnings used for reporting the Median Earnings Indicator (Second Quarter after Exit) only reflect those wages that are actually paid to the participant during the quarter.¹⁸

Participants who have exited a program, but for whom exit based information (e.g., employment related information) is not yet available, are not included in performance calculations until such data subsequently become available.¹⁹ Data for the employment indicators generally are available, as there is a two quarter lag built into the reporting times for the employment and wage based indicators to allow time for reporting participant exit and conducting a direct UI wage-record match.

Assembling Supporting Data for Primary Indicators of Performance

Collection of supplemental data can be made more efficient by anticipating which participants are unlikely to have UI wage data. Reasonable predictions can be made, well in advance of the time for collecting Second and Fourth Quarter after Exit information, that no direct UI wage record will be available. Participants who refused to provide a Social Security Number when entering a program would be “pre-selected” for the list of exiters for whom supplemental data will be required. Participants who received entrepreneurial or self-employment training are more likely to be in an occupation not covered by UI. In these cases, it is not necessary to wait two quarters after the close of the Second and Fourth Quarters after Exit to document formally that UI wage data are not available. The collection of SWI, therefore, can begin.²⁰

For other participants, the optimal time to collect SWI is **as soon as possible following the close of the second and fourth full quarters after exit**.²¹ DOL and the U.S. Department of Education (ED) jointly recommend that program staff remind participants, *before program exit*, that they or their employers will be contacted to obtain confirmation of employment status and earnings. Explain the expected timeframe for follow-up contacts and how the follow-up relates to assessment of the program itself, not the participant. While this reminder is applicable to all participants, it is especially important for potentially “uncovered” participants for whom UI wage data probably will not be available.

¹⁷ The Wage Record Interchange System (WRIS) is a data-sharing agreement to exchange wage-record information for performance-reporting purposes between States in the agreement. WRIS, and WRIS2, were established under WIA. The future system designed for WIOA will be known as the State Wage Interchange System (SWIS). DOL and ED are working with the states to establish a SWIS Data Sharing Agreement that builds on the established protocols, permissions, and protections under WRIS and WRIS2. Unlike those systems, SWIS will be capable of also obtaining wage records to carry out performance reporting for the AEFLA and VR programs. The Departments are reconciling input from states on the draft SWIS data sharing agreement; currently the Departments are analyzing the comments, and will make any necessary revisions before sending the data sharing agreement to the States for another review. A second State comment period is planned prior to the data sharing agreement being sent to States for their signature. The Wage Record Interchange System (WRIS) and WRIS2 data sharing agreements remain in effect until each is terminated, according to the provisions of each agreement. The Departments do not anticipate that the WRIS or WRIS2 data sharing agreements will be terminated until after the SWIS is executed and effective. The drafting of SWIS involves joint renegotiation between the Departments as well as between federal representatives and state signatories. <https://www.doleta.gov/performance/guidance/QA.cfm>.

¹⁸ [TEGL No. 26-16](#).

¹⁹ [TEGL No. 10-16, Change 1](#).

²⁰ [TEGL No. 26-16](#).

²¹ [TEGL No. 26-16](#) establishes the timelines for commencing data collection for the employment-related performance indicators (Table 1) and the deadlines for reporting employment-related information (Table 2).

Conformity of Reporting

The *same methodology* must be used to verify *employment status* and *wages* within the same quarter. For example, if a direct match with UI wage records is used to verify *employment status* in the Second Quarter after Exit, a direct match must be used to obtain *median earnings* in the Second Quarter after Exit. The method can be changed from one reporting period to another, however, supplemental data reported to a core program also must be consistent with the reporting requirements of that program.

For core programs, supplemental data must be representative of the exited participant's regular hours and earnings. Information to be acquired includes:²²

- Average hours scheduled per week;
- Average hours actually worked per week;
- Wage per hour;
- Availability of paid leave;
- Start date of employment; and
- End date of employment, if the participant moved on.

When the information is gathered, it must be entered into the appropriate Employment Tab in the statewide electronic case management system. Information must be recorded in the system to be counted toward performance.

All supplemental data sources are subject to audit during a PMR and/or WIOA Element Validation.

Exclusions

Excluded participants who have exited one of the six core programs, but for whom the SWI would not be required, as they are not counted in performance outcomes, are listed in [Attachment 2](#) of TEGL No. 10-16, Change 1. These would include participants who are deceased, incarcerated, under medical care that precludes employment or program participation, in activated Guard or Reserve units, and so forth. SWI for the Median Earnings indicator may include only those wages *actually paid* to the participant during the quarter, not projections.²³

Best Practices

DOL recommends²⁴ that when collecting SWI:

- Develop a uniform set of written procedures for staff to use to collect and enter data in a valid and reliable manner;
- Inform participants at program entry—or at least before program exit—that there *will be* a follow-up sometime after they complete the program—and why;
- Update the participant's contact information routinely;
- Conduct the follow-up as close to the end of the reference quarter as possible;
- Train staff in interview techniques for following up with exited participants and their employers. That is, how to employ conversational approaches that will encourage cooperation and obtain the most accurate and complete information;
- Training should include ways to encourage voluntary and truthful disclosure, how to document the information received, and how to respond to questions related to the follow-up process. Staff should be thoroughly familiar with all these procedures *before* being assigned contacts; and
- Develop a method to flag individuals who are unlikely to appear on the UI wage record for a direct match.

WIOA Title I Youth Program

For Youth participants, staff supplemental data should be utilized to support Youth retention in post-secondary activities, the military, or in approved apprenticeship programs. When this is necessary, the case manager must contact the post-secondary

²² TEGL No. 26-16, [Attachment 1](#), "Additional Considerations when Using Supplemental Wage Information for the Core Programs."

²³ TEGL No. 26-16, [Attachment 1](#), "Additional Considerations when Using Supplemental Wage Information for the Core Programs."

²⁴ [Supplemental Wage Information—Performance Accountability](#), U.S. Departments of Labor and Education webinar PowerPoint, July 25, 2017.

institution, the military, or the apprenticeship program to verify that that the Youth is or was actively engaged in one of these activities in the time period being reported. Document this in Case Notes in the participant’s file. SWI must be collected quarterly after exit for the previous quarter and be reported in the participant’s applicable program enrollment in the statewide electronic case management system.

Staff must ensure follow-up with Youth participants as necessary to report on the WIOA employment and median earnings indicators of performance. This data must be reported in the calendar quarters required by each measure according to the exit date of *each* period of participation. Participants are included in the calculation of median earnings only if employed in the second quarter after exit.

Staff must ensure follow-up with participants²⁵ as necessary to report this outcome for *each* period of participation. Reporting on this indicator requires a full year of follow-up to determine if a credential was attained within one year after exit and to determine employment or entry into post-secondary education or training for those who attain a secondary school diploma or recognized equivalent.

ROLES, RESPONSIBILITIES, and REQUIRED ACTIONS:

Local WDBs should review the best practices above to determine how best to familiarize staff—who are assigned to collect SWI after exit—with all procedures before they begin the process.

TIMELINE:

All Missouri workforce system staff—Implementation of these rules and procedures.....**November 20, 2018**

INQUIRIES:

Please direct all questions or comments regarding this Issuance document to dwdpolicy@ded.mo.gov. All active DWD Issuances are available at jobs.mo.gov/dwdissuances. Expired/rescinded Issuances are available on request.

For information about [Missouri Division of Workforce Development](#) services, contact a [Missouri Job Center](#) near you. Locations and additional information are available at jobs.mo.gov or 1-(888)-728-JOBS (5627).

Missouri Division of Workforce Development is an [equal opportunity](#) employer/program.

Auxiliary aids and services are available upon request to individuals with disabilities.

Missouri Relay Services at 711.

²⁵ For the title I youth program, a participant is a reportable individual who has satisfied all applicable program requirements for the provision of services, including an eligibility determination, an objective assessment, development of an individual service strategy, and received 1 of the 14 WIOA youth program elements identified in WIOA sec. 129(c)(2) [29 U.S.C. 3164 (c) (2)]. See [TEGL 26-16](#). The Youth Objective Assessment (YOA) and the Individual Service Strategy (ISS) are required for all Youth and those activities must be posted in the statewide electronic case management system. These activities alone, however, do not extend Youth participation nor prevent exit from the program. To keep an enrollment active, one of the 14 Youth program elements must be posted in conjunction with the YOA & ISS.