

	New Jersey Workforce Innovation Notice		WD-PY22-2
	Issued By:	Workforce Development Division of Career Services	
	Approved By:	Hugh Bailey, Assistant Commissioner Workforce Development	
	Issued Date:	July 8, 2022	

SUBJECT: Workforce Innovation and Opportunity Act (WIOA) Program Year 2022 (PY22) Budget, Program Monitoring, and Performance Measure Requirements

EFFECTIVE DATE: This NJWIN is effective **Immediately**.

PURPOSE: This policy provides an overview of new processes and procedures that New Jersey Department of Labor (NJ DOL) will be implementing as part of WIOA Program Year 2022 implementation. This policy lays out specific expectations and information regarding the submission of PY22 budgets, ongoing documentation and monitoring of Local Workforce Development Board (LWDB) activities, and the rollout of new processes related to local WIOA performance measures.

Definitions

Local Workforce Development Area (LWDA): A geographic area, designated by the Governor in accordance with WIOA, (1) to serve as a jurisdiction for the administration of workforce development activities using Adult, Dislocated Worker, and Youth funds allocated by the State, and (2) to coordinate efforts related to the other core programs at a local community level.

Local Workforce Development Board (LWDB): The body that is responsible for strategy and governance of activities in the LWDA and comprised of members appointed by the CEO of the area consistent with relevant by-laws and agreements.

New Jersey Department of Labor and Workforce Development (NJ DOL) is the state administrative entity/state workforce agency designated by the governor.

I. PY22 Budgets

Initial Budgets

NJDOL will be rolling out and piloting a new budget/cost summary template which will offer LWDA's an opportunity to summarize and submit budgets in a uniform way for review of WIOA program and fiscal monitoring teams. PY22 is a pilot year for this template. NJDOL will not require the use of the template for PY22 budgets. However, we will be offering it as a tool available to all local areas for aligning budgets with the expectations of WIOA. We will also be working with local areas to gather feedback and information about the use and usefulness of the tool to prepare for a rollout of a revised and required budget template in PY23.

LWDBs must also continue to submit and update budget information via the SAGE system throughout the year.

Budget Updates

WD-PY21-2 provides an overview of the process for requesting a transfer of funds between Adult and Dislocated Worker allocations.

In addition, to these transfer procedures, NJDOL is also now requiring that LWDBs provide NJDOL with specific notice of any changes or updates that are made to WIOA budgets after submission of initial budget information. Specifically, when changes are made in SAGE to WIOA budgets, an email must be sent to WIOAPOD@dol.nj.gov notifying NJDOL of changes made.

Budget Guidelines

WIOA includes specific expectations regarding budget and expenditures related to supporting out-of-school youth, youth work experiences, incumbent worker training, as well as administrative costs.

These specifications include:

- 20% of youth program funds (less admin costs) must support youth work experiences
- 75% of youth program funds (less admin costs) must support out-of-school youth
- Up to 20% of the combined total adult and dislocated worker funds may be utilized to support Incumbent Worker Training
- Up to 10% of each fund may be utilized to support administrative costs¹

The SAGE system offers internal controls for ensuring that budgets and expenditures align with these expectations.

Additionally, NJDOL is introducing a new requirement to include budget line items for professional development. LWDBs must allocate a minimum of 1% of Adult, Dislocated Worker, and Youth budgets to support professional development. A portion of this will support the NJDOL/GSETA Training Partnership to support professional development opportunities throughout the year for LWDB members, LWDB staff, One Stop Career Center operators and staff, as well as contracted youth and WFNJ staff members. These funds will be submitted directly to GSETA.

TEGL 09-21 also highlights that salaries and bonuses can not be paid out at a level in excess of Executive Level II rates, which is currently set at \$203,700.²

NJDOL will also be tracking and monitoring information related to the percentage of WIOA funds spent directly on participant services. While we are not setting a required percentage that must be spent on participant services, we are offering a target benchmark of 50% across Adult, Dislocated Worker, and Youth funds.

II. PY22 Program Monitoring

Document Reviews

Over the next year, NJDOL will be transitioning to a system of ongoing monitoring. We are requiring that LWDBs submit documents related to specific LWDB functions and processes throughout the course of the year and in real time. Additionally, some documents will only be accepted if they are publicly available. Please see page 4 of this policy for a full overview of the documents that we are requiring

¹ As defined in WIOA regulations at [20 CFR 683.215](#)

² Rates of Basic Pay for the Executive Schedule: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/EX.pdf>.

LWDAs to submit. LWDBs must build the submission of these documents to NJDOL into local processes. NJDOL's program and fiscal monitoring teams will review these as they are submitted.

Web Reviews

NJDOL Monitors will conduct regular reviews of LWDB websites and download documents that are required to be publicly available from LWDB websites. This includes local policies; procurement materials related to workforce grants and contracts, including youth activities and selection of the one-stop operator; local plan/modifications; list and affiliation of board members; board by-laws; and meeting notices and minutes that are highlighted in the table on page 3. Additionally, we will be reviewing web pages and downloaded documents for Common Identifier requirements, as highlighted in NJWIN 22-16, requiring American Job Center branding, see text box to right.

Additional Document Reviews

Documents that are not publicly available must be submitted via the MOVEit file sharing system. Each local area must designate at least one primary MOVEit user who will have responsibility for uploading and sharing documents as required and requested. LWDAs may designate more than one user of this system. MOVEit user requests may be sent to WIOAPOD@dol.nj.gov.

Service Delivery Reviews

In addition to these documents, an onsite program review will be conducted at each LWDA during PY22. These reviews will focus specifically on One Stop Service Delivery – including a review of facilities, accessibility of information, program partner engagement, and file reviews. Additionally, monitors will review information from data systems throughout the year to monitor service delivery activities – including through reviews of AOSOS, Futurework, and SAGE data.

Monitoring Reporting

NJDOL will be developing a dynamic monitoring report template that will track information regarding submission and analysis of the above-highlighted documents and data points throughout the year. A customized report template will be updated and available by November 2022 for each LWDA. Observations regarding changes and specific actions will be provided on an ongoing basis. LWDBs will be required to provide updates on the status of any changes or specific actions. A lack of action will lead to specific findings and result in the need for a formal corrective action plan.

Common Identifier

WIOA Sec. 121(e)(4) requires each one-stop delivery system to use a common identifier on all products, programs, activities, services, electronic resources, facilities, and related property and new materials.

The Department established the “American Job Center” network, a unifying name and brand that identifies online and in-person workforce development services as part of a single network of publicly-funded services.

Overview of Required Documents³

Category	Documents	Target Review Dates
Local Workforce Development Board Agreements	Chief Elected Official Agreement (applicable only for multi-county LWDBs)	Due on or before September 30, 2022
	Chief Elected Official and Fiscal Agent Agreement	
	Chief Elected Official and LWDB Partnership Agreement	
	One Stop Career Center MOU and IFA	Updated documents due date TBD
LWDB Policies	Individual Training Accounts (ITAs) – including co-enrollment of youth participants	All policies must be publicly available on LWDB websites for review as of September 30, 2022
	Priority of Service	
	Supportive Services	
	Personally-Identifiable and Sensitive Information (PII)	
	Selective Service Requirements	
	One Stop Career Center Complaint Procedure	
	Requires Additional Assistance	
	Work Experience and Incentive Payments	
	Youth Follow Up Policy	
	Conflict of Interest	
	Work-Based Learning	
	AJC Certification, including annual accessibility assessment	
	Incumbent Worker Training, Pay-for-Performance and/or Contracted Services (Adult/DW) – if included in budgets	
Procurement • Youth Services • One Stop Operator • One Stop Career Services	Public Notice of Opportunity	Each document must be provided within 15 days of posting or approval
	Request for Proposals	Public Notices of Opportunities, RFPs, Evaluation Reports and Award Recommendations, and Public Notices of Awards, must all be publicly available on LWDB websites
	Proposals	
	Evaluation Report and Award Recommendation	
	Public Notice of Award	
	Contract and Scope of Services	Procurement or renewal activities must be conducted by June 30, 2023
	Renewal Materials	
Local Workforce Development Board Activities	List of LWDB Members and roles, including Committees and members	LWDB member and bylaw information must be publicly available for review on LWDB websites by September 30, 2022; meeting notices and minutes must be publicly available as they occur
	LWDB Bylaws	
	LWDB Required Committees Meeting Notes and Minutes	
	LWDB Public Meeting Notices and Minutes	
One Stop Operations	One Stop Partner Meeting Notes and Minutes	Meeting minutes and “Schedule A” products must be submitted within 15 days of partner meetings
	AJC (One Stop) Evaluation and Certification Reports	Due before June 30, 2023
	Accessibility Assessment	All documents reflecting local monitoring activities must be submitted within 15 days of finalization
	Monitoring and Oversight Reports	

³ This document list is subject to changes and updates.

III. PY20-PY23 Performance

Setting and Adjusting Performance Measures

USDOL has developed a federal Statistical Adjustment Model (SAM) that utilizes regression analysis to predict levels of performance based on economic conditions and the characteristics of populations served. Past performance levels are then used as the baseline for negotiations of future WIOA performance targets. The federal SAM is used to set Program Year (PY) targets at the state level. NJDOL has the opportunity to negotiate performance levels based on conditions or elements that exist outside of the model. Additionally, USDOL requires NJDOL to develop a local adjustment model to set performance measures for each LWDA.

USDOL, NJDOL, and LWDAs will engage in a coordinated set of activities to set performance goals for PY22 and PY23, as well as finalize an assessment of local area performance for PY20 (in July 2022). The PY21 outcomes data won't be completed/certified until later in September. Then NJDOL will use the same local Statistical Adjustment Model (SAM) to do an assessment of PY21 performance.

Both models include information related to: (1) Participant characteristics (including Demographics and Barriers to employment), (2) Economic conditions, (3) Mix of industry sectors, and (4) Unemployment rate. The models showcase/predict how, and to what extent, these factors affect levels of performance.

The federal SAM and local SAM are utilized to set performance targets every two years, at the beginning of the new program year. In addition, these models are used to adjust performance targets after the closeout of a program year, based on the actual data of who was served across the state and in local areas. In other words, if economic factors affected the outcomes and/or if systems serve individuals with more barriers to employment during the program year, these factors will be taken into account in the final adjustment of performance targets for states and LWDAs.

These WIOA provisions calling for "Negotiation Up Front" and "Adjustment After" are intended to ensure that states and locals are held accountable based on actual service delivery rather than predicted service delivery. Initial Negotiations are based on the assumed case mix and economic conditions. Year End Adjustments account for the actual case mix and economic conditions. By adjusting performance, this helps to shift states and LWDAs toward serving where the need is greatest, rather than where outcomes are most easy to attain.

This process will inform PY22/23 targets and post-Program Year adjustments moving into the 2022 program year. Adjusted PY20 targets will be available by August 2022 and PY22/23 targets will be available by September 2022. Negotiations of WIOA performance targets with LWDAs need to be completed by September 30, 2022.

Overview of Performance Measures

Details about performance measures and the calculation of these indicators can be found in TEGl 10-16, Change 1. The table on the next page provides a summary of the WIOA performance measures for PY22.

Overview of Performance Measures

Measure	Definition
Employment Rate - 2nd Quarter After Exit	The percentage of participants who are in unsubsidized employment during the second quarter after exit from the program (for Title I Youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the second quarter after exit)
Employment Rate - 4th Quarter After Exit	The percentage of participants who are in unsubsidized employment during the fourth quarter after exit from the program (for Title I Youth, the indicator is the percentage of participants in education or training activities, or in unsubsidized employment during the fourth quarter after exit)
Median Earnings - 2nd Quarter After Exit	The median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program
Credential Attainment	The percentage of those participants enrolled in an education or training program (excluding those in on-the-job training (OJT) and customized training) who attain a recognized postsecondary credential or a secondary school diploma, or its recognized equivalent, during participation in or within one year after exit from the program. A participant who has attained a secondary school diploma or its recognized equivalent is included in the percentage of participants who have attained a secondary school diploma or its recognized equivalent only if the participant also is employed or is enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit from the program
Measurable Skill Gains	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, defined as documented academic, technical, occupational, or other forms of progress, towards such a credential or employment.
Effectiveness in Serving Employers	WIOA sec. 116(b)(2)(A)(i)(VI) requires the Department of Labor and the Department of Education to jointly establish a primary indicator of performance for effectiveness in serving employers. The Departments are currently piloting three approaches designed to gauge the critical workforce needs of the business community.

An individual is only counted in the performance measures highlighted above if their experiences align with the definition of the indicator. For example:

- An individual engaged in an On-the-Job Training (OJT) experience is not counted in the denominator or numerator of the credential attainment measure given the exclusion of OJTs from the credential attainment measure.
- Additionally, an individual enrolled in Servsafe Food Handler training is not counted in the credential attainment calculation because this certificate is not defined as a credential that counts in this measure.
- In both cases, these individuals would be included in employment measures. These services help to support greater employability of an individual.
- It is important to note that these training experiences may still be of value to the individual and included in service plans, even if excluded from credential attainment measures.

Additional NJDOL Priorities

Over the course of PY22, NJDOL will also be focusing monitoring around LWDB functions and One Stop Service Delivery, aligned with current NJDOL priorities as highlighted and stated in New Jersey's modified state plan.

NJDOL's presentation to the State Employment and Training Commission (SETC) on plan changes conducted in March 2022 can be found here: https://www.nj.gov/labor/wioa/forms_pdfs/Workforce%20StatePlanModifications.pdf.

Specific priorities include:

1. *Integration of required One Stop partners and services into One Stop Career Centers:* This includes One Stop partner presence in One Stop Career Centers and the provision of services across partner programs, including through co-enrollment
2. *Customization of services for employers and jobseekers:* This includes expansion of services available to customers, including greater provision of work-based learning, supportive services, job placement supports, follow-up services, and virtual services
3. *Strengthening local governance:* This includes development of agreements, competitively-procured contracts, and local oversight and monitoring efforts. Please see the recently released local governance policy for more information ([https://www.nj.gov/labor/wioa/forms_pdfs/WD-PY21-6Local%20GovernancePolicy%20\(Final\).pdf](https://www.nj.gov/labor/wioa/forms_pdfs/WD-PY21-6Local%20GovernancePolicy%20(Final).pdf))

Contact: Inquiries regarding this policy should be directed to WIOAPolicy@dol.nj.gov.