

29 U.S. Code § 3141. Performance accountability system

U.S. Code Notes

(a) PURPOSE

The purpose of this section is to establish performance accountability measures that apply across the core programs to assess the effectiveness of States and local areas (for core programs described in part B) in achieving positive outcomes for individuals served by those programs.

(b) STATE PERFORMANCE ACCOUNTABILITY MEASURES

(1) IN GENERAL For each State, the performance accountability measures for the core programs shall consist of—

(A)

(i) the primary indicators of performance described in paragraph (2)(A); and

(ii) the additional indicators of performance (if any) identified by the State under paragraph (2)(B); and

(B) a State adjusted level of performance for each indicator described in subparagraph (A).

(2) INDICATORS OF PERFORMANCE

(A) Primary indicators of performance

(i) In general The State primary indicators of performance for activities provided under the adult and dislocated worker programs authorized under subpart 3 of part B, the program of adult education and literacy activities authorized under subchapter II, the employment services program authorized under sections 1 through 13 of the Wagner-Peyser Act (29 U.S.C.

49 et seq.) (except that subclauses (IV) and (V) shall not apply to such program), and the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741), shall consist of—

- (I) the percentage of program participants who are in unsubsidized employment during the second quarter after exit from the program;
- (II) the percentage of program participants who are in unsubsidized employment during the fourth quarter after exit from the program;
- (III) the median earnings of program participants who are in unsubsidized employment during the second quarter after exit from the program;
- (IV) the percentage of program participants who obtain a recognized postsecondary credential, or a secondary school diploma or its recognized equivalent (subject to clause (iii)), during participation in or within 1 year after exit from the program;
- (V) the percentage of program participants who, during a program year, are in an education or training program that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment; and
- (VI) the indicators of effectiveness in serving employers established pursuant to clause (iv).

(ii) Primary indicators for eligible youth The primary indicators of performance for the youth program authorized under subpart 2 of part B shall consist of—

- (I) the percentage of program participants who are in education or training activities, or in unsubsidized employment, during the second quarter after exit from the program;
- (II) the percentage of program participants who are in education or training activities, or in unsubsidized

employment, during the fourth quarter after exit from the program; and

(III) the primary indicators of performance described in subclauses (III) through (VI) of subparagraph (A)(i).

(iii) Indicator relating to credential

For purposes of clause (i)(IV), or clause (ii)(III) with respect to clause (i)(IV), program participants who obtain a secondary school diploma or its recognized equivalent shall be included in the percentage counted as meeting the criterion under such clause only if such participants, in addition to obtaining such diploma or its recognized equivalent, have obtained or retained employment or are in an education or training program leading to a recognized postsecondary credential within 1 year after exit from the program.

(iv) Indicator for services to employers

Prior to the commencement of the second full program year after July 22, 2014, for purposes of clauses (i)(VI), or clause (ii)(III) with respect to clause (i)(VI), the Secretary of Labor and the Secretary of Education, after consultation with the representatives described in paragraph (4)(B), shall jointly develop and establish, for purposes of this subparagraph, 1 or more primary indicators of performance that indicate the effectiveness of the core programs in serving employers.

(B) Additional indicators

A State may identify in the State plan additional performance accountability indicators.

(3) LEVELS OF PERFORMANCE

(A) State adjusted levels of performance for primary indicators

(i) In general

For each State submitting a State plan, there shall be established, in accordance with this subparagraph, levels of performance for each of the corresponding primary indicators of performance described in paragraph (2) for each of the programs described in clause (ii).

(ii) Included programs The programs included under clause (i) are—

- (I)** the youth program authorized under subpart 2 of part B;
- (II)** the adult program authorized under subpart 3 of part B;
- (III)** the dislocated worker program authorized under subpart 3 of part B;
- (IV)** the program of adult education and literacy activities authorized under subchapter II;
- (V)** the employment services program authorized under sections 1 through 13 of the Wagner-Peyser Act (29 U.S.C. 49 et seq.); and
- (VI)** the program authorized under title I of the Rehabilitation Act of 1973 (29 U.S.C. 720 et seq.), other than section 112 or part C of that title (29 U.S.C. 732, 741).

(iii) Identification in State plan

Each State shall identify, in the State plan, expected levels of performance for each of the corresponding primary indicators of performance for each of the programs described in clause (ii) for the first 2 program years covered by the State plan.

(iv) Agreement on State adjusted levels of performance

(I) First 2 years

The State shall reach agreement with the Secretary of Labor, in conjunction with the Secretary of Education on levels of performance for each indicator described in clause (iii) for each of the programs described in clause (ii) for each of the first 2 program years covered by the State plan. In reaching the agreement, the State and the Secretary of Labor in conjunction with the Secretary of Education shall take into account the levels identified in the State plan under clause (iii) and the factors described in clause (v). The levels agreed to shall be considered to be the State adjusted levels of performance for the State for such program years and shall be incorporated into the State plan prior to the approval of such plan.

(II) Third and fourth year

The State and the Secretary of Labor, in conjunction with the Secretary of Education, shall reach agreement, prior to the third program year covered by the State plan, on levels of performance for each indicator described in clause (iii) for each of the programs described in clause (ii) for each of the third and fourth program years covered by the State plan. In reaching the agreement, the State and Secretary of Labor, in conjunction with the Secretary of Education, shall take into account the factors described in clause (v). The levels agreed to shall be considered to be the State adjusted levels of performance for the State for such program years and shall be incorporated into the State plan as a modification to the plan.

(v) Factors In reaching the agreements described in clause (iv), the State and Secretaries shall—

(I) take into account how the levels involved compare with the State adjusted levels of performance established for other States;

(II) ensure that the levels involved are adjusted, using the objective statistical model established by the Secretaries pursuant to clause (viii), based on—

(aa) the differences among States in actual economic conditions (including differences in unemployment rates and job losses or gains in particular industries); and

(bb) the characteristics of participants when the participants entered the program involved, including indicators of poor work history, lack of work experience, lack of educational or occupational skills attainment, dislocation from high-wage and high-benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency;

(III) take into account the extent to which the levels involved promote continuous improvement in performance accountability on the performance accountability measures by

such State and ensure optimal return on the investment of Federal funds; and

(IV) take into account the extent to which the levels involved will assist the State in meeting the goals described in clause (vi).

(vi) Goals

In order to promote enhanced performance outcomes and to facilitate the process of reaching agreements with the States under clause (iv), the Secretary of Labor, in conjunction with the Secretary of Education, shall establish performance goals for the core programs, in accordance with the Government Performance and Results Act of 1993 (Public Law 103–62; 107 Stat. 285) and the amendments made by that Act, and in consultation with States and other appropriate parties. Such goals shall be long-term goals for the adjusted levels of performance to be achieved by each of the programs described in clause (ii) regarding the corresponding primary indicators of performance described in paragraph (2)(A).

(vii) Revisions based on economic conditions and individuals served during the program year

The Secretary of Labor, in conjunction with the Secretary of Education, shall, in accordance with the objective statistical model developed pursuant to clause (viii), revise the State adjusted levels of performance applicable for each of the programs described in clause (ii), for a program year and a State, to reflect the actual economic conditions and characteristics of participants (as described in clause (v)(II)) in that program during such program year in such State.

(viii) Statistical adjustment model

The Secretary of Labor and the Secretary of Education, after consultation with the representatives described in paragraph (4) (B), shall develop and disseminate an objective statistical model that will be used to make the adjustments in the State adjusted levels of performance for actual economic conditions and characteristics of participants under clauses (v) and (vii).

(B) Levels of performance for additional indicators

The State may identify, in the State plan, State levels of performance for each of the additional indicators identified under paragraph (2)(B). Such levels shall be considered to be State adjusted levels of performance for purposes of this section.

(4) DEFINITIONS OF INDICATORS OF PERFORMANCE

(A) In general

In order to ensure nationwide comparability of performance data, the Secretary of Labor and the Secretary of Education, after consultation with representatives described in subparagraph (B), shall issue definitions for the indicators described in paragraph (2).

(B) Representatives

The representatives referred to in subparagraph (A) are representatives of States and political subdivisions, business and industry, employees, eligible providers of activities carried out through the core programs, educators, researchers, participants, the lead State agency officials with responsibility for the programs carried out through the core programs, individuals with expertise in serving individuals with barriers to employment, and other interested parties.

(c) LOCAL PERFORMANCE ACCOUNTABILITY MEASURES FOR PART B

(1) IN GENERAL For each local area in a State designated under section 3121 of this title, the local performance accountability measures for each of the programs described in subclauses (I) through (III) of subsection (b)(3)(A)(ii) shall consist of—

(A)

(i) the primary indicators of performance described in subsection (b)(2)(A) that are applicable to such programs; and

(ii) additional indicators of performance, if any, identified by the State for such programs under subsection (b)(2)(B); and

(B) the local level of performance for each indicator described in subparagraph (A).

(2) LOCAL LEVEL OF PERFORMANCE

The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local levels of performance based on the State adjusted levels of performance established under subsection (b)(3)(A).

(3) ADJUSTMENT FACTORS

In negotiating the local levels of performance, the local board, the chief elected official, and the Governor shall make adjustments for the expected economic conditions and the expected characteristics of participants to be served in the local area, using the statistical adjustment model developed pursuant to subsection (b)(3)(A)(viii). In addition, the negotiated local levels of performance applicable to a program year shall be revised to reflect the actual economic conditions experienced and the characteristics of the populations served in the local area during such program year using the statistical adjustment model.

(d) PERFORMANCE REPORTS

(1) IN GENERAL

Not later than 12 months after July 22, 2014, the Secretary of Labor, in conjunction with the Secretary of Education, shall develop a template for performance reports that shall be used by States, local boards, and eligible providers of training services under section 3152 of this title to report on outcomes achieved by the core programs. In developing such templates, the Secretary of Labor, in conjunction with the Secretary of Education, will take into account the need to maximize the value of the templates for workers, jobseekers, employers, local elected officials, State officials, Federal policymakers, and other key stakeholders.

(2) CONTENTS OF STATE PERFORMANCE REPORTS The performance report for a State shall include, subject to paragraph (5)(C)—

(A) information specifying the levels of performance achieved with respect to the primary indicators of performance described in subsection (b)(2)(A) for each of the programs described in subsection (b)(3)(A)(ii) and the State adjusted levels of performance with respect to such indicators for each program;

(B) information specifying the levels of performance achieved with respect to the primary indicators of performance described in subsection (b)(2)(A) for each of the programs described in

subsection (b)(3)(A)(ii) with respect to individuals with barriers to employment, disaggregated by each subpopulation of such individuals, and by race, ethnicity, sex, and age;

(C) the total number of participants served by each of the programs described in subsection (b)(3)(A)(ii);

(D) the number of participants who received career and training services, respectively, during the most recent program year and the 3 preceding program years, and the amount of funds spent on each type of service;

(E) the number of participants who exited from career and training services, respectively, during the most recent program year and the 3 preceding program years;

(F) the average cost per participant of those participants who received career and training services, respectively, during the most recent program year and the 3 preceding program years;

(G) the percentage of participants in a program authorized under this part who received training services and obtained unsubsidized employment in a field related to the training received;

(H) the number of individuals with barriers to employment served by each of the programs described in subsection (b)(3)(A)(ii), disaggregated by each subpopulation of such individuals;

(I) the number of participants who are enrolled in more than 1 of the programs described in subsection (b)(3)(A)(ii);

(J) the percentage of the State's annual allotment under section 3172(b) of this title that the State spent on administrative costs;

(K) in the case of a State in which local areas are implementing pay-for-performance contract strategies for programs—

(i) the performance of service providers entering into contracts for such strategies, measured against the levels of performance specified in the contracts for such strategies; and

(ii) an evaluation of the design of the programs and performance of the strategies, and, where possible, the level of satisfaction with the strategies among employers and participants benefitting from the strategies; and

(L) other information that facilitates comparisons of programs with programs in other States.

(3) CONTENTS OF LOCAL AREA PERFORMANCE REPORTS The performance reports for a local area shall include, subject to paragraph (6)(C)—

(A) the information specified in subparagraphs (A) through (L) of paragraph (2), for each of the programs described in subclauses (I) through (III) of subsection (b)(3)(A)(ii);

(B) the percentage of the local area's allocation under sections 3163(b) and 3173(b) of this title that the local area spent on administrative costs; and

(C) other information that facilitates comparisons of programs with programs in other local areas (or planning regions, as appropriate).

(4) CONTENTS OF ELIGIBLE TRAINING PROVIDERS PERFORMANCE REPORTS The performance report for an eligible provider of training services under section 3152 of this title shall include, subject to paragraph (6)(C), with respect to each program of study (or the equivalent) of such provider—

(A) information specifying the levels of performance achieved with respect to the primary indicators of performance described in subclauses (I) through (IV) of subsection (b)(2)(A)(i) with respect to all individuals engaging in the program of study (or the equivalent);

(B) the total number of individuals exiting from the program of study (or the equivalent);

(C) the total number of participants who received training services through each of the adult program and the dislocated worker program authorized under subpart 3 of part B, disaggregated by the type of entity that provided the training, during the most recent program year and the 3 preceding program years;

(D) the total number of participants who exited from training services, disaggregated by the type of entity that provided the training, during the most recent program year and the 3 preceding program years;

(E) the average cost per participant for the participants who received training services, disaggregated by the type of entity that provided the training, during the most recent program year and the 3 preceding program years; and

(F) the number of individuals with barriers to employment served by each of the adult program and the dislocated worker program authorized under subpart 3 of part B, disaggregated by each subpopulation of such individuals, and by race, ethnicity, sex, and age.

(5) DATA VALIDATION

In preparing the State reports described in this subsection, each State shall establish procedures, consistent with guidelines issued by the Secretary, in conjunction with the Secretary of Education, to ensure the information contained in the reports is valid and reliable.

(6) PUBLICATION

(A) State performance reports

The Secretary of Labor and the Secretary of Education shall annually make available (including by electronic means), in an easily understandable format, the performance reports for States containing the information described in paragraph (2).

(B) Local area and eligible training provider performance reports

The State shall make available (including by electronic means), in an easily understandable format, the performance reports for the local areas containing the information described in paragraph (3) and the performance reports for eligible providers of training services containing the information described in paragraph (4).

(C) Rules for reporting of data

The disaggregation of data under this subsection shall not be required when the number of participants in a category is insufficient to yield statistically reliable information or when the results would reveal personally identifiable information about an individual participant.

(D) Dissemination to Congress

The Secretary of Labor and the Secretary of Education shall make available (including by electronic means) a summary of the reports, and the reports, required under this subsection to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate. The Secretaries shall prepare and make available with the reports a set of recommendations for improvements in and adjustments to pay-for-performance contract strategies used under part B.

(e) EVALUATION OF STATE PROGRAMS

(1) IN GENERAL

Using funds authorized under a core program and made available to carry out this section, the State, in coordination with local boards in the State and the State agencies responsible for the administration of the core programs, shall conduct ongoing evaluations of activities carried out in the State under such programs. The State, local boards, and State agencies shall conduct the evaluations in order to promote, establish, implement, and utilize methods for continuously improving core program activities in order to achieve high-level performance within, and high-level outcomes from, the workforce development system. The State shall coordinate the evaluations with the evaluations provided for by the Secretary of Labor and the Secretary of Education under section 3224 of this title, section 3332(c)(2)(D) of this title, and sections 12(a)(5), 14, and 107 of the Rehabilitation Act of 1973 (29 U.S.C. 709(a)(5), 711, 727) (applied with respect to programs carried out under title I of that Act (29 U.S.C. 720 et seq.)) and the investigations provided for by the Secretary of Labor under section 10(b) of the Wagner-Peyser Act (29 U.S.C. 49i(b)).

(2) DESIGN

The evaluations conducted under this subsection shall be designed in conjunction with the State board, State agencies responsible for the administration of the core programs, and local boards and shall include analysis of customer feedback and outcome and process measures in the statewide workforce development system. The evaluations shall use designs that employ the most rigorous analytical and statistical methods that are reasonably feasible, such as the use of control groups.

(3) RESULTS

The State shall annually prepare, submit to the State board and local boards in the State, and make available to the public (including by electronic means), reports containing the results of evaluations conducted under this subsection, to promote the efficiency and effectiveness of the workforce development system.

(4) COOPERATION WITH FEDERAL EVALUATIONS

The State shall, to the extent practicable, cooperate in the conduct of evaluations (including related research projects) provided for by the Secretary of Labor or the Secretary of Education under the provisions of Federal law identified in paragraph (1). Such cooperation shall include the provision of data (in accordance with appropriate privacy protections established by the Secretary of Labor), the provision of responses to surveys, and allowing site visits in a timely manner, for the Secretaries or their agents.

(f) SANCTIONS FOR STATE FAILURE TO MEET STATE PERFORMANCE ACCOUNTABILITY MEASURES

(1) STATES

(A) Technical assistance

If a State fails to meet the State adjusted levels of performance relating to indicators described in subsection (b)(2)(A) for a program for any program year, the Secretary of Labor and the Secretary of Education shall provide technical assistance, including assistance in the development of a performance improvement plan.

(B) Reduction in amount of grant

If such failure continues for a second consecutive year, or (except in the case of exceptional circumstances as determined by the Secretary of Labor or the Secretary of Education, as appropriate) a State fails to submit a report under subsection (d) for any program year, the percentage of each amount that would (in the absence of this paragraph) be reserved by the Governor under section 3163(a) of this title for the immediately succeeding program year shall be reduced by 5 percentage points until such date as the Secretary of Labor or the Secretary of Education, as appropriate, determines that the State meets such State adjusted levels of performance and has submitted such reports for the appropriate program years.

(g) SANCTIONS FOR LOCAL AREA FAILURE TO MEET LOCAL PERFORMANCE ACCOUNTABILITY MEASURES

(1) TECHNICAL ASSISTANCE

If a local area fails to meet local performance accountability measures established under subsection (c) for the youth, adult, or dislocated worker program authorized under subpart 2 or 3 of part B for any program year, the Governor, or upon request by the Governor, the Secretary of Labor, shall provide technical assistance, which may include assistance in the development of a performance improvement plan or the development of a modified local plan (or regional plan).

(2) CORRECTIVE ACTIONS

(A) In general If such failure continues for a third consecutive year, the Governor shall take corrective actions, which shall include development of a reorganization plan through which the Governor shall—

(i) require the appointment and certification of a new local board, consistent with the criteria established under section 3122(b) of this title;

(ii) prohibit the use of eligible providers and one-stop partners identified as achieving a poor level of performance; or

(iii) take such other significant actions as the Governor determines are appropriate.

(B) Appeal by local area

(i) Appeal to Governor

The local board and chief elected official for a local area that is subject to a reorganization plan under subparagraph (A) may, not later than 30 days after receiving notice of the reorganization plan, appeal to the Governor to rescind or revise such plan. In such case, the Governor shall make a final decision not later than 30 days after the receipt of the appeal.

(ii) Subsequent action

The local board and chief elected official for a local area may, not later than 30 days after receiving a decision from the Governor pursuant to clause (i), appeal such decision to the Secretary of

Labor. In such case, the Secretary shall make a final decision not later than 30 days after the receipt of the appeal.

(C) Effective date

The decision made by the Governor under subparagraph (B)(i) shall become effective at the time the Governor issues the decision pursuant to such clause. Such decision shall remain effective unless the Secretary of Labor rescinds or revises such plan pursuant to subparagraph (B)(ii).

(h) ESTABLISHING PAY-FOR-PERFORMANCE CONTRACT STRATEGY INCENTIVES

Using non-Federal funds, the Governor may establish incentives for local boards to implement pay-for-performance contract strategies for the delivery of training services described in section 3174(c)(3) of this title or activities described in section 3164(c)(2) of this title in the local areas served by the local boards.

(i) FISCAL AND MANAGEMENT ACCOUNTABILITY INFORMATION SYSTEMS

(1) IN GENERAL

Using funds authorized under a core program and made available to carry out this subpart, the Governor, in coordination with the State board, the State agencies administering the core programs, local boards, and chief elected officials in the State, shall establish and operate a fiscal and management accountability information system based on guidelines established by the Secretary of Labor and the Secretary of Education after consultation with the Governors of States, chief elected officials, and one-stop partners. Such guidelines shall promote efficient collection and use of fiscal and management information for reporting and monitoring the use of funds authorized under the core programs and for preparing the annual report described in subsection (d).

(2) WAGE RECORDS

In measuring the progress of the State on State and local performance accountability measures, a State shall utilize quarterly wage records, consistent with State law. The Secretary of Labor shall make arrangements, consistent with State law, to ensure that the wage records of any State are available to any other State to the extent that

such wage records are required by the State in carrying out the State plan of the State or completing the annual report described in subsection (d).

(3) CONFIDENTIALITY

In carrying out the requirements of this Act, the State shall comply with section 1232g of title 20.

(Pub. L. 113-128, title I, § 116, July 22, 2014, 128 Stat. 1471; Pub. L. 114-18, § 2(c), May 22, 2015, 129 Stat. 213.)

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