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## Using the Negotiation Tool for PY24-25 Negotiations

WIOA Wednesday Webinar series

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## Overview

- Model history
- Negotiation Tool example
- Next Steps

## Model History

- DOL requires all states to develop and use a Statistical Adjustment Model for local performance negotiations and assessments
- Pilot Program in PY21 & 22
- Model pause for PY23
- Full implementation to begin in PY24





## Model Changes

- First version of model only included 2<sup>nd</sup> Quarter Employment Rate and Median Earnings
- ~45 variables for economic conditions and participant characteristics, based on DOL model for all 50 states
- Second version reduced variables from ~45 to ~25, based on feedback from local Technical Advisory Working Group & national Technical Assistance Commission
- Added 4<sup>th</sup> Quarter Employment Rate and Credential Attainment Rate
- Improved modeling of economic conditions- employment shifts
- Current version adds Measurable Skills Gain





# Negotiation Tool Components

- Actuals
  - Actual outcomes, participant characteristics, and year-over-year employment changes in the LWIA
- Coefficients
  - Measure of relationship between actual and outcome
- Weighted Actuals
  - Actuals multiplied by Coefficients
  - Contribution of each variable to “expected” performance
- Simulated Performance
  - Sum of each actual in LWIA multiplied by its statewide coefficient
  - What the model “expects” for performance
- PY22 data used as simulated outcome for PY24-25
  - DOL uses PY22 data in their negotiation tool
  - PY17 – partial PY23 data used for determining coefficients





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# Negotiation Tool Demo

<https://bit.ly/3WWWdYn>



# Tool Basics

- Upper left corner – select LWIA
  - Selection persists across pages
- Bottom center- navigation pane
  - Forward/back arrows < >
  - Click center to jump pages
- Sort tables by clicking columns

Select LWIA

1 ▾

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- Intro
- Glossary
- Executive Summary 1
- Executive Summary 2
- Detailed Results Intro
- Adult Q2
- DW Q2
- Youth Q2
- Adult Q4

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Variable	Type	PY2022 Actual	Coefficient	Weighted Actual
Constant	-	100.0%	0.146	14.6%
Educational and Health Services	Economic	1.5%	-0.458	-0.7%
Government	Economic	-2.3%	-0.159	0.4%
Manufacturing	Economic	3.3%	0.482	1.6%
Professional and Business Services	Economic	0.8%	0.386	0.3%
Trade, Transportation, and Utilities	Economic	2.0%	0.522	1.0%
Unemployment Rate	Economic	3.7%	0.279	1.0%



# Executive Summary (1 of 2)

Simulation is not used in assessments

## Second Quarter Employment Rate (2QER)

In LWIA 1, Simulated Performance exceeded PY22 Actuals in 2 program(s).

Program	PY22 Actual	Goal in PY22-23	Simulated Performance
Adult	68.8%	75.0%	65.0%
Dislocated Worker	70.3%	77.0%	73.0%
Youth	68.0%	73.0%	71.8%

## Fourth Quarter Employment Rate (4QER)

Simulated Performance exceeded PY22 Actuals in 1 program(s).

Program	PY22 Actual	Goal in PY22-23	Simulated Performance
Adult	70.9%	71.0%	65.0%
Dislocated Worker	70.3%	75.0%	70.0%
Youth	69.7%	72.0%	70.0%

## Second Quarter Median Earnings

Simulated Performance exceeded PY22 Actuals in 0 program(s).

Program	PY22 Actual	Goal in PY22-23	Simulated Performance
Adult	\$10,442	\$9,300	\$9,303
Dislocated Worker	\$13,648	\$13,500	\$12,313
Youth	\$5,440	\$4,650	\$4,153

The Dislocated Worker program had the highest Simulated 2QER for LWIA 1. For 4QER, multiple programs had the highest Simulated Performance.



The Dislocated Worker program had the highest Simulated Median Earnings.





# Executive Summary (2 of 2)

## Credential Attainment Rate (CAR)

In LWIA 1, Simulated Performance exceeded PY22 Actuals in 0 program(s).

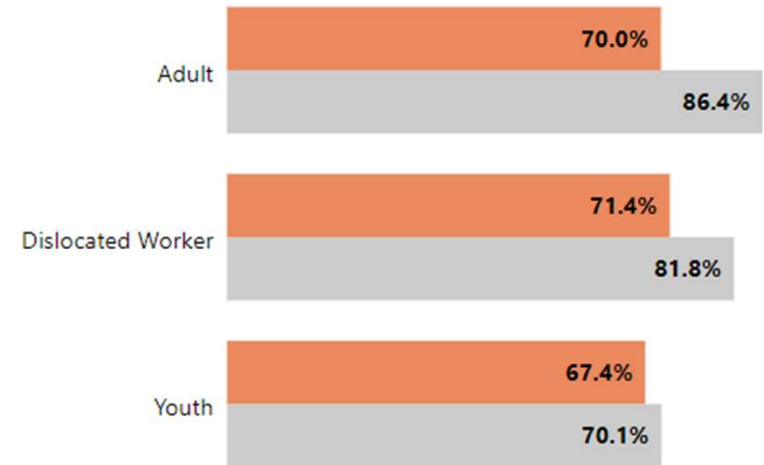
Program	PY22 Actual	Goal in PY22-23	Simulated Performance
Adult	75.9%	82.0%	70.0%
Dislocated Worker	85.1%	85.0%	71.4%
Youth	70.9%	72.0%	67.4%

## Measurable Skills Gain (MSG)

Simulated Performance exceeded PY22 Actuals in 2 program(s).

Program	PY22 Actual	Goal in PY22-23	Simulated Performance
Adult	69.7%	54.0%	86.4%
Dislocated Worker	68.5%	56.0%	81.8%
Youth	74.0%	54.0%	70.1%

For LWIA 1, the Dislocated Worker program had the highest Simulated CAR. For Measurable Skills Gain, Adult had the highest Simulated MSG.

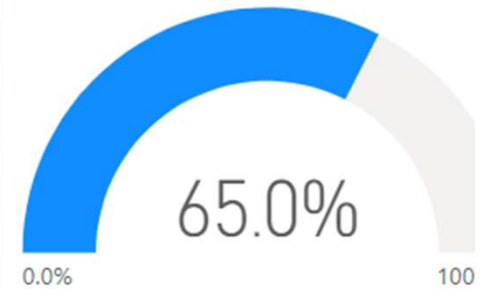




In LWIA 1, Ages 25-44 had the largest effect on Simulated Adult Second Quarter Employment Rate.

Variable	Type	PY2022 Actual	Coefficient	Weighted Actual
<b>Ages 25-44</b>	<b>Participant</b>	<b>66.4%</b>	<b>0.498</b>	<b>33.0%</b>
<b>Constant</b>	<b>-</b>	<b>100.0%</b>	<b>0.146</b>	<b>14.6%</b>
<b>Ages 45-64</b>	<b>Participant</b>	<b>17.8%</b>	<b>0.545</b>	<b>9.7%</b>
<b>Single Parent</b>	<b>Participant</b>	<b>28.0%</b>	<b>0.194</b>	<b>5.4%</b>
<b>Ages 18 - 24</b>	<b>Participant</b>	<b>15.9%</b>	<b>0.281</b>	<b>4.5%</b>
<b>Education Less than HS</b>	<b>Participant</b>	<b>12.1%</b>	<b>0.301</b>	<b>3.7%</b>
<b>African American</b>	<b>Participant</b>	<b>43.9%</b>	<b>0.077</b>	<b>3.4%</b>
<b>Unemployed at Entry</b>	<b>Participant</b>	<b>52.3%</b>	<b>0.058</b>	<b>3.0%</b>
<b>Asian</b>	<b>Participant</b>	<b>8.4%</b>	<b>0.346</b>	<b>2.9%</b>
<b>White</b>	<b>Participant</b>	<b>9.3%</b>	<b>0.266</b>	<b>2.5%</b>
<b>Manufacturing</b>	<b>Economic</b>	<b>3.3%</b>	<b>0.482</b>	<b>1.6%</b>
<b>Unemployment Rate</b>	<b>Economic</b>	<b>3.7%</b>	<b>0.279</b>	<b>1.0%</b>
<b>Trade, Transportation, and Utilities</b>	<b>Economic</b>	<b>2.0%</b>	<b>0.522</b>	<b>1.0%</b>
<b>Government</b>	<b>Economic</b>	<b>-2.3%</b>	<b>-0.159</b>	<b>0.4%</b>
<b>Professional and Business Services</b>	<b>Economic</b>	<b>0.8%</b>	<b>0.386</b>	<b>0.3%</b>
<b>Education Bachelors or Higher</b>	<b>Participant</b>	<b>13.1%</b>	<b>0.023</b>	<b>0.3%</b>
<b>Veteran</b>	<b>Participant</b>	<b>1.9%</b>	<b>0.077</b>	<b>0.1%</b>
<b>Hispanic/Latino</b>	<b>Participant</b>	<b>27.1%</b>	<b>0.000</b>	<b>0.0%</b>
<b>Disability</b>	<b>Participant</b>	<b>1.9%</b>	<b>-0.138</b>	<b>-0.3%</b>
<b>Educational and Health Services</b>	<b>Economic</b>	<b>1.5%</b>	<b>-0.458</b>	<b>-0.7%</b>
<b>Low Income</b>	<b>Participant</b>	<b>63.6%</b>	<b>-0.029</b>	<b>-1.8%</b>
<b>English Language Learner</b>	<b>Participant</b>	<b>5.6%</b>	<b>-0.352</b>	<b>-2.0%</b>
<b>Returning Citizen</b>	<b>Participant</b>	<b>14.0%</b>	<b>-0.311</b>	<b>-4.4%</b>
<b>Low Skills or Literacy</b>	<b>Participant</b>	<b>84.1%</b>	<b>-0.164</b>	<b>-13.8%</b>

The Simulated Adult Second Quarter Employment Rate in LWIA 1 is 65%.





## Outcome Rankings- Second Quarter Employment Rate

PY22 Actuals, Provided for Reference in Negotiation Tool.  
 Statewide is weighted by number of exiters in each LWIA.

### Adult

LWIA 19	92.3%
LWIA 21	88.9%
LWIA 13	87.3%
LWIA 20	86.2%
LWIA 04	84.8%
LWIA 15	82.8%
LWIA 23	82.5%
LWIA 25	81.8%
LWIA 11	79.2%
LWIA 06	78.9%
LWIA 17	76.5%
LWIA 24	76.2%
LWIA 22	76.0%
LWIA 02	75.8%
LWIA 18	75.0%
LWIA 26	74.4%
LWIA 14	73.7%
LWIA 05	73.0%
Statewide	71.7%
LWIA 10	71.2%
LWIA 01	68.8%
LWIA 07	67.3%
LWIA 03	65.1%

### Dislocated Worker

LWIA 21	95.0%
LWIA 19	93.3%
LWIA 20	91.9%
LWIA 04	87.5%
LWIA 23	85.4%
LWIA 24	83.6%
LWIA 22	82.1%
LWIA 18	81.8%
LWIA 02	81.4%
LWIA 14	78.6%
LWIA 06	78.4%
LWIA 17	78.4%
LWIA 13	78.1%
LWIA 11	77.3%
LWIA 10	74.6%
LWIA 26	74.1%
LWIA 25	74.0%
LWIA 15	74.0%
LWIA 03	73.9%
Statewide	73.8%
LWIA 07	73.1%
LWIA 05	72.2%
LWIA 01	70.3%

### Youth

LWIA 13	88.9%
LWIA 23	87.0%
LWIA 20	86.7%
LWIA 10	83.1%
LWIA 05	82.4%
LWIA 18	82.4%
LWIA 15	82.1%
LWIA 26	79.6%
LWIA 21	79.0%
LWIA 19	77.1%
LWIA 04	76.7%
LWIA 17	76.6%
LWIA 06	76.1%
LWIA 14	75.0%
Statewide	74.8%
LWIA 07	74.4%
LWIA 25	73.6%
LWIA 22	73.1%
LWIA 03	69.7%
LWIA 01	68.0%
LWIA 02	66.7%
LWIA 24	64.4%
LWIA 11	58.0%



## Using the Negotiation Tool

- Simulated Performance is a starting point for negotiations
  - What the model “expects” for PY24-25 based on PY22 data
- Performance targets determined in negotiations with DCEO
  - Simulation does not consider past performance or negotiations
  - PY24-25 might differ from PY22
    - E.g., new grant will change participants
    - Might have disparities *within* unemployment rate
    - Industries might change in LWIA
- PY24-25 Performance Assessments based on negotiated targets + updated SAM results



# Model for Negotiations vs Assessments

- Predicted level of performance is a starting point for negotiations
  - Doesn't replace the targets used in assessments
- Minor updates for assessments
  - Same variables
  - Re-fit the coefficients including new data
    - Changes degree, not direction
  - Update actuals
  - Apply updated coefficients to updated actuals
- Negotiations- actuals in PY22 multiplied by coefficients for 2017-2022
- Assessments- change in actuals for PY22-PY23, multiplied by coefficients for 2018-2023

## Re-Fitting Coefficients

- New calculations for mostly the same dataset
- Baseball scores for the 8<sup>th</sup> inning vs 9<sup>th</sup> inning
  - Final score will probably look similar





## Upcoming Dates



- PY23 Assessments do not include SAM
- Negotiation Tool to release by July 1
- Negotiations late summer 2024
  - Revise targets based on Negotiation Tool + other considerations
- PY24 assessments in Spring 2025
  - Updated SAM with PY23 participant data + negotiated targets
- Same targets carry over to PY25- assessments in Spring 2026



## Questions?

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