

To: Indiana's Workforce System

From: Indiana Department of Workforce Development (DWD)

Date: January 11, 2024

Subject: DWD Policy 2022-08, Change 1
Workforce Programs Data Validation

Purpose

To establish data validation requirements and procedures for DWD staff regarding the performance accountability indicators put forth in Section 116 of the Workforce Innovation and Opportunity Act (WIOA). These accountability indicators apply to core programs such as Adult, Dislocated Worker, and Youth Programs, National Dislocated Worker Grants (NDWG), and Wagner-Peyser (WP) as well as partner programs such as Jobs for Veterans State Grants (JVSG), and Trade Adjustment Assistance (TAA). This guidance also ensures accurate and reliable program information for reporting purposes as well as clarifies local area data entry requirements and data validation recommendations.¹

Change 1 Summary

- The timelines for DWD's annual data validation training and data validation effectiveness reviews are more detailed.
- The policy now specifies that DWD uses both active and exited cases when completing quarterly data validation reviews.
- The policy now includes the formula used to calculate errors.
- TEGL 23-19, Change 2, requires Office of Apprenticeship Grants (OA-Managed) grant recipients to fully implement the data validation framework.
 - OA-Managed grants have been added to DWD's data validation process.
- Attachment II from TEGL 23-19 Change 2 has been added as **Attachment B**.
- The data processes outlined in DWD Policy 2023-05 *Maintaining Data Integrity in Workforce Programs* have also been included in this policy.

Rescissions

DWD Policy 2022-08 *Workforce Programs Data Validation*

References

See **Attachment A**.

¹ Data validation recommendations in TEGL 23-19, Changes 1 & 2 may also apply to the Monitor Advocate System as well as other non-core WIOA programs.

Content

Background

WIOA focuses on serving individuals with barriers to employment and seeks to ensure this population has increased access to quality services and opportunities for employment, education, training, and support. WIOA also seeks to better align workforce, education, and economic development systems. In addition, WIOA focuses on the continual improvement of, and access to, WIOA services for WIOA eligible individuals for the purposes of increasing both worker and employer prosperity.² A key element in reaching these goals is the data validation process.

Data validation is a series of internal controls established to verify the accuracy and reliability of the data. Through outlining source documentation for common data elements and providing written procedures, data validation helps identify and correct data errors, ensures the comparability of data across programs, and improves performance accountability within programs.³

Data validation consists of three (3) separate functions: Report Validation (RV), Data Element Validation (DEV), and the Quarterly Report Analysis (QRA).

1. RV checks the accuracy of the state calculations used to generate the U.S. Department of Labor (USDOL) quarterly and annual performance reports as submitted through the Workforce Integrated Performance System (WIPS).
2. DEV checks the validity, accuracy and reliability of the data used by the state to perform the calculations for the key indicators of performance.
3. The QRA provides consistent aggregate views of Indiana's data and identifies areas where the state data does not conform to USDOL Employment and Training Administration's (ETA) expectations.

Data Validation Requirements

Data validation requirements describe the characteristics of the common data elements used to report program information to the USDOL and specify acceptable source documentation. These requirements form the basis of what information is to be captured and what substantiation needs to be recorded by DWD.

USDOL requires the development of data validation procedures that must include:⁴

- Written procedures for conducting data validation reviews that contain a description of the process for identifying and correcting errors or missing data, which may include electronic data checks;
- Regular data validation training for appropriate program staff (DWD completes this each Fall at the conclusion of the program year's data validation cycle);

² WIOA Sec. 2.

³ TEGL 23-19, Change 1 Sec. 3(b).

⁴ TEGL 23-19, Change 1 Sec. 4(b).

- Monitoring protocols, consistent with 2 CFR 200.328, to ensure that program staff are following the written data validation policy and procedures and take appropriate corrective action if those procedures are not being followed;
- A regular data integrity review of program data (DWD pulls the sample soon after each quarterly report is certified with USDOL) for errors, missing data, out-of-range variances in values reported, and other anomalies;
- Documentation that missing and erroneous data identified during the review process have been corrected;
- Documentation processes for maintaining records per federal records retention requirements, which may include copies of worksheets on data elements or records reviewed, frozen quarterly wage records for wage record matching used for reporting outcomes, trends in common data accuracy issues, error rates, and corrective action efforts made after data validation reviews; and
- Regular assessments of the effectiveness of the data validation process (DWD completes this each Fall at the conclusion of the program year's data validation cycle) and revisions to that policy and process as needed.

DWD Data Validation

DWD will conduct WIOA data validation for the State. To prepare staff to correctly perform and interpret results from data validation reviews, the DWD Performance Reporting and Data Integrity Team will develop and conduct annual training for DWD Validators. DWD will complete quarterly data validation reviews of randomly selected participant files (both active and exited cases) from the following workforce programs:⁵

- Adult, Dislocated Worker, Youth;
- National Dislocated Worker Grants (NDWGs);
- Wagner-Peyser (WP);
- Jobs for Veterans State Grants (JVSG);
- Trade Adjustment Assistance (TAA); and
- Office of Apprenticeship Grants (OA-Managed).

DWD Methodology

A random sample, based on the required sample size per program population (see the table below), of participant files per program will be extracted from the data submitted in the Participant Individual Record Layout (PIRL). The sample size provides a 95% confidence level. DWD will distribute the sample across four quarters and review records from each program.

The table below provides an explanation of the required participant record sample size based on the total size of the population of records.

⁵ DWD may include additional programs in the future, including but not limited to those encouraged by USDOL.

Data Validation: Required Sample Size			
Program Population Size	Confidence Level %	Confidence Interval (margin of error)	Required Sample Size
1-99	95	15	30
100-199	95	15	35
200-299	95	15	37
300-499	95	15	39
500-699	95	15	40
700-999	95	15	41
1000-4999	95	15	42
5000+	95	15	43

Source: ETA/USDOL 2021 Summer Conversation Series: Data Validation Summit, July 14, 2021.

DWD's case management system will create audit sheets for each participant in the sample and participant records will be compared to the list of acceptable source documentation. An internal data element review spreadsheet for the Adult, Dislocated Worker, Youth, NDWGs, WP, JVSG, TAA, and Office of Apprenticeship Grants (OA-Managed) programs has been developed from TEGL 23-19, Change 2 for this process.⁶ DWD Validators will utilize the system-generated audit sheets to document required program data elements as pass/fail.

Wage and earnings information will be validated utilizing UI wage records, State Wage Interchange System (SWIS), federal wages (when available), Supplemental Data reported according to TEGL 26-16, or other administrative sources. All validators viewing SWIS wages are required to sign the SWIS confidentiality agreement before beginning validation of the wage data.

DWD Data Validation: Local Area Responsibilities and Failed Records

Each program year, DWD will request a local workforce development area (LWDA or local area) representative to be identified by each local area as the primary contact for DWD Validators. To support DWD's data validation process, local areas must enter participant record data into DWD's case management system on the day they are provided or within three (3) business days⁷ of the service date.⁸

Errors are calculated using the following equation:

$$\frac{\text{FAIL + UNABLE TO VALIDATE}}{\text{Number of Elements Present}}$$

When errors, missing data, anomalies or out-of-range values are identified, the DWD Validators will contact the designated local area representative each quarter to discuss the procedure for making a correction or to better document why the value may be accurate. DWD Validators will review 100% of the failed records with the local area representatives.

⁶ See **Attachment B** of this policy for a link to the revised Attachment II: Source Documentation DOL- only Data Element Validation of TEGL 23-19, Change 2.

⁷ See DWD's *Maintaining Data Integrity in Workforce Programs* policy for additional guidance on data entry requirements.

⁸ In the event of technical and/or system-related issues, DWD will communicate adjustments to the data entry deadline.

DWD Annual Process Analysis, Monitoring, and Continuous Improvement

DWD will conduct an annual assessment of data validation efforts to determine what is working well and what, if any, changes are needed to the data validation strategy and state policy. The annual assessment will inform the scope of additional data validation monitoring procedures impacting local areas. Monitoring protocols have been designed to assess the consistent application of the data element requirements contained in TEG 23-19, Change 2 and ensure the accuracy and quality of data entered into DWD's case management system.

As part of DWD's continuous improvement effort, DWD will share the following with the local areas:

- Identified trends;
- Identified strengths;
- Opportunities for improvement;
- Issues; and
- Necessary solutions for identified issues.

DWD will utilize the results of the annual assessment to ascertain the effectiveness of the agency's data validation efforts.

DWD Document Storage and Record Retention

2 CFR 200.334 states that "financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three (3) years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient."

All staff must access, maintain, and store participant information in a manner that ensures confidentiality in accordance with 2 CFR 200.334 and is consistent with DWD policy and agency system access agreements.

Documentation pertaining to DWD's data validation efforts (i.e., training efforts, data validation review results, monitoring results, and annual process analysis and evaluation) will be stored electronically on a secured drive. All documentation will be stored in accordance with the federal records retention requirements.

Action

The processes, methodology, and requirements put forth in this policy are to be implemented as directed by DWD management for state-level data validation.

In collaboration with DWD Validators, the local areas must address, and case note system changes related to errors, missing data, anomalies, or out-of-range values as well as implement any DWD identified continuous improvement solutions.

Local areas must ensure timely data entry in DWD's case management system. Services are to be entered on the day they are provided or within three (3) business days of the service date.⁹

Local areas are encouraged to develop and implement data validation policies, ensure validation standards are consistently followed, and assure that appropriate documentation is collected and maintained within DWD's case management system.

The content of this policy will be subject to routine DWD monitoring.

Attachments

Attachment A - References

Attachment B - TEGL 23-19, Change 2, Revised Attachment II – *Source Documentation for WIOA Core/Non-Core Programs*

Effective Date

Immediately.

Ending Date

Upon rescission.

Additional Information

Questions regarding the content of this publication should be directed to policy@dwd.in.gov.

⁹ See DWD's *Maintaining Data Integrity in Workforce Programs* policy for additional guidance on data entry requirements.

Attachment A References

- WIOA Sec. 2 and 116
- Trade Act of 1974 Sec. 239(j)(3)
- 2 CFR 200.328
- 2 CFR 200.334
- 20 CFR 618.100
- 29 CFR 38.41
- TEGL 7-18 *Guidance for Validating Jointly Required Performance Data Submitted under the Workforce Innovation and Opportunity Act (WIOA)*
- TEGL 23-19, Change 1 and Change 2 *Guidance for Validating Required Performance Data Submitted by Grant Recipients of U.S. Department of Labor (USDOL) Workforce Programs*
- TEGL 26-16 *Guidance on the use of Supplemental Wage Information to implement the Performance Accountability Requirements under the Workforce Innovation and Opportunity Act (WIOA)*
- DWD Policy 2023-05 *Maintaining Data Integrity in Workforce Programs*

Attachment B
TEGL 23-19, Change 2, Revised Attachment II – *Source Documentation for WIOA Core/Non-Core Programs*

The attachment can be accessed [through this link](#) and on the DWD policy website.