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State of Wisconsin  
Department of Workforce Development  
Jim Doyle, Governor  
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*Date:* May 14, 2007

*To:* Workforce Development Board Directors  
ASSET User Group Representatives

*From:* Gary Denis, Acting Director  
Bureau of Workforce Programs

*Subject:* **PY 07-08 WIA Title 1 Performance Negotiations Update**

On March 30, 2007, the US Department of Labor (USDOL) published Training and Employment Guidance Letter 19-06 (TEGL 19-06), which describes the process and policies that States are to follow in negotiating Workforce Investment Act (WIA) Title 1 Adult, Dislocated Worker, Older Youth and Younger Youth performance measures for Program Year (PY) 2007 and PY 2008. To obtain a copy of the TEGL, please go to: [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=2321](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=2321). Once these negotiations have concluded, Bureau of Workforce Programs staff will begin the local negotiations process. The purpose of this communication is to alert you to begin preparing your proposals, even though we do not yet know what our performance goals will be for the next two program years. You can view a copy of our proposal to the USDOL on our website: [http://dwd.wisconsin.gov/dwdwia/PDF/performance\\_measures\\_proposal0708.pdf](http://dwd.wisconsin.gov/dwdwia/PDF/performance_measures_proposal0708.pdf)

Wisconsin is negotiating the same 17 performance measures that have been negotiated in previous program years. While the USDOL continues to gather baseline data for the three additional Youth measures (Literacy and Numeracy Gain, Attainment of a Degree or Certificate, and Placement in Employment or Education), no goals are being negotiated at this time.

The USDOL places a strong emphasis on continuous improvement of performance and applies these principles by requiring an increase in performance goals each year. In past years, they have asked States to increase performance by 2.5% each program year. No such increase has been specified in the guidance materials we have received this time around. However, Regional Office staff have made it clear to us that they expect to see some significant increases in agreed-upon goals where past performance (including year-to-date PY06) has been higher than the goals that were previously negotiated.

The negotiation process allows States to use program and performance data to support and justify proposed goals. In our proposal to USDOL, we submitted data that documented past performance, unexpected events (most notably the shift in Wage Record Interchange System management and the upcoming Milwaukee reorganization), economic conditions, and participant characteristics. Much of the supporting data we used came from the performance achievement reports ASSET User Group representatives have been receiving from Nancy Bryan in the Bureau of Workforce Programs over the past several months.

One issue we were unable to address in our proposal, because we have no data on the impact other than ASSET User Group discussions, is the change of USDOL policy regarding certificates and its relationship to the provision of On-the-Job Training and Customized Training Services. As you know, these two services are being held to the certificate standard, but do not typically meet USDOL's definition of a certificate-eligible training service. ASSET User Group representatives, collectively and individually, have expressed concerns about this policy and stated quite candidly that these two types of services may not be offered to WIA Title 1 participants unless USDOL either 1) provides guidance on how to fit the services into a certificate-eligible format or 2) exempts these two services from the performance measure requirement. The rationale for not providing the services is that they will hurt performance outcomes.

USDOL staff have been reluctant to review this policy because we have no data to prove that it is too restrictive. We ask that instead of not offering these services to WIA Title 1 participants, you provide these services and give us some estimates of the expected impact on local performance as part of your local performance proposals. Once the services have been provided and the impact on certificate attainment measures can be monitored and quantified, BWP staff will be in a stronger position to advocate on the WDBs' behalf to the USDOL that the certificate policy needs to be reviewed and modified. We realize that providing services knowing full well that performance may be failed is a difficult proposition for your Boards of Directors. Conversely, we cannot effect changes in Federal program policy or negotiated performance goals based on what we think, but cannot prove, will happen.

Additional guidance on the performance negotiation process will be issued following the conclusion of negotiations with USDOL. In the mean time, if you have any questions about how to craft a proposal or about the process in general, please contact Nancy Bryan at 608/266-0249 or e-mail her at: [nancy.bryan@dwd.state.wi.us](mailto:nancy.bryan@dwd.state.wi.us).