



Date: February 25, 2005

To: Workforce Development Board Executive Directors
One-stop Operators and Job Centers
Youth Program Managers/Lead Contacts

From: Connie Colussy *C. Colussy*
Director
Bureau of Workforce Programs

Subject: **WIA Policy Update 05-02 -- Dislocated Worker Performance Reporting Policy**

Purpose

This provides guidance to Workforce Development Boards (WDBs) on participant reporting for individuals receiving services through Special Response (SRR) and Statewide (STW) grants and its impact on the Workforce Investment Act (WIA) Title I performance measures.

Policy/Legislation References

- Training and Employment Guidance Letter (TEGL) 7- 99
- TEGL 14-00, Change 1, Section 6
- Workforce Investment Act 20 CFR §665, §666, §667

Background

The U.S. Department of Labor (U.S. DOL) provided clarification regarding the inclusion of dislocated workers who receive services through special response grants (25% SRR-designated fund sources) and statewide grants (15% STW-designated fund sources). States and local staff raised questions about whether or not these individuals are counted in the WIA Title 1 Dislocated Worker performance measures. Individuals most likely to benefit from services provided under these fund sources tend to be high-wage dislocated workers, who are unlikely to re-enter the workforce with wages comparable to their income prior to dislocation. They are also unlikely to secure employment that meets the goal of a 95% wage replacement rate.

In many States and workforce development areas, eligible individuals are denied service under these grants because of WDB concerns about the negative impact of these participants on the WIA Title 1 Dislocated Worker negotiated performance goals. Failure to meet the negotiated standards can result in sanctions involving WDB reorganization or other corrective action. At the State level, sanctions can result in the loss of up to 5% of the state's annual WIA allocation.

The U.S. DOL has confirmed that any dislocated worker who receives services under any of the following funding streams are to be enrolled in the WIA Title 1 Dislocated Worker program and will be reported in all applicable WIA Title 1 Dislocated Worker performance measures:

- Any participant enrolled in WIA Title 1 Dislocated Worker programs,
- Any participant receiving services through a Special Response grant, and
- Any participant receiving services through a Statewide grant.

U.S. DOL representatives have stated that this policy will not be changed without compelling documentation that the policy affects states' and local WDBs' ability to attain negotiated performance goals. This policy includes strategies for gathering the data necessary to demonstrate the policy's impact on Wisconsin's performance measures.

Policy

For the Annual Report to U.S. DOL and the WIA Title 1 Quarterly reports, the following funding streams and participants will be reported in all Dislocated Worker performance measures:

- Any participant enrolled in WIA Title 1 Dislocated Worker programs (60% WDB annual allocation),
- Any participant receiving services through a Special Response grant (25% SRR-designated fund sources), and
- Any participant receiving services through a Statewide grant (15% STW-designated fund sources).

To address local and state concerns about the problems this reporting may cause for local programs, the Division of Workforce Solutions (DWS) will create a separate set of performance reports that will compute the performance measures by each of the above-referenced fund sources. These results will be used to monitor local performance and identify early indicators that local or state level negotiated performance goals will not be met. This will allow DWS to determine if there is a need to renegotiate state and local performance goals.

This policy does NOT include participants served exclusively by Trade Act Assistance (TAA) or National Emergency Grant (NEG) fund sources.

ASSET Reporting

This policy has no impact on ASSET reporting. Case managers and WDB staff should not alter participant reporting because of concerns about the impact on WIA Title 1 performance measures.

Action Required

The U.S. DOL will not alter its position on the inclusion of the SRR and STW funding streams in the performance measures until states can clearly document that individuals who receive services from these two fund sources have a negative impact on performance results. WDBs and local service providers should continue to enroll and serve dislocated workers, regardless of the estimated impact on WIA Title 1 performance measures.

cc: Local Program Liaisons
Job Service District Directors