

July 23, 2002

VETERANS PROGRAM LETTER NO. **10-02**

TO: ALL REGIONAL ADMINISTRATORS AND DIRECTORS
FOR VETERANS' EMPLOYMENT AND TRAINING
(RAVETs)
ALL STATE WORKFORCE AGENCY (SWA)
ADMINISTRATORS
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT AND
TRAINING ADMINISTRATION INFORMATIONAL (INFO)

FROM: FREDERICO JUARBE JR. **[Signed]**

SUBJECT: SWA Measures of Service for Program Year (PY) 2002

I. Purpose: Guidance for the establishment of performance standards for PY 2002.

II. References: Title 38, United States Code, Sections 4107 (b) and (c) [38 U.S.C., 4107(b) and (c)]; Code of Federal Regulations (CFR) Chapter 20, Sections 1001.120 and 1001.130; Federal Register Notice (FRN) April 23, 2002, Volume 67, Number 78; FRN June 6, 2001, Volume 66, Number 109; Veterans' Program Letter (VPL) 08-01, dated September 5, 2001, VPL 14-94, dated September 29, 1994; Training and Employment Information Notice (TEIN) Number 13-00; Revised Employment and Training Handbook No. 406, Employment and Training Administration (ETA) 9002 Instructions, approved April 24, 2002.

III. Rescissions: This directive supersedes VPL 08-01, dated September 5, 2001 and VPL 14-94, dated September 29, 1994.

IV. Background: In accordance with 38 U.S.C. 4107(b) and 20 CFR 1001-120 and 1001.130, performance standards are to be established to assure that all State Agencies "shall provide maximum employment and training opportunities to eligible veterans and eligible persons and are in compliance with Chapters 41 and 42 of Title 38, U.S.C." In response to this mandate, the Veterans' Employment and Training Service (VETS) has developed new labor exchange performance measures that will apply to all veterans registered with the Public Labor Exchange. These measures are to be calculated for two categories of veterans: (1) Veterans and Eligible Persons and (2) Disabled Veterans. The VETS measures maintain a general level of consistency with the ETA Public Labor Exchange Performance Measures.

Implementation of the new performance measures for veterans was approved recently by the Office of Management and Budget (OMB) for use by the Department and State grantees, effective July 1, 2002. ETA has deferred implementation of the new performance measures until a subsequent program year; however, VETS, ETA, and the State grantees will implement the revised ETA 9002 and VETS 200 reporting system effective July 1, 2002. This reporting system provides the information required to track the performance of State Agencies under the two new performance measurement systems being implemented by VETS and ETA.

V. New Performance Measures: Performance standards based on the new veterans' performance measures will be negotiated early in, PY 2002. The three veterans' performance measures are:

- (1) Veteran Job Seeker Entered Employment Rate (VJSEER);
- (2) Veteran Job Seeker Employment Retention Rate at Six Months (VJSERR); and
- (3) Veteran Job Seeker Entered Employment Rate Following Receipt of Staff-Assisted Services (VERS) (See Attachment I).

These performance measures are consistent with the VETS Strategic Plan and Annual Plan, the Workforce Investment Act (WIA) of 1998, Title 38 U.S.C., and the requirements of the Government Performance and Results Act (GPRA) of 1993.

NOTE: Effective July 1, 2002 the ETA Handbook 406 definition for Veteran includes "other eligible persons". Consequently, "other eligible persons" will be counted as Veterans, and any future data collection, and reporting references to Veterans will include "other eligible persons".

DEFINITIONS:

A. Veteran Job Seeker Entered Employment Rate (VJSEER). The Veteran Job Seeker Entered Employment Rate is defined as: The number of Wagner-Peyser Act funded labor exchange applicants who are veterans, who in the first or second quarter following registration, earned wages from a new or different employer than that from which the applicant earned wages in the quarter prior to registration, divided by the number of veteran applicants who registered or re-registered during the reporting period. Those veteran applicants, who earned wages in the first or second quarter following registration solely with the same employer from which wages were earned in the quarter prior to registration, are excluded from the measure.

B. Veteran Job Seeker Employment Retention Rate at Six Months (VJSERR). The Veteran Job Seeker Employment Retention Rate at Six Months is defined as: Of those Wagner-Peyser Act labor exchange applicants age 19 and older at the time of registration who are veterans, who in the first or second quarter following registration, earned wages from a new or different employer than that from which the applicant earned wages in the quarter prior to registration; those who also continue to earn wages in the third or fourth quarter respectively, following registration, divided by

the number of veteran applicants who entered employment in the first or second quarter after registration.

C. Veteran Job Seeker Entered Employment Rate Following Receipt of Staff-Assisted Services (VERS). The Veteran Entered Employment Rate Following Receipt of Staff-Assisted Services is defined as: The number of Wagner-Peyser Act applicants who are veterans who received some form of staff-assisted services from Public Labor Exchange staff during the quarter of registration or in the first or second quarter after registration and who entered employment, divided by the number of veteran applicants who received staff-assisted services from Public Labor Exchange staff in the quarter of registration or the first or second quarter following registration. Veteran job seekers who received-staff assisted service and who earned wages in the first or second quarter following registration solely with the same employer from which wages were earned in the quarter prior to registration, are excluded from the measure.

Staff-assisted services include: (a) referral to a job, (b) placement in training, (c) re-employment services, (d) assessment services, including an assessment interview, testing, counseling, or employability planning, (e) case management, (f) career guidance, (g) job search activities, (h) federal bonding program, (i) job development contacts, (j) tax credit eligibility determination, (k) referral to other services, including skills training, educational services, and supportive services, or (l) any other service requiring significant expenditure of staff time. Application taking/registration and the use of self-service or facilitated self-help services are not included as staff-assisted services.

VI. Establishing Expected Levels of Performance: Expected State levels of performance for the required measures will be negotiated between the State Administrator and the Director for Veterans' Employment and Training (DVET). The State may prepare data to support these negotiations in one of several ways:

A. State data for new performance measures. A State may use a full year of its own historical data to generate the results that the State would have achieved for that year, under the new performance measures that are being implemented in PY 2002. These results from a prior year's data would be baseline estimates for the new performance measures. States may adjust these baseline estimates by considering differences in expected labor market conditions, the size and characteristics of the veteran population proposed to receive services, and the services planned to be provided in the coming year. States should be prepared to provide support for their proposed performance levels by providing the methodology used to develop the baseline data and a description of the data sources and relevant factors that were considered.

B. State pilot data. Data from various state pilots can be used to provide baseline data to negotiate performance levels. The United States Employment Service

(USES) and VETS cooperated with a group of States to conduct a pilot that generated the proposed performance measures using historical data for PY 1999 and PY 2000. Results from this pilot were used to develop multiples for States to use with their own historical data from PYs 1999 and 2000 (See Attachment II). The multiples included in Attachment II are based on preliminary pilot data and may be revised as subsequent data become available.

As the PY 2002 performance data is reported, a State's accumulated data will be applied for several purposes, including:

- (1) To assess the degree to which the performance standards have been met;
- (2) To assess the realism of the measures; and
- (3) To identify refinements in the approaches used for future negotiations.

The accumulated data can be adjusted for the population served and labor market experience of that particular program year.

VII. Acceptance of Planned Levels of Performance: The Regional Administrator for Veterans' Employment and Training (RAVET) will review the negotiated performance standards submitted by the DVET. If the RAVET does not approve the negotiated performance standards, there will be the opportunity for further negotiations until a set of mutually agreed upon standards of performance is reached. It is understood that either a State or VETS may elect to renegotiate performance as new information becomes available. For the first twelve-month period under these new standards, States will be held harmless should they not meet their negotiated performance standards.

VIII. Enterprise Information Management System (EIMS): Effective November 15, 2002, ETA 9002 and VETS 200 reports will be submitted via the EIMS. Submission of separate Veterans' Performance Standards will not be required after the final report for PY 2001. As a system check, States will be asked to also submit the VETS 200 reports through the DVET. Once this check is complete (approximately 2-3 quarters) and the reported information is validated, it will not be necessary to submit this report through the DVET. All performance results will be obtained by extracting data directly from the ETA 9002, and VETS 200 reports database in the EIMS.

IX. Actions Required:

- A. By August 16, 2002, SWA administrators are to meet with their DVETs to discuss the setting of new performance standards;
- B. By August 30, 2002, DVETs will forward their SWAs' negotiated performance standards to their respective RAVETs;
- C. By September 13, 2002, RAVETs will review and, if necessary, advise the affected DVETs of the need to renegotiate the performance standards with the respective SWAs; and

D. By September 20, 2002, RAVETs will advise the DVETs and the SWAs of their approval of the negotiated performance standards, and will forward copies of their States' standards of performance to the Chicago Regional Lead Center (RLC), to the attention of Joel H. Delofsky.

X. Inquiries: SWA questions should be addressed to the appropriate DVET. DVETs will address inquiries through the RAVET to Miguel A. Hernandez in VETS National Office at (202) 693-4708.

XI. Expiration Date: This directive expires June 30, 2003.

Attachment I: Elements of VETS Performance Measures

Attachment II: New Measure Multiples

VETS-DETP: MHernandez:bvf:7/12/02:FPB:S-1316:693-4708
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