


EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA/Performance Goals
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TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 19-06

TO: ALL STATE WORKFORCE AGENCIES
ALL STATE WORKFORCE ADMINISTRATORS
ALL STATE WORKFORCE LIAISONS

FROM: EMILY STOVER DeROCCO 
Assistant Secretary

SUBJECT: Negotiating Performance Goals for the Workforce Investment Act Title 1B Programs and Wagner-Peyser Act Program for Program Years 2007 and 2008

1. Purpose. To inform states of the guidelines for negotiating Workforce Investment Act (WIA) Title 1B performance and customer satisfaction goals and performance levels for the Wagner-Peyser Act Program for Program Year (PY) 2007 and PY 2008. These negotiated performance goals will be incorporated into the State Strategic Plans for the WIA and Wagner-Peyser Act as part of the modifications states will be making for Years Three and Four of the Strategic Five-Year State Planning cycle.

2. References. WIA Section 136; WIA regulations at 20 CFR Part 666 and Part 661; Training and Employment Guidance Letter (TEGL) No. 8-99, "Negotiating Performance Goals and Incentives and Sanctions Process Under Title I of the Workforce Investment Act;" TEGL No. 11-01, "Guidance on Revising Workforce Investment Act State Negotiated Levels of Performance;" TEGL No. 17-05, "Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues;" TEGL No. 13-06, "Instructions for WIA and Wagner-Peyser Act State Planning and Waiver Requests for Years Three and Four of the Strategic Five-Year State Plan (PY 2007 - 2008)."

RESCISSIONS TEGL 22-03; TEGL 27-04; TEGL 29-05	EXPIRATION DATE Continuing
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3. Background. States are developing their WIA and Wagner-Peyser Act State Strategic Plans for PY 2007 and PY 2008, addressing what policies are in place to support integrated service delivery in their regional economies. Further, they must also plan for the common data collection and reporting processes, information management and performance management that support these strategies. In addition, they must negotiate performance goals for PY 2007 and PY 2008.

In developing their service strategies and associated accountability levels, states should reflect on the critical role of the workforce investment system in supporting the development of an educated and prepared workforce that is able to meet the needs of industry, contribute to economic prosperity, and compete in the global economy.

In February 2006, ETA launched the Workforce Innovation in Regional Economic Development (WIRED) Initiative which focuses on the role of talent development in driving regional economic competitiveness and new opportunities for workers and jobseekers. WIRED goes beyond traditional strategies for worker preparation by bringing together state, local and federal entities; academic institutions (including K-12, community colleges and universities); investment groups; foundations; and business and industry to address the challenges associated with building a globally competitive and prepared workforce.

Among the many components in the WIRED framework, the model takes demand-driven approaches and applies them in a regional context. The expected improvements within the workforce investment system from this approach include more individuals being trained for high-skill jobs in high-growth and high-demand industries. Talent development approaches under the WIRED framework may require unique and different strategies in training and service delivery. For example, shorter and targeted training may be required in some instances and longer-term training in others, depending on the specific skills and credentials identified as necessary by industry—both at entry-level positions and as individuals' progress up and across career lattices. Some workforce solutions may be developed to ensure individuals requiring more comprehensive service strategies are part of the pipeline of workers moving into jobs in high-growth industries such as out-of-school youth, individuals with limited English proficiency, or individuals with disabilities.

The performance accountability system, including negotiated levels of performance, should be aligned with and take into account the effect of strategies based on WIRED principles in specific service approaches identified at the state, regional, and local levels. If necessary, state, regional, and local areas should consider options for making the accountability system more flexible, including the use of the waiver provision in WIA section 189(i), in support of their service strategies, e.g., (1) a waiver of the provision contained in WIA section 181(e), which prohibits the use of WIA Title I funds for economic development activities not directly related to training, to further clarify allowable activities and/or (2) a waiver of the requirement for a 50 percent employer match for customized training, to permit a sliding scale match to increase employer connections with the One-Stop system.

The information in this Guidance Letter supersedes and rescinds previously issued guidance related to performance negotiations in TEGL 29-05, Negotiating Common Measures Performance Goals for Wagner-Peyser Act Funded Activities for Program Year (PY) 2006, Re-Negotiating the Earnings Common Measure for the Workforce Investment Act (WIA) Title IB Adult and Dislocated Worker Programs, and Clarification of Accountability for Youth Measures, TEGL 27-04, Negotiating Workforce Investment Act (WIA) Title 1B Performance Goals for Program Years (PY) 2005 and 2006, and TEGL 22-03, Negotiating PY 2004 Expected Levels of Performance for the Labor Exchange Entered Employment Rate (EER) and Employment Retention Rate (ERR) Performance Measures. The intent of this document is to clarify the performance measures for which states will be held accountable for PY 2007 and PY 2008, provide an outline of the negotiations process and provide descriptions of tools available for use during the negotiations process. The negotiations process across the system should be improved by the provision of these consistent analysis tools, which are available as attachments to this guidance, as well as through ETA's performance Web site at <http://www.doleta.gov/performance/guidance/negotiating.cfm>.

4. Changes to the Negotiations Process. In general, the process for this current round of negotiations will not change significantly from the processes used in past rounds. Negotiations will continue to take place between the states and the corresponding ETA regional offices, and specific guidance regarding contacts and timeframes will be provided to the states by the appropriate regional office (the actual process steps are described in more detail in Section 7.B. of this guidance). The major difference in this round of negotiations is that states will be required to establish PY 2007 and PY 2008 performance levels for the Wagner-Peyser Act component of the State Plans at the same time as they negotiate performance levels for the WIA Title 1B programs.

5. Integrated Approach for Assessing Performance Against Negotiated Levels. Beginning in PY 2007, ETA will be defining performance results similarly for both the WIA Title 1B and Wagner-Peyser Act programs. While this methodology has not changed for the WIA Title 1B programs, it is more noteworthy for the Wagner-Peyser program, which used a single performance point in the past. This change to the interpretation of results for the Wagner-Peyser Act program is being made to align it more closely with the WIA methodology. The intent of this change is to lessen the confusion within the workforce investment system associated with having two different methodologies for defining whether program performance meets, or fails to meet a negotiated goal, as well as to aid in the integration of services across the programs at the state, regional, and local levels.

Methodology for Assessing Performance Against Negotiated Levels

For both the WIA Title 1B and the Wagner-Peyser Act programs, the upper bound of the performance range will be the negotiated level of performance for the measure, while the lower bound of the range is 80% of the negotiated level of performance. Performance on an individual measure will be interpreted based on the outcome's position relative to the two boundaries for a measure as follows:

- **Exceeds** - when the actual performance achieved against an individual performance measure is in excess of 100 % of the negotiated level of performance for the measure;
- **Meets** - when the actual performance achieved against an individual performance measure falls in the range of 80 to 100% of the negotiated level of performance for the measure; and
- **Fails** - when the actual performance achieved against an individual performance measure is less than 80% of the negotiated level of performance.

For example, if a state negotiates a 90.0% goal for the employment retention rate indicator, the state would:

- **Exceed** the goal if the actual performance level achieved was greater than 90.0%;
- **Meet** the goal if the actual performance level achieved was greater than or equal to 72.0% and less than 90.0%; and,
- **Fail** the goal if the actual performance level achieved was less than 72.0%.

While whole percentages are used in this example, it should be noted that this is simply because 80% of the negotiated 90.0% happens to be exactly 72%; there will be no rounding in interpreting performance results. Negotiated performance levels and results are stated to the tenth of a percent. The **Meets** category is rather broad; states may use additional distinctions to differentiate performance within that category. These three categories align with existing guidance on incentives and sanctions (see TEGL 8-99) as well as the WIA regulations:

666.220(b)(3) The State exceeded the State negotiated levels of performance for title I, the levels of performance under title II and the levels for vocational and technical programs under the Carl D. Perkins Vocational and Technical Education Act. (WIA sec. 503(b).)

666.230(a)(2) The extent to which the negotiated levels of performance were exceeded;

666.240(d) Only performance that is less than 80 percent of the negotiated levels will be deemed to be a failure to achieve negotiated levels of performance.

6. Applicable Performance Measures for the PY 2007 and PY 2008 Performance

Negotiations Process. The negotiations process will focus on establishing agreed-upon levels of performance for 20 performance levels for the WIA and Wagner-Peyser Act programs. The 17 WIA indicators of performance, consisting of the Adult, Dislocated Worker and Youth program measures, the two customer satisfaction indicators and the three Wagner-Peyser performance measures.

For those states that have requested to report against the WIA Adult and Youth common performance measures only, and have received approval to do so in accordance with the waiver authority granted to the Secretary at WIA section 189(i)(4), the negotiations process will focus on establishing a total of nine agreed-upon levels of performance for the WIA Adult, Dislocated Worker and Youth programs and the three Wagner-Peyser measures. For these waiver states, the three Adult common measures will be applied separately to the WIA Adult and Dislocated Worker programs, and the three Youth common measures will be applied to the WIA Youth program. The table below summarizes the performance measures involved in the negotiations process.

Applicable Performance Measures

WIA Measures (Majority of States)				Common Measures (Waiver States)			Wagner-Peyser Measures (All States)
Adult	Dislocated Worker	Youth	Customer Satisfaction	Adult	Dislocated Worker	Youth	
Entered Employment Rate	Entered Employment Rate	Older Youth Entered Employment Rate	Participant American Customer Satisfaction Index	Entered Employment Rate	Entered Employment Rate	Placement in Employment or Education	Entered Employment Rate for Total Exitters
Employment Retention Rate	Employment Retention Rate	Older Youth Employment Retention Rate	Employer American Customer Satisfaction Index	Employment Retention Rate	Employment Retention Rate	Attainment of a Degree or Certificate	Employment Retention Rate for Total Exitters
Employment and Credential Rate	Employment and Credential Rate	Older Youth Credential Rate		Average Six Months Earnings	Average Six Months Earnings	Literacy and Numeracy Gains	Average Six Months Earnings for Total Exitters
Average Six Months Earnings	Average Six Months Earnings	Older Youth Earnings Change					
		Younger Youth Skill Attainment Rate					
		Younger Youth Diploma or Equivalent Rate					
		Younger Youth Retention Rate					

The source documents with the definitions and related reporting specifications for the applicable performance measures are as follows:

- **The 17 WIA performance measures** - TEGL No. 17-05, “Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues” (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>); and the Workforce Investment Act Annual Report: General Reporting Instructions and ETA Form 9091, Revised 2006 (<http://www.doleta.gov/Performance/guidance/WIA/WIA-Annual-Report-Specifications-Expires-02282009.doc>);
- **The WIA Adult and Youth programs’ common measures** - TEGL No. 17-05, “Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues” (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>); and the Workforce Investment Act Annual Report: General Reporting Instructions and ETA Form 9091, Revised 2006 (<http://www.doleta.gov/Performance/guidance/WIA/WIA-Annual-Report-Specifications-Expires-02282009.doc>);
- **The three Wagner-Peyser Program’s performance measures** - TEGL No. 17-05, “Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues” (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>); and the ETA 9002 and VETS 200 Data Preparation Handbook, ET Handbook No. 406 released in February 2006 (<http://www.doleta.gov/Performance/guidance/WIA/ET-406-Handbook-Expiration-022809.pdf>).

All states will collect and report against the three Youth common performance measures for the entire Youth population (Older and Younger Youth combined) in PY 2007 and PY 2008. However, performance against these measures will not be considered in the incentive award and sanctions determinations for states that are accountable for outcomes on the 17 WIA measures. The exception is for states that have received an approved waiver to implement and report against the “WIA common measures only.” These states will negotiate levels of performance for the Youth common measures.

States should also be aware that the Veterans’ Employment and Training Service (VETS) intends to issue separate guidance on negotiating PY 2007 and PY 2008 veterans’ performance targets with state workforce agencies. This negotiation of specific levels of performance for veterans will include: 1) performance targets for veterans served by One-Stop employment and workforce information services; and, 2) grant-based performance targets for veterans served through the Jobs for Veterans state grants.

7. Reaching Agreement on State Performance Levels. States should use negotiated levels of performance to drive continuous improvement and enhanced customer satisfaction. In proposing performance targets for both the WIA Title 1B and Wagner-Peyser funded activities, states should negotiate their goals within the context of integrated service delivery, priority of service, customer mix, and workforce solutions that contribute to the regional economic competitiveness of their state and sub-state areas. The following tools and process guidelines provide a uniform framework for states to use to set performance goals that demonstrate this commitment. Following these guidelines should make coming to agreement on final performance levels easier. Final performance levels must be negotiated and agreed upon by the state and the ETA Regional Administrator no later than June 30, 2007.

A. Tools for Proposing Levels of Performance

Prior to proposing levels of performance for the applicable performance measures to the appropriate Regional Administrator to begin the negotiations process as discussed further in Part B of this section (and **Attachment I**), states should review and make use of the following resources/tools to ensure that these factors have been considered in determining their proposed level and that there is a sound rationale for their proposed levels of performance:

I. *Past performance*. States should use historical, annual performance information (PY 2002-2005) to inform projected levels of performance for PY 2007 and PY 2008. Recent quarterly performance results should also be used to inform the performance path the state is following. The Wagner-Peyser funded activities began reporting against the common performance measures in PY 2005 and now have a full year of data on which to base future performance projections. The Department anticipates that states will submit proposed levels of performance that reflect continuous improvement and additional experience, and show increases over the prior years' performance levels. However, it is recognized that performance levels may vary, up or down, based on prior performance and environmental factors that are beyond the state's control. While states should have ready access to their own historical performance information, various tools and resources are available to examine states' historical performance data, including state by state files of the data (www.doleta.gov/Performance/results/wia_national_performance.cfm); the Federal Research and Evaluation Database (www.fred-info.org); VETS' performance data (<http://www.dol.gov/vets/vetoutcomes/index.htm>) and Bureau of Labor Statistics (BLS) data for employment, industries, counties, average earnings, etc. (www.bls.gov/cew/cewover.htm). When using BLS data as a guide, states should be careful to consider the timeframes covered by BLS employment and wage information, and the relative time periods in which WIA and Wagner-Peyser exiters enter employment and obtain post-program earnings.

II. *Government Performance and Results Act (GPRA) goals*. Throughout the performance negotiation process, states should be aware of the GPRA goals the Department has established for PY 2007 and PY 2008. These goals will be used by regional offices as one of several benchmarks by which to gauge their states' proposed performance levels in the context of these national system goals. The GPRA is an important mechanism by which Congress evaluates the success of Federal programs, including those which are operated by states and localities. The GPRA is also a principal component of the President's Management Agenda, by which the Administration evaluates programs as part of its goal to integrate budget and performance outcomes. The GPRA performance goals for the Department's WIA Adult and Dislocated Workers programs, and the Wagner-Peyser program are listed in **Attachment II**, and more information is available at <http://www.doleta.gov/Performance/goals/gpra.cfm>.

III. *National comparisons*. ETA has utilized states' previously submitted annual performance data to provide information on the national averages and distribution of performance outcomes. These benchmarks serve as estimates that states and regions can refer to when setting goals to achieve continuous improvement. **Attachment III** presents

this information for the past four program years. (Note that these tables include estimates of outcomes using common measure definitions for adult and dislocated workers. These estimates were created by using states' previously submitted Workforce Investment Act Standardized Record Data [WIASRD] files).

IV. Average Six Months Earnings for WIA Adult and WIA Dislocated Worker Programs.

Attachment IV presents an estimate of this information by state for the past four program years using states' previously submitted Workforce Investment Act Standardized Record Data (WIASRD) files.

V. Estimates of Six Months Average Earnings by State Using BLS-Quarterly Census of Employment and Wages (QCEW) Program Data. The QCEW is a cooperative program involving the BLS and the state workforce agencies that produces a comprehensive tabulation of employment and wage information for workers covered by state unemployment insurance (UI) laws and federal workers covered by the Unemployment Compensation system. The QCEW contains data on the number of establishments, monthly employment, and quarterly wages, by North American Industry Classification System (NAICS) industry, by county and by ownership sector for the entire United States. At the state and local levels, the QCEW program publishes employment and wage data down to the 6-digit NAICS industry level. The QCEW data can serve as a resource to assist states in placing the results achieved under the average earnings measure for the WIA programs and Wagner-Peyser funded activities within the context of the average earnings for the overall workforce. **Attachment V** presents an estimate of this information by state for the past four years and **Attachment VI** provides additional information on the methodologies used to develop these estimates and details on the data's coverage and limitations. As noted earlier, states should be careful to consider the timeframes covered by BLS wage information, and the relative time periods in which WIA and Wagner-Peyser exiters enter employment and obtain post-program earnings.

VI. Estimates of the effects of economic and demographic variables and other factors.

WIA section 136(b)(3)(A)(iv) (see

http://www.doleta.gov/performance/guidance/laws_regs.cfm) and TEGL 8-99

(<http://wdr.doleta.gov/directives/attach/TEGL8-99.pdf>) address additional factors, such as differences in economic conditions, characteristics of participants, and services to be provided, that should be considered in the negotiation process. Below is some additional detail on these and other factors that should be considered:

- Estimates of how various economic and demographic variables may impact outcomes achieved is provided in **Attachment VII**. Please note that these estimates are based on national-level data, and do not necessarily reflect the economic conditions and client base unique to a state. Therefore, these estimates should not be considered hard and fast reasons for adjusting performance goals up or down. Instead, they are provided as an example of how a state might analyze its own data in order to propose goals that take into account the characteristics of individuals served and economic conditions in the state. In applying these variables, it is also important to recognize that the different performance measures may not be affected by the same variable in the

same way because of the lag associated with the calculation of some of the performance measures. For example, a given state's economy could project no job growth for 2007, which could have a strong effect on the negotiated entered employment rate for PY 2007, but a lesser effect on the employment retention and six month average earnings measures for PY 2007, because the individuals included in those measures for PY 2007 reporting purposes would have been employed prior to the start of calendar year 2007 for the most part. **Attachment VIII** contains a description of the time periods during which individuals will have to have exited program services to be included in the different performance measures, to assist states in their analysis of the impact of a given variable on the different measures against which the state will be negotiating levels for PY 2007 and PY 2008 (and including in their WIA Annual Report submissions for PY 2007 and PY 2008).

- Also, states that contain WIRED regions should take into consideration how the additional investment and reshaping of talent development strategies within those regions will impact overall performance, particularly individuals served. The original WIRED Solicitation for Grant Applications (SGA) identified improved performance under the Workforce Investment Act and the Trade Adjustment Assistance program as an expected outcome under these grants. While PY 2007 may represent a continuation of the program implementation phase for some of the regions, it is expected that PY 2008, and beyond, will begin to yield quantifiable results as employment, training, and advancement programs and opportunities increase. Pages 4 and 5 of TEGL 13-06 (http://wdr.doleta.gov/directives/attach/TEGL/TEGL13-06_508.pdf) provide a discussion of the roles of the WIRED initiative in the development of ETA's current policy emphases and strategic priorities. To the extent possible, negotiations should reflect projected impacts of the WIRED strategies.
- When negotiating the Youth goals, states should be aware that ETA's strategic vision for youth services includes a focus on serving the neediest youth, especially out-of-school youth, including youth in foster care, youth in the juvenile justice system, children of incarcerated parents, and migrant youth, as well as youth with disabilities and Native American youth. States that transition to serving a higher percentage of these more difficult to serve populations should take into account the populations being served when proposing performance levels for the Youth goals. Serving a greater percentage of the neediest youth may impact outcomes. If states plan to serve a greater percentage of the neediest youth, they should provide data that shows how outcomes are impacted by serving this population.
- When negotiating goals for the Adult program, states proposing new efforts to increase access to services for special populations that may face significant barriers (such as older workers, individuals with disabilities, migrant or seasonal farm workers, Indian and Native Americans, or Temporary Assistance for Needy Families (TANF) recipients), should provide data to show how WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act outcomes will be impacted. ETA supports efforts that will help states better tap into a wider

pipeline of available workers. Available performance data indicate that the workforce investment system's employment and training programs have positive impacts on individuals served, including traditionally underserved populations for employment. In order to continue good management and oversight of our programs, it will be necessary to document how outcomes are impacted by changes in the mix of participants served.

B. Process for Reaching Agreement on State Performance Levels

The process for reaching agreement on state performance levels will include the following steps, as outlined in the attached timeline (**Attachment I**):

- I. After conducting their own analysis of factors that may affect performance, as discussed above (in Part A of this section), states will propose levels of performance for each of the applicable performance measures for PY 2007 and PY 2008 by submitting these proposed levels to the Regional Administrator serving the state. Proposed performance levels should be stated to a tenth of a percent (XX.X%) and must be submitted to the appropriate Regional Administrator no later than May 1, 2007; however, regional offices will work with states to begin the negotiation process prior to that date and in parallel with the planning process in order to ensure that final levels are agreed upon by June 30, 2007.

When submitting the proposed levels, states should provide the following as support for the levels, which is also necessary documentation for the State Plans (see Part II, Section X, Subpart D, Item 1 of the Stand-Alone Planning Guidance or State Planning Guidance or Part III, Section K, Item 1(b)(i) of the Unified Planning Guidance.):

- The methodology used for developing proposed levels of performance, including a description of data sources, calculations, and additional environmental factors (such as those listed in WIA section 136(b)(3)(A)(iv), previously addressed in TEGL 8-99, and discussed in Section 5.A. of this guidance.)
- How the target levels will promote continuous improvement in state performance.

When submitting the proposed levels for review, states should also include a discussion of how the proposed levels will positively impact customer satisfaction with services received and the extent to which the proposed levels ensure optimal return on investment of Federal funds. (See WIA section 136(b)(3)(A)(iii) and (iv).)

- II. The regional office will review the analyses used by the state to develop the proposed performance levels and will work with the state to set mutually agreed-upon levels of performance. Regional offices will take into account the environmental factors addressed by the state, including current and future economic conditions. The regional office will consider the proposed levels in light of previously negotiated goals, past performance results, and the national GPRA goals. Additionally, regional offices will consider the quality of the data presented by state, including its relevance, source, the time period from which it is drawn, and whether the data is part of a trend or is anomalous. The negotiation process will focus on whether each performance level appears appropriate in light of statutory criteria and this guidance, and the adequacy of any information the state offer to substantiate each level. If regional offices determine through their analysis that a state could increase its proposed performance levels to more fully support continuous improvement and customer satisfaction strategies, they will negotiate with the state to obtain mutually agreed-upon performance levels.
- III. Once the performance levels are agreed upon, the Regional Administrator will send a letter to the state confirming the agreed-upon levels this letter constitutes a modification, incorporating these performance goals into the State Strategic Plan.

8. Inclusion of Performance Goals in State Plans.

At a minimum, states will be required to submit the *proposed* levels of performance as part of the State Plans, which are due to ETA by May 1, 2007. In a notice to States from the ETA's Administrator for the Office of Workforce Investment, entitled: *ETA's Intent to Revise TEGL 13-06 to Provide States Additional Time for Submission of State Plans*, states (or jurisdictions) that have new governors are being provided the option of additional time to submit their modified State Plans; eligible jurisdictions requesting this option have until June 30, 2007, to submit their modified State Plans. (See 20 CFR 661.230(b)(2), "Planning Guidance and Instructions for Submission of the Strategic Five-Year Plan for Title I of the Workforce Investment Act of 1998 and the Wagner Peyser Act" and TEGL No. 13-06 (and any subsequent changes) "Instructions for WIA and Wagner-Peyser Act State Planning and Waiver Requests for Years Three and Four of the Strategic Five-Year State Plan (PY 2007 – 2008)").

States should note that the content of the State Plans, including the proposed levels of performance, are subject to public review and comment requirements. States that have completed negotiations with ETA should include their agreed-upon levels of performance for PY 2007 and PY 2008 for the WIA and Wagner-Peyser Act programs in the State Plan as part of their modification request.

In cases where final agreement on performance goals is not reached before the State Plan is submitted to ETA for review and approval, but is reached before ETA approval of the State Plan, the letter advising the states of approval of the State Plan will notify the State of ETA's approval of the agreed-upon goals (and attach to the letter a copy of the agreed upon goals).

In cases where final agreement on performance goals has not been reached until after the State Plan has been approved, the Regional Administrator's letter advising the State of the agreed-upon goals will constitute a modification to the State Plan. For subsequent revisions to performance goals during the life of the State Plan, the Regional Administrator's letter advising the State of the agreed upon goals will also constitute a modification to the State Plan. The State must ensure that the agreed-upon goals are included in the State's official copy of the State Plan, and that any published State Plan, on the State's Web site or through other forums, includes the agreed-upon goals. ETA will incorporate these performance goals into the Regional and National Office copies of the State's Plan.

9. Action Required. States are requested to distribute this information to the appropriate state and local staff.

10. Inquiries. Questions concerning this guidance may be directed to the appropriate regional office.

11. Attachments.

Attachment I:	Recommended Timeline for the Negotiation Process
Attachment II:	GPRA Performance Goals for the Department of Labor
Attachment III:	National Distribution of WIA and Wagner-Peyser Act Performance Outcomes, PY 2002 - PY 2005
Attachment IV:	Average Six Months Earnings for WIA Adult and WIA Dislocated Worker Programs
Attachment V:	Estimates of Six Months Average Earnings by State Using BLS-QCEW Program Data
Attachment VI:	Additional Notes on BLS QCEW Program Data
Attachment VII:	Economic and Demographic Variables
Attachment VIII:	Time Periods for Reporting Performance Information in the WIA Annual Report for PY 2007 and PY 2008

**ATTACHMENT I:
RECOMMENDED TIMELINE FOR THE NEGOTIATION PROCESS**

DATE	ACTION
March-April 2007	<ul style="list-style-type: none"> • ETA regional offices provide technical assistance on strategic planning as requested by state, including procedures for negotiating performance goals
No later than May 1, 2007	<ul style="list-style-type: none"> • States send proposed performance levels to regional offices
May 1, 2007	<ul style="list-style-type: none"> • States formally submit state plans to ETA, including the proposed or final performance levels
May 2007	<ul style="list-style-type: none"> • Regional offices review states' proposed performance levels and work with states to arrive at mutually agreed upon levels
June 2007	<ul style="list-style-type: none"> • Negotiation continues if necessary
June 30, 2007	<ul style="list-style-type: none"> • States (or jurisdictions) that have new governors are being provided the option of additional time to submit their modified State Plans. Eligible jurisdictions requesting this option have until June 30, 2007, to submit their modified State Plans • Regional Administrators send approval letter to states regarding the final performance levels • ETA incorporates final performance levels into state plans

**ATTACHMENT II:
GPRA PERFORMANCE GOALS FOR THE DEPARTMENT OF LABOR**

PERFORMANCE GOAL	PY 2003 GOAL	PY 2004 GOAL	PY 2005 GOAL	PY 2006 GOAL	PY 2007 GOAL	PY 2008 GOAL
WIA Adult Entered Employment Rate	71%	75%	76%	76%	76%	78%
WIA Adult Employment Retention Rate	82%	85%	81%	82%	83%	84%
WIA Adult Earnings Change/Average Earnings (PY 2006, PY 2007, and PY 2008) ¹	\$3,100	\$3,300	\$3,400	\$11,000	\$11,100	\$11,200
WIA Dislocated Worker Entered Employment Rate	78%	82%	83%	84%	84%	84%
WIA Dislocated Worker Employment Retention Rate	88%	91%	89%	90%	90%	90%
WIA Dislocated Worker Wage Replacement Rate/ Average Earnings (PY 2006, PY 2007, and PY 2008) ¹	93%	91%	92%	\$13,800	\$13,900	\$14,000
Wagner-Peyser Entered Employment Rate	58%	58%	61%	64%	65%	65%
Wagner-Peyser Employment Retention Rate	72%	72%	78%	81%	82%	82%
Wagner-Peyser Average Earnings	N/A	N/A	Baseline	\$10,500	\$10,750	\$11,000

N/A = Not Applicable

Please note: Targets for the goals for PY 2005 forward were set based on the policy guidance on common measures provided by TEGL 17-05.

¹ TEGL 17-05 changed the methodology for calculating the earnings measure for the WIA Adult and Dislocated Worker programs effective July 1, 2006, so the goals/targets for PY 2006 – PY 2008 are not directly comparable to previous year targets for these measures.

**ATTACHMENT III:
NATIONAL DISTRIBUTION OF WIA AND WAGNER-PEYSER
PERFORMANCE OUTCOMES,
PY 2002 - PY 2005**

Table 1: National Averages of Performance Measure Outcomes

	Overall Average			
	PY 2002	PY 2003	PY 2004	PY 2005
Adults				
Entered Employment Rate	75%	74%	77%	77%
Employment Retention Rate ¹	80%	80%	78%	83%
Average Earnings ¹	\$9,396	\$10,348	\$10,773	\$11,208
Employment and Credential Rate	62%	62%	66%	68%
Dislocated Workers				
Entered Employment Rate	83%	82%	84%	83%
Employment Retention Rate ¹	87%	87%	84%	88%
Average Earnings ¹	\$12,998	\$13,803	\$14,003	\$14,150
Employment and Credential Rate	65%	65%	70%	68%
Older Youth				
Entered Employment Rate	70%	71%	74%	76%
Employment Retention Rate	80%	81%	83%	83%
Earnings Change	\$2,938	\$3,167	\$3,547	\$3,769
Credential Rate	46%	48%	52%	53%
Younger Youth				
Skill Attainment Rate	80%	83%	84%	84%
Diploma Attainment Rate	63%	63%	66%	65%
Retention Rate	60%	61%	65%	69%
Customer Satisfaction				
Participants	77	76	77	80
Employers	74	72	73	75
Wagner-Peyser				
Entered Employment Rate	63%	61%	64%	63%
Employment Retention Rate	80%	80%	81%	80%
Average Earnings ²	N/A	N/A	N/A	N/A

Source: WIA State Annual and Wagner-Peyser State Quarterly Reports

¹ Estimates of these outcomes were developed from state Workforce Investment Act Standardized Record Data (WIASRD) file submissions using common measures definitions.

² The methodology for calculating the Average Earnings measure became effective July 1, 2006. Unlike the WIA programs, it is not possible to estimate outcomes for prior years for the Wagner-Peyser Program. However, the preliminary result through the end of the 2nd quarter of PY 2006 for Average Earnings is \$11,762.

Attachment III
Table 2: National Distribution of Performance Outcomes

	Top 10% of States					Top 25% of States					Top 50% of States					Bottom 25% of States					Bottom 10% of States										
	PY 02	PY 03	PY 04	PY 05	Avg.	PY 02	PY 03	PY 04	PY 05	Avg.	PY 02	PY 03	PY 04	PY 05	Avg.	PY 02	PY 03	PY 04	PY 05	Avg.	PY 02	PY 03	PY 04	PY 05	Avg.	PY 02	PY 03	PY 04	PY 05	Avg.	
WIA Adults																															
Entered Employment Rate	85%	87%	89%	89%	88%	81%	83%	87%	87%	85%	77%	79%	85%	85%	81%	73%	74%	72%	69%	72%	68%	69%	69%	70%	67%	67%	67%	68%	69%	69%	67%
Employment Retention Rate ^{1,2}	85%	87%	92%	90%	88%	84%	84%	91%	88%	86%	81%	82%	89%	86%	84%	78%	79%	83%	76%	79%	76%	76%	76%	81%	72%	76%	76%	76%	76%	76%	76%
Earnings Change ¹	\$4,121	\$4,281	\$5,836	\$6,492	\$5,183	\$3,895	\$3,820	\$5,263	\$5,707	\$4,671	\$3,285	\$3,130	\$4,730	\$5,179	\$4,081	\$2,647	\$2,727	\$2,906	\$3,272	\$2,888	\$2,297	\$2,352	\$2,631	\$2,718	\$2,500	\$2,222	\$2,222	\$2,222	\$2,222	\$2,222	
Employment and Credential Rate	71%	75%	80%	83%	77%	70%	68%	76%	78%	73%	64%	65%	74%	75%	69%	56%	60%	57%	57%	57%	52%	52%	52%	51%	50%	51%	50%	52%	52%	51%	51%
WIA Dislocated Workers																															
Entered Employment Rate	91%	90%	90%	93%	91%	88%	88%	87%	91%	89%	84%	85%	86%	89%	86%	80%	81%	84%	76%	80%	74%	78%	78%	83%	69%	78%	78%	74%	74%	83%	76%
Employment Retention Rate ^{1,2}	91%	92%	96%	94%	93%	91%	90%	95%	93%	92%	88%	89%	94%	92%	91%	86%	86%	88%	81%	85%	83%	83%	83%	86%	73%	81%	81%	83%	83%	83%	81%
Earnings Change ¹	\$2,811	\$1,229	\$1,388	\$4,891	\$2,267	\$646	\$50	\$121	\$3,385	\$1,051	-\$561	-\$1,239	\$108	\$2,046	\$88	-\$1,744	-\$2,357	\$80	-\$1,629	-\$1,413	-\$2,378	-\$3,687	\$75	-\$2,233	-\$2,056	-\$2,233	-\$2,233	-\$2,233	-\$2,233	-\$2,233	-\$2,233
Employment and Credential Rate	79%	77%	84%	86%	81%	71%	73%	80%	81%	76%	66%	68%	77%	78%	72%	60%	64%	60%	60%	61%	57%	57%	57%	55%	51%	55%	55%	57%	57%	55%	55%
Wagner-Peyser																															
Entered Employment Rate					79%					74%					71%					57%					47%					47%	
Employment Retention Rate					88%					86%					85%					76%					75%					75%	
WIA Older Youth																															
Entered Employment Rate	79%	83%	92%	92%	86%	75%	79%	87%	86%	82%	72%	73%	82%	82%	77%	63%	69%	67%	64%	66%	59%	64%	64%	64%	54%	60%	60%	64%	64%	64%	60%
Employment Retention Rate	85%	90%	92%	90%	89%	83%	86%	90%	87%	87%	80%	82%	87%	87%	84%	76%	79%	77%	74%	76%	72%	77%	77%	74%	66%	72%	72%	74%	74%	66%	72%
Earnings Change	\$3,855	\$4,074	\$5,049	\$5,285	\$4,566	\$3,262	\$3,547	\$4,569	\$4,697	\$4,019	\$2,753	\$3,079	\$4,125	\$4,305	\$3,566	\$2,469	\$2,636	\$2,680	\$2,759	\$2,636	\$1,960	\$2,311	\$2,139	\$2,174	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146	\$2,146
Credential Rate	60%	63%	67%	78%	67%	56%	57%	66%	69%	62%	48%	52%	62%	64%	56%	39%	43%	42%	40%	41%	33%	36%	37%	31%	35%	35%	35%	37%	37%	31%	35%
WIA Younger Youth																															
Skill Attainment Rate	96%	93%	94%	97%	95%	89%	89%	92%	93%	91%	81%	85%	89%	89%	86%	76%	79%	74%	73%	75%	70%	72%	72%	70%	69%	70%	70%	70%	70%	69%	70%
Diploma Attainment Rate	77%	78%	83%	90%	82%	74%	73%	80%	82%	77%	64%	63%	76%	76%	70%	57%	56%	53%	49%	54%	46%	51%	51%	49%	34%	45%	45%	46%	46%	34%	45%
Retention Rate	74%	78%	82%	86%	80%	68%	71%	78%	80%	74%	61%	64%	74%	76%	69%	53%	56%	59%	57%	57%	47%	53%	53%	53%	53%	53%	53%	53%	53%	53%	53%
Customer Satisfaction																															
Participants	84	85	89	90	87	82	81	86	88	84	78	77	84	85	81	74	75	72	73	73	70	70	70	69	69	69	69	68	68	69	64
Employers	83	83	87	89	85	78	78	83	86	81	75	76	80	81	78	71	72	68	65	69	68	68	68	66	66	66	66	66	66	66	64

Source: WIA State Annual Reports and Wagner-Peyser State Quarterly Reports

1 Common Measures performance estimates derived from Workforce Investment Act Standardized Record Data (WIASRD)

2 Includes supplemental data

ATTACHMENT IV

Average Six Months Earnings for WIA Adult and WIA Dislocated Worker Programs

State	WIA Adult Program					WIA Dislocated Worker Program			
	PY 2002	PY 2003	PY 2004	PY 2005 ¹		PY 2002	PY 2003	PY 2004	PY 2005 ¹
Nation	\$9,396	\$10,348	\$10,773	\$11,208		\$12,998	\$13,803	\$14,003	\$14,150
AK	\$10,539	\$13,506	\$12,606	\$13,008		\$14,675	\$18,606	\$16,271	\$15,907
AL	\$8,859	\$11,506	\$13,094	\$8,974		\$10,677	\$11,642	\$12,653	\$12,861
AR	\$9,077	\$10,005	\$12,634	\$11,861		\$10,311	\$11,172	\$12,518	\$12,228
AZ	\$9,434	\$9,439	\$9,409	\$10,330		\$12,077	\$13,206	\$13,533	\$14,792
CA	\$10,397	\$10,483	\$11,680	\$12,396		\$14,945	\$15,030	\$15,311	\$15,726
CO	\$9,172	\$11,037	\$10,512	\$11,274		\$13,410	\$15,269	\$16,040	\$15,980
CT	\$10,243	\$9,517	\$9,818	\$11,004		\$15,775	\$14,159	\$16,193	\$16,336
DC	\$8,478	\$8,971	\$8,924	\$10,220		\$14,209	\$13,816	\$15,059	\$14,027
DE	\$8,586	\$9,518	\$9,272	\$10,075		\$12,374	\$12,058	\$12,987	\$12,979
FL	\$9,690	\$11,367	\$12,118	\$15,108		\$12,799	\$13,720	\$14,140	\$14,480
GA	\$8,716	\$9,102	\$10,284	\$10,644		\$11,151	\$13,024	\$13,940	\$14,244
HI	\$8,987	\$9,137	\$10,087	\$10,186		\$12,435	\$12,434	\$12,941	\$12,868
IA	\$9,049	\$9,344	\$9,511	\$9,598		\$11,296	\$11,791	\$12,230	\$11,880
ID	\$9,229	\$8,921	\$9,413	\$10,391		\$12,940	\$12,417	\$13,266	\$13,094
IL	\$9,585	\$9,985	\$10,198	\$10,759		\$13,676	\$15,034	\$15,333	\$15,413
IN	\$9,348	\$10,159	\$10,149	\$10,370		\$12,839	\$14,980	\$14,189	\$14,577
KS	\$8,950	\$10,105	\$11,281	\$11,419		\$12,294	\$14,804	\$15,539	\$15,621
KY	\$9,381	\$9,612	\$10,081	\$10,634		\$12,066	\$11,668	\$11,950	\$13,296
LA	\$8,764	\$9,277	\$10,063	\$10,194		\$11,083	\$11,227	\$11,544	\$12,179
MA	\$9,515	\$9,849	\$10,018	\$10,581		\$13,972	\$14,756	\$16,643	\$18,615
MD	\$10,501	\$11,431	\$12,240	\$12,740		\$14,307	\$15,902	\$17,269	\$18,919
ME	\$8,959	\$9,220	\$9,312	\$9,247		\$10,932	\$10,760	\$12,919	\$11,164
MI	\$9,096	\$9,617	\$9,388	\$9,651		\$12,598	\$12,674	\$12,336	\$12,914
MN	\$9,319	\$10,035	\$10,539	\$10,661		\$15,434	\$16,498	\$16,300	\$16,143
MO	\$8,101	\$8,589	\$8,658	\$9,178		\$12,651	\$13,165	\$12,590	\$13,257
MS	\$8,313	\$8,333	\$8,450	\$8,871		\$9,346	\$9,659	\$9,663	\$10,169
MT	\$8,468	\$7,936	\$9,697	\$9,758		\$13,127	\$13,014	\$13,888	\$13,964
NC	\$9,133	\$9,110	\$9,669	\$9,893		\$11,229	\$11,858	\$12,217	\$13,714
ND	\$7,801	\$7,809	\$8,332	\$9,447		\$11,328	\$10,832	\$11,164	\$12,338
NE	\$7,887	\$9,387	\$9,505	\$9,839		\$12,647	\$12,676	\$13,342	\$12,919
NH	\$9,485	\$11,009	\$10,544	\$9,947		\$13,389	\$17,111	\$15,121	\$17,111
NJ	\$9,928	\$10,533	\$11,209	\$11,945		\$13,821	\$14,189	\$15,815	\$16,272
NM	\$8,946	\$9,234	\$10,158	\$11,007		\$11,223	\$11,800	\$13,315	\$12,739
NV	\$9,536	\$8,537	\$10,437	\$9,767		\$13,575	\$15,004	\$14,723	\$13,727
NY	\$10,134	\$10,969	\$11,639	\$12,164		\$14,815	\$15,182	\$15,138	\$14,716
OH	\$13,409	\$14,218	\$14,221	\$14,718		\$15,618	\$17,021	\$17,093	\$17,057
OK	\$9,311	\$9,422	\$10,206	\$10,452		\$11,871	\$12,020	\$12,842	\$13,118
OR	\$8,354	\$9,323	\$9,938	\$9,990		\$11,719	\$12,425	\$12,812	\$12,919
PA	\$8,844	\$9,762	\$10,184	\$11,540		\$12,975	\$13,741	\$14,581	\$15,460
PR	\$4,629	\$5,835	\$7,149	\$7,158		\$4,925	\$5,638	\$5,847	\$6,959
RI	\$9,757	\$10,608	\$10,653	\$10,378		\$13,161	\$13,099	\$13,324	\$14,691
SC	\$8,429	\$8,774	\$9,071	\$9,240		\$10,425	\$11,107	\$11,283	\$12,252
SD	\$7,402	\$8,277	\$8,954	\$9,978		\$10,328	\$11,333	\$11,348	\$12,388
TN	\$9,814	\$17,178	\$14,595	\$11,860		\$12,118	\$20,922	\$16,898	\$12,586
TX	\$9,255	\$10,257	\$10,591	\$11,248		\$12,533	\$13,407	\$12,859	\$13,598
UT	\$9,540	\$9,271	\$9,031	\$9,029		\$13,674	\$13,250	\$13,794	\$15,022
VA	\$7,804	\$9,812	\$9,253	\$9,031		\$12,371	\$13,665	\$13,147	\$12,651
VT	\$9,822	\$9,730	\$10,427	\$10,611		\$13,440	\$14,285	\$14,947	\$13,174
WA	\$9,710	\$10,387	\$10,394	\$11,100		\$14,477	\$15,383	\$16,022	\$17,295
WI	\$7,965	\$7,918	\$9,073	\$9,441		\$13,116	\$13,547	\$13,829	\$13,836
WV	\$9,447	\$7,549	\$9,378	\$9,610		\$13,060	\$10,641	\$14,979	\$12,770
WY	\$8,173	\$9,775	\$10,724	\$10,215		\$12,199	\$11,121	\$14,140	\$11,996

Source: Estimates using Workforce Investment Act Standardized Record Data (WIASRD) PY 2002 - PY 2005

¹These estimates do not include NEG-only participants

ATTACHMENT V

Estimates of Six Months Average Earnings by State Using BLS-QCEW Program Data

State	CY 2002			CY 2003			CY 2004			CY 2005		
	Annual Avg. Employment	Total Annual Earnings (in thousands)	Estimated 6-Month Avg. Earnings	Annual Avg. Employment	Total Annual Earnings (in thousands)	Estimated 6-Month Avg. Earnings	Annual Avg. Employment	Total Annual Earnings (in thousands)	Estimated 6-Month Avg. Earnings	Annual Avg. Employment	Total Annual Earnings (in thousands)	Estimated 6-Month Avg. Earnings
Nation	107,577,281	\$3,930,767,025	\$18,270	107,085,553	\$4,015,823,331	\$18,784	108,490,066	\$4,245,640,890	\$19,567	110,611,016	\$4,480,311,193	\$20,253
AK	211,903	\$7,617,915	\$17,975	215,626	\$7,871,182	\$18,252	220,849	\$8,327,132	\$18,853	226,441	\$8,789,821	\$19,409
AL	1,492,477	\$45,554,715	\$15,261	1,483,039	\$46,815,174	\$15,784	1,509,246	\$49,528,759	\$16,408	1,548,068	\$52,648,070	\$17,004
AR	936,465	\$25,949,062	\$13,855	930,765	\$26,521,181	\$14,247	942,044	\$28,075,079	\$14,901	957,385	\$29,466,569	\$15,389
AZ	1,876,764	\$63,133,831	\$16,820	1,902,998	\$65,847,521	\$17,301	1,980,818	\$71,721,836	\$18,104	2,107,545	\$79,466,739	\$18,853
CA	12,461,949	\$508,166,580	\$20,389	12,447,085	\$521,081,230	\$20,932	12,609,942	\$555,403,066	\$22,022	12,877,981	\$588,323,302	\$22,842
CO	1,814,307	\$68,921,440	\$18,994	1,776,722	\$69,097,929	\$19,445	1,800,646	\$72,397,898	\$20,103	1,843,544	\$76,677,727	\$20,796
CT	1,408,923	\$66,767,965	\$23,695	1,390,345	\$68,036,491	\$24,467	1,398,093	\$72,184,249	\$25,815	1,409,194	\$75,634,196	\$26,839
DC	420,177	\$22,703,981	\$27,017	421,101	\$23,613,304	\$28,038	429,176	\$25,397,871	\$29,589	435,674	\$26,836,815	\$30,799
DE	347,690	\$13,731,536	\$19,747	347,500	\$14,207,358	\$20,442	356,173	\$15,081,359	\$21,171	361,184	\$16,105,993	\$22,296
FL	6,149,892	\$195,667,180	\$15,908	6,213,122	\$204,504,193	\$16,457	6,423,693	\$221,216,998	\$17,219	6,694,864	\$241,658,332	\$18,048
GA	3,188,907	\$114,822,735	\$18,003	3,156,763	\$116,369,030	\$18,432	3,206,888	\$122,652,733	\$19,123	3,288,867	\$129,957,278	\$19,757
HI	444,519	\$13,756,399	\$15,473	454,089	\$14,519,181	\$15,987	468,748	\$15,742,130	\$16,792	487,265	\$16,841,715	\$17,282
IA	1,185,662	\$34,571,883	\$14,579	1,177,501	\$35,584,066	\$15,110	1,195,269	\$37,861,507	\$15,838	1,218,487	\$39,785,287	\$16,326
ID	465,801	\$12,929,751	\$13,879	468,484	\$13,244,828	\$14,136	482,745	\$14,204,915	\$14,713	505,098	\$15,375,363	\$15,220
IL	4,952,156	\$196,793,208	\$19,869	4,887,063	\$198,286,927	\$20,287	4,895,801	\$207,181,480	\$21,159	4,942,881	\$216,755,351	\$21,926
IN	2,443,987	\$79,613,943	\$16,288	2,427,271	\$81,058,368	\$16,697	2,451,737	\$85,142,689	\$17,364	2,476,047	\$87,808,487	\$17,732
KS	1,064,161	\$33,054,081	\$15,531	1,048,871	\$33,348,003	\$15,897	1,058,858	\$34,955,699	\$16,506	1,067,241	\$36,568,804	\$17,132
KY	1,425,851	\$43,812,708	\$15,364	1,423,208	\$45,056,332	\$15,829	1,439,029	\$47,378,920	\$16,462	1,464,009	\$49,390,277	\$16,868
LA	1,488,755	\$44,697,643	\$15,012	1,493,180	\$45,713,492	\$15,207	1,500,416	\$47,596,758	\$15,861	1,483,085	\$49,709,216	\$16,759
MA	2,790,220	\$126,412,037	\$22,653	2,739,212	\$127,562,806	\$23,285	2,739,861	\$134,879,469	\$24,614	2,758,287	\$139,087,838	\$25,213
MD	1,977,276	\$74,885,643	\$18,937	1,983,840	\$77,677,539	\$19,578	2,014,285	\$82,608,965	\$20,506	2,048,799	\$87,645,626	\$21,390
ME	492,726	\$14,406,686	\$14,519	492,329	\$14,882,776	\$15,115	497,523	\$15,618,817	\$15,697	495,573	\$15,910,026	\$16,052
MI	3,745,997	\$142,953,008	\$19,081	3,679,892	\$145,296,101	\$19,142	3,665,059	\$148,087,745	\$20,202	3,664,372	\$150,697,111	\$20,562
MN	2,214,010	\$83,067,155	\$18,759	2,206,420	\$85,374,066	\$19,647	2,230,313	\$90,506,869	\$20,290	2,266,489	\$92,847,710	\$20,483
MO	2,214,874	\$73,676,398	\$16,632	2,200,623	\$74,687,428	\$16,972	2,213,802	\$77,535,609	\$17,512	2,247,382	\$81,365,467	\$18,102
MS	874,488	\$23,010,211	\$13,156	864,109	\$23,449,773	\$13,569	871,265	\$24,424,055	\$14,016	877,853	\$25,633,801	\$14,600
MT	310,388	\$7,701,702	\$12,407	314,240	\$8,063,221	\$12,830	323,727	\$8,614,228	\$13,305	334,143	\$9,334,656	\$13,968
NC	3,132,633	\$101,780,187	\$16,245	3,093,372	\$103,080,909	\$16,657	3,141,074	\$108,786,936	\$17,317	3,208,940	\$114,764,370	\$17,882
ND	249,821	\$6,525,296	\$13,060	251,672	\$6,844,739	\$13,599	258,025	\$7,381,059	\$14,303	264,609	\$7,826,400	\$14,789
NE	723,673	\$21,025,492	\$14,527	724,281	\$21,673,276	\$14,962	730,413	\$22,682,662	\$15,527	739,567	\$23,669,559	\$16,002
NH	321,454	\$19,081,947	\$18,297	320,458	\$19,613,486	\$18,843	329,498	\$20,937,397	\$19,771	336,157	\$21,994,858	\$20,512
NJ	3,275,702	\$146,988,589	\$22,436	3,262,121	\$149,994,400	\$22,990	3,274,157	\$155,963,272	\$23,817	3,308,847	\$162,528,342	\$24,560
NM	565,731	\$15,946,021	\$14,093	570,868	\$16,521,345	\$14,470	582,169	\$17,517,156	\$15,045	597,145	\$18,716,335	\$15,672
NV	917,523	\$30,310,494	\$16,518	949,334	\$32,581,025	\$17,160	1,010,267	\$36,480,273	\$18,055	1,075,087	\$40,725,789	\$18,941
NY	6,848,947	\$322,109,480	\$23,515	6,803,570	\$325,906,816	\$23,951	6,854,296	\$348,157,069	\$25,397	6,928,662	\$367,073,278	\$26,489
OH	4,576,369	\$154,229,328	\$16,851	4,524,065	\$156,563,413	\$17,303	4,533,380	\$162,874,667	\$17,964	4,555,293	\$167,769,662	\$18,415
OK	1,145,071	\$32,245,630	\$14,080	1,120,680	\$32,795,855	\$14,639	1,130,802	\$34,431,859	\$15,225	1,158,861	\$36,570,949	\$15,779
OR	1,320,125	\$43,650,904	\$16,533	1,314,854	\$44,466,608	\$16,902	1,344,751	\$47,101,505	\$17,513	1,386,917	\$50,247,780	\$18,115
PA	4,791,355	\$169,026,136	\$17,639	4,753,844	\$173,433,529	\$18,241	4,781,005	\$181,991,489	\$19,033	4,837,168	\$189,925,436	\$19,632
PR	701,719	\$13,923,358	\$9,921	726,994	\$14,770,755	\$10,159	743,857	\$15,524,818	\$10,435	750,885	\$16,156,827	\$10,762
RI	404,008	\$13,429,119	\$16,620	407,764	\$14,216,602	\$17,432	412,149	\$15,824,318	\$17,984	414,842	\$15,376,785	\$18,533
SC	1,454,665	\$42,890,165	\$14,742	1,454,329	\$43,980,643	\$15,121	1,476,668	\$46,230,124	\$15,654	1,500,876	\$48,551,908	\$16,210
SD	294,996	\$7,644,669	\$12,957	295,714	\$7,910,687	\$13,376	300,583	\$8,353,985	\$13,896	306,681	\$8,788,049	\$14,328
TN	2,209,384	\$71,740,575	\$16,235	2,204,879	\$73,853,107	\$16,748	2,246,911	\$78,322,558	\$17,429	2,286,964	\$82,008,403	\$17,930
TX	7,662,067	\$281,705,795	\$18,383	7,587,587	\$284,093,347	\$18,721	7,695,635	\$300,899,015	\$19,550	7,926,772	\$324,046,986	\$20,440
UT	857,874	\$25,746,002	\$15,006	857,043	\$26,158,266	\$15,261	884,984	\$27,956,753	\$16,595	925,300	\$30,375,868	\$16,414
VA	2,785,885	\$102,382,111	\$18,375	2,788,213	\$106,348,991	\$19,071	2,859,017	\$114,694,940	\$20,058	2,931,169	\$122,928,599	\$20,969
VT	246,527	\$7,547,034	\$15,307	244,595	\$7,722,455	\$15,786	248,057	\$8,116,785	\$16,361	249,757	\$8,403,816	\$16,824
WA	2,153,424	\$81,803,682	\$18,994	2,157,934	\$83,454,302	\$19,337	2,196,183	\$85,249,803	\$19,409	2,264,771	\$91,101,471	\$20,113
WI	2,310,188	\$74,197,881	\$16,089	2,307,228	\$76,133,210	\$16,499	2,335,623	\$80,318,510	\$17,194	2,365,071	\$83,050,227	\$17,568
WV	547,512	\$15,231,081	\$13,909	542,349	\$15,380,345	\$14,179	550,559	\$16,283,959	\$14,788	558,749	\$17,066,902	\$15,272
WY	182,026	\$5,150,110	\$14,147	183,403	\$5,345,901	\$14,574	187,822	\$5,756,340	\$15,329	195,241	\$6,368,867	\$16,310

Data Source: BLS Quarterly Census of Employment and Wages, Annual Averages, 2002-2005. <http://www.bls.gov/qcew>

**ATTACHMENT VI:
ADDITIONAL NOTES ON BLS QCEW PROGRAM DATA**

Data Source/Methodology:

ETA utilized annual QCEW employment and wage data for private industry by state for calendar years 2002 through 2005, which is readily available on the BLS website at <http://www.bls.gov/cew/> under the heading "Publications and Other Documentation." Calendar year data on average earnings for the overall workforce were used as a point of comparison to the actual average earnings achieved by the reporting cohorts included on state Workforce Investment Act (WIA) Annual Report submissions during Program Years (PY) 2002 through 2005, and the state quarterly reports submitted for the WIA and Wagner-Peyser programs for the quarter ending September 30, 2006. For instance, the exit cohorts for the employment retention and earnings measures on the state quarterly reports ending September 30, 2006, covered the periods July 1, 2004 through June 30, 2005. With the exception of one quarter for the April-June 2005 cohort, the actual six months earnings quarters (i.e., 2nd and 3rd post-program quarters) for these exit cohorts covered the calendar year 2005 period. Similar coverage based on a calendar year period exists for exit cohorts reported on prior WIA Annual Reports.

To estimate the six months average earnings using the QCEW data, the following methodology was applied:

(TOTAL ANNUAL EARNINGS x 1,000) divided by ANNUAL AVERAGE
EMPLOYMENT

All published BLS data are final. State detail may not add to the national totals due to rounding.

Data Coverage/Limitations:

Employment data under the QCEW program represent the number of covered workers who worked during, or received pay for, the pay period including the 12th of the month. Excluded are members of the armed forces, the self-employed, proprietors, domestic workers, unpaid family workers, and railroad workers covered by the railroad unemployment insurance system. Wages represent total compensation paid during the calendar quarter, regardless of when services were performed. Included in wages are pay for vacation and other paid leave, bonuses, stock options, tips, the cash value of meals and lodging, and in some States, contributions to deferred compensation plans (such as 401(k) plans). The QCEW program does provide partial information on agricultural industries and employees in private households.

BLS publishes data from the QCEW program every quarter in the County Employment and Wages press release. This is usually released 6 to 7 months after the end of the quarter. In addition, QCEW publishes the annual bulletin Employment and Wages, Annual Averages about 10 months after the end of the year.

**ATTACHMENT VII:
ECONOMIC AND DEMOGRAPHIC VARIABLES**

Table 1: Relationship between Performance Outcomes and Unemployment Rates and Customer Characteristics

	Effect on Performance of a One Percentage Point Increase in:					
	Unemploy- ment Rate	Percent Female	Percent Age 55 or Older	Percent Not High School Graduate	Percent Low Income	Percent with Disabilities
Adults						
Entered Employment Rate (%)	-2.3	.015	-.063	-.108	-.056	-.106
Employment Retention (%)	-1.3	.042	-.010	-.069	-.054	-.068
Average Earnings (\$)	-720	-24	10	-22	-38	-15
Credential rate (%)	-0.3	.020	--	-.132	-.100	-.168
Dislocated Workers						
Entered Employment Rate (%)	-2.8	--	-.100	-.056	--	-.072
Employment Retention (%)	-1.7	.008	-.031	-.037	--	-.041
Average Earnings (\$)	-1035	-44	-3	-29	--	-14
Credential rate (%)	-0.4	.011	-.066	-.032	--	-.042
Older Youth						
	Unemploy- ment Rate	Percent Female	Percent Age 19	Percent Not High School Graduate	Percent Basic Skills Deficient	Percent with Disabilities
Entered Employment Rate (%)	--	-.020	-.021	-.129	-.040	-.045
Employment Retention (%)	--	--	--	-.122	-.033	--
Earnings change (\$)	--	-5	--	-25	-6	---
Credential rate (%)	--	--	--	-.111	-.070	--
Younger Youth						
	Unemploy- ment Rate	Percent Female	Percent Age 14 or 15	Percent High School Dropout	Percent Basic Skills Deficient	Percent with Disabilities
Skill attainment rate (%)	-0.1	--	-.006	-.026	-.004	.014
Diploma attainment rate (%)	1.6	.036	-.125	-.203	--	.139
	Unemploy- ment Rate	Percent Female	Percent Age 14 or 15	Percent Not High School Graduate	Percent Basic Skills Deficient	Percent with Disabilities
Retention (%)	-1.2	.015	-.134	-.129	--	--

Note: Almost all adjustments shown are statistically significant at the 1% level; the remainder are statistically significant at the 5% level.

Table 1: Relationship between Performance Outcomes and Unemployment Rates and Customer Characteristics

This table shows estimates of how performance outcomes are affected by changes in unemployment rates and selected customer characteristics. The analysis was conducted on PY 2005 Workforce Investment Act Standardized Record Data (WIASRD) submissions. Each number in the table represents the effect on performance of a one percentage point change in the unemployment rate or in the percentage of customers with a specific characteristic. This type of information can be used during negotiations to inform discussions of the impact of changes in the economic environment and customer characteristics on state performance. States are encouraged to conduct similar analyses using their own state data when proposing performance levels.

Performance measures shown in the table were determined as follows:

- Adults and dislocated workers
 - Entered employment uses the common measures definition and reflects the use of supplemental data.
 - Retention uses the common measures definition and reflects the use of supplemental data.
 - Average earnings uses the common measures definition.
 - Credential uses the TEGl 17-05 definition and uses supplemental data to determine employment.

- Older and Younger Youth
 - All measures are based on TEGl 17-05 definitions and use supplemental data where appropriate.

Table 1 provides estimated relationships between unemployment rates and performance outcomes. These relationships were estimated using the WIASRD outcomes for exiters in the most recent year available for each measure¹ and CY 2005 state unemployment rates in a simple bivariate regression analysis. The results indicate, for example, that an increase of the national unemployment rate by one percentage point (say from 4% to 5%) decreases the national adult entered employment rate by 2.3 percentage points (say from 70.0% to 67.7%). This information may be used in conjunction with the information in Table 2 to determine the expected influence of changes in unemployment rates on entered employment rates.

Table 1 also provides estimated relationships between selected customer characteristics and performance outcomes. These estimates were developed in the same way as the estimates for the unemployment rate, using bivariate regressions based on the WIASRD. These estimates indicate, for example, that if the percentage of older youth who are not high school graduates increases by 10 percentage points, then the employment retention rate is expected to decrease by 1.22 percentage points (10 x -0.122). **It should be noted, that the estimated relationships between performance outcomes and customer characteristics are generally small enough**

¹ Estimates for entered employment and credential attainment were based on exiters between October 2004 and September 2005. Estimates for retention and earnings change were based on exiters from April 2004 to March 2005. Estimates for younger youth skill attainment and younger youth diploma attainment were based on exiters between April 2005 and March 2006.

that only very large changes in customer characteristics will have a material impact on outcomes. However, modest changes in the age categories or education status of youth, especially younger youth, can have a noticeable effect on outcomes.

States should note that the following parameters and definitions were used to create the estimates for customer characteristics:

- The percentage with disabilities includes both disabilities that are a substantial barrier to employment and other disabilities.
- The percentage female, the percentage in an age group, and the percentage with disabilities were based on all WIA exiters (except as noted below for the adult and dislocated worker credential and employment rates and the younger youth diploma rate).
- The percentage who are low income or not high school graduates were calculated for all younger or older youth and for adults and dislocated workers who received intensive or training services (except as noted below for the adult and dislocated worker credential and employment rates and the younger youth diploma rate).
- When adjusting the adult and dislocated worker credential and employment rates, the customer characteristics were based on those who receive training (e.g., the relationship between the adult employment rate and the percent low-income variable is based on the percentage of low-income individuals receiving training services).
- When adjusting the younger youth diploma rate, the customer characteristics were based on younger youth who were not high school graduates, or the equivalent, at registration.
- For younger youth, “not a high school graduate” includes school dropouts and those attending high school.

The estimated adjustments were designed to make adjustments only for a single characteristic. However, simultaneous adjustments for several characteristics are reasonably accurate.

ATTACHMENT VII
Table 2: Recent and Projected Unemployment Rates

Nation	Projected Unemployment Rates (%)				
	CY 2007	CY 2008	CY 2009	CY 2010	
	5.0	5.0	5.0	5.0	
Actual Unemployment Rates (%)					
	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006
Nation	5.8	6.0	5.5	5.1	4.6
Alabama	5.9	5.8	5.2	4.0	3.6
Alaska	7.7	8.0	7.4	6.8	6.7
Arizona	6.2	5.6	5	4.7	4.1
Arkansas	5.4	6.2	5.6	4.9	5.3
California	6.7	6.7	6.2	5.4	4.9
Colorado	5.7	6.0	5.6	5.0	4.3
Connecticut	4.3	5.5	4.9	4.9	4.3
Delaware	4.2	4.4	4	4.2	3.6
District of Columbia	6.4	7.0	7.5	6.5	6.0
Florida	5.5	5.1	4.7	3.8	3.3
Georgia	5.1	4.7	4.8	5.3	4.6
Hawaii	4.2	4.3	3.3	2.8	2.4
Idaho	5.8	5.4	4.7	3.8	3.4
Illinois	6.5	6.7	6.2	5.7	4.5
Indiana	5.1	5.1	5.3	5.4	5.0
Iowa	4.0	4.5	4.7	4.6	3.7
Kansas	5.1	5.4	5.6	5.1	4.5
Kentucky	5.6	6.2	5.5	6.1	5.7
Louisiana	6.1	6.6	5.7	7.1	4.0
Maine	4.4	5.1	4.6	4.8	4.6
Maryland	4.4	4.5	4.3	4.1	3.9
Massachusetts	5.3	5.8	5.2	4.8	5.0
Michigan	6.2	7.3	7	6.7	6.9
Minnesota	4.4	5.0	4.6	4.0	4.0
Mississippi	6.8	6.3	6.3	7.9	6.8
Missouri	5.5	5.6	5.8	5.4	4.8

Actual Unemployment Rates (%)

	CY 2002	CY 2003	CY 2004	CY 2005	CY 2006
Montana	4.6	4.7	4.3	4.0	3.2
Nebraska	3.6	4.0	3.9	3.8	3.0
Nevada	5.5	5.2	4.6	4.1	4.2
New Hampshire	4.7	4.3	3.9	3.6	3.4
New Jersey	5.8	5.9	4.9	4.4	4.6
New Mexico	5.4	6.4	5.7	5.3	4.2
New York	6.1	6.3	5.8	5.0	4.5
North Carolina	6.7	6.5	5.5	5.2	4.8
North Dakota	4.0	4.0	3.5	3.4	3.2
Ohio	5.7	6.1	6.2	5.9	5.5
Oklahoma	4.5	5.7	4.9	4.4	4.0
Oregon	7.5	8.2	7.3	6.1	5.4
Pennsylvania	5.7	5.6	5.4	5.0	4.7
Puerto Rico	12.3	12.0	10.6	11.3	10.4
Rhode Island	5.1	5.3	5.2	5.0	5.1
South Carolina	6.0	6.8	6.8	6.8	6.5
South Dakota	3.1	3.6	3.8	3.9	3.2
Tennessee	5.1	5.8	5.5	5.6	5.2
Texas	6.3	6.8	6.0	5.3	4.9
Utah	6.1	5.6	5.5	5.1	2.9
Vermont	3.7	4.6	5.0	4.3	3.6
Virginia	4.1	4.1	3.7	3.5	3.0
Washington	7.3	7.5	3.7	3.5	5.0
West Virginia	6.1	6.1	6.3	5.5	4.9
Wisconsin	5.5	5.6	5.3	5.0	4.7
Wyoming	4.2	4.4	5.0	4.7	3.2

Table 2: Recent and Projected Unemployment Rates

Table 2 shows recent and projected unemployment rates for the nation and each state. The values for CY 2005 are representative of when the PY 2005 employment and earnings outcomes occurred. For example, both entered employment for exiters from October 2004 to September 2005 and retention for exiters from April 2004 to March 2005 occurred during CY 2005.

The December 2006 numbers are provided as an indication of where states are today. The national projections are provided to help extrapolate state values to the future. The projections were developed by the Administration to support the FY 2007 budget. These projections are now somewhat out of date. However, the implication of these projections is that unemployment rates can be expected to be relatively stable over the next few years. Therefore, one might use the December 2006 unemployment rates as a projection of future unemployment rates.

(When using Table 2 to inform the negotiation process, please note that the unemployment rates shown are calendar years, not program years.)

**ATTACHMENT VIII:
TIME PERIODS FOR REPORTING PERFORMANCE INFORMATION IN THE
WIA ANNUAL REPORT FOR PY 2007 AND PY 2008**

	Annual Report PY 2007	Annual Report PY 2008
Reporting Item	Time Period (Exit Cohort) to Be Reported	
Total Participants	7/1/07 to 6/30/08	7/1/08 to 6/30/09
Total Exiters	4/1/07 to 3/31/08	4/1/08 to 3/31/09
Employer Customer Satisfaction	1/1/07 to 12/31/07	1/1/08 to 12/31/08
Participant Customer Satisfaction	1/1/07 to 12/31/07	1/1/08 to 12/31/08
Adult and Dislocated Worker Performance Measures		
Entered Employment Rate	10/1/06 to 9/30/07	10/1/07 to 9/30/08
Employment Retention Rate	4/1/06 to 3/31/07	4/1/07 to 3/31/08
Six Months Average Earnings	4/1/06 to 3/31/07	4/1/07 to 3/31/08
Employment and Credential Rate	10/1/06 to 9/30/07	10/1/07 to 9/30/08
Older Youth Performance Measures		
Entered Employment Rate	10/1/06 to 9/30/07	10/1/07 to 9/30/08
Employment Retention Rate	4/1/06 to 3/31/07	4/1/07 to 3/31/08
Earnings Change	4/1/06 to 3/31/07	4/1/07 to 3/31/08
Employment and Credential Rate	10/1/06 to 9/30/07	10/1/07 to 9/30/08
Younger Youth Performance Measures		
Skill Attainment Rate	4/1/07 to 3/31/08	4/1/08 to 3/31/09
Youth Diploma or Equivalent Rate	4/1/07 to 3/31/08	4/1/08 to 3/31/09
Retention Rate	4/1/06 to 3/31/07	4/1/07 to 3/31/08