

EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	<b>CLASSIFICATION</b> WIA/Performance Reporting System
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**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 7-15**

**TO:** STATE WORKFORCE AGENCIES  
 STATE WORKFORCE ADMINISTRATORS  
 STATE WORKFORCE LIAISONS

**FROM:** GERRI FIALA /s/ for PORTIA WU  
 Assistant Secretary

**SUBJECT:** Workforce Investment Act (WIA) Program Year (PY) 2014 Annual Report Narrative

1. **Purpose.** To provide guidance to the states regarding the content of the WIA Annual Report narrative; including strategies for serving veterans, acceptable approaches to fulfilling the customer satisfaction requirements, and the procedures for submission to the Employment and Training Administration (ETA). The Annual Report is due on Tuesday, December 15, 2015.

2. **References.**

- Workforce Investment Act, Sections 134, 136 and 185;
- 20 CFR 667.300;
- *Workforce Investment Act Annual Report: General Reporting Instructions and ETA Form 9091*, Revised 2012 (Office of Management and Budget (OMB) Control No. 1205-0420, expires 5/31/2016);
- Training and Employment Guidance Letter (TEGL) 17-05 and TEGL 17-05, Change 2, *Common Measures Policy for the Employment and Training Administration's Performance Accountability System and Related Performance Issues*;
- TEGL 09-07, *Revised Incentive and Sanction Policy for Workforce Investment Act Title IB Programs*;
- TEGL 6-14, *Program Year (PY) 2013/Fiscal Year (FY) 2014 Data Validation and Performance Reporting Requirements and Associated Timelines*;
- TEGL 9-14, *Workforce Investment Act (WIA) Program Year (PY) 2013 Annual Report Narrative*;
- OMB Circular No. A-94, *Revised Guidelines and Discount Rates for Benefit-Cost Analysis of Federal Programs*.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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3. **Background.** Each state that receives an allotment under WIA Section 127 (Youth activities) or Section 132 (Adult and Dislocated Worker activities) must prepare and submit a WIA Annual Report of performance progress to the Secretary of Labor in accordance with WIA Sections 136 and 185.

There are two components to the WIA Annual Report: (1) the required performance results, as specified in ETA Form 9091—*WIA Title 1B Annual Report Form* (OMB No. 1205-0420) found at:

<http://www.doleta.gov/performance/guidance/WIA/WIAAnnualReportSpecifications.pdf>, and (2) a narrative report. This guidance focuses on the narrative report and what states should address in this report.

The performance accountability requirements prescribed under the Workforce Innovation and Opportunity Act (WIOA) begin July 1, 2016. States are expected to submit a WIA annual report following the close of PY 2015 (June 30, 2016). States should continue to collect the required Workforce Investment Act Standardized Record Data elements through that time. Further guidance will be forthcoming as to the reporting transition from WIA to WIOA.

4. **WIA Annual Report Narrative.** The required portions of the WIA Annual Report Narrative include the information required by WIA sections 136(d)(1) and (2) and 185(d). This includes:

- Performance data on the core and customer satisfaction measures, including progress of local areas in the state in achieving local performance measures;
- Information on the status of state evaluation activities;
- Information on the cost of workforce investment activities relative to the effect of the activities on the performance of participants;
- Assurance that all required elements are reported uniformly so that a state-by-state comparison can be made;
- Information on participants in the workforce investment system (this information is also included in the performance results portion of the WIA Annual Report); and
- A listing of the waivers for which the state has received approval, information on how the waivers have changed the activities of the state and local areas, and how activities carried out under the waivers have directly or indirectly affected state and local area performance outcomes. To the extent possible, states should discuss whether waiver implementation and outcomes advance the President's Job-Driven Elements.

Additional information regarding the content of the required components is provided below.

#### Customer Satisfaction Measures

The public workforce system established under WIA is intended to serve a dual-customer base consisting of job seekers and employers. Recognizing the importance of measuring service quality, WIA (Section 136(b)(2)(B)) requires states to measure customer satisfaction

for employers and participants of state and local agencies that provide employment and training services.

In PY 2005, ETA began approving a waiver to support adoption of the common measures, commonly referred to as the common measure waiver. States with an approved common measure waiver must continue to collect customer satisfaction data but only report on common performance measure outcomes. Instead, states with the common measure waiver must provide information about their customer service results in the narrative portion of their WIA Annual Report to the Department of Labor (Department). Currently all but four states (Michigan, Minnesota, Rhode Island, and Vermont) and Puerto Rico have this approved waiver for PY 2014 resulting in significantly limited access to customer satisfaction data at the national level.

In TEGL 9-14, *Workforce Investment Act (WIA) Program Year (PY) 2013 Annual Report Narrative*, ETA was interested in what approaches and methodologies states were using to collect customer satisfaction information. In the PY 2013 WIA Annual Reports states identified the approaches and methodologies they were using; including descriptions of how the information was being used to improve customer service. Other states mentioned they were in the process of developing new customer satisfaction measures. Many states and local areas have begun piloting new and potentially less costly methods to collect customer satisfaction data other than the phone surveys required previously when using the American Customer Satisfaction Index (ACSI), which was the common methodology used to capture and report customer satisfaction information prior to PY 2012.

In PY 2013, the Department provided states with flexibility in collection of their customer satisfaction information. States identifying new measures in PY 2013 should provide results information in their PY 2014 report. Although ACSI is no longer contracted with ETA, states may elect to use ACSI methodology at their own cost. States utilizing ACSI for customer satisfaction may still report the results in the ETA Form 9091. For states not utilizing ACSI, they are encouraged to use robust methodologies that use multiple strategies for data collection (telephone, email, paper surveys, or other technology methods). All states must describe their customer service methodologies in their annual narrative. At a minimum, quality customer satisfaction narratives shall include:

1. The approach used including whether the approach used a random sample (if possible include a sample of the survey);
2. The number of individuals/employers that were provided customer satisfaction outreach;
3. The response rate;
4. A summary of the results and whether the results are generalizable to the entire population of customers; and
5. Any processes for incorporating the customer satisfaction feedback

This approach provides states with the flexibility they have requested to use new technologies which may lead to higher quality services while also providing the Department with better insight into each state's customer satisfaction initiatives. ETA believes that customer service will be enhanced through this increased flexibility and by requiring all

states to follow, at a minimum, the above parameters for structuring their description of customer satisfaction activities. Additionally, this strategy for capturing customer satisfaction provides a more robust national understanding of state level activities.

### Status of State Evaluation Activities

As WIA Section 134(a)(2)(B)(ii) notes, conducting evaluations of workforce investment activities under WIA section 136(e) is a required statewide activity. States should include information about all evaluation studies that were started and/or completed during the program year for which the WIA Annual Report is being submitted. For each evaluation, the Annual Report Narrative should include:

- The timeline for starting and completing the evaluation;
- The questions the evaluation did/will address;
- A description of the evaluation's methodology, including description of any control or comparison group and description of the analysis technique employed;
- The timeline for the final report and other deliverables; and,
- Summary of evaluation findings, including summary of best practices, for those evaluations completed during the program year for which the WIA Annual report is being submitted.

These State-sponsored evaluation studies, conducted under WIA Title 1B, are expected to promote, establish, and implement methods for continuous improvement in the efficiency and effectiveness of the statewide workforce investment system in improving employability for job seekers and competitiveness for employers. The decision to undertake evaluations and research studies should be guided by the information needs of the state and informed by the Department's WIA Five-Year Research and Evaluation Strategic Plan for 2012-2017 (Research Plan). The current Research Plan, prepared in consultation with members of the public workforce system, identifies the following high priority research topics:

- (1) Understanding Changing Labor Markets;
- (2) Identifying Effective Strategies;
- (3) Improving Workforce System Infrastructure;
- (4) Addressing the Needs of Special Populations; and
- (5) Building Research Infrastructure and Support.

The Research Plan is available at [http://www.doleta.gov/reports/fiveyear\\_researchplan.cfm](http://www.doleta.gov/reports/fiveyear_researchplan.cfm).

### Costs of Workforce Investment Activities

States should explain how the mix of services for adults, dislocated workers, and youth activities affected the outcomes. For adults and dislocated workers, the activities that states may wish to address are core, intensive, and training services. For youth activities, states may wish to include information about front-end costs (e.g., intake, assessment and case management) and aggregated direct service costs for the 10 youth program elements described in WIA Section 129(c)(2).

ETA has a long-term interest in improving program cost-effectiveness so that both taxpayers and customers can be better served. A variety of methods for calculating and presenting cost information and measures are described in the attachment of this document. Among the most common cost calculations reported by the states is the “cost per participant” indicator, which will be a required report element beginning in PY 2016, under the Workforce Innovation and Opportunity Act (WIOA).

In addition to the required components of the WIA Annual Report Narrative, ETA encourages states to include the following information in their narrative:

- A. Information from their strategic plans that highlights innovative service delivery strategies, including program activities that support dislocated workers, low-skilled/low-income adults and disadvantaged youth, the outcomes expected, as well as, the actual outcomes for their major customer populations. States may indicate actual federal outlays for selected activities, if such information is available.
  - B. A discussion of “best practices” and “lessons learned” that focuses on specific participants, employers, and communities.
  - C. Messages from the governor or other contextual information about state workforce investment board members, market analysis, strategies for improvement, and effects on major industries may also be included.
  - D. A discussion of the activities funded by the state’s discretionary (“8.75 percent”) funds. In this section of the narrative report, states may describe activities undertaken in whole or in part with their discretionary funds, and how those activities directly or indirectly affect performance.
  - E. A discussion of programs and strategies for serving employers at the state and local level, including the performance metrics used by states or local areas to measure the effectiveness of such services and current available performance data. Effects on major industries may also be included.
  - F. A discussion of the initiatives and activities outlined in the WIA and Wagner-Peyser Act State Strategic Plan to improve performance.
  - G. A discussion of the programs, initiatives, and strategies for serving veterans at the state and local level, including, the performance metrics used by states or local areas to measure the effectiveness of such services and current available performance data. Include a description of how veterans’ priority of service is being implemented for all Department training programs.
5. **Due Date.** The WIA Annual Report narrative is usually due no later than October 1st following each program year. This year, the report for PY 2014 will be due Tuesday,

December 15, 2015. The WIA Annual Report narrative will reflect performance outcome information through June 30, 2015.

6. **Submission.** An electronic copy of the WIA Annual Report narrative should be e-mailed to [WIA.AR@dol.gov](mailto:WIA.AR@dol.gov) by December 15, 2015. States should also submit an electronic copy to their respective ETA Regional Administrator and copy their Federal Project Officer. Hard copies of the report may be submitted but are no longer required, in an effort to be more environmentally friendly. ETA will publish each state's report on the Internet at [www.doleta.gov/performance](http://www.doleta.gov/performance). As was the case for last year's submission, ETA will now only accept 508 compliant PDF formats. Since each state's report will be posted on ETA's Performance Web site, all WIA Annual Report Narratives must be submitted electronically in a machine readable format to comply with requirements set forth in Section 508 of the Rehabilitation Act.
7. **Action Requested.** Distribute this TEGl to those personnel responsible for developing the WIA Annual Report narrative, including personnel responsible for performance reporting, and to all local areas responsible for administering the WIA programs.
8. **Inquiries.** Please direct questions concerning this TEGl to your appropriate Regional Office.
9. **Attachment.** Overview of Potential Alternative Efficiency Measures for Consideration