

TRAINING AND EMPLOYMENT NOTICE	NO. 3-17
	DATE July 28, 2017

TO: STATE AND LOCAL STAKEHOLDERS IN THE WORKFORCE
 INNOVATION AND OPPORTUNITY ACT
 STATE WORKFORCE AGENCIES
 STATE WORKFORCE ADMINISTRATORS
 STATE WORKFORCE LIAISONS

FROM: BYRON ZUIDEMA /s/
 Deputy Assistant Secretary

SUBJECT: Informing the States about Reassessment of the Federal Employment Data Exchange System (FEDES)

1. **Purpose.** The purpose of this Training and Employment Notice (TEN) is to inform States that in January 2018, the Federal Employment Data Exchange System (FEDES) will be temporarily suspended while the Employment and Training Administration (ETA) reassesses the feasibility of FEDES.
2. **References.** Performance Accountability under Title I of the Workforce Investment Act, 20 CFR 666.150
3. **Background.** The FEDES was established in 2003 under the Workforce Investment Act of 1998 (WIA) as a pilot program designed to facilitate the exchange of federal employment information for the purposes of ensuring complete performance outcomes on WIA participants for States and for state research and evaluation purposes. This outcome information is not otherwise available through the state wage records generally used by these grantees for performance reporting. FEDES has operated under a grant to the State of Maryland and currently allows access to 41 participating states, plus the District of Columbia, and other grantees.
4. **Status of FEDES.** Due to a variety of circumstances, including the passage of the Workforce Innovation and Opportunity Act, ETA has made the decision to suspend FEDES, starting in January 2018, to assess its structure, as well as cost and benefit for States. Administration of FEDES through December 2017 will allow states to query FEDES for federal wage information through November 2017.

ETA has a grant with the State of Maryland to operate FEDES, and that grant will expire on December 31, 2017. ETA appreciates Maryland's continued oversight of FEDES for over 14 years. The State has provided assistance to States participating in FEDES, ably handling the technical details and operation of the program.

ETA intends to have discussions with States, its Federal partners, and other stakeholders to determine the feasibility of revamping FEDES; if appropriate, ETA will work with stakeholders to develop a workable and legally viable data sharing agreement for federal employment information. We anticipate these discussions will occur within the next six months. ETA will work to keep grantees informed as next steps are determined.

5. **Action Requested.** Please share this information with interested stakeholders.
6. **Inquiries.** Please direct questions to your ETA Regional Office.