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VETERANS' PROGRAM LETTER NO. 06-14, Change 1

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

FROM: TERESA W. GERTON   
Acting Assistant Secretary  
Veterans' Employment and Training Service

SUBJECT: Negotiating Performance Goals for Services to Veterans for Program  
Year (PY) 2015

I. **Purpose:** To provide guidance that streamlines the performance goal negotiation process for PY 2015. Given the significant amount of work that federal and state agencies are undertaking to implement the Workforce Innovation and Opportunity Act (WIOA), Veterans' Employment and Training Service (VETS) will decrease the burden of the performance goal negotiation process for PY 2015.

II. **References:**

- Section 4102A of Title 38, United States Code (38 U.S.C., § 4102A);
- Workforce Investment and Opportunity Act (WIOA) of 2014 ([Public Law 113-128](#));
- Section 238 of the VOW to Hire Heroes Act (VOW Act) of 2011 ([Public Law 112-56](#)), enacted November 21, 2011;
- [Veterans' Program Letter \(VPL\) 06-14](#) Negotiating Performance Goals for Services to Veterans for Program Year 2014, dated July 25,, 2014;
- [VPL 03-14](#) Jobs for Veterans' State Grants (JVSG) Program Reforms and Roles and Responsibilities of American Job Center (AJC) Staff, dated April 10, 2014; and
- [Training and Employment Guidance Letter \(TEGL\) 19-14](#), Vision for the Workforce System and Initial Implementation of the Workforce Innovation and

Opportunity Act of 2014, dated February 19, 2015.

**III. Background:** The following is an overview of the performance goal requirements outlined in statute. As discussed later in this guidance, many of these measures will not require negotiations in PY 2015. As mandated by 38 U.S.C. § 4102A (f), the Assistant Secretary for Veterans' Employment and Training established and implemented a performance accountability system. This system measures the effectiveness of the services delivered to veterans through:

- staff funded by the JVSG; and
- AJC labor exchange services for veterans and eligible persons.

Subsection (f) of 38 U.S.C. § 4102A was recently amended by the WIOA (Subtitle B, § 512 (gg)(2)(B)) requiring that VETS set performance measures for veterans and eligible persons "consistent with State performance accountability measures applicable under section 116(b) of the Workforce Innovation and Opportunity Act." In accordance with Section 5 of TEGL 19-14, a new performance based accountability system will be developed for implementation beginning in PY 2016.

Annual performance goals for the following JVSG grants-based measures and statewide labor exchange measures were negotiated for PY 2014 in accordance with VPL 06-14:

The seven Disabled Veterans' Outreach Program (DVOP) specialists' measures (Source: VETS-200A Report) included:

- Veterans' Entered Employment Rate (VEER; *Weighted*);
- Veterans' Employment Retention Rate (VERR);
- Veterans' Average Earnings (VAE Six-Months);
- Disabled Veterans' Entered Employment Rate (DVEER; *Not Weighted*);
- Disabled Veterans' Employment Retention Rate (DVERR);
- Disabled Veterans' Average Earnings (DVAE Six-Months); and the
- Intensive Services Rate: the proportion of total veterans (participants) served by DVOP specialists (Source: VETS 200A, Line 8, Column C - denominator) who received Intensive Services (Source: VETS-200A, Line 11, Column C - numerator).

The six labor exchange performance measures (Source; ETA-9002D) included:

- Veterans' EER (VEER) (Weighted);
- Veterans' ERR (VERR);
- Veterans' Average Earnings (VAE) (Six-Months);
- Disabled Veterans' EER (DVEER) (Not Weighted);
- Disabled Veterans' ERR (DVERR); and
- Disabled Veterans' Average Earnings (DVAE) (Six-Months).

VETS does not currently require negotiated measure for the local veterans' employment representative (LVER) program.

**IV. Required PY 2015 Renegotiation:** (See VPL 03-14) In PY 2015, all states are required to negotiate the intensive services rate - the proportion of total veterans (participants) served by

DVOP specialists who received intensive services. For the period ending September 30, 2016, the target rate for intensive services is 90% of those reported as being served by DVOP specialists (VETS-200A). Therefore, Directors for Veterans' Employment and Training (DVETs) and State Agencies should establish PY 2015 goals that will ensure this 90% target will be met by September 30, 2016.

V. **Treatment of Other Measures:** Significant modifications to the performance accountability system will be implemented by PY 2016 as a result of WIOA implementation. **Therefore, PY 2015 goals for the other six JVSG grants-based and the six statewide performance measures listed in Section III will be held constant at PY 2014 negotiated values, unless:**

- The VETS Regional Administrator (RAVET) determines the need to renegotiate one or more of the remaining goals, or
- The State Agency requests to open negotiations for one or more of the remaining goals through discussion with the DVET.

Reasons for requesting renegotiation of PY 2015 goals through the DVET should be based upon such factors as:

- historical and current performance data;
- changes in labor market information and demographic factors;
- the rate of job creation or job loss in the state;
- trends in state and sub-state unemployment; and
- the estimated number of returning service members, demobilizing National Guard and Reservists in the state.

The RAVET reviews the proposed negotiated goals for PY 2015 to determine acceptability and then either approves or informs the DVET if any goals need to be renegotiated. Once acceptable goals are determined, the RAVET provides a signed transmittal similar to the sample provided in Attachment 2.

VI. **Strategies to Improve Performance:** DVETs will continue to work closely with states to develop new strategies in areas for outcomes which did not meet PY 2014 goals, whether or not they were renegotiated for PY 2015. Depending upon the services and outcomes reported, DVETs may engage the State Agency in discussions regarding:

- improving grant funded staff utilization rates;
- increasing the proportion of DVOP specialists' clients receiving intensive services;
- targeting areas of high unemployment;
- emphasizing employer outreach and job development; and,
- identifying staff training needs.

If the DVET has provided technical assistance (TA) to help the State Agency address deficiencies in meeting PY 2014 negotiated goals, the DVET will continue to provide TA through PY 2015 until problem areas have been addressed or alternative strategies have improved results. If after a year of TA, one or more deficiencies in meeting negotiated performance goals are still being identified, the DVET, in consultation with the appropriate RAVET, may require the state to submit a Corrective Action Plan (CAP) in accordance with

Sections 1001.130 or 1001.166 of Title 20 Code of Federal Regulations (CFR).

**VII. Actions Required:**

- A. States will meet with the respective DVET by August 14, 2015, to renegotiate the Intensive Services Rate and any additional performance goals identified for renegotiation.
- B. Each state will forward the PY 2015 negotiated performance levels to their DVET by August 28, 2015. Attachment 2 provides a sample format for submitting negotiated goals. If an alternative format is submitted, it must include the same information as in the attachment and must be signed by the approved State Agency representative.
- C. Each DVET will forward, for review, an electronic copy of the signed memorandum conveying the agreed upon performance levels to the RAVET by September 4, 2015. If the proposed goals are unacceptable because they do not adequately reflect the considerations described in Section IV above, the RAVET will direct the continuation of the negotiation process.
- D. RAVETs will scan and separately upload to SharePoint, by state, approved memoranda signed by each DVET and State Agency by September 25, 2015 for National Office access.

**VIII. Inquiries:** Questions should be referred to the appropriate DVET. DVETs or other VETS staff with questions should contact their RAVET.

**IX. Expiration Date:** When rescinded or superseded.

**X. Attachments:**

- 1. PY 2014 Negotiated State Workforce System and JVSG Grants-Based Performance Measures
- 2. Sample Format for Submitting Performance Targets for PY 2015