



JUL 25 2014

VETERANS' PROGRAM LETTER NO. 06-14

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

FROM:

KEITH KELLY

A handwritten signature in blue ink that reads "Keith Kelly".

SUBJECT: Negotiating Performance Goals for Services to Veterans for
Program Year 2014

- I. **Purpose:** To provide guidance to states and Directors for Veterans' Employment and Training (DVETs) for negotiating new Program Year (PY) 2014 performance targets for veterans served by Jobs for Veterans State Grant funded staff and through the State Agencies' American Job Center (AJC) labor exchange system.
- II. **References:** Section 4102 of Title 38, United States Code (38 U.S.C., § 4102A); Section 238 of the VOW to Hire Heroes Act (VOW Act) of 2011 (Public Law 112-56), enacted November 21, 2011; Training and Employment Guidance Letter ([TEGL 25-13](#)), Negotiating Performance Goals for the Workforce Investment Act (WIA) Title 1B Programs and Wagner-Peyser Act Funded Activities for Program Year (PY) 2014, dated May 15, 2014; [Veterans' Program Letter \(VPL\) 03-14](#) and [TEGL 19-13](#), Jobs for Veterans' State Grants (JVSG) Program Reforms and Roles and Responsibilities of American Job Center (AJC) Staff Serving Veterans, dated April 10, 2014; [TEGL 2-13](#), Implementation of the Uniform National Threshold Entered Employment Rate (UNTEER) for Veterans and Eligible Persons in the Wagner-Peyser Employment Service and Jobs for Veterans State Grants (JVSG), dated August 9, 2013; [VPL 01-10](#), Jobs for Veterans State Grants Recurring Report Requirements, dated January 15, 2010; [TEGL 07-12](#), Implementing the Veterans-Related and Other Reporting Change Requirements in the Labor Exchange Reporting System (LERS), dated September 28, 2012; [TEGL 17-05](#), Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues, dated February 17, 2006; Employment and Training (ET) [ET 406 Handbook](#),

expiring August 31, 2015; and, Government Accountability Office (GAO) Report 07-594, Labor Could Improve Information on Reemployment Services, Outcomes, and Program Impact, issued May 24, 2007 <http://www.gao.gov/new.items/d07594.pdf>.

- III. **Rescissions**: This directive supersedes VPL 03-11, Change 1, dated August 20, 2013 and VPL 03-11, dated June 15, 2011.
- IV. **Background**: 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:
- a) staff funded by the Jobs for Veterans State Grants; and,
 - b) statewide labor exchange services to veterans provided by the AJC network.
- V. **PY 2014 Negotiated Grants-Based Performance Measures**: The measures for PY 2013 were updated to include direct client services provided to JVSG participants with barriers to employment by Disabled Veterans' Outreach Program (DVOP) specialists. Local Veterans' Employment Representative (LVER) staff activities are monitored locally by VETS field staff to assure compliance with the statutory duties as described in VPL 03-14. Annual performance goals for the following grants-based measures were negotiated for PY 2013 and will also be negotiated with State Agencies for PY 2014:

For DVOP specialists (Source: VETS-200A Report) only:

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

- VI. **Weighted Measurement**: The weighted measure was adopted to comply with 38 U.S.C. 4102A (f) (2) (b) and recommendations from the Government Accountability Office (GAO) Report 07-594. The GAO recommended that the Agency implement a measure that would add 'weight' for the successful outcomes of veterans who receive intensive services. The weighted measure implemented by VETS and its calculation methodology are described below.

Intent of Weighted Measurement: In the weighted form, the veterans who enter employment after receiving intensive services receive higher 'value' or 'weight' and generate greater outcome credit. Under this system, a veteran who receives intensive services through the JVSG program receives added value, or weight, of 1.25, as compared with all other participants, who receive a weight of 1.0. The Department determined that such a 25% value added would be of sufficient weight to allow a state

to derive an entered employment benefit and to serve as an incentive for increasing the proportion of veterans receiving DVOP intensive services.

Calculation Method: The measure to be weighted is the entered employment following DVOP Staff Assisted Services Rate for Total Veterans and Eligible Persons (Row 19, Column C on the VETS-200 A Report). The weighting is implemented by adjusting the value for that measure based on the Entered Employment Following Intensive Services Numerator (Row 20, Column C on the VETS-200 A Report). Attachment 3 identifies the data elements and calculations involved in weighting the EER for a sample state based on the number of veterans entering employment following receipt of intensive services.

This measure is applied to outcomes collectively achieved by DVOP specialists in accordance with the intensive services priorities described in VPL 03-14. The weighted measure will be applied solely to the DVOP specialist reported outcomes in PY 2014 reflected on the VETS-200A report. See Attachments 2 and 3 for description and further explanation of how the results are calculated.

VII. Performance Targets for SWA Labor Exchange Outcome Measures: DVETs will negotiate with State Workforce Agencies (SWA) six (6) labor exchange ‘common measures’ defined in ETA Handbook #406. The six labor exchange performance measures to be negotiated are:

- Veterans’ EER (VEER)
- Veterans’ ERR (VERR)
- Veterans’ Average Earnings (VAE)
- Disabled Veterans’ EER (DVEER)
- Disabled Veterans’ ERR (DVERR)
- Disabled Veterans’ Average Earnings (DVAE)

VETS staff and State Agencies must base performance goal negotiations on historical data and current economic conditions within a state or region. Historical data will include the quarterly ETA 9002D Report, for past reporting periods up to and including the period ending June 30, 2014. Once negotiated values are accepted, DVETs in the state will monitor quarterly outcomes to determine whether the state is exceeding or approaching the values negotiated for the full PY.

For comparison purposes, the PY 2012 National Outcomes for State Agency/SWA labor exchange services for veterans through June 30, 2013 were:

<u>Measure</u>	<u>Actual</u>
VEER	50.23%
VERR	80.04%
VAE	\$16,844.30 (six month)
DVEER	46.83%
DVERR	79.26%
DVAE	\$18,008.12 (six month)

These national outcomes are provided for reference and are not intended to prescribe or limit the state level targets to be negotiated for PY 2014. Rather, VETS staff should review historical results, current and trending economic conditions of the state, and the state's service delivery plan to establish PY 2014 performance targets for each state.

VIII. Considerations during the Negotiations Process: Performance accountability is a key component of the information system used to manage the effectiveness of the workforce investment system. Therefore, states should use the negotiation of performance targets for PY 2014 as an opportunity to encourage innovation that shows continuous improvement in the provision of services to veterans and other eligible persons. Historical performance data, labor market information and demographic factors play a key role in developing performance targets.

Examples of economic and demographic factors that should be considered when negotiating outcomes are:

- employment opportunities as affected by the rate of job creation/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 measures to be negotiated for PY 2014 described in Sections V through VII are summarized in Attachment 1 and are to be transmitted in a format similar to the sample shown in Attachment 4. Negotiated goals must be reviewed and accepted by the Regional Administrators for Veterans' Employment and Training (RAVETs).

IX. Strategies to Improve Performance: DVETs will work closely with states to develop new strategies if the outcomes for grants-based services provided by DVOP specialists and/or the outcomes for SWA labor exchange services for veterans fail to meet negotiated targets.

The DVET is instrumental in assisting the state to overcome problems or issues that impact performance outcomes reported, and in recommending strategies designed to improve the state's capacity to meet all negotiated performance. If any deficiency in meeting negotiated performance goals continues after a year of technical assistance, the DVET, in consultation with the appropriate RAVET, may require the state to submit a Corrective Action Plan in accordance with 20 CFR 1001.130 and 1001.166.

X. Actions Required:

- A. Between the date this VPL is issued and Monday, August 11, 2014, states will meet with the respective DVET to negotiate the performance goals for veterans, as described in this VPL.
- B. By close of business on Friday, August 15, 2014, the state must forward the negotiated performance level to the DVET. States are encouraged to use the sample format provided by VPL Attachment 4 to submit their goals. If an

alternative format is submitted, it must include the same information listed in the attachment and must be signed by the approved State Agency representative.

- C. By Tuesday, August 19, 2014, the DVET will forward an electronic copy of the signed memorandum conveying the agreed upon performance levels to the RAVET for review.
 - D. If the proposed goals are unacceptable because they do not adequately reflect the considerations in Section VIII above, the RAVET will direct the continuation of the negotiation process as mentioned in Section VIII.
 - E. Not later than Friday, September 5, 2014, RAVETs will electronically transmit the memorandum separately for each state, signed by the DVET and the RAVET, to Joel Delofsky at delofsky.joel@dol.gov and Dennis Johnson at johnson.dennis.r@dol.gov in VETS' National Office.
- XI. Inquiries:** Questions should be referred to the appropriate DVET. DVETs or other VETS staff with questions should contact their RAVET. RAVETs may contact Joel Delofsky at delofsky.joel@dol.gov or (312) 353-4942, or Dennis Johnson (johnson.dennis.r@dol.gov) at (202) 693-4742.
- XII. Expiration Date:** When rescinded or superseded.
- XIII. Attachments:**
- 1. State Workforce System and JVSG Grants-Based Performance Measures Negotiated for Veterans – Program Year 2014
 - 2. Guide to Calculating the Veterans EER Weighted for Veterans Entering Employment Following Intensive Services for a Sample State
 - 3. Interactive Grants-Based Performance Measure Weighting Tool (Desk Aid)
 - 4. Memo Format for Submitting Negotiated Performance Targets for PY 2014