



April 20, 2007

VETERANS' PROGRAM LETTER NO. 01-07

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

FROM:   
CHARLES S. CICCOLELLA

SUBJECT: Negotiating Performance Goals for Services to Veterans for Program Year 2007

- I. **Purpose:** To provide guidance to States and Directors for Veterans' Employment and Training (DVETs) for negotiating Program Year (PY) 2007 performance goals for veterans served by Wagner-Peyser and by Jobs for Veterans State Grant funded staff.
- II. **Rescissions:** Veterans' Program Letter (VPL) 04-06, Negotiating Veteran Service Performance Goals for Program Year 2006, dated May 19, 2006.
- III. **References:** Title 38 United States Code, Section 4102A (38 U.S.C. 4102A); ET Handbook No. 406, expiration date February 28, 2009; Training and Employment Guidance Letter (TEGL) 17-05, Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues, dated February 17, 2006, and TEGL 19-06, on Negotiating Common Measures Performance Goals for Wagner-Peyser Act Funded Activities and WIA Title 1B Adult and Dislocated Worker Programs, dated March 30, 2007.
- IV. **Background:** As mandated by 38 U.S.C. 4102A, the Assistant Secretary for Veterans' Employment and Training (ASVET) has established and implemented a performance accountability system to measure the effectiveness of services provided to veterans by the One-Stop Career Center System. It quantifies the effectiveness of the State's employment delivery system in meeting the needs of veterans, transitioning service members and other eligible persons seeking employment.

To fulfill its statutory monitoring and oversight role, the Veterans' Employment and Training Service (VETS) establishes National goals that reflect high, positive employment outcomes for

veterans and are achievable by the cumulative efforts of the State Workforce Agencies. There is an expectation that States will set goals high enough to be challenging and to contribute to the National goals, but still achievable. If a State falls short of their negotiated goals, VETS is legally obligated to take action to remedy the situation.

Performance reporting terminology and systems have undergone numerous changes since this grant cycle began in Fiscal Year (FY) 2005. As States implemented these changes, they began to collect baseline performance data, and were not held accountable for negotiated outcomes. In 2006, VETS determined that there was sufficient historical, baseline data to negotiate performance outcomes for services to veterans for PY 2006 and PY 2007.

- V. **Negotiating Performance Goals:** VETS is encouraging States to negotiate goals with their respective DVET at the same time negotiations are underway with each State's Federal Project Officer (FPO) from ETA. Performance accountability is a key component of the information system used to manage the efficacy of the workforce investment system. States should use the negotiation of goals for PY 2007 as an opportunity to encourage innovation that shows continuous improvement in the provision of services to veterans, transitioning service members and other eligible persons.

Historical performance data, labor market information and demographic factors play a key role in developing performance goals. 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;
- The number of demobilizing National Guard and Reservists in the State; and
- The availability of shared wage records used to report entered employment and retention outcomes.

State Workforce Agencies should conduct a thorough analysis of the outcomes reported to date for PY 2006 and all factors that may impact future performance prior to entering into negotiations with the DVET.

- VI. **Performance Goals for One-Stop Services for Veterans (One-Stop Measures):** States are expected to use the performance accountability system to develop strategies and policies that demonstrate continuous improvement. The following performance goals will be negotiated with the State Workforce Agency for One-Stop employment and workforce information services delivered to veterans:

- Veterans' Entered Employment Rate (EER)
- Veterans' Employment Retention Rate (ERR)
- Disabled Veterans' EER
- Disabled Veterans' ERR

Negotiation for the four outcomes can be based on comparable, historical data reported by the State on the ETA 9002 D Quarterly Report on Performance Outcomes for Exiting Participants for the quarters up to and ending December 31, 2006, as it compares to the following National performance goals for PY 2007:

- Veterans EER: 64%
- Veterans ERR: 82%
- Disabled Veterans EER: 56%
- Disabled Veterans ERR: 80%

Performance levels for each of the four outcomes will be negotiated separately. For any proposed outcome that is less than the National goal, negotiations should strive to set a goal that shows as much positive improvement toward meeting the National targets as possible. For reported outcomes that already exceed the National targets, negotiations should be geared toward positive improvement that will enhance the potential for collectively attaining the National goals.

**VII. Performance Goals for Jobs for Veterans State Grant Funded Staff (Grant-Based Measures):** The following four performance goals for veterans served by Disabled Veterans' Outreach Program (DVOP) specialists and served by Local Veterans' Employment Representative (LVER) staff will also be negotiated:

**DVOP:**

- Veterans EER (following Staff Assisted Services)
- Veterans ERR
- Disabled Veterans EER (following Staff Assisted Services)
- Disabled Veterans ERR

**LVER:**

- Veterans EER (following Staff Assisted Services)
- Veterans ERR
- Recently Separated Veterans EER (following Staff Assisted Services)
- Recently Separated Veterans ERR

Negotiation of the four outcomes for DVOP specialists will be based on the historical data reported by the State on the VETS 200 (A) DVOP Quarterly Report for the periods up to and ending December 31, 2006. Negotiation of the four outcomes for LVER will also be based on the historical data reported by the State on the VETS 200 (B) LVER Quarterly Report for the same periods.

Each of the eight grant-based outcomes listed above will be negotiated separately. Negotiations should strive for target outcome rates that are at least 50%, and demonstrate positive improvement above what was reported for the period ending December 31, 2006.

**VIII. Strategies to Improve Performance:** DVETs should work closely with their States to develop and implement new strategies if the outcomes for One-Stop services for veterans are not meeting the National targets, or if the Grant-Based outcomes for services provided by DVOP specialists and/or LVER staff are below 50%. In those cases, negotiations should include a discussion on grant funded staff utilization rates, targeting services to areas of high unemployment, employer outreach and job development, staff training, etc.

A State that does not meet one or more of its negotiated goals for a given program year will be required to work closely with the respective DVET during the following twelve months to improve outcomes. During this period of technical assistance, the DVET will be instrumental in assisting the State with exploration of the problems or issues that impact the shortfall, and in

recommending improvements designed to improve the State's capacity to meet its goals. If needed, a second year of technical assistance can be provided to ensure that the State achieves outcomes that are reflective of its economy and that contribute to the National goals. If the deficiency continues at the end of the second year of technical assistance, the DVET, in consultation with the appropriate Regional Administrator for Veterans' Employment and Training (RAVET), may place the State under a Corrective Action Plan.

**IX. Actions Required:**

- A. RAVETs should meet with their counterparts from ETA to encourage joint or collaborative negotiations between DVETs and assigned FPOs with their respective State Workforce Agencies.
- B. Prior to May 11, 2007, the State agency will submit the proposed performance levels to the respective DVET. States are encouraged to use the format provided as Enclosure 1 to submit their goals. If an alternative format is submitted, it must include the same information listed in the two tables and must be signed by an approved State signatory.
- C. States will meet with the respective DVET to negotiate the performance goals for veterans listed above. Where appropriate, this activity should be conducted in conjunction with the State's PY 2007 performance negotiations with ETA's FPO.
- D. Once the State agency and the DVET reach initial agreement, the DVET will forward a signed copy of the agreed performance levels to the RAVET for review. If the proposed goals are unacceptable, the RAVET may direct the continuation of the negotiation process until mutual agreement is reached.
- E. No later than June 30, 2007, RAVETs will indicate their approval by submitting the final, negotiated performance goals for each State, signed by the DVET and the RAVET, to Fred Mendoza at the Jobs for Veterans Lead Center and Patrick Hecker in the National Office. Each signed memorandum will be incorporated into the respective State's approved plan for services to veterans.

**X. Inquiries:** Questions should be referred to the appropriate DVET. DVETs or other VETS staff with questions should contact their RAVET. RAVETs may contact Patrick Hecker at the National Office at (202) 693-4709 or Fred Mendoza at the Jobs for Veterans Lead Center at (312) 353-4933.

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

**XII. Attachment:**

- 1: Memorandum Format for Submitting Negotiated Goals