

Justification for Non-Substantive Change Request for:

- 1) adding two columns to ETA Form 9149, OMB Control Number 1205-0474 and**
- 2) revising the definition of the Work Readiness Indicator**

Form ETA-9149

(1) The American Recovery and Reinvestment Acts (ARRA) allocated significant resources to the Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund to promote the creation and expansion of subsidized summer employment opportunities for low-income youth. The attached Training and Employment Notice (TEN) 24-09, issued January 19, 2010, encouraged states to co-enroll youth in TANF and appropriate Workforce Investment Act (WIA) programs so that youth can benefit from the workforce investment system's extensive experience and capability in helping them gain and retain employment. By working with TANF agencies, WIA's Workforce Investment Boards (WIBs) can access substantial joint resources to develop services, including subsidized employment and occupational skills training.

To track the monthly performance and participation of youth served with joint resources from TANF and regular WIA (non-ARRA) funding, the Employment and Training Administration (ETA) seeks OMB approval to add two columns to ETA -9149, "Youth Served with Recovery Act Resources" (OMB 1205-0474). This reporting change will impact perhaps four to eight states, including Oklahoma, Pennsylvania, Illinois, and West Virginia, which have depleted ARRA funds and need to access TANF and WIA resources through co-enrollment. These states will use the two added columns to report aggregate counts of participants in the added, labeled "Current Month" and "Program-to-Date" columns. Most other states still have sufficient ARRA resources and will continue to report summer youth participants funded with these resources using the already approved monthly reporting process.

Only participants served with both TANF and WIA non-ARRA funding will be counted in the two added columns. These Youth participants will be enrolled in the 6-8 week summer employment program, which amounts to less of a duration and extent of WIA services than participants in other states will benefit from. Because this disparity could negatively impact these state's performance measures, they can apply for a waiver that will act as an incentive for co-enrolling youth participants. States must attain a reporting waiver to be exempt from reporting WIA performance measures and to report only against the elements in ETA – 9149. Illinois and West Virginia have applied for the waiver and have been approved, while Oklahoma and Pennsylvania are awaiting approval. Because a waiver is required before states can report in these columns, the columns are titled "TANF Waiver Reporting." Given the fact that the columns will be used by few states as an alternative to ARRA funding columns, ETA does not anticipate added burden hours in this situation.

The guidance for the added columns for WIA youth will state that reporting will be different. States will be required to distinguish youth served with Recovery Act funds from youth served with regular WIA funds and from youth served with TANF Emergency Contingency funds and report "Recovery Act" and "TANF" youth separately in the supplemental monthly youth report.

Three factors in the Recovery Act make it necessary to create a separate reporting mechanism for the WIA Youth portion of the Recovery Act funding:

1. An emphasis on using funds for summer employment (currently not collected in the WIA quarterly or annual report and only collected as an activity for exiters in the WIASRD);
2. A change in eligibility increasing the age limit to 24; and
3. The application of the two leading indicators as the only performance indicators used to assess the effectiveness of Recovery-Act funded employment opportunities.

With the issuance of TEN 24-09, states have been encouraged to use TANF Emergency Contingency funds to provide subsidized employment to low-income youth along with other benefits and services allowed under the TANF program. The emphasis on using TANF funds for subsidized employment necessitates a separate reporting mechanism because this information is not collected in the WIA quarterly and annual reports. To ease the reporting burden on states and in recognition of the overlapped nature of the youth population being served by the two funding streams rendered a modified monthly youth participant form the most convenient method for capturing the required performance data associated with this source of funding.

Youth participants served with Recovery Act funds will be reported in the Recovery Act columns of supplemental report even if they also received TANF and/or regular WIA funds. That is, all youth participants that receive any Recovery Act funds are to be reported in the Recovery Act columns of the youth report. If these participants also received regular WIA funds, they would also be included in the regular WIA Youth reports (WIASRD, quarterly, or annual reports) regardless of service mix and would be subject to the full set of WIA Youth measures or youth common measures for those states that have a waiver to report outcomes for common measures only. If the Recovery Act youth participants were funded by both TANF and Recovery Act funds, they should be reported only in the Recovery Act columns of the youth report. Youth participants served only with regular WIA funds will only be reported in the regular WIA Youth reports (WIASRD, quarterly, or annual reports) regardless of service mix and would be subject to the full set of WIA Youth measures or youth common measures for those states that have a waiver to report outcomes for common measures only.

Youth participants served with a combination of TANF funds and regular WIA funds are to be reported in the TANF columns of the youth report. These participants would also be reported in the regular youth reports (WIASRD, quarterly, or annual reports) and be subject to the full set of WIA Youth measures or youth common measures for those states that have a waiver to report outcomes for common measures only. Youth served only with TANF funds will not be reported in any of the WIA reports. Youth participants that are served with Recovery Act, regular WIA and TANF funds are to be reported in the Recovery Act and TANF columns of the supplemental report and would also be reported in the regular WIA reports (WIASRD, quarterly, or annual reports) and are subject to the full set of WIA Youth measures or youth common measures for those states that have a waiver to report outcomes for common measures only.

- States will report aggregate counts of all Recovery Act participants, including the characteristics of participants, the numbers of participants in summer employment, the number placed in work experiences outside the summer months, the numbers receiving educational achievement services, the numbers transitioning into unsubsidized employment, the numbers receiving additional support services for youth, the numbers receiving leadership development opportunities, the numbers receiving follow up services, the numbers receiving services beyond summer employment, the numbers attaining work readiness, which is required in the Recovery Act, and completion of a summer youth employment opportunity (May 1 through September 30) and/or a non-summer work experience (October 1 through April 30).
- TANF Emergency Contingency funded youth participants will be reported in the TANF Emergency Contingency columns of the supplemental report. States will report aggregate counts of all TANF participants, including the characteristics of participants, the numbers transitioning into unsubsidized employment and the numbers attaining work readiness.

Work Readiness Indicator

(2) ETA also seeks OMB approval to improve the primary indicator for measuring youth performance under ARRA funding: the Work Readiness Indicator. Under ARRA guidance and TEGL 24-08, local areas already have flexibility in designing their Work Readiness Indicator. To enhance the effectiveness of the measure, the Government Accounting Office (GAO) report in September 2009 recommended that ETA “provide additional guidance on how to measure work readiness of youth, with a goal of improving the comparability and rigor of the measure” (pg. 78). Additionally, an ETA sponsored evaluation concluded that guidance is necessary to better guide the states on the most appropriate “sources of data,” “types of skills,” and “timing and frequency” of youth assessments. Based on these recommendations, and on similar feedback from local areas and federal site visits, will issue a Training and Employment Guidance Letter, now being drafted, to alert states to the two added youth columns and guidance on the Work Readiness Indicator. The guidance regarding the Work Readiness Indicator will be:

Work Readiness Attainment Rate. The primary indicator for measuring youth performance under Recovery Act funding is the work readiness attainment rate. Under the Act, local areas were given flexibility in designing their work readiness indicator. However, to enhance the effectiveness of the measure, the GAO report in September 2009 recommended that ETA “provide additional guidance on how to measure work readiness of youth, with a goal of improving the comparability and rigor of the measure.” Additionally, an ETA sponsored evaluation conducted by Mathematical Policy Research (MPR) concluded that guidance is necessary to better guide the states on the most appropriate “sources of data”, “types of skills”, and “timing and frequency” of youth assessments.

In response, ETA has changed the definition of the work readiness to be based on a worksite evaluation (see below). There has been no change to the reporting specification for this indicator. However, the only relevant parts of the included reporting specification specific to the

summer employment period (May 1st – September 30th) are the parts in the numerator and denominator before the plus. In other words, only the part in the numerator regarding goal type 1 and the part in the denominator regarding received summer employment are used during the summer employment period. The other parts of the reporting specification deal with work experiences outside of the summer period and are included in the case that the Recovery Act funding extends beyond the current summer period.

Revised Methodology for Measuring Work Readiness. A worksite evaluation measuring performance in the workplace is required to assess work readiness for the work readiness indicator. Previous feedback has demonstrated that the most effective method of assessing work readiness is to require the worksite supervisor to observe and evaluate workplace performance. Having youth complete true/false or multiple choice tests, which only measure knowledge and not behavior, is a less effective tool for measuring work readiness.

This worksite evaluation must be conducted by the employer. The employer (i.e., worksite supervisor) who regularly observes performance at the worksite is in the best position to assess the quality of a young person's work performance.

The worksite evaluation tool should focus on attaining a satisfactory level of workplace proficiency as opposed to a measurable increase or gain (as previously defined in TEGL No. 17-05). The attainment of proficiency or competency in the foundational and worksite-specific skills necessary to be successful in the workplace should be determined by the employer and should be based on the attainment of work behaviors outlined in the worksite evaluation tool. This tool should clearly state the overall criteria necessary to achieve workplace proficiency. For example, worksite evaluation tools could state that work readiness proficiency can only be attained after: a) the supervisor indicates satisfactory performance; and b) a minimum numerical score for determining proficiency is achieved.

A Training and Employment Guidance Letter (TEGL) describing these two non substantive changes is included with this request.