

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	<b>CLASSIFICATION</b> WORKFORCE INFORMATION
	<b>CORRESPONDENCE SYMBOL</b> DWSS/WORKFORCE INFORMATION
	<b>DATE</b> June 15, 2007

**TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 29-06**

**TO:** ALL STATE WORKFORCE AGENCIES  
 ALL STATE WORKFORCE ADMINISTRATORS  
 ALL STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS  
 ALL STATE WORKFORCE LIAISONS

**FROM:** EMILY STOVER DeROCCO /s/  
 Assistant Secretary  
 Employment and Training Administration

**SUBJECT:** Application Instructions for Program Year (PY) 2007 Workforce Information Grants: Workforce Information Formula Allocations to States

1. **Purpose.** To announce the grant application process and to transmit guidance for the development and management of the PY 2007 Workforce Information grants to states.
2. **References.** The Paperwork Reduction Act of 1995; Wagner-Peyser Act, Sections 7(a)(3)(D), 7(d), and 15; Sections 111(d)(8) and 309 of the Workforce Investment Act (WIA); Parts I and II, Section IV of the WIA/Wagner-Peyser Two-Year Planning guidance (70 Federal Register 19206 (April 12, 2005)); 29 Code of Federal Regulations (CFR) Parts 93, 96, 97, and 98; and Office of Management and Budget (OMB) Circular A-87.
3. **OMB Approval.** In conformance with the Paperwork Reduction Act of 1995 (44 United States Code (U.S.C.) 3501-3520), OMB reviewed and approved the information collection (OMB Control Number 1205-0417) required by the PY 2005 Core Products and Services planning guidance. That approval expires May 31, 2008.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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Under 5 CFR 1320.5(b), an agency cannot conduct, sponsor, or require a response to a collection of information unless the collection displays a valid OMB control number. The reason for the collection of information is for the planning and management of the Workforce Information formula grants to states.

4. **Background.** Revolutions in technology and information have ushered in the era of globalization. This era is marked by tremendous advances in communications, travel, and trade allowing individuals instant access to commerce from almost anywhere in the world. The resulting global competition is typically seen as a national challenge, but innovative responses and solutions to this challenge must be developed regionally by creating synergistic planning and operating environments, where businesses, workers, researchers, entrepreneurs, and governments align to create a competitive advantage. That advantage stems from the ability to transform new ideas and new knowledge into innovative, high-quality products and services. Regional leaders that successfully innovate are those who demonstrate the ability to network assets – people, institutions, capital, and infrastructure – to generate growth and prosperity in the region’s economy.

In November 2005, the Employment and Training Administration (ETA) launched the Workforce Innovation in Regional Economic Development (WIRED) initiative to develop models that foster regional economic transformation across the nation; integrate economic and workforce development activities; and focus on talent development as the key to meeting the current and future skills requirements of a knowledge-based economy. This initiative represents a more comprehensive strategic model than used in the past for making resource investments, by which regional economies across the nation can respond competitively to the evolving dynamics and demands of globalization.

The WIRED conceptual framework employs the following steps for marshalling a region’s resources to create competitive advantage:

- Define the regional economy by identifying the surrounding communities that share common characteristics, looking beyond traditional political boundaries.
- Create a leadership group that represents the major assets of a region and provides a forum to craft a regional economic vision and strategy.
- Conduct a regional assessment to fully map the area’s assets and identify the strengths, weaknesses, opportunities, and risks based on those assets.

- Develop an economic strategy and implementation plan that provides both a vision of the region's economic future and a blueprint for how to achieve that vision.
- Identify investment resources from a wide range of sources, including but not limited to foundations, venture capital networks, and federal, state, and local governments.

Stakeholders undertaking the above approach to regional economic transformation must analyze a wide scope of data describing facets of the workforce, labor market, economy, and infrastructure in order to create intelligence about the region's labor market and economic landscape.

ETA articulated its vision for a 21st century workforce information system that drives economic competitiveness in state and regional economies in a Workforce<sup>3</sup>One Webinar. Recorded on March 23, 2006, the "Workforce Information for the 21st Century Economy" Webinar can be viewed via the Internet at [www.workforce3one.org](http://www.workforce3one.org). Section five below provides highlights of the vision and ETA's goals, strategies, and expectations for the workforce information system.

5. **Workforce Information Goals and Strategies.** ETA's goal is to continue the transformation of workforce information and services that support regional economies. To achieve this goal, ETA expects states to:

- Participate in economic and workforce activities that are designed to identify regional assets, exploit strengths and opportunities, and address weaknesses;
- Actively collaborate with economic development, business, and education partners to gather and analyze a wide array of current and real-time workforce and economic data in order to create new knowledge about regional economies and support strategic planning, routinely track economic conditions, measure outcomes, and benchmark economic competitiveness in the global marketplace;
- Integrate workforce information and economic data into accessible, user-friendly tools and products for use by workforce professionals for providing career guidance, and by students, adults, and workers of all ages to use in making career decisions;
- Help economic development project teams address gaps identified in their assessments and participate as catalysts in the development of implementation strategies; and

- Help develop integrated economic development strategies unifying workforce and economic development systems and connecting to other public and private entities.

In addition to the workforce information routinely produced by the state workforce agencies (SWAs), ETA expects that other relevant data and resources from economic development organizations, education institutions, trade associations, and other state and local government agencies will be leveraged by grantees to expand the scope and enhance the utility of information products and services. In 2003, ETA developed “An Environmental Scan of Workforce Information Sources to Assist Employment, Economic Development, Education and Workforce Investment Planning and Decision Making.” It has been updated annually and the April 2007 edition is available at [www.doleta.gov/Programs/pdf/environmental-scan-report-final-pdf](http://www.doleta.gov/Programs/pdf/environmental-scan-report-final-pdf). Other possible sources and types of data to be sought include:

- Data collected by economic development agencies, trade and industry associations, and Chambers of Commerce.
- Data available from government sources such as the U.S. Department of Commerce, the U.S. Census Bureau, the Bureau of Economic Analysis, the Federal Reserve, and the National Center for Education Statistics.
- Data from site selection subscription services.
- Data from private sector job boards such as Careerbuilder.com, JOBcentral.com, Monster.com, and Employon.com to analyze skills in demand for geographic areas.
- Demographic characteristics of the workforce such as age, sex, and educational attainment.
- Where workers live and work (<http://lehdmap.dsd.census.gov/> and <http://lehdmap2.dsd.census.gov/themap/>).
- Industry cluster analyses.
- Occupational analyses.
- Occupational supply and demand analyses from job vacancy statistics, the Occupational Supply Demand System ([www.occsupplydemand.org](http://www.occsupplydemand.org)), and other sources.

- Education assets such as the presence of community colleges, proprietary schools, and four year institutions.
  - Training program inventories.
  - Infrastructure and economic assets for geographic areas.
  - State and regional patent data and analyses from the U.S. Patent and Trade Office ([www.uspto.gov](http://www.uspto.gov)).
  - Trade export data from the Bureau of Economic Analysis in the U.S. Department of Commerce ([www.bea.gov](http://www.bea.gov)).
  - Venture capital availability and investments.
  - Federal grant investments by geographic areas ([www.census.gov/govs/www/cffr.html](http://www.census.gov/govs/www/cffr.html)).
  - Government, university, and private sector research investments.
6. **Partnership Expectations.** These PY 2007 workforce information grant guidelines require consultation between the grantees' SWAs, state and local workforce investment boards (WIBs), the leadership of WIRED grantees within the state, and other strategic partners and stakeholders in order to increase the scope and utility of workforce information to inform talent and economic development strategies and enhance career guidance.

ETA expects grantees to operate as catalysts for establishing strategic partnerships driving the WIRED framework. Grantees are also expected to collaborate with economic development agencies, education and training institutions, business groups, industry associations, and other public and private producers and distributors of labor market and economic information, to gather and analyze a wide variety of workforce and economic data to drive strategic planning, track economic conditions, benchmark competitiveness, and measure outcomes.

7. **Funding and Leveraging Resources.** Funds will be provided for states to produce, at a minimum, the core information products and services required by Attachment III of this guidance, and for the development of other workforce information products and services which, at a state's discretion, might be required to support the transformation of the workforce system to a talent development system.

A total of \$31,680,000 is available for PY 2007, minus \$173,827 allocated in total to Guam and the Virgin Islands, and \$918,720 held in reserve for postage. The remaining amount of \$30,587,453 will be distributed by formula to states and the District of Columbia, with 40% distributed equally to all states and 60% distributed based on each state's relative share of the civilian labor force for the 12-month period ending September 2006 (see Attachment I for the table of state allocations). States are urged to collaborate with other data providers and to leverage resources in order to expand their capacity to produce quality workforce information and economic analysis. Many entities have expertise and resources that can be leveraged. Some examples of leveraging resources are developing fee-for-service agreements with customer organizations; obtaining matching funds from other organizations for a common grant activity; or incorporating other organizations' labor market or economic information to enhance the scope and utility of workforce information.

8. **State Certification of Required Grant Deliverables.** States are required to submit a grant Statement of Work Certification (see Attachment IV) affirming that all six deliverables required by the grant Statement of Work guidelines (see Attachment III) will be accomplished during PY 2007. The Certification must be signed by the governor, or by both the SWA administrator and the chairperson of the state WIB.

If circumstances prevent accomplishment of a specific grant deliverable during PY 2007, a deferral must be negotiated with the ETA Regional Administrator, including the reasons for delay and a proposed completion date noted as an addendum to the Statement of Work Certification. Planned grant activities and grant accomplishments must be documented in the state's grant file and those records made accessible, per 29 CFR Part 97.42(e)(1), for examination by ETA or other authorized Federal representatives.

9. **Accountability.** The effectiveness of grantee performance will be assessed and documented through the following approach:
  - a. **ETA Grant Reviews.** The ETA regional offices will conduct periodic reviews of states' progress towards meeting the PY 2007 certified grant deliverables, the degree to which collaboration with the state WIB and other partners (e.g., economic development, education, and business) exists, and quarterly reviews of grant expenditures and obligations.
  - b. **Performance Reporting.** ETA implemented common measures reporting and revised reporting requirements in PY 2005. These include reporting on the impact of workforce information services on participant outcomes. As of July 1, 2005, states were required to capture a wide variety of workforce information services provided to participants and to report the outcomes achieved by participants who received workforce information services. States

began reporting the Entered Employment Rate, Employment Retention Rate after Six Months, and Earnings for participants following receipt of workforce information services. In PY 2007, ETA will continue to monitor the outcomes achieved by participants who received workforce information services.

- c. Consultation and Customer Satisfaction Assessment.** Section 15 of the Wagner-Peyser Act (WIA Section 309) requires states to consult with customers about the labor market relevance of the information disseminated through the statewide workforce information system. ETA has expanded the definition of customers to include those marshalled by the workforce system and WIRED grantees to foster economic and talent development. Consultation with the workforce investment system and other customers provides the basis for formulating continuous improvement strategies for workforce information. ETA is not prescribing an approach or methodology for conducting customer consultations. Methods might include focus groups, various types of surveys, documented consultations, customer satisfaction assessments, or other methods the state considers appropriate.
- d. Annual Performance Report.** Grantees are required to submit an annual performance report for the workforce information grant (29 CFR 97.40(b)(1)), signed by both the SWA administrator and the state WIB chairperson, or the governor, as specified in Attachment V, Section A. The report must include a description of outcomes compared to certified grant deliverables, and where appropriate, an explanation as to why a grant deliverable was not accomplished and what will be done to ensure accomplishment.

The annual performance report must also include a summary of the results of the grantee's customer consultations regarding state workforce information products and services, and a summary of activities to be undertaken to add customer value where needs for improvement are indicated. The report may also include recommendations for consideration by ETA for changes and improvements to the required grant deliverables.

Grantees must electronically submit the annual performance report as a .pdf file to the appropriate ETA regional office 90 days following the end of the program year. ETA will post the annual performance reports on the ETA Web site for the purpose of informing the system of overall grant performance.

- 10. Special Grant Requirements.** Funds provided by this award may not be used to supplant funds obligated from other funding sources for workforce information activities. All costs incurred under the grant must support the cost objectives specified in Section 6 of this guidance and must conform to the principles for "reasonable" and "allocable" costs as specified in OMB Circular A-87.

Any data collection activities must conform to technical standards and methodologies established by the Bureau of Labor Statistics, or document in the state's grant file, a sound business rationale for the use of an alternative methodology. Any information technology systems or applications developed with these funds must adhere to industry-standard, open architecture principles with documentation and software made available for use by other organizations for Federal government purposes.

11. **Publications and Other Information Products.** Grantees are required to submit .pdf documents or links to .pdf copies of the state economic analysis reports (Deliverable 3), and any special studies and economic analyses (Deliverable 6), to the appropriate regional office 90 calendar days following the end of the program year.

Grantees are also requested to submit .pdf documents or links to .pdf copies of publications and other products produced with these grant funds that are considered to be of special interest to the workforce investment system to the appropriate regional office. Examples of products of special interest might be workforce information targeted to the needs of WIRED grantees and other economic development regions, other specific customer groups, industry-specific research and analysis, state brochures describing the availability and functionality of electronic or self-service tools, documentation of innovative applications developed for database access or manipulation, and innovative workforce information services available to customers.

12. **Grant Expenditure Period.** The maximum expenditure period for these funds is three years under the Wagner-Peyser Annual Funding Agreement. The grant will cover, at a minimum, the 12-month period from July 1, 2007, to June 30, 2008, but, if negotiated between the state and the ETA regional office, may cover a longer period of time up to the maximum expenditure period ending June 30, 2010.
13. **Grant Modifications.** The grantee and the ETA regional office may jointly modify planned expenditures within the state allocation during the grant period of performance. The regional office has authority to recommend the reallocation of grant funds to the ETA grant officer, when overall grant expenditures and obligations are substantially below quarterly budgeted forecasts.
14. **Financial Management and Reporting.** States are to forecast actual cash needs by the program year quarter on Standard Form (SF) 424A, Section D, for all quarters covered by the grant. State workforce agencies will report quarterly expenditures by direct data entry of the SF 269, Federal Cost Report into the Web-based Enterprise Business Support System (EBBS). Per 29 CFR Part 97.41(b)(4), quarterly financial reports are due 30 days following the end of each quarter.

Questions regarding financial management and reporting for PY 2007 or for any existing prior year fund balances, should be addressed to the appropriate ETA regional office.

**15. Action Required.** Grant applications are due to the regional offices within 45 days of the date of this guidance. A submission date later than 45 days may be approved by the ETA Regional Administrators. SWA administrators are requested to:

- a. Immediately transmit these grant application instructions to the appropriate SWA office and to the state WIB.
- b. Submit the original and two copies of the PY 2007 grant application package with a transmittal letter signed by: (1) the governor; or (2) both the SWA administrator and the chairperson of the state WIB to the appropriate ETA regional office.
- c. Include these items in the grant application package:
  1. Transmittal Letter
  2. Application for Federal Assistance (SF-424)
  3. Budget Plan (SF-424A, Section D only)
  4. Statement of Work Certification

**16. Inquiries.** Questions on statement of work and grant requirements should be directed to the appropriate ETA regional office. Grant and financial management questions may be directed to the regional office or to Gwendolyn Baron-Simms at (202) 693-3309, or to Fred Tello, Grant Officer, at (202) 693-3333.

**16. Attachments.**

- I. State Allocations for PY 2007
- II. Grant Procedures
- III. Statement of Work Guidelines
- IV. Statement of Work Certification
- V. Annual Performance Report Instructions