

Employment and Training Administration Advisory System U.S. Department of Labor Washington, D.C. 20210	CLASSIFICATION WORKFORCE INFORMATION
	CORRESPONDENCE SYMBOL DWSS/WORKFORCE INFORMATION
	DATE June 12, 2009

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 30-08

TO: STATE WORKFORCE AGENCIES
 STATE WORKFORCE ADMINISTRATORS
 STATE AND LOCAL WORKFORCE BOARD CHAIRS
 AND DIRECTORS
 STATE WORKFORCE LIAISONS
 STATE LABOR COMMISSIONERS

FROM: DOUGLAS F. SMALL /s/
 Deputy Assistant Secretary

SUBJECT: Application Instructions for Program Year (PY) 2009 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 2009 Workforce Information Grants to States.
2. **References.** The Paperwork Reduction Act of 1995 (Pub. L. 104-13, 44 U.S.C. 3501-3520); 29 Code of Federal Regulations (CFR) Parts 93, 96, 97, and 98; Office of Management and Budget (OMB) Circular A-87; Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d); Wagner-Peyser Act (48 Stat. 1B, 29 U.S.C. 49), Sections 7(a)(3)(D), 7(d), and 15; Sections 111(d)(8) and 309 of the Workforce Investment Act (WIA) (Pub. L. 105-220, 29 U.S.C. 2801, et seq.); Training and Employment Guidance Letter (TEGL) NO. 31-07, Application Instructions for Program Year (PY) 2008 Workforce Information Grants: Workforce Information Formula Allocations to States; Planning Guidance for the Strategic State Plan for Title I of the Workforce Investment Act of 1998 (WIA) and the Wagner-Peyser Act (73 FR 72853 (Dec. 1, 2008)); and TEGL No. 14-08 Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009.
3. **OMB Approval.** In conformance with the Paperwork Reduction Act of 1995, OMB reviewed and approved the information collection (OMB Control Number 1205-0417). This approval expires on May 31, 2011.

RESCISSIONS None	EXPIRATION DATE Continuing
----------------------------	--------------------------------------

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 this information collection is the planning and management of the workforce information formula grants to states.

- 4. Background.** The first decade of the new millennium continues to be buffeted by change in both economic opportunity and structure. The early years of the decade saw growth after recession. The mid-2000's witnessed the spread of globalization and its unexpected impact on areas not prepared to shift from the singular industrial development model that delivered past prosperity. In 2009, the nation finds itself confronting unprecedented change and historic job loss in an economy described by President Obama and others as the worst since the Great Depression.

Throughout the decade, the Employment and Training Administration (ETA) has been flexible in creating and funding workforce development initiatives to assist states to become more globally competitive. As the nation's unemployment rate trends steadily upward, ETA encourages states to use regional initiatives and methodologies to reestablish sound economic footing. States are also reminded that regional partnerships remain key to attaining long- and short-term economic and workforce development goals and to helping workers and businesses successfully negotiate new economic and employment realities. (Please refer to the PY 2008 Workforce Information Grants to States guidance (TEGL NO. 31-07, dated June 6, 2008) for the components to sustain successful regional partnerships.

To further respond, President Obama and Congress enacted the American Recovery and Reinvestment Act of 2009, Public Law 111-5 (the Recovery Act). The purpose of the Recovery Act is to preserve and create jobs, promote the nation's economic recovery, and assist those most impacted by the recession. However, the Recovery Act provides more than an injection of workforce development resources into communities across the country. It is also a significant monetary investment and represents an extraordinary opportunity for state workforce agencies (SWAs) to fund their employment and training programs in a manner that supports and accelerates the transformation of the public workforce system and increases its effectiveness.

ETA encourages all SWAs to take an expansive view of how Recovery Act funds can be integrated into state transformational efforts while valuing the equally important needs of workers and employers. The review of current and projected workforce needs for both groups can help direct state education, training, employment, and re-employment services. Additionally, use of this form of workforce information can ensure that every level of SWA-provided assistance is fully aligned with local and regional economic development strategies and leads to the jobs and industries deemed most important for citizen success.

For workforce development to emerge as a strong, invigorated and innovated system, stakeholders at every level must develop and refine innovative service delivery strategies in the context of both metropolitan and rural regional economies. Therefore, it is critical that ETA-funded workforce information grantees remain both a catalyst and a support for state and local workforce boards as they partner with each other regionally and across political jurisdictions and develop solutions. Collaboration with community colleges, employers, business and labor organizations, civic groups, and community philanthropy will ensure that workforce development services meet the regional economic development strategies needed for success.

In addition, sector strategies for renewable energy, broadband and telecommunications, health care, advanced manufacturing, and other high demand industry sectors identified by local areas should be an integral part of a comprehensive and analytical approach to workforce development and regional growth. In every aspect, states are expected to use workforce and labor market information (LMI) and data as the foundation on which to build and implement sound workforce development strategies.

This guidance highlights opportunities state workforce and labor market information, or economic research and statistical entities (LMI entities) will have to demonstrate value-added information products and services to support Recovery Act investments.

5. **Workforce Information Goals and Objectives.** The goal for the Workforce Information Grants to States for PY 2009 is two-fold. SWAs, through their LMI entities, are to support immediate economic recovery while also planning for long-term economic growth and stability.

PY 2009 ETA workforce information grant funding is to be used by SWA grantees to provide and support the workforce information services needed for states to successfully identify, develop, and maintain sustainable and competitive regional economies capable of addressing both short- and long-term employment need. States are urged to incorporate and follow two inter-dependent development strategies – one that identifies industries and expected continued growth and another to address new, more immediate, employment challenges.

State labor market and workforce information providers are expected to play a critical role in PY 2009 as states make Recovery Act investment decisions and develop economic growth strategies. States can leverage Recovery Act funds for their LMI entities to enhance ETA-funded workforce information research, surveys, and products to meet stimulus-driven reporting requirements. Hiring new LMI staff, capitalizing infrastructure improvements, or otherwise supporting the

expansion of needed workforce information resources are also allowable uses of Recovery Act funds.

To achieve the two-fold goal stated above, ETA expects states to:

- Participate in regional economic development activities to identify regional assets, exploit strengths and opportunities, and address weaknesses as the foundation for a sound regional economic vision and successful strategies for long-term growth and recovery.
- Develop workforce information on workforce supply, employer demand, and, the skills and education gaps in the supply pipeline to guide state and local workforce investment board efforts and those of their education and economic development partners.

Actionable workforce information can be gained from short- and long-term industry and occupational projections and analyses, supply and demand analysis, skills gap analysis, labor shed analysis, and local level impact analysis.

- Support re-employment services designed for unemployment insurance (UI) claimants. States that incorporate worker profiling to guide the provision of UI reemployment services generally obtain better (and earlier) reemployment outcomes. Locally captured worker demographics are useful in tailoring front-line services to specific populations. State-driven worker profiling of UI claimant pool characteristics help establish realistic outcome expectations based on past cohorts of individuals drawing benefits.

Staffing pattern analysis combined with data on worker characteristics (e.g., education, industry, occupation, length of employment, wage earned, and residence), and data on projected industry and occupational growth and decline, industry locations, wages and benefits, mass layoffs, local level unemployment, and previously exhausted claims can help states objectively determine appropriate services and priorities for UI claimants.

- Build on existing relationships to strengthen the impact of workforce information for policy makers. Relationships with business and industry are particularly critical now. Tapping into trusted business sources can enable state labor market entities to:
 - Develop information which can be used by the workforce system to develop layoff aversion strategies (particularly where incumbent worker reskilling is needed to match new job requirements);

- Ease the transition of laid off workers when reductions are necessary; and
- Build virtual service bridges between firms laying off and those hiring through labor exchange, skills gap training, or other tactics.
- Forge new partnerships to expand and enhance the reach of workforce intelligence by conducting outreach with labor organizations, business groups, nonprofit organizations, industry organizations, state and local government agencies, and other interested parties.
- Review the Recovery Act for other opportunities to support workforce development. For example:
 - The Recovery Act contains \$500 million for projects that prepare workers for careers in energy efficiency and renewable energy. Following the two-fold workforce information goal for PY 2009, ETA envisions that these dollars will not only create short-term recovery-oriented green jobs but also establish long-term green career pathways by combining entry-level green jobs with training. State research and analysis will be needed to identify “green growth” occupations (existing green jobs projected to increase in number); “green-enhanced” occupations (existing green jobs that are expected to also require worker upskilling), and emerging green occupations in need of workers.
 - Recovery Act funding is also available to support research, labor exchange, and job training to prepare workers for other high growth and emerging industry sectors, with priority for projects in health care careers. State LMI entities should note that a variety of other employment programs have been funded with Recovery Act dollars or are affected by the Recovery Act and will need workforce information, including:
 - WIA Adult Employment and Training,
 - Wagner-Peyser Employment Services,
 - State Unemployment Insurance Operations,
 - WIA Dislocated Worker Employment and Training,
 - Trade Adjustment Assistance,
 - WIA Youth Activities (including Summer Jobs),
 - Job Corps,
 - Senior Community Service Employment Program, and
 - Vocational Rehabilitation State Grants
- Initiate a means to gather information about other state Recovery Act investments to be made and for which state LMI entities can be a valuable partner in producing and providing workforce data and information that guide economic recovery and

growth decisions. Workforce information grantees should also be positioned to help local and regional areas with workforce information needs.

ETA urges its workforce information grantees to offer assistance as their SWAs develop job creation data, effect Recovery Act data collection(s), or identify other needs for workforce data. State LMI entities should find that, upon review, many of the stimulus investments contained in the Recovery Act present a variety of opportunities to supplement, expand, or enhance current workforce information services and tools.

6. **ETA-Supported Workforce Information Resources.** To help workforce information consumers better organize and use needed workforce information, tools, and resources, ETA developed the following resources:

The *Regional Economic Development (RED)* Web site provides information and tools to help regional economies drive economic transformation using a six-step blueprint to find resources, form partnerships, and achieve regional success.

<http://careeronestop.org/RED/>

The *Workforce Information and Economic Analysis* Web page, launched by ETA in late 2008 through its Workforce3one Web site, is designed to promote the sharing of state developed workforce information resources and tools. The page also contains links to other public and private workforce information Web sites and houses recorded workforce information and economic analysis webinars.

<http://www.workforce3one.org/page/wiea>

The *WIN-WIN (Workforce Information Innovation) Network Community of Practice* Web page is scheduled to launch through Workforce3one prior to the beginning of PY 2009. The goal of this WIN-WIN national community of practice is to advance the application and integration of data, analysis, and research in national and regional workforce and economic development and economic recovery activities.

The *“Catalogue of Workforce Information Sources: Decision Making Assistance for Regional Economic Development”* is a compilation of accessible data sources (Federal, state, and private sector) that can help support local, state, and regional planning and economic development efforts. Divided into three parts, the catalogue reviews various workforce and labor market information sources; lists portals and systems for workforce and labor market information decision support; and ends with a discussion of data integration and analysis tools and services.

<http://careeronestop.org/Red/Catalogue.doc>

- 7. Partnership Expectations.** ETA-funded state workforce information grantees are required to consult with their strategic partners to increase the scope and utility of workforce information used to inform workforce and economic development strategies and to enhance career guidance and resources.

ETA expects grantees to advance established strategic partnerships that drive the regional economic development framework needed to address both short- and long-term employment goals. Therefore, grantees should collaborate with partners, i.e., workforce investment boards (WIBS), economic development agencies, education and training institutions, business groups, industry associations, labor organizations, and other public and private producers and distributors of labor market and economic information to gather, analyze, and use a wide variety of workforce and economic data to drive strategic planning, track economic conditions, benchmark competitiveness, and measure outcomes.

Exemplary tools, products, and processes developed through state and local partnerships, including those identified by the Workforce Information Innovation Network, will be shared and made available for system review and sharing through both the WIN-WIN Network Community of Practice Web Page and the Workforce3One Workforce Information and Economic Analysis super category Web page at <http://www.workforce3one.org/page/wiea>.

Additionally, the annual workforce information performance reports submitted by the states are reviewed by both regional and national ETA staff. States should view and use this grant deliverable as an opportunity to communicate to ETA and highlight the partnerships, activities, and other outcomes attained during the program year. ETA expects these annual reports to be more than just a compilation or listing of state workforce information products that is simply updated from year to year. ETA expects the annual reports to incorporate a significant level of analysis, interpretation, appropriate conclusions, and actionable recommendations.

Interested parties may access the state annual reports for PY 2007 and prior years at http://www.doleta.gov/Programs/2007ReportsAndPlans/eta_default.cfm.

- 8. Funding and Leveraging Resources.** ETA will provide formula allocated workforce information grants to states to produce, at a minimum, the core 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 workforce development system.

A total of \$32,000,000 is available for PY 2009, minus \$176,800 allocated in total to Guam and the Virgin Islands. ETA will distribute the remaining amount of \$31,823,200 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 2008 (see Attachment I for the table of state allocations). States are urged to collaborate with other data and program providers and leverage, to the greatest extent possible, both ETA workforce information and Recovery Act funds in order to expand current capacity to produce quality workforce information and economic analysis. Section 5 of this guidance, Workforce Information Goals and Objectives, suggests several areas in which state workforce information, labor market information, or economic research and statistical entities can achieve this goal.

ETA and many workforce system leaders view the economic downturn and its infusion of resources as a challenge and opportunity to advance all facets of the workforce development system. ETA has provided aid to LMI entities to access Recovery Act funds through TEGL NO. 14-08, "*Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009*" (issued March 18, 2009). The Recovery Act TEGL contains many references to workforce information and many statements that identify and strongly encourage states to use recovery funds for workforce information. Additionally, the guidance positions workforce information as the first item to be addressed in PY 2009 WIA/Wagner-Peyser State Plan modifications and further instructs states to ground visions and strategies in an "economic and labor market context." However, it is incumbent upon each state LMI entity to make the business case for receiving state-allocated Recovery Act funds by identifying the value-added services, products, intelligence, and the overall benefit of investment in workforce information.

9. **State Certification of Required Grant Deliverables.** States must 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 2009. The certification must be signed by the governor or by both the SWA administrator and the chairperson of the State Workforce Investment Board (SWIB).

If circumstances prevent accomplishment of a specific grant deliverable during PY 2009, the state must negotiate a deferral with the ETA Regional Administrator including attaching as an addendum the reasons for delay and a proposed completion date. The ETA regional office will document planned grant activities and grant accomplishments in the state's grant file and those records will be made accessible, per 29 CFR, Part 97.42(e)(1), for examination by ETA or other authorized Federal representatives.

10. **Accountability.** ETA will assess and document the effectiveness of grantee performance through the following approach:

- a. **ETA Grant Reviews.** The ETA regional offices will conduct periodic reviews of states' progress towards meeting the PY 2009 certified grant deliverables, the degree to which collaboration with the SWIB and other partners exists, and quarterly reviews of grant expenditures and obligations.
- b. **Performance Reporting.** On July 1, 2005, ETA implemented common measures reporting and revised program reporting requirements to include the provision of workforce information services and the impact of those services on participant outcomes. State data on the Entered Employment Rate, Employment Retention Rate after Six Months, and Earnings for participants following receipt of workforce information services is specifically captured for performance reporting purposes. For PY 2009, ETA will 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 interprets customers to include workforce system stakeholders, regional economic development leadership within the state, and other strategic partners that foster workforce development. Consultation with the workforce investment system and other customers and users provides the basis for formulating continuous improvement strategies for workforce information. ETA is not prescribing an approach or methodology for conducting customer consultations. Methods can 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 SWIB 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 an accessible Section 508 compliant .pdf file to the appropriate ETA regional office 90 days following the end of the program year. As stated earlier, ETA will post the annual performance reports on the ETA Web site for the purpose of informing the system of overall grant performance.

States should be aware that .pdf copies of all documents submitted to ETA for Web posting must meet the Federal accessibility requirements stated by Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d). (See www.section508.gov for more information.)

States unable to convert their annual report and economic analysis grant deliverables to meet Section 508 .pdf accessibility standards should instead submit them to ETA in Microsoft (MS) Word or an equivalent text format. Forwarded files will be converted by ETA to meet .pdf accessibility guidelines prior to posting for public use and review.

11. **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 5 of this guidance and must conform to the principles for "reasonable" and "allocable" costs as specified in OMB Circular A-87.

All data collection activities must conform to the 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 system or application 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.

12. **Publications and Other Information Products.** Grantees are required to submit .pdf copies or links to .pdf copies of the 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 .pdfs 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 include industry-specific research and analysis, state brochures describing the availability and functionality of electronic self-service tools, documentation of innovative applications developed for database access or manipulation, or innovative workforce information services available to customers.

As noted above in Section 10d, Annual Performance Report, .pdf copies of documents submitted to ETA for Web posting are expected to meet Section 508 accessibility requirements. States encountering compliance difficulties must submit their documents in MS Word or an equivalent text format, which ETA will then convert to meet Federal .pdf accessibility guidelines.

13. **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, 2009 to June 30, 2010, but may, if negotiated between the state and the ETA regional office, cover a longer period of time up to the maximum expenditure period ending June 30, 2012.
14. **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.
15. **Financial Management and Reporting.** States should forecast actual cash needs by 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 ETA 9130 Financial Cost Report, into the Web-based Enterprise Business Support System (EBSS). Per 29 CFR 97.41(b)(4) quarterly financial reports are due 30 days following the end of each quarter. Address any questions regarding financial management and reporting for PY 2009, or for any existing prior year fund balances, to the appropriate ETA regional office.
16. **Action Requested.** 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 ETA Regional Administrators. ETA requests that SWA administrators:
 - a. Immediately transmit these grant application instructions to the appropriate SWA office and to the SWIB.
 - b. Submit the original and two (2) copies of the PY 2009 grant application package with a transmittal letter signed by: (1) the governor; or (2) both the SWA administrator and the chairperson of the state SWIB to the appropriate ETA regional office.

c. Include 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

17. **Inquiries.** Direct questions on the statement of work and grant requirements to the appropriate ETA regional office. Direct grant and financial management questions to the regional office or to Gwendolyn Baron-Simms at (202) 693-3309 or to Thomas Martin, Grant Officer, at (202) 693-2989.

18. **Attachments.**

- I. State Allocations for PY 2009
- II. Grant Procedures
- III. Statement of Work Guidelines
- IV. Statement of Work Certification
- V. Annual Performance Report Instructions