

TRANSMITTAL # 5

MEMORANDUM

March 26, 2002

TO: Workforce Development Council

FROM: Roger B. Madsen, Director

SUBJECT: Workforce Investment Act—Eligible Training Provider Waiver

ACTION REQUESTED: Approval of the proposed waiver to the Eligible Training Provider requirements

BACKGROUND:

WIA participants purchase services from approved training providers through the use of Individual Training Accounts. The Workforce Investment Act (WIA) requires that the State and local boards approve training providers before WIA funds can be used to purchase occupational training. The responsibility for approving eligible training providers is shared between the Governor (State) and the six local *IdahoWorks* Boards (IWBs). The State is responsible for establishing the procedures and minimum criteria that will be utilized by the local boards in determining training providers' eligibility. The primary goals of the Eligible Training Provider requirements are to improve performance accountability on training programs, improve customer information on training opportunities and to maximize training options.

Under WIA, States are allowed to use the initial eligibility process for Eligible Training Providers (ETPs) for eighteen months. After this period, States are required to implement the subsequent eligibility requirements outlined in Section 122 (c) and (d) of the WIA legislation. These provisions require that training providers provide outcome data, not only on the WIA participants, but on all students that are served through their programs. We are concerned that the WIA subsequent eligibility requirements cannot be effectively or economically implemented in Idaho and that pursuing this course will result in a dramatic reduction in the number of training providers that will be willing to participate in the WIA system. Thus, we believe that we should submit a request to the USDOL to waive several provisions of the Act that pertain to subsequent eligibility and to propose an alternative process to accomplish this activity. The USDOL is encouraging us to submit the ETP waiver request at this time.

After considering several options, we have developed the waiver request presented below. We have discussed this approach with *IdahoWorks* Board staff and with our education partners. In

accordance with WIA, this approach will apply to all programs included on Idaho's Eligible Training Provider list. The key provisions include:

- The subsequent eligibility process will be based solely on WIA training participants, rather than all of the students enrolled into each training program
- Subsequent eligibility will be based on the following performance criteria:
 1. The entered employment rate for WIA training participants;
 2. The number of placements that are training related;
 3. The average hourly wage at placement for WIA training participants;
 4. Educational Credential rate for the WIA training participants;
 5. Information on program costs (such as tuition and fees) for participants.
- Idaho will utilize data from the current WIA Management Information System to calculate outcome performance for the above measures (WIA utilizes different measures and UI wage record data to calculate performance)
- The State will establish minimal acceptable levels of performance for the performance criteria with the exception of the cost criteria which will be a local board responsibility. The minimal level of acceptable performance will be defined as meeting or exceeding 80% of the previous year's statewide WIA exit data on training participants.
- Idaho will utilize a two-tier approach for subsequent eligibility based on the number of participants who exit a program during the program year
 1. For training programs that involved less than 8 WIA (Adult and Dislocated Worker combined) participants during a program year, the Department of Labor will provide the IWBs, training providers and service providers with a report reflecting the performance outcomes by training program. This report will reflect the outcome data on the performance criteria presented above. The IWBs will review this data to insure that training activities are appropriate and in accordance with area policies. Service providers will utilize the outcome information as they assist their WIA participants in making good training selections and as they review the quality of their case management practices. Training providers who serve less than 8 WIA participants would not be subject to additional mandatory review by the IWBs to be retained on the ETP list.
 2. Training programs that exit 8 or more WIA (Adult and Dislocated Worker combined) participants in a Program Year would be subject to the IWB subsequent eligibility review process. The IWB would review the training

program's outcome data to verify that the program met minimum acceptable performance levels as defined by the state.

If the training program meets these minimum performance levels, the IWB would have the option of recommending to the State that the program be retained on the ETP without further review. If a training program fails to meet any of the above performance levels, then the IWB would be required to conduct further analysis of the training outcomes that includes taking into account the economic, geographic and demographic factors of the local area as well as characteristics of the population being served. As part of the analysis, the IWBs would include input from the WIA service providers whose participants were enrolled in the training program and from the training entity.

The IWBs will have 60 days to complete the review. Based on the analysis, the IWB may either approve or deny subsequent eligibility for the training program. The IWBs could approve the training program, but direct concerns to the service providers regarding over usage levels, improper referrals, appropriate support services and other delivery issues that appear to be impacting outcomes. In cases where the training program is adequate but poor performance may be related to other local or service delivery factors, the IWBs will be strongly encouraged to keep the programs on the ETP list and to address the outcome issues through other means.

- The *IdahoWorks* Boards will retain the option to include additional performance criteria in their subsequent eligibility determination process.

While the above waiver will involve considerable effort to implement, it is far less burdensome than creating a system that involves all students or one that is based on WIA performance criteria and UI wage records data. This waiver is built upon information currently available in our WIA Management Information System, is more timely and allows the local boards a great deal of flexibility in addressing the subsequent eligibility decisions. We believe that by creating a new performance report that ties outcome data to specific training programs and that by requiring mandatory local board review of training programs with 8 or more WIA participants, we will help improve the accountability and performance in the WIA system.

RECOMMENDATION:

That the Council approve the submission of the proposed waiver to the Eligible Training Provider Requirements.

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