

DEPARTMENT OF WORKFORCE DEVELOPMENT
DIVISION OF EMPLOYMENT AND TRAINING
ADMINISTRATOR'S MEMO SERIES

*** SPECIAL ISSUE ***

ACTION 9-01
 NOTICE

ISSUE DATE: **April 16, 2009**
DISPOSAL DATE:

*PROGRAM CATEGORIES: **WIA**

To: Workforce Development Board Directors

From: Roberta Gassman
Secretary

RE: American Recovery and Reinvestment Act (ARRA) of 2009: Workforce Investment Act (WIA) **Youth Funds**

PURPOSE: This Administrator's Memo provides final allocation amounts and direction on expenditure of WIA Youth funds, particularly related to Summer Youth Employment, provided through the American Recovery and Reinvestment Act of 2009.

REFERENCES:

U.S. Department of Labor (DOL) Training and Employment Notice (TEN) 30-08
DOL Training and Employment Guidance Letter (TEGL) 14-08
DOL Training and Employment Guidance Letter 14-08, Change 1

BACKGROUND: The American Recovery and Reinvestment Act (ARRA) of 2009 provides \$1.2 billion in funding for the Workforce Investment Act (WIA) Youth Program. Wisconsin will receive \$13.8 million (85% of that amount, \$11.7 million, is distributed to the 11 Workforce Development Areas). See Attachment 1 for ARRA allocations by Workforce Development Area. The expenditure period for the funds is from February 17, 2009 through June 30, 2010; however, the U.S. Department of Labor (DOL) has stated that they anticipate the majority of the expenditures will occur in 2009.

ARRA funding allocated for WIA are Program Year (PY) 2008 funds. Section 128(c) allows WDBs two years from the start of the program year to expend these funds, or they are subject to recapture and reallocation by the State. WDBs must expend allocated ARRA funds prior to June 30, 2010. DWD may recapture and reallocate funds to ensure ARRA funds are expended by the June 30, 2011 deadline for the use of PY2008 funding specified in TEGL 14-08.

***PROGRAM CATEGORIES:**

AS--Apprenticeship
Standards

CR--Civil Rights

FM--Financial Management
Requirements

FL--Foreign Labor Certification

IT--IT Systems

JC--Job Center

LM--Labor Market
Information

ML--Migrant Labor

RA--Refugee Assistance

TC--Tax Credit Programs

TA--Trade Assistance

TR--Transportation

WIA--Workforce

Investment Act

YA--Youth Apprenticeship

As stated in TEN 30-08, there are a number of principles that we must keep in mind as we implement the ARRA:

- Transparency and accountability
- Expedited and effective use of the funds, with expenditures made concurrently with regular formula funds
- Emphasis on training and innovative and invigorated service delivery strategies
- Emphasis on services for hard-to-serve populations and needs-related payments.

POLICY: As outlined in the TEGL 14-08, “The Recovery Act, , is intended to preserve and create jobs, promote the nation’s economic recovery, and to assist those most impacted by the recession.” The WIA Youth Program funding provided through the ARRA will play a large part in reaching the goal of providing employment and other services to our young people. DWD expects that WDBs will be able to substantially increase the number of youth engaged in employment and training activities.

The purpose of the funding is to provide opportunities for summer employment in addition to year-round activities. Year-round activities could include tutoring, study skills training, and instruction leading to completion of secondary school, including dropout prevention, work experience and occupational skills training. Eligibility for WIA Youth Programs is expanded to include 14 to 24 year olds (current WIA youth eligibility is 14 to 21) to reach young adults who have become disconnected from both education and the labor market. Performance measures for summer youth employment have been simplified so that work readiness will be the only indicator of success.

This funding will provide the Department with an opportunity to work with WDBs to engage youth beyond those currently being served in the WIA Youth Program. Our intent is to promote coordination/collaboration between the WDBs and programs administered by the Department of Corrections (Adult and Juvenile Corrections), Department of Children and Families (Foster Care and Wisconsin Works), Department of Natural Resources, and DWD (Veterans, Youth Apprenticeship, Division of Vocational Rehabilitation, and Adult Apprenticeship).

Allowable activities

All youth activities under the WIA Youth Program are allowable activities for the use of ARRA funds. Unless otherwise stated in this guidance, the laws and regulations for the WIA youth program apply to the ARRA. WDBs may continue to spend ARRA WIA Youth funds during PY 2009. However, DOL Employment and Training Administration is strongly encouraging states and local areas to use as much of these funds as possible to operate expanded Summer Youth Employment Programs during the summer of 2009 and provide as many youth as possible with summer employment opportunities and work experiences throughout PY2009. DWD expects that 70% of the available funds will be spent by October 1, 2009.

Eligibility and Performance changes

There are two significant changes to the WIA youth program funded with ARRA:

- 1) The maximum eligible age for participation has increased from age 21 to age 24. DWD expects that WDBs will serve eligible youth in each age group from 14 to 24.

2) The work readiness performance indicator will be the only measure used to assess the effectiveness of the ARRA Summer Youth Employment Program.

Neediest Youth

WIA Youth Services, including those under ARRA, should be focused on the youth most in need including: out-of-school youth and those most at risk of dropping out, youth in and aging out of foster care, youth offenders and those most at risk of court involvement, homeless and runaway youth, children of incarcerated parents, migrant youth, Indian and Native American youth, and youth with disabilities.

Summer Employment

WDBs should have already begun recruiting and determining eligibility for participation in the Summer Youth Employment Program. However, the first date of service for ARRA Summer Youth Employment should be no earlier than May 1, 2009. WDBs are encouraged to maximize spending of ARRA WIA funds for 2009 Summer Youth Employment Programs.

For purposes of the ARRA funds, the period of summer is defined as May 1 through September 30. Per TEGL 14-08, "summer employment" may include any set of allowable WIA Youth services that occur during the period of summer (May 1 through September 30) provided it includes a work experience component.

WDBs are encouraged to reach out broadly to engage other community partners and programs in providing referrals for possible participants in the Summer Youth Employment Program. It is the Department's intent that targeted populations outlined below are informed of and have the opportunity to participate in Summer Youth Employment Programs.

Targeted Populations

The expansion of the age eligibility to age 24 provides an opportunity to engage targeted populations and to coordinate with our program partners in providing employment and training services.

Veterans – Given the expanded age range, WDBs have the opportunity to serve an increased number of veterans and their spouses. Priority of service requirements apply. If WDBs are interested in receiving referrals, please contact the Local Veterans' Employment Representatives and Disabled Veterans' Outreach Program Representatives in your area. Here is the link to the DWD Veterans Office staff: <http://www.dwd.state.wi.us/veterans/vetreprs.htm>.

Low income and TANF eligible individuals – Another target group is low income and TANF eligible (W-2) individuals. WDBs should work with their local county human and social service agencies and W-2 agencies to determine who might be appropriate candidates from among the Food Share, Medicaid and W-2 participants.

Registered Apprentices – Pre-apprenticeship training programs provide the opportunity for a hands-on training experience that provides an introduction to the skills and knowledge needed in a potential career field and prepares young adults to be eligible for formal apprenticeship programs. Summer employment experiences may include pre-apprenticeship programs. To contact your local apprenticeship training representatives, please visit DWD's website at

<http://www.dwd.state.wi.us/apprenticeship/contacts.htm> for information on how to incorporate these opportunities in your Summer Youth Employment Programs.

Youth Apprentices – The Youth Apprenticeship Program may include individuals who, as part of their Youth Apprenticeship program, (<http://www.dwd.state.wi.us/youthapprenticeship/>) need to participate in a work experience activity. DWD has communicated with our Youth Apprenticeship Coordinators regarding this potential summer employment opportunity and have asked them to work with their local WDBs in referring potential participants. Below is a link to the YA coordinators list: <http://www.dwd.state.wi.us/youthapprenticeship/coordinators.htm>.

Youth with disabilities – Division of Vocational Rehabilitation (DVR) staff may be contacting WDBs regarding DVR clients who would meet the WIA ARRA Youth program eligibility requirements and could benefit from summer employment. If you have questions regarding this, you may contact:

- Cynthia Cain, DWD/DVR, (262) 548-5880 or Deanna Krell, DWD/DVR, (262) 548-5871
- Steve Gilles, Department of Public Instruction, (608) 266-1146

Juvenile offenders – For information about working with juvenile offenders, please contact Mary Ratz, Employment Programs Coordinator, Department of Corrections/Division of Juvenile Corrections, (608) 376-0115.

Out of school youth – The requirement that a minimum of 30% of WIA Youth Program funds be spent on out-of-school youth applies to the ARRA Youth Program funds.

Program Design and Flexibility

The design framework of local youth programs must provide a comprehensive objective assessment of each youth participant, including a review of the academic and occupational skill levels, as well as the service needs of each youth. In addition, an Individual Service Strategy (ISS) must be developed for each youth participant identifying age-appropriate career goals and consideration of the assessment results for each youth. Flexibility is only allowed for those individuals during the summer months only funded exclusively with ARRA funds.

WDBs will have program design flexibility in the following areas:

- Determining which WIA Youth Program elements they provide;
- Determining whether the 12 month follow-up period will be required for youth served with ARRA funds during the period of summer as defined above. However, WDBs should provide follow-up services when deemed appropriate.
- Determining the type of assessment and Individual Service Strategy (ISS) for youth served with ARRA funds during the summer months only and provide the type of assessment deemed appropriate for each individual.
- Determining whether academic learning must be directly linked to a summer employment opportunity.

Procurement

If the WDB is the grant recipient/fiscal agent for the ARRA Youth funds and has opted to administer the Summer Youth Employment Program themselves, nothing further needs to be done. However, if that is not the case, WDBs must competitively select the providers to administer the Summer Youth Employment Program. DWD does not anticipate requesting a waiver for the procurement requirements.

Performance tracking

WDBs must determine whether a measureable increase in work readiness skills has occurred. When determining this, WDBs should follow the definition for a work readiness skill goal (see TEGL 17-05, Attachment B Definition of Key Terms):

- *Work readiness skills goal* – a measurable increase in work readiness skills including world-of-work awareness, labor market knowledge, occupational information, values clarification and personal understanding, career planning and decision making, and job search techniques (resumes, interviews, applications, and follow-up letters.) They also encompass survival/daily living skills such as using the phone, telling time, shopping, renting an apartment, opening a bank account, and using public transportation. They also include positive work habits, attitudes, and behaviors such as punctuality, regular attendance, presenting a neat appearance, getting along and working well with others, exhibiting good conduct, following instructions and completing tasks, accepting constructive criticism from supervisors and co-workers, showing initiative and reliability, and assuming the responsibilities involved in maintaining a job. This category also entails developing motivation and adaptability, obtaining effective coping and problem-solving skills, and acquiring an improved self-image.

WDBs should choose from a variety of assessment tools including worksite supervisor evaluations, work readiness skill checklists administered by program staff, portfolio assessments, and any other relevant forms of assessing work readiness skills.

Worksite development

Ensuring proper selection and supervision of worksites is vital to the success of the ARRA Summer Youth Employment Program. In addition, it is critical that work experience arrangements do not unfavorably impact current employees and do not impair existing contracts for services or collective bargaining agreements. Work experience of participants (both during summer employment and other work experience placements funded with ARRA) must not replace the work of employees who have experienced layoffs. Youth summer employment should be a work experience intended to increase work readiness skills of participants and not impact the profit margin of a for-profit company. ETA recommends adopting selection criteria to ensure that one employer is not favored at the expense of another employer.

In developing worksites, WDBs may use a combination of public sector, private sector, and non-profit summer employment opportunities. WDBs should work closely with their city, county and other units of government to develop worksites. Use existing community resources for referrals and private and public employer connections (for example, Youth Apprenticeship program, Boys and Girls Clubs, Urban League, Community Action Agencies, YouthBuild, Vets, Pre-Apprenticeship Programs, Wisconsin Regional Training Partnership).

Section 1604 of the ARRA specifically states that WDBs are not allowed to use any of the ARRA funds for “any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.” WDBs should not place a youth funded with ARRA in summer employment or work experience in any of these facilities.

Workplace guidelines

WDBs should adhere to current workplace safety guidelines, child labor laws, and the minimum wage guidelines.

WDBs may provide wages or stipends to youth engaged in a classroom-based component as part of a summer employment opportunity. WDBs must have a policy related to issuing stipends to youth.

Incorporating Green Work Experiences

ARRA funds provide an opportunity for WDBs to offer youth training opportunities in “green jobs.” We encourage WDBs to work with their local technical colleges to map “green” educational and career pathways to determine appropriate training opportunities and coursework for “green” jobs. Broadly defined, “green jobs” is “employment associated with some aspect of environmental improvement.” These jobs could be in fields as diverse as agriculture, manufacturing, construction, installation and maintenance, as well as scientific and technical, administrative, and service-related activities that contribute substantially to preserving or restoring environmental quality.¹

Focus on training

The ARRA Summer Youth Employment Program should be more than just a work experience program, especially for the 18 to 24 year old participants. WDBs must spend at least 25% of their ARRA Youth funds on training with a focus on Adult Basic Education, GED or HSED training, or work readiness certification activities. The intent is to prepare these young people for movement into unsubsidized employment particularly as we begin to see economic improvement.

Continued Services Supporting Older/Out-of-School Youth During Non-Summer Months

The out-of-school 16 to 24 year old population “experience among the highest rates of unemployment and their future labor market prospects are poor given their lack of education and work experience.” Governor Doyle believes that provision of meaningful work experiences and continued engagement of this population after the summer period as defined in ARRA is vital to the success of these young people. The Governor also believes that this significant investment of ARRA funds presents an extraordinary and unique opportunity for the workforce system to accelerate its transformational efforts and demonstrate its ability to innovate and implement effective service delivery strategies for this at-risk population.

For older and out-of-school youth who are not returning to school following the summer months, WDBs should consider work experiences and other appropriate activities beyond the summer

¹ Staff Report – Green Jobs: A Pathway to a Strong Middle Class, Middleclass Taskforce, chaired by Vice President Joe Biden.

months, including training opportunities and reconnecting to academic opportunities through multiple education pathways. Use of the career pathway model as defined in DWD's RISE initiative will help ensure this. The career pathway is a new way of organizing a postsecondary program as a sequence of modules that leads learners in steps toward a degree or technical diploma. Each step increases skills and improves the learner's career and earning opportunities. Industry sectors that are appropriate for pathway development are those that need skilled workers and contribute to the economic growth of the region. Bridge instructional programming helps adults with basic skills or English Language Learning (ELL) needs take the first step onto career pathway learning and work. Bridge programs explicitly link Adult Basic Education (ABE) and ELL instruction with preparation for postsecondary education and occupational skill attainment. To support low-income workers in career pathway learning, employers, workforce development agencies, educational institutions, and other community organizations actively collaborate to provide training resources and wrap-around support services to the learner as well as reinforce the value of continuing along the pathway.

Waivers

DWD will submit a waiver plan to ETA to request that ETA waive the youth performance measures for out-of-school youth ages 18 to 24 served with ARRA funds beyond the summer months who participate in work experience only. This will allow the use of the work readiness indicator as the only indicator of performance for these youth, the same measure that applies to summer youth only participants. The waiver would only be applicable for the first six months following the summer of 2009 (i.e., October to March).

Work Opportunity Tax Credit

WDBs should promote the Work Opportunity Tax Credit (WOTC) as an incentive for employers to hire older and out-of-school youth transitioning to the workplace following work experiences. ARRA expands the WOTC to disconnected youth ages 16 to 24 who are not regularly attending school, not readily employed, and lacking basic skills.

Allocations

WIA ARRA Youth allocations are found in Attachment 1. The expenditure period for ARRA WIA Youth funds is February 17, 2009 through June 30, 2010. However, WDBs must expend at least 70% of the funds by October 1, 2009 leaving 30% of the funds to be dedicated to year-round activities. DWD may recapture and reallocate funds to ensure ARRA funds are expended by the June 30, 2011 deadline for the use of PY2008 funding specified in TEGL 14-08.

DWD expects to receive the Program Year 2009 WIA Allocations in the near future and will issue those amounts expeditiously. DOL expects coordination and concurrent expenditure of this fund source with WDB ARRA allocations.

WIA Local Plan Guidelines

In February, DWD issued the Program Year 2009 WIA Local Plan Guidelines. Through a separate communication, WDBs will receive an ARRA WIA Local Plan Guidelines supplement.

CORe reporting

There are a number of new ARRA codes that have been created to track the ARRA funds. Please carefully review your ARRA grant agreement regarding this.

Tracking in ASSET

Individuals served with ARRA funds must be tracked in ASSET. DWD will be issuing further guidance on this in the near future.

Branding and Acknowledgements

Any materials, documents or reports created using ARRA funds shall contain the ARRA symbol and give credit to ARRA and DWD for funding.

ACTION SUMMARY STATEMENT: Implement the ARRA Summer Youth Employment Program as outlined in this Administrator's Memo, WIA law and regulations, and DOL-issued guidance.

CONTACT:

For program questions, contact your Local Program Liaison. For fiscal questions, contact Nancy Eilks.

**American Recovery & Reinvestment Act
Youth Allocations by WDA**

WDA Name		Youth		
			Share	Allocation
1	Southeast		8.44%	\$990,638
2	Milwaukee		36.29%	\$4,260,036
3	WOW		4.63%	\$543,067
4	Fox Valley		6.30%	\$739,060
5	Bay Area	X	7.77%	\$912,114
6	North Central		6.64%	\$779,402
7	Northwest		6.70%	\$786,846
8	West Central		6.87%	\$806,099
9	Western	X	3.00%	\$352,081
10	South Central	X	8.24%	\$966,801
11	Southwest		5.12%	\$601,346
	Total		100.00%	\$11,737,490

X Held Harmless

Source: US DOL TEGL 13-08, March
2009