**WorkforceGPS**

**Transcript of Webinar**

**Senior Community Service Employment Program Interim Final Rule**

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*Transcript by*

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*Murrieta, CA*

JONATHAN VEHLOW: So without further ado I'd like to turn things over to our moderator today, Steve Rietzke, division chief, U.S. Department of Labor, Employment and Training Administration, Office of Workforce Investment. Steve?

STEVEN RIETZKE: Thank you, John. Hi, everyone. Good afternoon. We're glad you can join us today. This is our normally-scheduled all-grantee call time, but we decided to do sort of a special event this month, given the publication of our Interim Final Rule at the beginning of December of last year – by the way, happy New Year. It's nice to be on the line with you in 2018. So we're going to go ahead and get started.

I think we've got a slightly bigger crowd on the line today than we normally do on an all-grantee call, and the communication mechanisms that we'll be using are a little bit different. As we go through the presentation, we have a few spots where we're going to stop and pause for questions.

But because we have this asynchronous communication platform supporting us today, go ahead and enter your questions as you have them and we'll be compiling on our end and then going through and answering as many of them as we can when we get to those question and answer periods. There may be some questions that we have to go back and research a little bit further and get back to you with answers, but we welcome your participation and engagement today.

If you go to the next slide, I'm going to kick things off today, and then I'm going to hand it over to Bennett Pudlin and then Ron Schack, who are both with our SCSEP national office support team and are going to help us run through some of the technical content for today's presentation.

And on the next slide, basically, we have a few objectives today. One, we're obviously just going to give you an overview of the key regulatory changes that you'll find in the 2017 SCSEP Interim Final Rule.

We're going to specifically walk through the revised measures of performance that essentially are written to align with the Workforce Innovation and Opportunity Act core measures. And then we're also going to explain some of the next steps in what we need to do to actually implement this Final Rule, particularly including setting goals for expected levels of performance in program years 2018 and 2019.

So by way of background – and I know some of you or presumably many of you have heard us talk about this on a few different grantee calls over the last year or so, but just by way of background, in April 2016 Congress passed Public Law 114-144. I think the full title is the Older Americans Act Amendments Act, and essentially, as I mentioned, the primary purpose of this set of amendments in terms of SCSEP was to align the performance measures with the WIOA performance measures.

And the timeline that was baked into that statute was that the Department of Labor would implement those new performance measures by December 31st, 2017. So this Interim Final Rule fulfills that statutory requirement. We published the rule December 1st, and as we'll talk about, there's sort of a process leading up to the first quarter on which you'll actually report against the new measures, which will begin in program year 2018, which starts July 1st, 2018.

So this Interim Final Rule, as we've talked about on some of our grantee calls, what it means that it's an Interim Final Rule is that the rule is a Final Rule upon publication. It's distinguished from a Notice of Public Rulemaking process in that, as I said, the rule essentially takes effect when it's published. There is a comment period, which we've mentioned in our Training and Employment Notice, and I'll come back to that later.

But for the purposes of this conversation, just understand that this rule is a final rule and is in effect. So basically, this rule includes technical amendments that align the language with WIOA, which I'll highlight in a second. It highlights or reiterates specific requirements for coordination between the SCSEP program and the One-Stop or American Job Center system.

Again, these are things that were in WIOA, the Workforce Innovation and Opportunity Act, and then aligned the language here. It also updates our process for negotiating and adjusting expected levels of performance, which we're going to spend a decent chunk of time talking about today, and updates how DOL determines whether a grantee fails, meets, or exceeds those expected levels.

So first up is sort of the easy one. These are terminology changes that were really the words that were used in WIOA were different than the words used in the Workforce Investment Act or WIA. And so our rule essentially updates the terminology in the SCSEP regulations so that it matches the current set of terminology being used in WIOA. So just to highlight a few of those, obviously, WIA becomes WIOA.

The term "core services and intensive services" is collapsed into just called "career services." Local workforce investment areas or local areas will now be referred to as local workforce development areas, again, aligning with language in WIOA. We use the term community service employment, and I think we actually use that term interchangeably with community service employment and community service assignment.

And the reason we did that is that Section 513 of the 2016 Older Americans Act uses the term community service employment, so kind of taking words from the statute and making sure they're threaded into the regulation as well. We removed the term additional indicators or additional measures because the 2016 Older Americans Act amendments removed them from the SCSEP performance measures, and for the same reason we removed the term volunteer work because that was eliminated as a measure under the amended act.

So the second big concept that we want to highlight is coordination between SCSEP and other WIOA programs and the SCSEP state plan. So we've got quite a bit highlighted on this slide here about WIOA coordination. I also just want to take a second to highlight you'll see throughout this presentation at the very top kind of right underneath – John, I don't know if you can help me point to it – there's a parenthetical right at the top right underneath WIOA coordination up to – there's a parentheses and then IFR up at the top right. There. So on several – thank you, John.

On several of the slides in here you'll see that we've included specific references to the IFR section so you can look up the actual regulatory language, and then we've included page numbers for the preamble. So if you're following along in the PDF of the Interim Final Rule itself, you can – oddly enough, it starts on page 56,869 of the Federal Register. So you can follow along with those preamble pages that you see up at the top where we've referenced them. So that's just a tip for the rest of the presentation as we go through some more of the technical content.

So this WIOA coordination, as we've discussed before on our grantee calls and in other venues, coordination between SCSEP grantees and other – and WIOA programs continues to be an important objective of the Older Americans Act. Because the Workforce Innovation and Opportunity Act, WIOA, was signed into law in between updates to the Older Americans Act, this amendment to the Older Americans Act, as we've said, incorporates some of those WIOA requirements or cross-references them.

So what we've got on this slide here is SCSEP is a required partner in the workforce development system, and we've referred to the WIOA section here. And SCSEP is required to – it's required to coordinate with the WIOA One-Stop delivery system, and here's the reference to the Older Americans Act section which essentially aligns the Older Americans Act with that WIOA requirement.

As we've talked about quite a bit, the sort of concept of WIOA is a network of partners who are collaborating and coordinating and working together in a way that provides a seamless customer-focused delivery network so that whoever you are and whatever your issues are, whatever your problems are that need solving, when you walk into the workforce system or into a SCSEP grantee site as a customer, you know that you have a coordinated set of resources available to help you and potentially solve more than one problem at once.

Somebody may come in who can be a SCSEP participant that may also benefit from another program that they can access through the One-Stop system. And so the requirements and the language in the Older Americans Act amendments and in the Interim Final Rule are all meant to drive that and reinforce that and encourage that kind of collaboration and coordination so that customers can get the most seamless, most integrated service that they can when they walk in the door.

So a couple other key pieces of language that we've highlighted on the slide, grantees and sub-grantees must make arrangements through the One-Stop delivery system to essentially refer individual customers to WIOA career services and give them the ability to access other activities and programs that are offered by their other partners. These arrangements, obviously, are negotiated in a memorandum of understanding that I know all the grantees worked on quite a bit.

The next item talks about reciprocal arrangements between SCSEP and WIOA doing assessments or service strategies or individual employment plans. In other words, if one partner does an assessment or an individual employment plan, it could be accepted for use by other partners as well. And again, this is something that would be negotiated in the memorandum of understanding. And I think that's it for this slide. So again, a number of changes meant to strengthen and reinforce the coordination between SCSEP and WIOA programs.

So moving on to the state plan, and, again, note the IFR section number up at the top, 641.300 and 370. As you know, the state plan is really intended to foster coordination and collaboration between SCSEP grantees, sub-grantees, state and local boards, and other workforce partners operating in a particular state. Essentially, the state plan outlines a four-year strategy for statewide provision of SCSEP activities, whether it's community service, employment, other training, or other activities under the program.

And basically, the Interim Final Rule implements the Older Americans Act requirements for participating in the state plan. One item of note here that's particularly relevant for national grantees is that national grantees who are receiving what we call non-reserved grant funds are required to participate in the state planning process.

The one exception to that is highlighted on the slide, which is that national grantees serving older American Indians, Pacific Islanders, and Asian Americans with funds reserved under OAA Section 506(a)(3), which we commonly refer to set-aside grants, those specific national grantees are exempted from this requirement to participate in the state planning process. Although we do still encourage your participation, the implementation in the Final Rule is consistent with the OAA requirements, which is that there's a specific exemption for those types of grantees.

So just to highlight a couple of things that changed in this section. It's not a wholesale new section or a huge, dramatic change, but obviously, as we've talked about, you can see in the red text where the WIA unified plan would now be referred to as the WIOA combined state plan. There's some language that was removed from that four-year strategy section, and then there's a section that was added, 641.370 for a state that obtains approval of a WIOA combined state plan.

And essentially, what this does is cross-references to WIOA regulations that apply to state plan requirements, and what it's telling you is that, if you – if you're going through and obtaining approval for your state plan through the WIOA combined state plan, then those WIOA requirements will apply in lieu of the OAA requirements that are cited here.

And so we've got a quick poll that I'll ask you to answer right now but I think this is going to wrap up this section and we'll have a Q&A in just a minute. So let's do this first. What type of SCSEP state plan does your state currently have? Is it combined, stand-alone, I have no idea, or the dreaded what is a state plan answer?

All right. We've got combined state plan as a substantial lead. A decent number of I have no ideas. So I'm glad we're having this conversation. And then a few folks still submitted a stand-alone state plan last time. And folks in the room, do you recall how many states submitted in a combined state plan last year?

MS. : Almost half.

MR. RIETZKE: Almost half. So we encourage you to keep going in that direction. We'll give you a few more seconds to weigh in here and pick one. And okay. So we've got about half the folks who answered coming in with a combined state plan, a few still doing stand-alone, and some who aren't sure. So thank you for your answers, and I think we can move on to the next slide.

Here's another quick poll. Do you participate in your state's state planning process? So you make sure that you're included. You know you're not included at all. Maybe nobody's ever asked you. Maybe you didn't realize you were supposed to. Number five is maybe similar to number two, but acknowledging that you're going to work on it now, and number six, sometimes. We've really parsed these answers pretty finely on this poll.

This is good. A lot of folks weighing in that they make sure you're included. So that's good. All right. Thank you for weighing in. So we've got a good chunk of folks who've been included in the state planning process. Some folks have sometimes been included. Some folks maybe haven't been invited to the table, and some folks haven't. So thank you for weighing in here.

So now, we'll do – we'll pause for question and answer before we move on to the next segment. So I know we've gotten a couple questions already, and we'll give folks a few minutes to weigh in with additional questions that you might have. And I think we'll – we're going to put you on mute for just a minute here in the national office, and we'll be back in just a second to answer any questions that have come in.

All right, folks. We're back, and thank you for submitting your questions. We've got a few in now, and I'm just going to start at the top and work my way down.

There's one question, "What does July 1st, 2018 mean? Do measures begin to get reported with an exiter July 1st of '18 or exiters from July 1st, '17 to keep in line with Title I and Title III?"

We're actually going to hold this question for the performance section that's coming up because I think we're going to address it then. But please, if we don't address your question at that point, weigh in again.

Another question, "When is the grant application available, or do – are these grants already issued or are these grants available for annual application? Do you know?"

So my impression from this question is that the person asking may be interested in applying for a SCSEP grant but may not have one right now. Basically, there's two different types of SCSEP grants. There's state grants, and then there's what we call national grants. The national grants are awarded through a competitive process. Basically, these run on either four- or five-year cycles. The last competition that we did was in 2016.

So there won't be another competition until at least 2020. For existing grantees there's a grant planning process that happens every year, and later on in the spring there will be grant planning documents that are due for submission so that we can process that information, those materials, and award new grant numbers for the next year of funding. So hopefully, that answers the question from both perspectives, whether you're a grantee already or you're interested in becoming a grantee.

The next question is, "If your program is federal, does this include participating in the state plan?" And I think there was a similar question down below, "If your state has both federal and state SCSEP grants, what, if any, effect does this have on the state plan?"

So essentially, in a given state, if you're going to submit a combined WIOA state plan, the – both the national grantees and the state grantee would work together through the state planning process in order to submit a combined state plan. And essentially, that would be in coordination with all the other WIOA partners who are represented in that combined plan. So hopefully, that answers the question about the different types of grantees and how it affects the state planning.

Another question, are we supposed to up – "Are we supposed to address any of these changes in our updated WIOA state plan? We submitted one in 2016 and have to do an update this year."

So that's a good question. This year is sort of the halfway point in the four-year state planning process. This spring there will be an update. We call it a two-year modification to the state plans. That guidance is still pending but we hope to have it out fairly soon and that should help address your questions about what will be included in that state plan. And I don't have an exact date yet but I know it's in the pipeline here and hopefully will be out fairly soon.

And that, I think, addresses the next question which was, "When will final guidance on the combined state plan be published?" Again, don't have an exact date right now, but soon.

Let's see. "Are or have Title I career services been combined with Wagner-Peyser? How should SCSEP approach or handle this?"

I'm going to come back to this question, and I'm just going to look down the list right now and see what we've got. I'm just going to put you on mute for another 30 seconds or so.

OK. We're back. So the question about Wagner-Peyser and Title I career services, we're going to look into that one offline, and we can get back to you. I think, basically, some of these questions that we're not able to answer today we're going to plan to research offline and come back with an FAQ document or something along those lines in order to help address them.

There's a few questions about support that's available to you to help hold One-Stop centers accountable, if you're having trouble working with them in – whether it's in MOU negotiations or negotiating Infrastructure Funding Agreement. And I think where I would start with those kinds of issues is your federal project officer, and there may be situations where it's appropriate to have a conversation with your federal project officer and maybe with some folks here in the national office to help figure out next steps in situations where you're hitting a roadblock. But I definitely encourage you to flag it for your federal project officer and go from there.

There's a question about will – yeah. And actually, there's a question from our presenters that we maybe should start moving on to the next section of the presentation. So maybe we'll do that now and we'll keep the unanswered questions in the queue and we'll – as Bennett's talking we're going to sort through those and figure out what we can answer now and what we'll be able to answer later.

And so for now, let's go ahead and move on to the next section. Hopefully, this answers some other questions that you may have. I'm going to turn it over to Bennett Pudlin to talk about performance measures.

BENNETT PUDLIN: Thank you, Steve. Good afternoon, and happy New Year, everyone. I'm going to walk you through the first part of the presentation on the new performance measures and the negotiation process, and then I'm going to turn it over to Ron Schack who's going to dig a little deeper into a couple of things that we know you're particularly interested in, the changes to the adjustment factor and how we're going to handle the crosswalk between old and new measures. So let's start with an overview about what changed and what hasn't.

I guess, especially for those who've been around for the 2000 and 2006 OAA amendments, this is a piece of cake. Very little transition or disruption compared to those legislative actions. The main thing that's changed from a performance measurement standpoint is that the three WIA common measures, the employment outcome measures that we've been using as core measures since January 1st of 2007, have been changed to the new WIOA three employment outcome measures. And we'll get into the differences between the two sets of measures in a minute.

In terms of how we collect the data, the amendments don't speak to that, but as you all know, DOL has been working for many years to obtain access to the UI wage records for SCSEP and other national programs. We are very close to obtaining that access.

The hope is that by early PY '18 we will have that access for SCSEP nationwide, at which time wage records will be used to collect the data for the three WIOA core measures, but supplemental data collected through case management will still be permitted. We don't have a firm date. Again, the hope is early in '18, but realistically, grantees should be prepared to continue doing exclusively case management follow up at the beginning of the year.

And the other change is that, as Steve referenced, the additional measures, retention at one year, customer satisfaction, and volunteerism, have been removed from the statute. So there are no additional measures. There are, however, seven core measures in place of the six, and the reason for that is that what has been and still is for another few months the additional measure of customer satisfaction is becoming, at least on an interim basis, the new seventh measure, indicators of effectiveness in serving employers, host agencies, and participants. What the statute leaves verbatim unchanged are the three SCSEP-specific participation measures, service level, community service, and most in need.

On this slide you can see the three outcome measures as they are currently and as they will be changed. Our current interim employment measure is replaced by the WIOA measure for employment in the second quarter, and the only difference here is that we will be measuring that one quarter later. It's a quarter at which we're already doing follow up because it's a quarter that's currently used in our employment retention measure.

Our employment retention measure, which currently captures employment in the second and third quarters after the exit quarter, is being changed to employment retention, which captures employment in the fourth quarter. That happens to be what we're reporting currently as the employed at one year measure, which is an additional measure which goes away, or if you prefer to think of it, morphs into the core measure of employment in the fourth quarter.

However, there is a significant change because the current measure limits the pool to those participants who also entered employment, that is had employment in the first quarter after the quarter of exit and then looks to see if they remain employed or rather are employed with any employer in the fourth quarter. The new measure does not limit the pool. So it looks at everyone who exited and wants to know four quarters later whether they're employed somewhere, regardless of what their prior situation was.

And then finally, our current measure for average earnings is transformed to median earnings, and there are a couple of significant changes here. The first is that we go from the mean, which is the common average that we're all used to, to the median where we literally array every – all the wages from lowest to highest, and we take the one that's dead in the middle. That's the median.

So that's the first big change. And the second change is, instead of looking at the wages in both the second and third quarters after the exit quarter, we're going to be looking only for the wages in the second quarter. Good news there is that we've already been collecting the wages in the second quarter.

So what's come through for me is that the data required for the new measures are in every instance data we currently collect. The method and timing of the collection are different, and the calculations are different in some cases. We do not yet have the details of the timing rules and how they will change, but certainly while we are doing case management follow up, they will be very similar to the kinds of rules you have now as to when you begin – when you can begin entering the data and when the data will first be reported, and we'll get into that a little bit more later.

So I mentioned that the current customer satisfaction measure, which is an additional measure, has been since July 1 of 2007, although prior to that it had been a core measure, it now goes back to being a core measure. In the new law it's called indicators of effectiveness in serving our three customer groups, and there was a lot of discussion in the stakeholder comment. You'll see it reflected in the preamble to the IFR about what does that really mean.

And I'm sure, as many of you know, WIOA has a somewhat parallel measure, but it's limited to effectiveness in serving employers only. Ours is effectiveness in serving all three customer groups, and obviously, a lot of suggestion and consideration went into whether we should try to mirror in some fashion the WIOA measure.

Problem is that WIOA doesn't yet have a final measure. That's one problem. WIOA is piloting several approaches – three different approaches, and states are required to select two of the three to pilot I guess for another year or so, after which WIOA will finalize its measure.

So what the IFR provides is that, until that time, we will stick with our customer satisfaction surveys as the SCSEP way of looking at effectiveness. Now, while we're doing that on an interim basis, the IFR says we'll also look at potential changes to those measures, both in terms of the questions asked and the methods of administration, especially because we want to make sure we are capturing whatever it is that's different about effectiveness from the overall satisfaction that we currently measure.

Those of you in SCSEP and doing the surveys know that we do have several questions in the surveys that speak to effectiveness from the standpoint of the customer, but the single score that's reported, the ACSI, American Customer Satisfaction Index, provides the single score – looks at overall satisfaction, and one of the questions we'll be examining over the next year or so is whether there is an alternate kind of index that would speak to effectiveness that we might employ.

In the short run, however, no changes. The survey questions have to be approved by OMB. They were recently approved, as you know. We're just in our second year of administering a survey with the revised questions, and any changes, even on an interim basis, would have to go back to OMB. So we're a ways off from changes, but it is something we'll be looking into.

So okay. We've got a survey question here for you. Bit of a surprise. It wants to know how you will calculate the – says placement but it really means replacement for what is currently our entered employment measure. Will it be calculated based on the first day after exit, the second quarter after the exit quarter, first quarter after the exit quarter, fourth quarter after the exit quarter, or you're not voting?

And, well, we have very good news here. Virtually everybody knows that the change from our current measure for entered employment is that we'll be looking at the second quarter after the exit quarter. And I think, given the overwhelming correct vote, I think we can move on to the next slide.

And at this point I'm going to turn it over to my colleague, Ron Schack to walk you in detail through a couple of important issues. Oh, wait. No.

RON SCHACK: Hello, everyone.

MR. PUDLIN: I'm sorry. I'm premature. I'm still on. Forgive me. I'm going to give you still an overview.

So one of the things that we have to do is develop a new baseline because, while all the measures are very similar, they're calculated differently, and we don't know what that new performance will look like. And the goals that you will be operating under starting in PY '18 require that we have some sort of baseline to base those goals on.

So actually, we've already begun. We are re-computing the existing outcome data in SPARQ going back three or four program years using the new WIOA outcome formulas. And by doing that we will be able to create a crosswalk from the old to the new measures, and we are hoping that we will then be able to find the correlation between the old and the new measures that is consistent from year to year and from grantee to grantee that will easily allow us to create the new baseline.

There's a lot of speculation that the performance under the new measures will be lower than it is for the current measures. I think that's a reasonable speculation, but the extent I think will vary dramatically from measure to measure, and we really don't know. We'd be guessing at this point.

So Ron's going to talk more about that later, but just want to let you know that we are working on that and that we will be providing that information to you when it's available.

And as the IFR states, that we will then be able to use that analysis, we hope, to identify any grantees that appear to be at risk of not being able to meet new performance goals for PY '18 under the new measures so that DOL can begin providing additional TA to those grantees at an early point before this program year ends and at the same time can provide TA on any other measures with which grantees are struggling.

So, Ron, I'm a little confused about where we are here. Bear with me one second.

MR. SCHACK: Yeah. I think we jumped the gun a little – there, but we'll fix it. So let's go –

MR. PUDLIN: Yeah. I think we're a little bit – because I do want to find the implementation process, and it seems to be alluding me. So okay. Here we are. We did jump the gun a little bit. We'll just back up, and then I'll turn it over to Ron.

So what I want to be able to walk you through now at a high level is, what does the implementation look like? So as the IFR sets out, we will continue reporting the current measures throughout PY '17, after which point they will no longer be reported. That does include the additional measures. Some of the data that we use in reporting those measures will be used again as we begin to report the new measures for PY '18, and the preamble, which is cited at the top of the slide here, does contain an example.

So if someone exits in quarter three of this program year, under the current measures that individual will be in the pool for entered employment, which occurs during quarter four of this year. That same person would be in the pool for employed in the second quarter, which is one of the measures that we'll begin reporting in PY '18. And similarly for folks who exited while these measures are still in effect but will wind up having their retention reported starting in quarter one 2018.

As I just said, we'll be recalculating the data to try to come up with a new baseline. DOL will be providing TA, and then we will issue in the spring, we hope as early as possible, proposed goals for both PY '18 and PY '19 using the baseline data that we've developed and applying the statistical adjustment model required by the regulations. And that I am definitely leaving for Ron to talk about.

As in the current process, the process that we have followed since PY 2005, grantees that are not happy with the proposed goal or the adjustment are free to negotiate, but, as has been the case, they are required to submit data in support of their position. Grantee and the department will then negotiate in reaching an agreement, and the IFR and the statute state that, if we fail to do so, then no funds can be released.

As current law allows, at the conclusion of the negotiations, grantees may submit comments about their satisfaction with the goals they received and presumably the process that led to that. And then at the close of each program year, the close of the '18 program year, which occurs in the early fall of 2019, and the close of the 2019 year, which is the early fall of 2020, DOL will evaluate grantees' performance against goals for that single year exactly as it does now.

But the twist is that the adjustment factors that were used in the proposed goals in this spring, the spring of 2018, will be updated with the latest data and then applied again, and that's something Ron will also get into. And then the same negotiation evaluation process will start all over again in the spring of 2020 for two more program years, PY 2020 and PY 2021.

There you go. So with that I am now really turning it over to Ron to walk you through the statistical adjustment model.

MR. SCHACK: OK. So because Bennett did talk about the crosswalk we were doing between the old and the new measures, and as we said, this is happening right now and when we do that –

MR. PUDLIN: (Inaudible) – Ron. So the slide is up, if you want to just talk a little more about that. Sorry.

MR. SCHACK: Sure. That's okay. When we do that, we will be looking at multiple years of data. We're going to go back to PY '14 and look at – recalculate the – basically, calculate the new measures using the old data for PY '14, '15, and '16 and – (inaudible) – how the grantees would have performed if we were using those. And when we do, that will look at not only whether the grantees would have performed at their goal levels but how much difference there is between the old and the new performance measures in terms of actual performance.

And all of that will inform the new baseline that we develop to begin negotiations. And as Bennett said, as we do that, it's – (inaudible) – that some grantees will have difficulty because we've recalculated their data using the new measurement definitions. TA will be provided to help address any of those concerns.

So the IFR provides for a revision of the adjustment model, and the new adjustment model is to be modeled on the WIOA. So we looked back at the WIOA model, and we are going to be looking at both participant characteristics and economic conditions, which are included in the WIOA model.

And we're going to look at our current adjustment model and see how well the current adjustment model already reflects the WIA model, and where there are differences, where there are things we can refine and change to make our current adjustment model be more like the WIOA model, then we will make those changes. And of course as we do that we will actually run the data to see what any of those changes imply for the potential goals that we would be setting.

Once we have a baseline and some negotiated goals for PY '18 and '19, we will then go through our normal annual evaluation of grantee performance, which is almost exactly the same as it was before, the only difference being that we will be setting goals for two years but then evaluating the grantee performance in each of the two years. And we will apply that new adjustment model when we conduct that evaluation.

So the adjustment model will be applied once when we develop the baseline and negotiate the goals, and it will be applied again when we evaluate grantee performance in each of the two years. And the consequences for failure to meet expected levels of performance are exactly the same as before, and you just need to know that the look-back period years under both the current measures as well as years under the new measures.

So with that I guess – is this another poll that we should be doing?

MR. PUDLIN: Sure looks that way.

MR. SCHACK: All right. So what are the indicators of effectiveness?

MR. VEHLOW: Yes indeed. So we have those answers – or those – the answer to that question. Your effectiveness in meeting your performance goals, how efficiently you fill employers' job orders, the combined results of customers' assessments of the services received by each of the three customer groups. So if you fill in that poll question right now.

MR. SCHACK: And, Bennett, do you want to address the disparity of these responses?

MR. PUDLIN: Yes. So it looks like people are kind of evenly divided between thinking it's a measure of their own effectiveness and it's one of the new core measures imposed. We have a lot of non-SCSEP folks on the call, and so that's understandable. But the answer is number three, the combined results of customers' assessments and services received by each of the three customer groups. That's what it was under the old core measures, and that's what it will be at least on an interim basis.

So I think with that it goes back to – is there one more question? Yes. There is indeed. So – and who are the three customer groups for SCSEP? Employer, U.S. Department of Labor, participants, grantees, the older workers unit, host agencies.

MR. RIETZKE: Yeah. I think that last question was kind of a trick question, but most people got it right anyway. And then this is a follow-up to that trick question, and it looks like most folks know what we're talking about on this one.

MR. PUDLIN: Yeah. Did we trick them and only allow one answer? It looks like we're getting a third, a third, a third.

MR. RIETZKE: We might have done that.

MR. PUDLIN: How nasty.

MR. RIETZKE: We won't include the results of this poll on your test results, but thank you for playing along and answering.

Male: We switched it over to multiple answers.

MR. RIETZKE: Oh, thank you.

Male: You can answer more than one now.

MR. RIETZKE: Right. So yeah. Two trick questions at the one-hour mark of the webinar is maybe not the most fair way to test. That looks more like it. Thank you.

All right. So again, it looks like folks know what we're talking about here. So that concludes the bulk of our technical presentation. We have quite a number of questions that have come in.

And so to Bennett and Ron and other folks who may want to jump in and help answer, I'm going to try to walk through a number of these questions, and if I think there's someone else who is going to have the expertise, I may call on you. And if we need to do a little more research or come back after the event with answers so that we have a little more time to look into that, we'll let you know that as well.

So one question that I think, Bennett, your presentation was at least hinting at – I don't know if we fully answered the question, but the question is, "What do we mean when we talk about July 1st, 2018? Do measures begin to get reported starting with an exiter July 1st, 2018 or exiters from July 1st, 2017 to keep in line with Title I and Title III?"

Bennett, I know you talked about someone who exits in the third quarter of program year '17 where they could be counted under the current measure if they obtain unsubsidized employment in the fourth quarter, but if they obtain unsubsidized employment in the first quarter of program year '18, then you would count that person towards the new measure. Do I have that right?

MR. PUDLIN: Yes, Steve. You do. And for anyone who exited in the first quarter of '17, they'll wind up in the retention measure because it will be four quarters later. So the answer is it's going to roll over, that exits from PY '17 will wind up being reported starting in July 1st so there will be no gap in reporting. If we waited and only took exiters in PY '18, we wouldn't have any retention data at all in the first year, and we'd only have half a year of employed in the second quarter. So yeah. It's going to be rolling from '17.

MR. SCHACK: Right. And maybe put another way, we're not throwing out any old data. We don't have to throw out the old data and sort of draw a line and start from a blank slate, but we – like you said, that old data will roll over, but the way that the measures are calculated will be updated with the new measures starting in program year '18.

MR. PUDLIN: Correct.

MR. RIETZKE: Cool. Thank you, Bennett. So there was a question earlier on about Title I career services and whether they've been combined with Wagner-Peyser. Basically, there is – there's a lot of co-enrollment across Title I WIOA programs and Wagner-Peyser. The services are fairly similar. So depending on the strategy in any given state, a lot of participants may receive services through both. So if SCSEP participants are co-enrolled with those programs, they could get those same services as well.

Let's see. So there's a few questions about the SPARQ system and its relationship to the new regulations and their implementation. We've talked on a couple of grantee calls about sort of the what's coming down the road in the next several months. Right now, the department is working on essentially some IT modernization efforts to try and have some more common platforms between multiple different types of programs.

As you've seen, the data elements for SCSEP have been folded into the PIRL or the Participant Individual Record Layout, along with all the other WIOA data collection elements. And one thing that we're doing is working on – our IT shop is working on a new case management system that essentially will take the place of SPARQ, and the – that effort is ongoing over the next several months.

We are hoping that that will be live for this coming program year, and essentially, the vision for that system is that it will connect to the WIPS system. The Workforce Integrated Performance System I think is what the acronym stands for. Essentially, that's the performance reporting system for WIOA, and the vision is that this new case management system will feed into that system.

So we're not quite at a point yet where we're getting grantees on board to do user testing and things like that but that's something that will be coming hopefully soon and stay tuned on that. So that's how I would address the questions related to SPARQ.

Let's see. So I am just flipping through questions for a few minutes. So there's a few questions about negotiations with local areas, whether it's One-Stop operations type negotiations for the MOU or the questions related to infrastructure funding and how you pay for that through the SCSEP grant.

I'm going to suggest we take those questions offline, and we've done a couple of conversations about that. I think there was a conference call a couple months ago where we talked in more depth about that, and there are – there's some guidance pieces on that subject. So we can get into that offline and incorporate any questions that we find here in questions that we come back and answer later.

Let's see. So there's a question about, "Why is the SCSEP program held to 80 percent of the goal, and Title I and Title III of WIOA are held to 90 percent?"

Essentially, the 80 percent threshold – and I'll ask Bennett to jump in and add to or correct anything that I say. But essentially, the 80 percent threshold was in the SCSEP regulations already. There was nothing in the amendments to the Older Americans Act that would require us to change that threshold.

And essentially, because we did this regulation as an Interim Final Rule, the basic guideline that we were sticking to is that we were implementing the amendments of the Older Americans Act. So we were implementing what the statute required us to implement.

As I said at the beginning, we did not do an extensive Notice of Public Rulemaking process. If we did that kind of process, that's a variable that we might or might not have chosen to propose to change, and we would have collected comments on it. But we – because we didn't go through that type of process, we didn't make a change there.

Bennett, is there anything you would add to that, or does that sum it up?

MR. PUDLIN: Well, in brief, Steve, just blame the lawyers.

MR. RIETZKE: What's that?

MR. PUDLIN: No – I say in brief, just blame the lawyers. No changes.

MR. RIETZKE: Right. Yeah.

MR. PUDLIN: No changes that weren't required by the statute or permitted when you do an IFR.

MR. RIETZKE: Fair enough. Yes. Well said.

So there's a couple of – here's one technical question that, Bennett, you may be able to answer. The question is, "Will ex-offenders be counted as most in need under the new performance measures?"

MR. PUDLIN: Yeah. That's an issue that came up in the stakeholder meeting, and it's answered in the preamble. Unfortunately, the department doesn't have the discretion to do that because the most in need measure is prescribed by Congress.

That said, the IFR does say that it may be possible to consider ex-offenders as a possible change in the adjustment factors, and that's something we will – we'll look into. I'm pretty sure the department will begin capturing ex-offender data, which we don't yet have, in the new system, and so we'd have the ability to see how we could deal with it. But it cannot be directly used in the most in need.

MR. RIETZKE: Got it. Thank you.

So one question asked, "Can we explain the metrics behind effectiveness? What will it look like, and how is it different from 'satisfaction'?"

So Bennett walked through the way that we're addressing those indicators of effectiveness, which we brought up later in those trick question polls. Basically, the way it's implemented here does look different from the way that WIOA is looking at effectiveness in serving employers. Again, we didn't have the luxury of going through a lengthier Notice of Public Rulemaking process.

We also didn't have the luxury of WIOA having a totally firm answer on the implementation of that measure under their programs, and we also have two additional audiences that we're trying to measure our effectiveness in serving. So we thought a lot about this and essentially came full circle to the way that we're doing this already, which is through the three surveys that we do now.

So the way that the IFR reads is that – and actually, the way that the preamble reads is that we're continuing to measure these three customer groups and their – essentially, we're using these surveys as the best proxy that we have for effectiveness in serving them. We're going to keep a close eye on the way that things play out under WIOA, and at some point in the future, if we do go through an NPRM process, that will be on our list for things to look at to potentially have some further alignment there.

(Audio difficulties.)

MR. PUDLIN: – (inaudible) – this is the question of whether a host agency that hires a participant assigned to it and then becomes an employer gets the employer survey. The problem with that is that it's already getting the host agency survey, and we learned early on that host agencies get very confused and do not want to get two surveys.

And the survey questions on the employer survey are really designed for entities other than host agencies. But again, as part of the examination of the current surveys, we will definitely look into that and see if it's feasible to include them or perhaps design some questions that are specifically addressed to them.

MR. RIETZKE: OK. Thanks, Bennett. Bennett, this may be another one for you. Is the – and we'll see if you can do this math off the top of your head. In the new calculation, does this mean wages for the third quarter – John, this is marked number 25. "In the new calculation, does this mean wages for the third quarter after the exit quarter do not have to be collected since average earnings will now be based on the second quarter?"

MR. PUDLIN: Yeah. That is absolutely correct. The – while we're doing case management follow up, it will not be necessary to collect any wage data for the third quarter. Only the second quarter. And obviously, once we go to wage records, that whole issue goes away, but it's no longer required for calculating the measure.

MR. RIETZKE: Got it. And then the one that's marked number 26 for us, the – "Can the entered employment performance measures be based upon statistics for mature residents rather than the general public? This is often the data we must provide during goal negotiation." So it sounds like that's sort of a suggestion for us in assembling the statistical model in terms of the data sources that we look at.

Number 27, this is another technical question about calculation. "For retention as it's defined under the new measures, since it's captured in the fourth quarter after the exit quarter, is wage information still required?"

MR. PUDLIN: No. No wage information. Just whether there's employment.

MR. RIETZKE: Right.

MR. PUDLIN: The definition of employment is any amount of money greater than zero.

MR. RIETZKE: Right.

MR. PUDLIN: So they have to earn something, but we don't care what it is.

MR. RIETZKE: Right. And then number 29 I think relates to the process that we're going to go through in establishing the baseline. The question is, "If the crosswalk does not result in a correlation that makes sense, will PY 2018 be used as the baseline?"

MR. PUDLIN: That's another one that's addressed in the IFR preamble. As Ron said, we're going to do everything we possibly can to find correlations that will enable us to utilize existing SPARQ data to establish the baseline for setting the PY '18 goals.

If it turns out that that cannot be done, then we've got to look at alternatives, and some of the stakeholders did request that PY '18 be used as a baseline for that purpose, that is not be subject to any sort of sanction or counting in the goal calculation for the end of year evaluation.

The department did that in the past when it didn't have an adequate basis for a brand-new measure. We'll just have to see. I mean, I think at this point we can't speculate on what we would do, but obviously, we have to have some basis. We can't just make up goals out of thin air.

MR. RIETZKE: Right. And then I think that's similarly an answer for the question we have marked 31, which is, "If goals for PY '18 and '19 are developed in the spring of PY '18, a full year of measures has not yet elapsed for the goals to be based on. Must the program end before data from that year can be used to adjust the goals for PY '18 and '19?"

MR. PUDLIN: Yeah. I think you're absolutely right, Steve. This – that's true. If the baseline for PY '18 was wobbly, then it's the same baseline on which the '19 goal is based. Obviously, if we got better data during or after '18, we'd want to factor that in somehow to what we were expecting for '19. It's really hard to say what that would look like at this point, but we are committed in the IFR to sharing the crosswalk with the grantees so everybody knows exactly what it's going to look like or what we expect it will look like. And we'll just have to keep that communication open.

If I could just say, I did notice there's one other question that asked about the time period we were using for this crosswalk, and I mentioned or Ron mentioned that we're using data from PY '13 through PY '16. And the question said, "But for the nationals, we got new territory in the middle of '16." And that's absolutely right, and so we intend to include the first two quarters of '17.

As you know, SPARQ won't be closing for quarter two until the end of January. So we wouldn't have those data until February, but we do expect to fold those two quarters into the analysis of the prior years. So we'll have more data for the nationals that's reflective of their current locations and territories and characteristics and all of that.

MR. RIETZKE: Right. Right. So, I mean, if we boil all this down, the basic outline is that we're going to use the best – as much data and the best data that we have now in order to negotiate for PY '18 and '19, and then at the end of those program years we're going to relook with the data that we have at that point in terms of the adjustment process that happens at the end of the program year.

Let's see. Just flipping through a few more questions. We are 4:31. So we're just about – well, we're at our time. We're a minute over, but we'll look at a couple more questions and then I think we're going to need to – we're going to need to look at the remainder of the questions offline and get back to folks.

Let's see. Again, there were a couple more questions about what should you do if you're having trouble negotiating with your local area. And again, I encourage you to talk to your federal project officer. If you're still not quite getting the support that you're looking for, you can always reach out to us in the national office, and we can talk with your FPO. It's really going to depend on the situation exactly what the course would be.

Really, the short answer is that SCSEP is a required partner in the WIOA partnership network, and if there's a particular local area that's not including them or doesn't have them represented in an MOU or an Infrastructure Funding Agreement, ultimately, that's a problem for that local area. And when their FPO comes out to take a look at their situation, that could arise as an issue. So it's definitely in everybody's best interest to figure out where the hiccups are and figure out how to move forward on MOUs.

So I'm reminded that there's a couple more slides I'm still supposed to do. So let's do that real quick because we're going to start losing folks. We're already four minutes over. Real quick, next steps, what's coming up. This is a few items to watch for not necessarily in chronological order, but basically, there's a two-year modification to state plans, which we talked about. We're going to be working on proposed goals early this spring, as Bennett and Ron walked through, going through some negotiations.

July 2018 is when the new performance measures officially kick in for reporting purposes, and I'm going to skip the second to last one and come back to it. The PY '18 grant planning process, that's where you submit your updated 424 forms and your grant documentation. We'll be coming out with guidance about that and going through that process as we do every year.

And then finally, the second to last item. We are planning – in the absence of being able to get together in person, we're trying to do a sort of concentrated virtual SCSEP conference this spring. We don't have exact dates picked out yet, but I believe we're looking around April-ish.

So there's a poll slide on the next slide up. So please tell us – is this a poll? Yes. Please tell us what you think the best configuration for a virtual conference would be. Essentially, this is a fancy name for a sequence of webinars that would happen over the course of maybe just a couple days, maybe over the period of several weeks.

But the idea is that we'd have sort of a concentrated learning technical assistance effort through a webinar platform. And so the question is would you rather do one or two full days where you really get a big dose of SCSEP over a couple days, where there's a few big sessions per day and essentially spend a bunch of hours over the course of a couple days – maybe it's over three days where there's a few sessions a day, one to one and a half hours a piece – or look over a longer period like a 30-day period where we've scattered things around a little bit.

So let us know your preference there. We're trying to figure out what the logistics should look like, and I see a lot of folks answering. Looks like maybe the one- or two-day real concentrated session might be the preference. So we can – can we leave that poll open for just a minute?

And I did want to highlight the resources slide. I'll give you just another few seconds to answer the poll. So there's a few things here. There's a link to the Interim Final Rule, which we've been talking about. The IFR as a PDF was also attached to the webinar.

There's a link to the Older Americans Act legislation, the Training and Employment Notice Number 09-17, which I mentioned earlier, and I do encourage you to look at that. And as I mentioned earlier, there's actually – this is an Interim Final Rule, but there is a comment period, if you want to comment.

The comment period is open through I think the – yeah – January 30th, 2018. So if you go to that TEN link, Training and Employment Notice 09-17, you can find a link there to see where to submit comments, if you want to. You can also find a lot of the same information on the www.doleta/seniors.

And then the last is contact information for LaMia who's the unit chief for SCSEP and is also on the line today.

So thank you all for your attention and your participation. Thank you, Bennett and Ron, for your presentations and John for driving the train here. We didn't quite get to every question that you answered, but that's – I'm going to say that's because you asked so many good questions, and we're definitely – we have the archive of those questions and we'll be looking through those and we'll do our best to come back out with answers.

So thank you again for your participation, and I hope you have a great evening.

(END)