

**STATE OF OREGON
WAIVER REQUEST**

**WORKFORCE INVESTMENT ACT:
SUBSEQUENT ELIGIBILITY OF TRAINING PROVIDERS**

The Oregon Department of Community Colleges and Workforce Development, the state administrative entity for the Workforce Investment Act (WIA), is requesting a waiver to extend the period of initial eligibility of training providers. This delay will give Oregon more time to develop consistent data for all training providers on which to base an effective subsequent eligibility process. Ongoing work will result in elements of the process being implemented according to the schedule outlined in this request.

This waiver request is being written in the format identified in WIA Section 189(i)(4)(B) and WIA Regulations 661.420 (c)

A. Statutory Regulations to be Waived

Oregon requests to waive WIA Section 122 (c)(5) and CFR 663.530, to be permitted to extend the period of initial eligibility of training providers beyond December 31, 2001, according to the schedule below.

B. Goals to be Achieved by the Waiver:

The goals to be achieved by the waiver are to:

- Improve and coordinate the data collection and reporting procedures of training providers;
- Assure that reported data are accurate and verifiable; and
- Allow more time to gather and analyze data to set reasonable criteria for subsequent eligibility.

C. State or Local Statutory or Regulatory Barriers

There are no state or local statutory or regulatory barriers to implementing the requested waiver.

D. Description of Waiver Goals and Programmatic Outcomes

Oregon's Strategies to Maintain a Robust and Diverse ETPL

Oregon agrees with the basic intent behind having a quality, verified list of training providers, from which customers can make informed choices about their training. Because of Oregon's commitment to the concept, we have a very "robust and diverse" Eligible Training Provider List (ETPL). There are currently 895 training programs on our list, which we are proud of, especially for a small state with a large rural area where there are few training providers.

Oregon has maintained the programs and providers on the list largely because Oregon as a state has assumed the majority of the data collection burden for the training providers. The state made the commitment to collect the required performance data at the state level through existing data and reporting systems. The training providers must collect social security numbers and training completion information for the students in each program, but the state will use existing data systems and reports to compile the data necessary to compute the performance of the providers. For example, to verify the data for the employment-related measures, Oregon has chosen to use the Unemployment Insurance (UI) data record, rather than to require providers to gather the data themselves. This is in contrast to many other states where providers have withdrawn their programs from the ETPL because of the burden of data gathering and reporting.

Oregon took this approach to maintain the flexibility and customer choice necessary to provide quality training opportunities for participants. Unfortunately, taking this approach has placed an immense data development and coordination task onto the state itself, and has resulted in the state being behind in implementing the performance reporting requirements.

Need for Waiver

Although Oregon is committed to maintaining an extensive list and a comprehensive consumer report card, Oregon needs more time to implement the system fully. Specific problems are related to the implementation of an effective subsequent eligibility process because of a lack of consistent accurate data.

- There are **five categories of training programs** on Oregon's ETPL. These are community colleges, private career schools, independent colleges and degree-granting institutions, the university system, and apprenticeship programs. Each of these types of institutions has its own separate data reporting system. Most report only annually, and not on the same schedules. Many are self-reported, non-verified reports.

- The Attorney General of Oregon has ruled that specific language be used for individual **voluntary release of information** to allow the use of social security numbers (SSN) for WIA data purposes. Not all training providers in the state are currently using the approved language. This means that even if the SSNs are being collected, they cannot be used as identifiers or for matching with employment-related data in the UI record. Most of the training providers are collecting the SSNs in the approved manner now.
- Even for the providers for which Oregon has good data, the **lag time in UI data reporting** results in not being able to match any of the student records for training completers during PY 2000 until late April of 2002. Most students complete in the last quarter of any Program Year. The definition defines employment as wages >0 in the quarter after completion. For many students, the "quarter after completion" will be the 3rd calendar quarter (July-September). Employment records relevant to determining the numerator could have a date as late as September 30, 2001.

Employers submit UI wage data for a given quarter during the subsequent two full quarters after that quarter's end, and to obtain a reliable employment rate or average wage for a given quarter, it is necessary to wait until after the close of the second quarter following the quarter of interest. Thus, for PY 2000 completers, it is necessary to wait until after March 31, 2002 to get reliable UI wage match information. Several weeks of processing time are the minimum necessary to ensure accurate reporting, and so late April of 2002 would be the soonest Oregon can provide job placement and average wage outcomes for PY 2000.

In short, the above circumstances mean that Oregon will not have good data for all seven required performance measures, from all providers, to be able to determine subsequent eligibility on December 31, 2001, when the period of initial eligibility expires. This could likely leave Oregon out of compliance with the Act. Oregon will have some completion information for some providers, which will be used as described below.

Timeline for Full Implementation

The use of verifiable data for determination of subsequent eligibility will occur as follows:

- Currently available data: Some information is available now.

For community colleges, Oregon currently has completion data for PY 2000 for all students for programs on the ETPL. For private career schools Oregon has self-reported non-verified completion and employment data for PY 2000 for all students for programs on the ETPL. These are the data being supplied to the local areas along with suggested performance goals for the seven required performance measures (see Spirit and Intent of the Act, below).

- December, 2002: Subsequent eligibility data for community colleges and most private career schools

In April, 2002, verifiable employment-related data will be available through UI data match for all the community colleges, nearly 60% of the ETPL (currently, 518 programs). Private career schools report throughout the year, in the month when their licensure is renewed. Performance reporting for the ETPL (including SSNs) will occur at the time of their regular reports, and will build throughout the year. By December of 2002, the next annual date to determine subsequent eligibility, verifiable performance information for the majority of providers on the ETPL will be available, and will be made available to the local areas to make subsequent eligibility decisions.

- December 2003: All other providers

During the period of January – June of 2003 it is expected that all other providers will be able to report the required data elements. By December of 2003 Oregon should be able to conduct a subsequent eligibility process for the entire ETP system.

Spirit and Intent of the Act

Meanwhile, to comply with the spirit and intent of Section 122 of the WIA, Oregon is proceeding with the information that is currently available. Oregon has begun a state/local process to develop state subsequent eligibility guidance to local areas, based on performance goals rather than standards, which will be used until verifiable data are available. Oregon will publish incomplete but verifiable performance information along with self-reported data from some providers. Local areas may use this guidance to conduct subsequent eligibility processes if they wish. Providers will remain eligible until such local processes are instituted.

Oregon's consumer report card will be launched during the first part of 2002. For the report card, Oregon will use the descriptive and cost information from the on-line ETP applications. Available performance information will be included, and performance information for other providers will be added as data becomes available.

How the Requested Delay will Improve the Functioning of the ETPL

The delay will enable Oregon to maintain a robust and diverse ETPL while moving toward building good data on which to 1) provide valuable information for customers to make informed choices about training, and 2) provide good data for local areas to use to make informed decisions about the subsequent eligibility of training providers.

Oregon will continue to accept the data burden at the state level as much as possible. If Oregon were to move forward to require all training providers to assume the entire burden of collecting

and reporting on all aspects of ETP performance, we believe we will lose good providers, as has been the experience in other states. As the data problems are resolved, it will be important to maintain a good ETPL to maximize customer choice.

E. Description of the Individuals Impacted by the Waiver:

All stakeholders and customers involved in WIA Training Services will be positively impacted by the waiver. This includes customers eligible for an ITA, training providers, and Local Workforce Investment Boards.

F. Description of the Process to Monitor Progress

The Commissioner of the Oregon Department of Community Colleges and Workforce Development and staff will monitor progress on the goals and timeline outlined in D., above. In addition, the Oregon Workforce Investment Board (OWIB, the State WIB) has asked for periodic reports on progress made toward developing the subsequent eligibility system.