




SEP 13 2002

MEMORANDUM FOR: ELLIOT P. LEWIS
Deputy Inspector General
for Audit

FROM: EMILY STOVER DeROCCO
Assistant Secretary for
Employment and Training 

SUBJECT: Workforce Investment Act
Performance Outcomes Reporting Oversight
Draft Audit Report No. 06-02-006-03-390

I am pleased to respond to your draft audit report on Workforce Investment Act (WIA) Performance Outcomes Reporting Oversight. While I am concerned about the issues raised in the draft report, I believe that the Employment and Training Administration (ETA) is well along the way in developing an effective strategy for validating and verifying performance outcomes data.

First, let me say that, while the issues raised in the draft report are serious and real, they may be somewhat expected in light of when the audit took place—July 1, 2000 through October 21, 2001, the first full year of WIA implementation. As you know, the WIA brought about substantial reforms in workforce programs and much of the attention and energy of the states and of ETA in this period was devoted to implementing the new features and systems provided in the legislation.

ETA has been developing a systematic approach to data validation and verification that includes the framework for a standardized and statistical method for WIA performance data validation. In April of this year I entered into a formal statement of work for technical consultation with the Office of Inspector General (OIG) on the ETA data validation project to ensure that we had the benefit of the OIG's advice on the technical aspects of the data validation project. We have received preliminary advice under this agreement and are pilot testing the design for WIA programs in two states.

Following the pilot test, we will formulate a policy on data validation and advise the state workforce system of the proposed policy. The policy will address the issue of documentation guidelines. It will also address the issues of state requirements and ensure that accurate and reliable data track from the local as well as the state level. In doing so, we will seek the views of the OIG under our formal statement of work and consider the recommendations in your draft report, although our specific decisions will be based upon what we have learned and may not in every instance track your recommendations. I am not responding directly to the recommendations in your report at this time because I believe that the substance of the recommendations falls within the framework of ETA's data validation project and our current plan for deployment and execution. I expect to announce a data validation policy by December



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of this year with implementation to follow shortly thereafter. I will also seek to address the issue of timely and accurate data through the WIA reauthorization process.

Finally, ETA is revising its approach to contract and grant administration, including federal monitoring practices. We have a workgroup that will develop an approach to monitoring state data validation activities consistent with ETA's data validation policy. This approach will be linked to our data validation policy.

As you stated in the draft report, one of the principles of ETA is that "We will be faithful to the American taxpayer and support programs that are outcome-focused and results-oriented." I am firmly committed to performance accountability for the workforce investment system and to ensuring that this system produces accurate and reliable information on program outcomes. I am equally committed to a process that links funding to results. I believe that you will find this commitment carried forward in our reporting and data validation policy and in the steps that we propose as part of the WIA reauthorization process.