

ALABAMA WORKFORCE INVESTMENT SYSTEM

**Department of Economic and Community Affairs
Workforce Development Division
401 Adams Avenue
Post Office Box 5690
Montgomery, Alabama 36103-5690**

7/17/2000

GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY2000-01

SUBJECT: Training and Employment Guidance Letters (TEGLs)

1. **Purpose.** This transmits the following TEGLs:

<u>Number</u>	<u>Date</u>	<u>Subject</u>
14-99	6-12-00	Instructions for Preparation of the WIA Transition Summer Report
15-99	6-13-00	Contingency Planning Options for State Plans under the Workforce Investment Act of 1998 and the Wagner-Peyser Act

2. **Background.** These TEGLs relate to the transition of JTPA activities into the WIA, most specifically, the summer program and the approval of the WIA State Plan.

3. **Information.** Please read and adhere to the attached TEGLs.

4. **Contact.** Questions regarding TEGL 14-99 and 15-99 should be referred to Fannie Harris at (334) 242-5381 and Ray Clenney at (334) 242-1421 respectively.



Steve Walkley, Division Director
Workforce Development Division

Attachment

U. S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION WIA/WTSR
	CORRESPONDENCE SYMBOL OYS
	DATE June 12, 2000

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 14-99

TO : ALL STATE WORKFORCE LIAISONS
 ALL STATE EMPLOYMENT SECURITY AGENCIES
 ALL STATE WORKER ADJUSTMENT LIAISONS
 ALL ONE-STOP CAREER CENTER SYSTEM LEADS

[signature of Lenita Jacobs-Simmons]

FROM : LENITA JACOBS-SIMMONS
 Deputy Assistant Secretary

SUBJECT : Instructions for Preparation of the
 WIA Transition Summer Report

1. **Purpose.** To transmit to States instructions for the Workforce Investment Act (WIA) of 1998 Transition Summer Report (WTSR).

2. **References.**

(a) Training and Employment Guidance Letter (TEGL) No. 10-97, Change 1, (July 24, 1998), Instructions for Preparation of the JTPA Summary Program Report (JSPR);

(b) TEGL No. 14-98, (March 26, 1999), Program Guidance for the Calendar Year 1999 Summer Youth Employment and Training Program;

(c) TEGL No. 10-97, Change 2, (May 21, 1999), Instructions for Preparation of the JTPA Summary Program Report (JSPR); and

(d) TEGL No. 3-99, (January 31, 2000), Program Guidance For Implementation of Comprehensive Youth Services Under the Workforce Investment Act During the Summer of 2000.

3. **Background.** The Workforce Investment Act (WIA) of 1998 substantially reforms youth programming, emphasizing more comprehensive services to youth, with summer youth employment representing one of ten required program elements that comprise a

RESCISSIONS None	EXPIRATION DATE December 31, 2000
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local workforce investment area's (local area's) year-round youth services strategy. Summer 2000 represents the first summer youth programming that will be conducted under WIA for all State and local areas, and the first year since 1964 that a stand-alone summer program is not authorized or funded. Since the summer jobs program has played a prominent role in communities across the country, the transition from the Job Training Partnership Act (JTPA) to WIA has generated significant interest. Therefore, it is critical for the Department to collect data and report on summer youth employment opportunities for this summer. Furthermore, collection of data from this summer will provide an opportunity to learn from and inform the system and administration regarding the transition from JTPA to WIA as it relates to summer activities.

In the past, the Department maintained a separate, Internet-based reporting system for the JTPA summer youth program. This system was called the JTPA Summary Program Report (JSPR) and expired on December 31, 1999 since JTPA authority will expire on July 1, 2000. The Department's proposed WIA management and information system is designed to capture and report data by program year rather than by calendar year, beginning on July 1, 2000.

The WTSR is designed to capture data on summer youth employment opportunities during the Summer 2000 transition from JTPA Title II-B to WIA. The WTSR will provide a snapshot of the entire summer of 2000 based on the calendar year. The WTSR uses the same format and contains some of the same data elements as the previous JSPR. The requested information is being kept to the absolute minimum needed to perform the Department's oversight role. The WTSR reduces the burden for States and local areas by eliminating close to half of the data elements on the JSPR and only requiring one report in October, for the period ending September 30th, after the summer youth employment opportunities have been completed.

4. **OMB Reporting Burden.** Persons are not required to respond to this collection of information unless it displays a currently valid OMB control number. Respondents' obligation to reply to these reporting requirements is required to obtain or retain benefits (PL 102-367). Burden hours for this collection of information are estimated to average 1 hour including time for reviewing the information. Send comments regarding this burden estimate or any other aspect of this data collection, including suggestions for reducing the burden hours, to the U.S. Department of Labor, Office of Youth Services, 200 Constitution Avenue, N.W., Room N4469,

Washington, D.C. 20210 (Paperwork Reduction Project 1205-0411, expiring 11-30-00); Attention: Mr. Haskel Lowery.

5. **Reporting Requirements.** The WTSR will be submitted only once, after the summer youth employment opportunities have been completed. The State will electronically submit the WTSR via the Internet. Once the data is submitted, the National Office and

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Regional Office will have the ability to view the WTSR simultaneously. This data will be due according to the following schedule:

	<u>Data as of</u>	<u>Due to RO/NO</u>
End of PY 2000 Quarter 1	Sept 30	Oct 31

In compliance with the Paperwork Reduction Act of 1995, ETA requests that States transmit data electronically via the Internet. The web address and specific instructions will be transmitted directly to each State's primary/data contact.

6. **Action Required.** State Liaisons are requested to distribute the attached WTSR instructions to all offices within the State which need such information to implement the WTSR reporting requirements.

7. **Inquiries.** Questions concerning this TEGL should be directed to the appropriate ETA Regional Office. Questions or problems concerning the submission of data electronically should be directed to Robert Horstman at (202) 219-5651 or via e-mail at RHorstman@doleta.gov.

8. **Attachment.** WIA Transition Summer Report (WTSR) Format Instructions and Form

Attachment

WIA TRANSITION SUMMER REPORT (WTSR) FORMAT INSTRUCTIONS

WIA Title I and JTPA Title II-B

1. **Purpose.** The WIA Transition Summer Report (WTSR)(ETA 9082) displays participant enrollment information, financial and cost information, and data on the characteristics of individuals who participated in the JTPA Title II-B grant program and the summer employment opportunities component of WIA.

2. **General Instructions.** The State will electronically submit, via the Internet, the WTSR for WIA Title I summer employment opportunities and for JTPA Title II-B summer youth program. Once the data is submitted, the National Office and Regional Office will have the ability to view the WTSR simultaneously. Additional instructions for electronically reporting the data will be provided at a later date. This data will be due according to the following schedule:

	<u>Data as of</u>	<u>Due to RO/NO</u>
End of PY 2000 Quarter 1	Sept 30	Oct 31

3. **Facsimile of Form.** See the form attached to the end of this document. These data items will appear differently on the Internet screen.

4. **Instructions for Completing the WIA Transition Summer Report (WTSR) for WIA Title I and JTPA Title II-B.**

A. State's Name and Address

Enter the name and address of the recipient State.

B. Type of Grant

Designate the source of funding for the grant for which data is being provided on this WTSR, i.e., WIA Title I or JTPA Title II-B. For those areas operating under both JTPA Title II-B and WIA Title I, check both boxes.

C. State's Grant Number

Enter the recipient State's grant number which corresponds to the Type of Grant in Item B above. For those areas operating under both JTPA Title II-B and WIA Title I, check both boxes. The grant number was assigned by the Employment and Training Administration (ETA) in a separate issuance.

D. Report Period

Enter in "From" the beginning date of the designated JTPA Title II-B report year or WIA report year if not operating under JTPA, i.e., April 1. Enter in "To" the ending date of the report period, as specified in Item 2, above, i.e., September 30.

E. Signature and Title (at bottom of the page)

The authorized official of the Governor signs here and enters his/her title.

F. Date Signed

Enter the date the report is signed by the authorized official.

G. Telephone Number

Enter the area code and telephone number of the authorized official.

SECTION I - STATEWIDE PARTICIPANT SUMMARY

Line 1. Total Participants

Enter the total number of youth who participated in the JTPA Title II-B grant program and/or the summer employment opportunities component of WIA through the end of the report period (September 30, 2000).

"Participant", for reporting purposes, means an individual who has been determined to be eligible to participate in and who is receiving services under either or both of the two specified programs. Participation shall be deemed to commence on the first day, following determination of eligibility, on which the individual began receiving services.

Line 2. Total Participants in Academic-Basic Educational Skills Enrichment

Enter the number of JTPA Title II-B participants who were enrolled in academic basic educational skills enrichment activities. This includes participants who have such activities linked with work experience or as a stand-alone activity. This entry may not exceed the entry for Line 1.

This reporting item applies only to JTPA Title II-B participants (both those who terminate as JTPA participants and those who transition into WIA Title I participants on July 1). Those participants who register as WIA Title I participants and are never enrolled in JTPA Title II-B are not included in this line.

The definition of Academic-Basic Educational Skills enrichment means "the enhancement of the traditional educational skills of reading, mathematics, and writing attained through classroom or project-based learning methods."

NOTE: For the number of youth in line 2, show the percentage of youth who maintained and youth who gained academic-basic educational skills of reading, mathematics, and/or writing during the summer reporting period. The results should be reported in the "Remarks" section. For example: Line 2: Maintained Skills - 78%, Gained Skills - 12%.

Although ETA is not recommending any particular testing protocol, pre and post testing is encouraged when assessing skill gain of youth. Service providers are encouraged to select assessment instruments that have been identified as appropriate tools for measuring basic educational skills attained in the academic enrichment component of the summer program.

Line 3. Total Number of JTPA Participants Terminated on or Before June 30, 2000

Enter the total number of JTPA participants that terminated on or before June 30, 2000; i.e., those participants who do not transition into WIA Title I.

SECTION II - PARTICIPANT CHARACTERISTICS SUMMARY

Gender

Line 4. Male

Line 5. Female

Distribute the participants by line according to gender. The sum of Lines 4 and 5 should equal Total Participants (Line 1).

Age

Line 6. 14 - 15 Years

Line 7. 16 - 18 Years

Line 8. 19 - 21 Years

Distribute the participants by line according to age (based on date of birth) at the time of registration (entry into the program). The sum of Lines 6 thru 8 should equal Total Participants (Line 1).

Race/Ethnic Group

Line 9. American Indian or Alaskan Native

Line 10. Asian

Line 11. Black or African American

Line 12. Hispanic or Latino

Line 13. Native Hawaiian or Other Pacific Islander

Line 14. White

Distribute the participants by line according to the Race/Ethnic Groups listed above. The sum of Lines 9 thru 14 should equal Total Participants (Line 1).

NOTE: The Race/Ethnic category listed above reflects OMB's Standards for the Classification of Federal Data on Race and Ethnicity (October 30, 1997, Vol.62, No.210, Pgs. 58782-58790).

School Status

Line 15. In-School Youth

Enter the total number of participants who are currently enrolled in and are attending any school or are between school terms and intend to return to school. For JTPA participants who are grandfathered into WIA, the JTPA in-school youth definition applies. JTPA in-school youth means a youth who has not yet attained a high-school diploma and is attending school full time. For WIA participants who register July 1 or after (not grandfathered into WIA), in-school youth are those who do not meet the definition of WIA out-of-school youth.

Line 16. Out-of-School Youth

Enter the total number of participants who are not enrolled in or attending any school or are not between school terms or do not intend to return to school. For JTPA participants who are grandfathered into WIA, the JTPA out-of-school definition applies. For JTPA an out-of-school youth is a youth who does not meet the definition of an in-school youth above. For WIA participants who register July 1 or after (not grandfathered into WIA), the WIA out-of-school definition applies. Under WIA an "out-of-school youth" means an eligible youth who is a school dropout; or an eligible youth who has received a secondary school diploma or its equivalent but is basic skills deficient, unemployed, or underemployed. A youth's dropout status is determined at the time of registration. Therefore, a youth who is out-of-school at the time of registration and subsequently placed in an alternative school, may be considered an out-of-school youth (based on proposed final regulations). However, a youth who is enrolled in an alternative school at the time of registration, is not considered a school dropout.

Note: The sum of lines 15 and 16 should equal Total Participants (Line 1).

Line 17. Total Number of Youth for Whom Additional Services are Planned

Enter the total number of participants from lines 15 and 16 whose individual service strategy plans include further services (including follow-up services) following completion of summer employment opportunities.

Line 18. Total Expenditures (including 15% Governor's Reserve Funds Used for Summer Employment Opportunities)

Enter the total dollar amount of Federal youth funds expended for allowable program activities on JTPA Title II B and/or summer employment opportunities under WIA through the end of the reporting period. This total should include any expenditures from the 15% Governor's Reserve Funds that were used for summer employment opportunities.

Line 18a. Total Expenditures from 15% Governor's Reserve Fund

If the 15% Governor's Reserve Funds were used for summer employment opportunities, of the amount on LINE 18 enter the total dollar amount that was expended for summer employment opportunities's from the 15% Governor's Reserve Fund. If there were no expenditures from the 15% Governor's Reserve Fund used for summer employment opportunities, enter zero.

Line 18b. Total Expenditures for In-School Participants

Of the amount on LINE 18, enter the total dollar amount of Federal youth funds and 15% Governor's Reserve Fund (if applicable) expended on in-school participants.

Line 18c. Total Expenditures for Out-of-School Participants

Of the amount on LINE 18, enter the total dollar amount of Federal youth funds and 15% Governor's Reserve Fund (if applicable) expended on out-of-school participants.

Note: The sum of lines 18b and 18c should equal Total Expenditures (LINE 18).

Line 19. Average Cost Per Participant Enter the total dollar amount of Federal youth funds and 15% Governor's Reserve Fund (if applicable) expended, divided by the total number of participants.

NOTE: PLEASE USE WHOLE DOLLAR AMOUNTS ONLY; NO CENTS.

A. State's Name and Address 	B. Grant Type 9 JTPA Title II-B 9 WIA Title I, Sec. 129	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td colspan="2">C. State's Grant Number</td> </tr> <tr> <td>9 JTPA _____</td> <td></td> </tr> <tr> <td>9 WIA _____</td> <td></td> </tr> <tr> <td colspan="2">D. Report Period</td> </tr> <tr> <td>From: _____</td> <td>To: _____</td> </tr> </table>	C. State's Grant Number		9 JTPA _____		9 WIA _____		D. Report Period		From: _____	To: _____
C. State's Grant Number												
9 JTPA _____												
9 WIA _____												
D. Report Period												
From: _____	To: _____											

Section I - STATEWIDE PARTICIPANT SUMMARY

1	Total Participants	
2	Total Participants in Academic-Basic Educational Skills Enrichment	
3	Total Number of JTPA Participants Terminated on or Before June 30, 2000	

Section II - PARTICIPANTS CHARACTERISTICS SUMMARY

4	Male		11	Black or African American	
5	Female		12	Hispanic or Latino	
6	Age: 14 - 15 Years		13	Native Hawaiian or Other Pacific Islander	
7	16 - 18 Years		14	White	
8	19 - 21 Years		15	In-School Youth	
9	American Indian Or Alaskan Native		16	Out-of-School Youth	
10	Asian		17	Total Number of Youth for Whom Additional Services are Planned	

Section III - FINANCIAL SUMMARY

18	Total Expenditures (including 15% Governor's Reserve Fund Used for Summer Employment Opportunities)		19	Average Cost per Participant	
18a	Total Expenditures from 15% Governor's Reserve Fund				
18b	Total Expenditures for In-School Participants				
18c	Total Expenditures for Out-of-School Participants				

Remarks:

E. Signature and Title 	F. Date Signed 	G. Telephone No.
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Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to the Office of IRM Policy, Department of Labor, Room N-1301, 200 Constitution Avenue, N.W., Washington, DC 20210; and to the Office of Management and Budget Paperwork Reduction Project (1205-0411), Washington, DC 20503

DO NOT SEND THE COMPLETED FORM TO EITHER OF THESE OFFICES

Attachment I

ELEMENTS OF A SUBSTANTIALLY IMPLEMENTED WIA SYSTEM

STATE BOARD HAS BEEN APPOINTED AND IS OPERATIONAL

- membership is consistent with law and regulations (for new or grandfathered boards)
- board has met at least once

ALL LOCAL AREAS HAVE BEEN DESIGNATED

ALL LOCAL ALLOCATIONS HAVE BEEN ISSUED/LOCALS ARE EXPENDING FUNDS IN ACCORDANCE WITH THEIR PLANS

ALL LOCAL PLANS HAVE BEEN APPROVED/ACTIVITIES AND PROGRAMS ARE IN PLACE

STATE LIST OF ELIGIBLE PROVIDERS HAS BEEN DEVELOPED

STATE/DOL PERFORMANCE GOALS NEGOTIATIONS HAVE BEEN COMPLETED

STATE/LOCAL PERFORMANCE GOALS NEGOTIATIONS HAVE BEEN COMPLETED

PERFORMANCE MEASUREMENT AND REPORTING SYSTEMS ARE IN PLACE

STATE IS PROVIDING STATEWIDE SERVICES AS REQUIRED BY 129 (b)(2) AND 134(a)(2), including:

- State Rapid Response Activities
- widespread dissemination of State list of eligible training providers, including performance and cost information
- dissemination of State list of eligible youth activity providers.

FINANCIAL MANAGEMENT SYSTEMS ARE OPERATING IN ACCORDANCE WITH STATE AND FEDERAL REQUIREMENTS

ALL LOCAL BOARDS HAVE BEEN APPOINTED AND ARE OPERATIONAL

- membership is consistent with law, regulations, and State criteria and Governor has certified
- all boards have met at least once

ALL LOCAL YOUTH COUNCILS HAVE BEEN APPOINTED AND ARE OPERATIONAL

- membership is consistent with law and regulations
- all councils have met at least once

ALL LOCAL BOARDS HAVE CERTIFIED AT LEAST 1 ONE-STOP OPERATOR

ALL LOCAL BOARDS HAVE EXECUTED MOUs WHICH MEET THE REQUIREMENTS OF 121(c)(2) WITH ALL REQUIRED PARTNERS

A FULL SERVICE ONE-STOP CENTER IS OPERATIONAL IN EACH LOCAL AREA THAT:

- provides an integrated intake process
- provides core services
- provides access to partner programs and activities
- makes intensive services accessible to adults and dislocated workers
- provides ITAs to adults and dislocated workers

ALL TEN REQUIRED YOUTH PROGRAM ELEMENTS ARE BEING MADE AVAILABLE IN ALL LOCAL AREAS

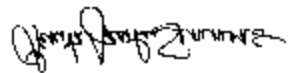
YOUTH PROVIDERS HAVE BEEN SELECTED IN ACCORDANCE WITH THE LAW AND REGULATIONS

U.S. Department of Labor Employment and Training Administration Washington, D.C. 20210	CLASSIFICATION WIA
	CORRESPONDENCE SYMBOL OWS
	DATE June 13, 2000

TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 15-99

TO: STATE WORKFORCE LIAISONS
 STATE EMPLOYMENT SECURITY AGENCIES
 STATE WORKER ADJUSTMENT LIAISONS
 ONE-STOP CAREER SYSTEM LEADS

FROM: LENITA JACOBS-SIMMONS
 Deputy Assistant Secretary



SUBJECT: Contingency Planning Options for State Plans under the Workforce Investment Act of 1998 and the Wagner-Peyser Act

1. **Purpose.** This guidance letter outlines the steps to be taken in the event that a State is not prepared to fully implement the required provisions for the Workforce Investment Act by July 1, 2000 - the date which JTPA will be repealed. These steps must be balanced so that States are held accountable to statutory and regulatory requirements and the principles of WIA while ensuring that customers of the workforce investment system continue to have access to the WIA services.
2. **References.** Workforce Investment Act of 1998 (WIA), P.L. 105-220; Planning Guidance and Instructions for Submission of the Strategic Five-Year State Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act (64 F.R. 9402 (February 25, 1999)); and State Unified Planning Guidance (65 F.R. 2464 (January 14, 2000)).
3. **Background.** Under section 112(c) of WIA, a State Plan must be considered to be approved at the end of a 90-day period beginning on the day the Secretary receives the Plan, unless the Secretary makes a written determination, during the 90-day period that: (1) the Plan is inconsistent with the provisions of WIA Title I; or (2) the Plan does not satisfy the criteria for approval provided in section 8(d) of the Wagner-Peyser Act.¹

¹It should be noted that a policy decision has been made that no separate approval for Title I of WIA or Wagner-Peyser will be granted, since the five-year strategic plan incorporates an integrated approach for Title I and Wagner-Peyser.

RESCISSIONS	EXPIRATION DATE Continuing
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During the PY 1999 plan approval process for the early implementing States, the Department utilized the Secretary's transition authority to approve Transition Plans for States that were not ready to fully implement the provisions of WIA. Under a Transition Plan, a State would begin to implement some of the WIA provisions (i.e. the establishment of State and Local Boards) immediately, while waiting until a later time to implement other provisions (e.g., the establishment of Individual Training Accounts). This policy was based on the fact that all States had approved JTPA plans in place, thus allowing for a hybrid of JTPA and WIA elements. Since JTPA will cease to exist as of July 1, 2000, a new plan approval policy needs to be developed.

4. **Policy Guidance.** The process for developing, submitting, reviewing and approving the State Plan for July 1, 2000 is of value only if it supports the effective delivery of services to our customers: the employers and job seekers and workers across the country. Therefore, the Department of Labor must ensure that the process of reviewing State Plans supports the implementation of key reform principles under the Workforce Investment Act, but does not result in the denial of service or the unnecessary reduction or degradation of service.

Using the transition authority granted the Secretary at WIA Section 506(a), we have established the following policy guidance that will enable States to address all of the elements in the WIA Planning Guidance, and either fully implement WIA by the July 1 deadline, or continue transition efforts leading to full implementation at some time after July 1.

First, there are five critical requirements which must be completed or in place before the Department can provide full or even transitional approval of the Plan since they provide the key foundation of a State's workforce investment system. These five critical requirements include:

- **Public comment:** State Plans must describe a process for meaningful public comment, and demonstrate how comments were considered.
- **State Board:** The Plan must identify the entities serving on a new Board, or describe how all entities that are required for a new Board are involved with a grandfathered Board.
- **Local Area designation:** The Plan must identify each of the officially designated local areas.
- **Allocations:** The Plan must identify the formula allocation for adult, youth and dislocated worker programs in each local area.
- **Performance levels:** The 17 indicators of performance must be negotiated by the Regional Administrators and incorporated in the Plan.

These five critical requirements must be completed or in place before the Plan can be approved, either fully or on a transition basis. We anticipate that all States will be able to meet the above critical requirements by June 30, 2000.

Second, assuming a State's plan meets all the critical requirements but does not fully address one or more of the other elements contained in the WIA Planning Guidance, the Regional Administrator will be

authorized to approve the Plan as a transition plan if the following information is provided by the State and included in the Plan:

- **Plan elements** not implemented and the reasons why they were not implemented on July 1, 2000;
- **Strategy** for completing/implementing the Plan element(s);
- **Timeline** for achieving full implementation during the Program Year (not later than June 30, 2001); and
- **Interim procedures**, as appropriate, for operation until full implementation (e.g., without Individual Training Accounts, how will training services be provided? How will the transfer to Individual Training Accounts be handled?).

If this information is provided, the Regional Administrator, under the Secretary's transition authority, will be able to approve the Plan as a transition plan. The Regional Administrator will monitor the timeline, and once the State has successfully completed/implemented all of the Plan elements, it will submit the necessary information to support full approval of the State Plan.

5. **Categories of States.** It is anticipated that each State will fall into one of three categories:

Category One: Category One States are those with Plans which are fully consistent with the elements contained in the WIA Planning Guidance, and will substantially implement all systems under the letter of the law and the regulations. Attachment I contains a list of the elements of a substantially implemented WIA system.

- < Category One State Plans will be approved, with no funding restrictions.
- < Category One States will be eligible to apply for incentive grants if they exceed negotiated levels of performance.

Category Two: Category Two States are those with Plans which are consistent with the elements contained in the WIA Planning Guidance, but which will not have all systems up and running by July 1, 2000. For example, Individual Training Accounts may not be established until September 1, 2000. It is expected that many States will fall into this category.

- < Category Two State Plans will be approved as transition plans, as described above, with no funding restrictions. Transitional approval is not full approval under section 112(c) of the Act, and that distinction will be clearly stated in the letter indicating transitional approval.
- < Category Two States will receive technical assistance from the Department as well as from the other Federal partner agencies.

- < Category Two States will be held to the timelines contained in their approved transition plan. Failure to adhere to those timelines would be addressed through corrective action as part of the regular grants management process.
- < Category Two States will be eligible to apply for incentive grants if they have substantially implemented all systems by December 31, 2000 and have exceeded their negotiated levels of performance.
- < Category Two States that have not substantially implemented all systems by December 31, 2000 would not be eligible to apply for incentive grants.

Category Three: Category Three States will be States with State Plans that do not meet the five critical requirements described above.

- < Category Three State Plans will not be approved.
- < Category Three States will receive allotments under the three title I funding streams as well as Wagner-Peyser, however, restrictions will be placed on expenditures. Category Three States will not be authorized to expend funds on any portions of the plan which were specifically not approved. The Regional Administrator will work with the State to develop a plan for operating under this category.
- < Category Three States will receive technical assistance from the Department as well as from the other Federal partner agencies. However, additional strategies may also need to be developed for these States.
- < Category Three States will not be eligible for incentive grants.

6. **On-going Implementation Strategy.** Regional Administrators play a key role in the management and oversight of WIA Implementation, responding to State activity with Federal technical assistance as appropriate. Once the Plans have been set in place (by July 1, 2000), the Regional Administrators will monitor States' efforts to achieve substantial implementation of WIA, including implementation of transition plans by Category Two States. Clearly, Category Three States will be expected to move to Category Two as quickly as possible. It is expected that all States will achieve Category One status before the end of Program Year 2000 (June 30, 2001).

7. **Inquiries.** Questions regarding this policy may be directed to the appropriate Regional Office. Information may also be found at the website - <http://usworkforce.org>.

8. **Attachment.**

I. Elements of a Substantially Implemented WIA System