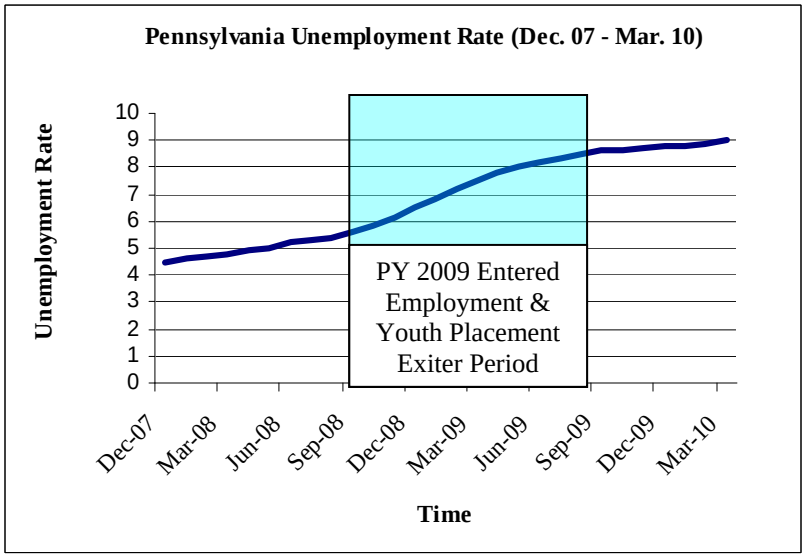
Request for Program Year 2009 and Program Year 2010 WIA Title 1 Performance Measures Goals

Program Year 2009 – Economic Overview

The following information is provided as Pennsylvania's official request to renegotiate Program Year (PY) 2009 WIA performance levels for dislocated worker entered employment rate and youth placement rate. As stated when we initially negotiated performance levels for PY 2009, there was apprehension about the impact the recession would have on our ability to achieve outcomes comparable to pre-recession levels. At the time, we projected Pennsylvania would be at its worst during the exiter time periods for PY 2009 reporting. Because we were unsure of the impact the recession would have on outcomes, we ran the regression model found in TEGL 9-08 and settled on levels at or above the model's yielded targets. Since then, Pennsylvania's unemployment rate continued to climb beyond what had been projected.

The entered employment exiter time period for PY 09 (10/1/08 – 9/30/09) corresponds directly to when Pennsylvania sustained the steepest growth in unemployment (Chart 1). This rapid deterioration of Pennsylvania's economy has caused many of the state's performance measures to endure a significant hit in a very short amount of time. We expect a leveling-out effect to occur – this is already happening for some measures – going through program year 2010. However, due to the sharp decreases at the beginning of the current program year, PA's performance measures for PY 2009 will stabilize at a level that is below the targeted threshold.

Chart 1



The dislocated worker entered employment rate and youth placement rate have been most affected by the economy. Therefore, Pennsylvania utilized the new multivariate adjustment factors from TEGL 23-09 to determine revised levels for these measures. During the exit times defined by both of these measures for PY 2009, Pennsylvania's unemployment rate increased by 2.8 percentage points. Using exiter data along with the multivariate adjustment factors, the model revealed our current target should decrease by the factors listed below (Table 1). Therefore, we are respectfully requesting an adjusted

WIA Dislocated Entered Employment Rate target of 86%, as well as a WIA Youth Placement Rate of 58%.

Table 1

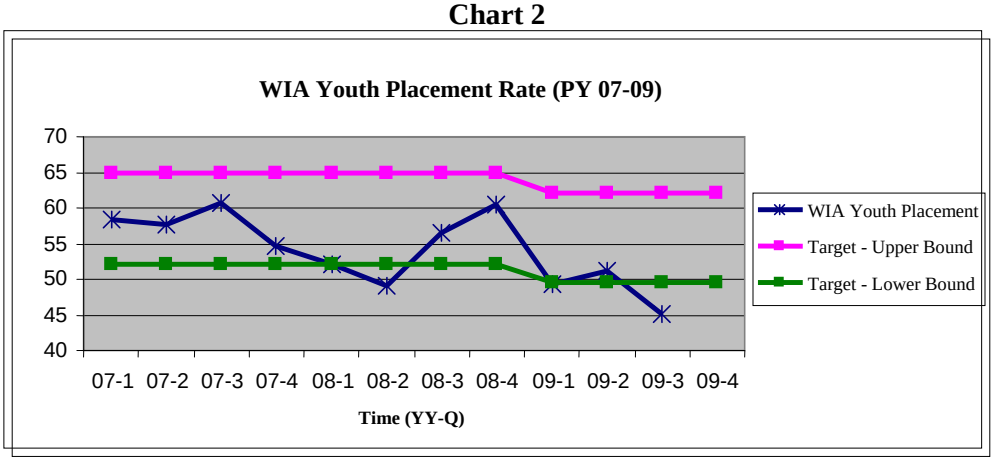
Performance Measure	Negotiated PY 2009	WIA PY 093 Level	Per-point Decrease	Multiplied Decrease	Revised Level
DW Entered Employment	88	68.3	0.7	1.96	**86.04**
Youth Placement	62	45.1	1.4	3.92	**58.08**

Rationale for PY 2009 Renegotiation Request

In addition to experiencing a steadily increasing amount of unemployed individuals, Pennsylvania's one-stops have experienced a substantial increase in the number of exiters seeking jobs. For youth exiters, the job-finding process has been an arduous one as the economic conditions are forcing them to compete with adults for jobs that have historically been filled by youth. This point is further illustrated by looking deeper at the youth placement rate over the past 12 months. Of the 502 positive outcomes, only 28.7% were due to placement in education. The economic job situation clearly plays a heavily weighted roll in this outcome. On the other hand, dislocated workers are experiencing struggles of their own. Pennsylvania's local one-stops are informing us that dislocated workers are very reluctant to rejoin the labor force as high-paying jobs are becoming exceedingly rare, and unemployment benefits are being extended to record lengths.

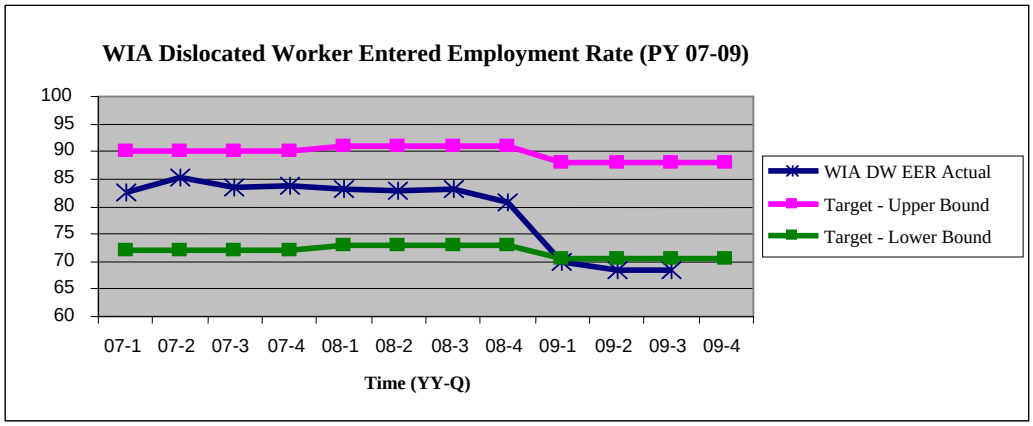
Pennsylvania's current WIA youth placement rate of 45.1% for the third quarter of Program Year 2009 has fallen outside the acceptable target range. This rate has dropped sharply from 56.6%, Pennsylvania's level one year ago (Chart 2). Pennsylvania experienced the substantial drop coming into the current program year when the rate fell from 60.4% at the end PY 2008 to 49.2% at the beginning of PY 2009. Starting the year at such a low level makes PA less optimistic that a recovery can happen by the end of PY 2009. In order to fall within the target range by the end of PY 2009, and assuming next quarter's exiters remain similar to current quarter, PA would need a success rate of at least 52%, or at least 60 more positive outcomes than the current quarter.

Chart 2



Much like the youth placement rate, economic turmoil has caused Pennsylvania's dislocated worker entered employment rate to plunge by nearly 15 percentage points from one year ago (Chart 3). Until the current recessionary period, PA was holding steady within the target threshold. In order to fall within the target range by the end of PY 2009, and assuming next quarter's exiters remain similar to current quarter, PA would need a success rate of at 76%, or at least 105 more positive outcomes than what occurred in the current quarter.

Chart 3



Program Year 2010 Request

For Program Year 2010, we request to hold levels at our final Program Year 2009 levels. Table 3 below reflects these levels and assumes our Program Year 2009 renegotiation request is approved. We will update the table, if necessary, to reflect the results of the Program Year 2009 renegotiation process.

Table 3

Performance Measure	Pennsylvania Negotiated PY 2009	Pennsylvania PY 2009 Year-to-Date	Pennsylvania Requested PY 2010	GPRA Perf. Goals PY 2009	GPRA Perf. Goals PY 2010
Adult EER	83	71	83	66	66
Adult Retention	82	80	82	82	82
Adult 6 Months Avg Earnings	$12,500	$11,261	$12,500	$13,741	$13,848
DW EER	88	68	86	66	67
DW Retention	90	87	90	84	84
DLW 6 Months Avg Earnings	$15,750	$14,443	$15,750	$15,542	$15,618
Youth Placement	62	48	58	58	58
Youth Attnmt of Deg or Cert	65	63	65	48	49
Youth Literacy/Numeracy	52	43	52	29	30