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**Workforce Investment Act  
State Compliance Policies**

**SECTION 1.16                      Performance Standards/Incentive Awards    September 2005**

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**I.            INTRODUCTION**

Sections 128(a) & 133(a)(1) of the Workforce Investment Act of 1998 and §666.400 of the Final Regulations dated August 11, 2000 require that the State Workforce Investment Board use a portion of the funds reserved for statewide activities to provide Incentive Grants to local areas for exemplary performance on the local performance measures and for local coordination of activities carried out under the Act.

The amount of funds to be used for the incentive grants will be decided annually by the Governor in collaboration with the State Workforce Investment Board.

The State will negotiate annually with each Local Workforce Investment Board on the expected local levels of performance for each of the seventeen performance measures as required by §666.310. [Refer to Attachments B – Northern Board & C – Southern Board – Negotiated levels of performance for each local board (attachments will be updated annually after negotiations are concluded)]

**II.          LOCAL INCENTIVE GRANT CRITERIA [TEGL 8-99]**

- A.**        §666.110 and §666.300 allows the Governor to add additional performance measures for the local areas, which must be included in the State Plan. No additional performance measures for the local areas were added by either the Governor or the State Workforce Investment Board and only the federally mandated performance measures outlined in §666.100 will be used.
  
- B.**        To be eligible to receive an incentive grant the local workforce investment area must achieve at least a 100% cumulative average score for each of the program areas and for the customer satisfaction group. In addition, none of the 17 measures can fall below 80% of the negotiated performance levels. [refer to Attachment A - Illustration of Calculations]

**III.        INCENTIVE GRANT AWARD PROCESS**

- A.**        **CALCULATION OF PERORMANCE LEVELS:** the following documents will be used to calculate the performance levels on the seventeen core measures for each Local Workforce Investment Board [LWIB]:

1. Quarterly Summary Report for the 4<sup>th</sup> Quarter (due to DETR/IDP Research & Analysis 30 days after the end of the program ye
2. Customer Satisfaction Survey Results: on-going survey conducted and analyzed by DETR/IDP Research and Analysis.
3. Unemployment Insurance Quarterly Wage Records – DETR/IDP Research and Analysis will access records, when required.

**B. AMOUNT OF INCENTIVE AWARD:**

1. Funds set aside for the annual incentive awards will be split 50/50 between the southern and northern local workforce investment boards.
2. A Local Workforce Investment Board will be notified in writing the dollar amount of the grant awarded.

**C. APPLYING FOR INCENTIVE GRANT:**

1. Within thirty (30) days of the date of notification of the award, the Local Workforce Investment Board will submit to DETR/ESD-Workforce Investment Support Services a narrative outlining the allowable WIA Title IB activities to be undertaken and a supporting budget (§666.410);
2. DETR/ESD – Workforce Investment Support Services will review the narrative and budget submitted and recommend approval or request revisions by the local board(s), as required, within thirty (30) days of receipt.

**IV. FISCAL REQUIREMENTS:**

- A. Separate quarterly expenditure reports for Incentive Grants are required and will be submitted to DETR/ESD – Workforce Investment Support Services within thirty (30) days after the end of each quarter [TEGL 16-99 & §667.300(c) & (d)];
- B. Funds will be reported and tracked separately by year of appropriation and identified by cost category (§667.210); funds not expended within the current year and the succeeding program year must be returned to the State. (§667.107)

**V. FAILURE TO MEET THE NEGOTIATED PERFORMANCE LEVELS.  
(§666.420 (a) & (b), TEGLs 7-99 & 8-99 and WIA State Compliance Policy  
Section 5.6]**

- A. If a local area fails to meet the negotiated levels of performance for the core measures of performance or customer satisfaction indicators for a program in any program year, technical assistance must be provided with funds reserved for the statewide workforce investment activities. A maximum of 15% of the 50% set aside for each LWIB can be used for technical assistance and capacity building activities to assist LWIB in improving performance. Remaining funds will be returned to the SWIB Budget Committee's contingency fund. Technical assistance may include:
1. Development of a performance improvement plan;
  2. A modified local plan or
  3. Other actions designed to assist the local area in improving performance.
- B. If a local area fails to meet the negotiated levels of performance for the core measures of performance or customer satisfaction indicators for a program for two consecutive years, corrective action must be taken which may include:
1. Development of a reorganization plan;
  2. Requiring the appointment and certification of a new Local Workforce Investment Board;
  3. Prohibiting the use of particular service provider(s) or One-Stop partners that have been identified as achieving poor levels of performance; or
  4. Requiring other appropriate measures designed to improve the performance of the local area.

Note: the Local Workforce Investment Board may appeal to the Governor to rescind or revise a reorganization plan not later than thirty (30) days after receiving notice of the plan; the Governor has thirty (30) days after receipt of the appeal to reach a final decision; in turn the Local Workforce Investment Board may appeal the Governor's decision to the Secretary of Labor; the reorganization plan becomes effective on the date it is issued and remains in effect from that date unless the Secretary rescinds or revises the plan. [§666.420 (c)]

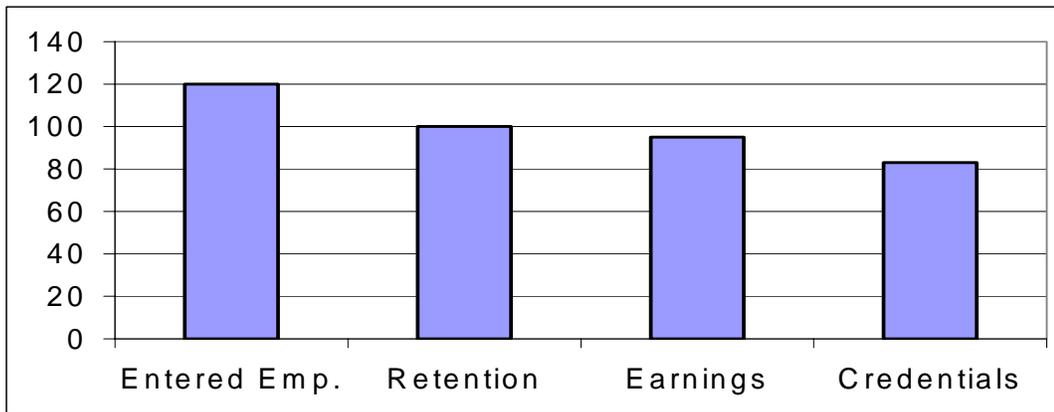
## Attachment A

### ILLUSTRATION OF CALCULATIONS

1. Below is an illustration of how LWIBs would meet performance levels to be eligible for incentive awards. The example indicates four performance measures for the adult area, and the extent to which a LWIB exceeded or fell below the negotiated performance levels on each of those measures.

Note: although the LWIB did not achieve two of the negotiated targets of 100%, their performance on each of the measures was above the 80% benchmark, therefore they are within the acceptable performance range.

#### *Adult Program Performance Scores*

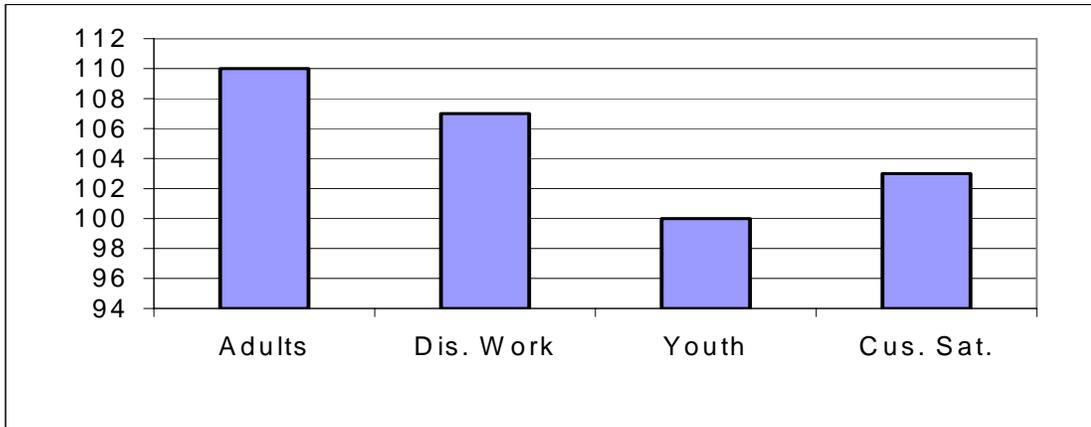


2. The next chart indicates how the cumulative program scores across all programs including customer satisfaction are used to determine LWIBs eligibility for an incentive award. The bars for each program represent the cumulative program score.

To encourage LWIBs to strive to achieve negotiated levels of performance, rather than just meet the lower 80% acceptable level, incentive grants will only be awarded to LWIBs that achieve a cumulative score in each area, adults, youth, dislocated worker, and customer satisfaction, that is 100% or greater. In addition to achieving a 100% cumulative score in each area, LWIBs must not fall below 80% of their negotiated level on any single measure.

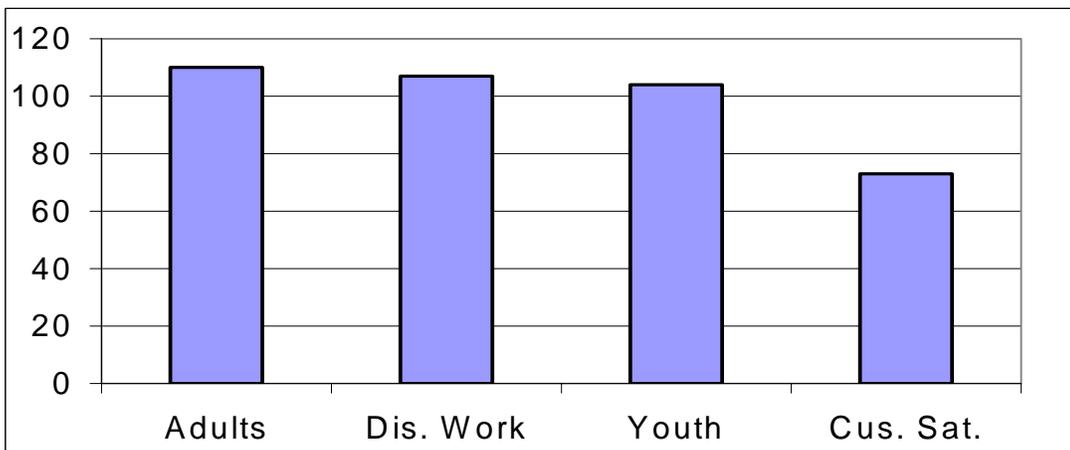
The chart below indicates the LWIB has a cumulative program score of 110% of the negotiated target for the adult program, 107% for the dislocated workers, 100% for the youth program, and 103% cumulative score for the two customer satisfaction measures. No performance measure is below 80% of the negotiated level, therefore, the LWIB would be eligible for an incentive grant.

***LWIB Cumulative Program Scores***



- In the illustration below, a LWIB has cumulative program scores of 100% or higher in all of the negotiated target performance level, but has less than 100% cumulative score in customer satisfaction. As a result, the LWIB would not be eligible to receive an incentive grant.

***LWIB Cumulative Program Scores With One Program Area Below the 80% Threshold***



Cumulative scores will not be averaged across areas and LWIBs cannot make up a deficit in one area by exceeding performance in another.