

Mass Workforce Issuance

Workforce Issuance No. 08-48

Policy **Information**

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DCS Regional Managers

cc: WIA State Partners

From: Michael Taylor, Director
Department of Workforce Development

Nancy Snyder, President
The Commonwealth Corporation

Date: November 12, 2008

Subject: **WIA Title I Performance Incentives and Sanctions, Revised**

Purpose: To notify CEOs, Local Workforce Investment Boards, One-Stop Career Center Operators and other local workforce investment partner of the Commonwealth's revised policy with regard to both incentives and sanctions related to local WIA Title I performance. This policy issuance revises and replaces guidance provided in WIA Communication No. 01-58, WIA Title I Performance Incentives and Sanctions (12/27/2001).

Background: Section 666.400 of the WIA Final Regulations requires that states use a portion of the funds reserved for statewide workforce investment activities under WIA Title I to provide incentive grants to local areas for exemplary performance with regard to the measures incorporated into the local Annual Plan. The amount of funds and the criteria used for determining exemplary performance levels needed to qualify for the incentive grants are determined by the Governor.

Section 666.420 of the WIA Final Regulations outlines the sanctions, technical assistance activities and corrective actions required of states if a local area fails to meet the negotiated levels of performance for the Title I core indicators.

On October 10, 2007, USDOL issued Training and Employment Guidance Letter No. 9-07, Revised Incentive and Sanction Policy for Workforce Investment Act Title IB Programs:

<http://wdr.doleta.gov/directives/attach/TEGL09-07acc.pdf>

TEGL No. 9-07 revised the financial sanctioning formula for failure to meet negotiated Adult, Dislocated Worker and Youth measures that had been described in TEGL 19-02 (2/10/2003). Furthermore, TEGL No. 9-07 revised the performance incentive and sanction policy for states in order to align the policy with the implementation of Common Measures that were adopted by many (but not all, including Massachusetts) states under a waiver granted by USDOL. States that did not request the waiver to adopt the Common Measures (non-waiver states) were at a disadvantage with respect to the incentive and sanction policy as said “non-waiver” states continued to be measured against the original seventeen (17) performance measures, whereas “waiver” states were accountable for results against only nine (9) performance measures. To mitigate this inequity, USDOL revised its policy with respect to the performance measures to be counted for incentive eligibility for “non-waiver” states.

The Commonwealth has developed this policy issuance for local performance to align with performance accountability requirements consistent with the revisions described in TEGL No. 9-07.

Policy: INCENTIVE AWARDS

For the purpose of measuring local WIA Title I performance with respect to potential incentive award eligibility, the Commonwealth will measure local performance against the following measures for Adults and Dislocated Workers:

1. Entered Employment Rate;
2. Employment Retention Rate; and
3. Average Six Months Earnings.

For WIA Youth the measures are:

1. Older Youth Entered Employment Rate;
2. Older Youth Employment Retention Rate;
3. Younger Youth Diploma or Equivalent Rate; and
4. Younger Youth Retention Rate.

The criteria that will be applied to determine whether or not a local area is eligible for an incentive award are:

- Performance is at, or above 90% of the negotiated level for each applicable WIA measure described above; and

- The score for the average attainment rates for each of the WIA performance groups (adults, dislocated workers and youth) is at, or above 100%; and
- The local area has not requested a revision to lower its negotiated performance levels for any measure after the end of the third quarter of the program/performance year (March 31).

A local area determined to have achieved exemplary performance on Title I performance based on the criteria described above, will be eligible for an incentive award in the amount of \$20,000 from WIA Title I Statewide 15% funds.

SANCTIONS

For any local area failing to meet the required local levels of performance, the Commonwealth will use the following criteria to develop technical assistance activities and strategies to improve local performance and to apply sanctions:

- Any area that has failed to perform at 80% of the negotiated level for a specific performance indicator for a second consecutive year will be required to incorporate an agreed upon performance improvement plan as part of its current annual plan.
- The level of financial sanction for poor performance for a specific performance indicator within a program area will be directly related to the number of negotiated performance measures the area failed to meet within that program area for two consecutive years. The amount of any financial sanction will be determined based on the following:

No. Adult/Dislocated Worker Measures Failed	Maximum Amount of Sanction
1	1%
2	2%
3	3%

No. of Youth Measures Failed	Maximum Amount of Sanction
1	1%
2	2%
3 - 4	3%

The attached Desk Guide (Attachment A) provides a more detailed description of the procedures for determining local areas' eligibility for an incentive award or whether a performance improvement plan and/or potential financial sanctions will be applicable for failure to meet performance goals.

References: Workforce Investment Act of 1998, Sections 134 and 136
WIA Final Regulations, Part 666, Federal Register, August 11, 2000
USDOL TEGL No. 8-99, March 3, 2000
USDOL TEGL No 19-02, February 10, 2003
USDOL TEGL No 9-07, October 10, 2007

Effective: For Fiscal Year 2009 Performance

Inquiries: Please email all questions to PolicyQA@detma.org. Also, indicate Issuance number and description.