



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Labor and Training

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WORKFORCE INVESTMENT NOTICE: 06-06

Workforce Investment Act

FROM: John J. O'Hare, Administrator- Workforce Investment Office

SUBJECT: Revised Performance Standards Policy for Incentive Awards and Sanctions

DATE: December 13, 2006

1. PURPOSE

This issuance will provide you with the revised Performance Standards Policy for the distribution of WIA Incentive Funds for achieving negotiated levels of performance and the imposition of sanctions for failing to achieve acceptable levels. This policy supersedes WIN 01-10.

2. REFERENCES

Workforce Investment Act Sec: 136, 170; WIA Regulations: Sec. 666; TEGL 8-99; TEGL 19-02; TEGL 17-05; WIN 05-06 & 06-05 (Revised TA & Reorganization Policy for Failed Performance).

3. BACKGROUND

Each Local Workforce Investment Area in a State is subject to the same core indicators of performance and the customer satisfaction indicators that apply to the State under Sec. 666.100(a).

The Local Board and the Chief Elected Official must negotiate with the Governor and reach agreement on the local levels of performance for each indicator identified under Sec. 666.300. The levels must be based on the State negotiated levels of performance established under Sec. 666.120.

The performance levels agreed to must be incorporated in the local plan. **(WIA Secs. 118(b)(3) and 136(c).)**

Equal Opportunity Employer/Program

Auxiliary aids and services are available upon request
to individuals with disabilities

States must use a portion of the funds reserved for Statewide workforce investment activities under WIA sections 128(a) and 133(a)(1) to provide Incentive Grants to local areas for exemplary performance on the local performance measures.

The amount of funds used for Incentive Grants and the criteria used for determining exemplary local performance levels to qualify for the incentive grants are determined by the Governor. (WIA sec. 134(a)(2)(B)(iii).)

4. DISCUSSION

A. The State Role in Performance Standards

X Negotiate the numerical level with the DOL and with the Local Board for each of the Secretary's 17 core standards.

X Develop and implement an incentive policy consistent with DOL guidelines to be used in distributing incentive awards to WIAs. Such policy includes:

- Definitions of meeting and exceeding each of the 17 standards
- Criteria for determining which WIAs qualify for incentive awards.
- A method of calculating incentive awards.
- Developing and implementing policies to provide technical assistance to, and impose sanctions on, WIAs that fail to meet their standards.

B. The WIA and WIB Role in Performance Standards

LWIAs, with guidance from LWIBs, have the responsibility for implementing WIA programs and for making program design decisions about service and client mix. In making these decisions, WIAs must try to balance local goals, their assessment of local conditions, and the performance-standards incentives offered by the State. WIAs are also motivated to perform well for a number of reasons, including the desire to (1) develop programs that achieve high-quality of outcomes, (2) be accountable to local elected officials and representatives of the WIB, (3) be in a position to receive incentive awards, and (4) avoid possible reorganization as a consequence of failing to perform at acceptable levels for 2 years in succession.

C. Source of Funds

Each year the State will make funds available for incentive awards to Local Areas from its 15% set-aside. The amount of funds will be based on the level of the Federal allotment to the State for Adult, Youth and Dislocated Worker programs.

D. Basis for Incentive Awards to the WIAs

To be eligible to receive an incentive award, a Local Area must meet two criteria. A Local Area must achieve at least a 100% cumulative program area score for each of the program areas and for the customer satisfaction group. In addition, a Local Area may not have any of their 17 measures fall below 85% of their negotiated performance levels.

E. Funding Levels for Incentive Awards

The amount of the Incentive Award that each WIA will receive will be based on the extent to which each WIA exceeds the negotiated level of the 17 Core standards and the 100% cumulative program score. Seventy-Five percent of the funds will be provided for the 17 standards and 25% will be available for the 4 program area scores.

F. Utilization of Funds

Incentive funds received by WIAs may be used for any activities allowed under WIA Title 1-B.

G. Basis for Imposition of Sanctions

As described in WIN 06-05 (Revised TA & Reorganization for Failed Performance Policy), performance that is less than 80 percent of the negotiated levels will be deemed a failure and subject to the following:

- X Failure for the first year requires the Governor to provide technical assistance to a WIA.

- X Failure for a second year requires the Governor to impose a reorganization policy to a WIA.

H. Monetary Sanction

If performance is unacceptable for two consecutive years on the same performance indicator, monetary sanctions may be imposed. Sanctions will be determined on a case-by-case basis, and may range from 1% up to a maximum 5% reduction in the program area in which the standard was failed.

5. INQUIRIES

Questions concerning this Workforce Investment Notice may be directed to me at 462-8782 (johare@dlt.state.ri.us) or Donna Treglia (dtreglia@dlt.state.ri.us) at 462-8784.