



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Labor and Training

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WORKFORCE INVESTMENT NOTICE: 07-08

TO: WORKFORCE INVESTMENT AREAS

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

SUBJECT: Revised Incentive and Sanction Policy for Workforce Investment Act (WIA) Title I-B Programs

DATE: October 17, 2007

- 1. PURPOSE.** This issuance supersedes WIN 06-06 and notifies the Workforce Investment System of TEGL 9-07. The intent of this guidance is to revise existing policy relative to incentives and sanctions under WIA for performance accountability purposes.
- 2. REFERENCE(S).** WIA Section 136, 20 CFR part 666; TEGL 8-99; TEGL 19-02; TEGL 3-03, Change 3; TEGL 14-03, Change 1; TEGL 17-05 including Change 1; TEN 9-06; WIN 05-06; WIN 06-05.
- 3. BACKGROUND.** Beginning in PY 2005, USDOL/ETA incorporated the definitions of common measures into the WIA performance accountability system. States with an approved reporting waiver are accountable for results against nine (9) performance measures rather than the seventeen (17) statutory WIA performance measures. Because of this, states that were granted waivers to report **only** common measures for PY 2005 were exempt from consideration for incentive grants. In order to hold all states to a comparable standard of performance for incentive purposes, all states are being treated as if they had requested the common measures performance waiver. Therefore, beginning with the PY 2006 performance measure outcomes and as a non-waiver state, the applicable measures for consideration for incentives and sanction determinations are as follows: Entered Employment Rate, Employment Retention Rate, and Average Six Months Earnings for Adult and Dislocated Worker programs; and for Youth programs: Older Youth Entered Employment Rate, Older Youth Employment Retention Rate, Younger Youth Diploma or Equivalent Rate, and Younger Youth Retention Rate.

Equal Opportunity Employer/Program

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

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 applicable measures.
 - 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 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. Basis for Incentive Awards to the WIAs

In order to hold all states to a comparable standard of performance for incentive purposes, all states beginning with PY 2006 are being treated as if they had requested the common measures performance waiver. Along with the other criteria referenced in Section 5 of TEGl 9-07 and described further in Section 6, to be eligible to receive an incentive award, a Local Area must achieve above 100% for each of the WIA program areas (adults, dislocated workers, and youth). In addition, a Local Area may not have any of the 10 applicable measures fall below 90% of their negotiated performance levels. (Refer to WIA Measures for Non-Waiver States in the TEGl attachment)

D. 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.

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 10 applicable measures and the 100% cumulative program score. Seventy-Five percent of the funds will be provided for the 10 applicable measures and 25% will be available for the 3 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

As outlined in Section 7 of TEGL 9-07, if performance is unacceptable for two consecutive years on the same performance measure, financial sanctions may be imposed.

5. ACTION REQUIRED. The revised incentive and sanction criteria as outlined in TEGL 9-07 is attached and made a part of this issuance. View this document at: <http://wdr.doleta.gov/directives/attach/TEGL09-07.pdf>

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