



ARKANSAS
Workforce Investment Board
POLICY MANUAL

No. WIB # DRAFT Revision Oct. 2008

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By _____ Effective: 03/___/2008

SUBJECT

Workforce Investment Act (WIA) Incentives Policy

APPROVED

POLICY STATEMENT:

This policy addresses the criteria required for Local Workforce Investment Areas to qualify for and receive annual incentive awards from the 15% Statewide Activities Fund.

General Information

The Workforce Investment Act (WIA) of 1998, Section 136, establishes 15 core measures and standards of performance to demonstrate results of program activities, and two customer satisfaction indicators. Performance levels are negotiated annually for each of the performance measures with the expectation that continuous improvement will be realized. **Training and Employment Guidance Letter (TEGL) No. 9-07 provides revised guidance related to incentives and sanctions under title 1B of the WIA. For purposes of determining eligibility for incentive grants a local area will be considered to have exceeded the negotiated levels of performance when it exceeds the negotiated levels for the measures outlined in this policy.**

Numeric performance targets, agreed to by the State and the USDOL Regional Office, are passed to local boards and establish the performance threshold for the program year. Attainment of negotiated levels of performance qualifies a local area for incentive awards under Section 136 of the Act, enables continuous process improvement, and contributes to the State qualifying for an incentive award under Section 503 of the Workforce Investment Act.

Incentive awards will be calculated and awarded to within-state WIA grant recipients according to the policy established herein and may be used for any activities allowed under WIA title I-B.

Incentives Policy

It is the intent of the Arkansas Workforce Investment Board to provide annual monetary incentive awards to Workforce Investment Area boards that meet or exceed qualifying performance standards outlined in this issuance. Funding will originate from the 15% Statewide Activities Fund established pursuant to the Workforce Investment Act, Sec. 128(a)(1).

There shall be a threshold to qualify for the minimum award and a scale to describe the escalation of awards based upon exceeding minimum qualifying levels of performance. The local incentive grant funds may be used for any activities allowed under WIA Title I, Subtitle B (also see Final Rules Sec. 666.410).

Qualifying for Incentive Monies

A local Workforce Investment Area will qualify for incentive monies based upon the extent to which it exceeds, meets, or falls below its negotiated performance levels for the applicable performance measures listed below:

APPLICABLE PERFORMANCE MEASURES FOR WIA INCENTIVE POLICY

WIA Measures (Non-Waiver States)		
Adult	Dislocated Worker	Youth
Entered Employment Rate	Entered Employment Rate	Older Youth Entered Employment Rate
Employment Retention Rate	Employment Retention Rate	Older Youth Employment Retention Rate
Average Six Months Earnings	Average Six Months Earnings	Younger Youth Diploma or Equivalent Rate
		Younger Youth Retention Rate

Award Distribution

Once qualified to receive an incentive grant, the final approach to distributing incentive awards will include consideration of the following:

- Available State incentive program year funding
- The extent to which goals were met and/or exceeded

Evaluating Performance for Incentive Awards

The extent to which each Local Area exceeds, meets, or falls below its negotiated performance levels will be examined. For each applicable performance measure, the percentage by which each Local Area met its negotiated performance level will be calculated (e.g., if an 80% negotiated performance level for the adult entered employment rate and the Local Area's actual performance was 80%, they would have achieved 100% of their negotiated performance level and receive a score of 100% on that measure. If the Local Area's actual performance was only 40%, they would have achieved only 50% of their negotiated target level and receive a score of 50% on that measure).

This analysis will be clustered by program area (adults, dislocated workers, and youth - both older and younger youth measures, so that each of the three groups will receive an aggregate performance score calculated from their scores for each measure in each program area. The exact aggregation approach to be used will be determined as actual performance information becomes available and will likely include simple or weighted averaging.

Evaluating Performance for Incentive Awards – Continued

The resulting score will be the cumulative program area score for each of the three areas. To be eligible to apply for an incentive grant, 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. In addition, a Local Area may not have any of their 10 designated measures fall below 80% of their negotiated performance levels in order to be eligible to apply for an incentive grant.

It is understood that as part of a continuous improvement strategy, Local Areas may wish to emphasize improvement on a particular measure (e.g., entered employment), which may have a slightly adverse effect on other measures in the same program area. To allow for these strategies, and to avoid consideration of sanctions for only missing their negotiated goal by a few percentage points, States will not trigger the sanctions process as long as they have achieved 80% of their negotiated performance levels for each measure.

To encourage Local Areas to strive to achieve the negotiated level of performance, rather than just to meet the lower acceptable level (80%) allowed, incentive grants will only be available for a Local Area that achieves a cumulative score in each area (adults/youth/dislocated worker/customer satisfaction) that is 100% or greater and where a Local Area does not fall below 80% of the negotiated level on any single measure.

Cumulative scores will NOT be averaged across areas; a Local Area cannot make up a deficit in one area by exceeding performance in another.