

Incentive, Capacity Building, and Technical Assistance Policy

Reference:

Workforce Investment Act of 1998; Full-Year Continuing Appropriations Act, 2011; Federal Register/Vol. 65, No. 156/Aug. 11, 2000/20 CFR 666.400; State Plan for PY 2011; TEGL 19-11; and Issuance 10-01, Ch. 1.

Background:

The Workforce Investment Act allows the Governor to reserve not more than 15% of the WIA Adult, Dislocated Worker and Youth allotments for statewide workforce investment activities. However, the Full-Year Continuing Appropriations Act of 2011 decreased the portion of formula grant funds the Governor may reserve for statewide activities by 10 percentage points, from 15% to 5% for “base” funds. Prior to PY 2012, the State’s policy on incentive, capacity building and technical assistance was described in the WIA State Plan, and funds were allocated to the Local Areas through WIA Issuances. TEGL 21-11 provided state planning guidance for the WIA Five-Year Integrated State Plan (7/1/2012 – 6/30/2017) and did not require descriptions of how the State and local boards evaluate performance, and corrective actions the State will take, including sanctions and technical assistance, if performance by the local areas falls short of expectations. Nebraska’s approved WIA Five-Year Integrated State Plan (7/1/2012 – 6/30/2017) includes a Waiver Requiring Incentive Grants to Local Areas. The Waiver was requested because the reduction to 5% of the WIA allotment of the Governor’s Reserve funds restricts the State’s ability to effectively fund and carry out all nine of the required statewide workforce investment activities, and the Waiver will ensure the State can prioritize the use of Governor’s Reserve funds for required statewide activities it deems most essential to the basic functions of the workforce investment system while allowing forward progress on the Governor’s statewide initiatives as identified in Nebraska’s WIA Five-Year Integrated State Plan (7/1/2012 – 6/30/2017).

Action:

After the 10 day public review period, this policy is considered final. Questions and comments should be submitted in writing to Jan Fox, Policy Coordinator, jan.fox@nebraska.gov.

Policy:

This policy establishes how the State will evaluate performance of the local workforce investment boards, describes what constitutes corrective actions, including sanctions and technical assistance, the State will take if performance falls short of expectations, and sets out how the State and local boards will use the review process to reinforce the strategic direction of the system. [WIA §§111(d)(2), 112(b)(1), and 112(b)(3)]

State's Evaluation of Local Performance – Each local area will submit participant data using NEworks, the State's Management Information System. State staff will track and review performance on a quarterly basis for the State as well as for each local area. This allows the performance measurement standards to be updated each quarter as actual data is received. The State and each local board are sent quarterly reports on their updated standards and actual performance. The State and local boards will be involved in a continuous evaluation of program performance. The Nebraska Workforce Investment Board's Performance Committee will review performance on a regular basis, oversee the corrective actions and technical assistance process, and determine what, if any, directional changes are required for the State or local areas. The State and local boards' performance system is based, in part, on a commitment to enhance local performance through incentive, capacity building, and technical assistance monetary awards, as funds allow. These awards are intended to reinforce the strategic direction of the system

Definition of Failure – Failure to meet performance standards occurs when a local area does not meet a cumulative average of 90% of the core performance level per program (adults, youth and dislocated worker).

Availability of Funds – If the funds reserved for statewide activities are up to 15%, then 2.5% of the Adult, Youth, and Dislocated Worker funds will be used for incentive awards, capacity building, and technical assistance. Nebraska will reserve 67% of this set-aside for incentive grants and 33% for capacity building and technical assistance.

STATEWIDE INCENTIVE AWARDS

To be considered eligible for receiving an incentive award (if available), a local area must have a cumulative average of 100% or more of the core performance level per program area and achieve no less than 90% for each of the common measures per program area. When calculating an individual standard, performance is rounded to whole numbers with .5 and over rounded up, and .4 and below rounded down. If the actual performance rounded is equal to or higher than the adjusted standard, the local area has met or exceeded the individual standard. If after rounding, actual performance is below the adjusted standard, the local area has not met that individual standard.

Of the funds available for incentive (the 67% share), distribution of the funds will be as follows:

Adults	Dislocated Workers	Youth
33%	33%	34%

When a local area has met the criteria to be eligible for incentives, the following factors will be used to evaluate performance and assign monetary awards:

- Factor 1.** Made 100% or more of the Secretary of Labor's performance standards in the cumulative and 90% or more in each individual standard
- Factor 2.** Placement in quality employment that provides fringe benefits
- Factor 3.** Placement in quality employment that exceeds the entry level wage at placement for the local area based on Labor Market Information data
- Factor 4.** Share of Exiters as identified in the Annual Report

Distribution of Incentive Funds for Adults, Dislocated Workers, and Youth

Adult

Of the total incentive funds available, 33% will be used to reward local areas that made 100% or more of the Secretary of Labor's core performance standards in the cumulative and 90% or more in each individual standard. The weight distribution for making 100% or more of these performance measures is:

Performance Measures	Weight
• Entry into Unsubsidized Employment	20%
• 6-Months retention in Unsubsidized Employment	20%
• Average Earnings	20%

Entry Level Wage at Placement		
Greater Omaha	Greater Lincoln	Greater Nebraska
\$9.89	\$9.17	\$9.05

Source: Labor Market Information Workforce Information Database entry level wages based on third quarter 2012

The other half of the 10% share will reward local areas which can verify that over half of those employed at termination will be eligible for fringe benefits with their employer. If no local area qualifies for this 10%, the funds allowed for this factor will be incorporated with the funds for Factor 1.

Thirty percent (30%) will be given to local areas eligible for this program's incentive based on their share of Adult exiters according to the Annual Report.

Dislocated Workers

Of the total funds available for incentive, 33% will be used to reward local areas that made 100% or more of the Secretary of Labor's core performance standards in the dislocated workers area. The weight distribution for making 100% or more of these performance measures is:

Performance Measures	Weight
• Entry into Unsubsidized Employment	20%
• 6-Months retention in Unsubsidized Employment	20%
• Average Earnings	20%

Ten percent (10%) will be used as a reward for placing participants in quality employment. Half of this share will be divided among the local areas which are able to exceed the Entry Level Wage at Placement for their area based on the following Labor Market Information data:

Entry Level Wage at Placement		
Greater Omaha	Greater Lincoln	Greater Nebraska
\$9.89	\$9.17	\$9.05

Source: Labor Market Information Workforce Information Database entry level wages based on third quarter 2012

The other half of the 10% share will reward local areas which can verify that over half of those employed at termination will be eligible for fringe benefits with their employer. If no local area qualifies for this 10%, then the funds allowed for this factor will be incorporated with the funds for Factor 1.

Thirty percent (30%) will be given to local areas eligible for this program's incentive based on their share of Dislocated Worker exiters according to the Annual Report.

Youth

Of the total incentive funds available, 34% will be used to reward local areas that made 100% or more of the Secretary of Labor's core performance standards for Youth. The weight distribution for making 100% or more of these performance measures is:

Performance Measures	Weight
• Placement in Employment or Education	20%
• Attainment of Degree or Certificate	20%
• Literacy and Numeracy Gains	20%

Ten percent (10%) will be used as a reward for placing participants in quality employment. Half of this share will be divided among the local areas which are able to exceed the Entry Level Wage at Placement for their area based on the following Labor Market Information data:

Entry Level Wage at Placement		
Greater Omaha	Greater Lincoln	Greater Nebraska
\$9.89	\$9.17	\$9.05

Source: Labor Market Information Workforce Information Database entry level wages based on third quarter 2012

The other half of this 10% share will reward local areas that can verify that over half of those employed at termination will be eligible for fringe benefits with their employer. If no local area qualifies for this 10%, then the funds allowed for this factor will be incorporated with the funds for Factor 1.

Thirty percent (30%) will be given to local areas eligible for this program's incentive based on their share of Youth exiters according to the Annual Report.

As stated in 20 CFR 666.410, local incentive grant funds may be used for any activities allowed under WIA title I-B.

CAPACITY BUILDING

Capacity building funds, when available, shall be used to provide capacity building efforts aimed at improving the competencies of Workforce Investment staff, board members, and the staff of One-Stop partners that provide service(s) to the One-Stop customer. Capacity building funds shall not be used to support the costs of regular staff meetings or board meetings unless a documented training effort is conducted. In this event, costs shall be shared as appropriate.

Local areas are encouraged to evaluate, identify, and coordinate staff training needs and make recommendations to the Office of Employment and Training (OET) regarding the need for statewide training projects. The procurement and organization of statewide training efforts shall be a coordinated effort between the three local areas and OET. In addition, local areas may request a portion of these funds if there is a justified need for additional capacity building funds.

All unexpended technical assistance and capacity building funds shall be subject to recapture by the State at the end of the program year.

TECHNICAL ASSISTANCE

Local areas that fail to meet performance standards are eligible to receive technical assistance funds, when technical assistance funds are available, to aid them in correcting their performance. The amount of funds set aside for technical assistance will be identified at the same time the incentive funds are awarded. Before technical assistance funds are distributed, the local area must submit a corrective action plan that addresses:

- the analysis done to determine the causes for the failure, and
- the steps that will be taken to correct the problems along with an estimated line item budget to accomplish the steps.

The Nebraska Department of Labor's Office of Employment and Training (OET) will assist the local area in identifying training opportunities that relate to areas where correction is needed. After the corrective action plan has been approved and funds distributed, a monthly review of performance will be conducted at the state level. If improvement does not take place by the end of the following quarter, a meeting will be held with representation from the local area administrative unit, local workforce investment board and the state administrative office.

SANCTIONS

The State will take corrective action toward any local area that fails to meet the 90% performance level for the core indicators of performance for a program area (adults, youth and dislocated workers) two years in a row. The State sanction policy will require a reorganization plan within 180 days of the end of the second program year of any local area that fails to meet performance expectations in the same program area in two consecutive years. Local areas will have 30 days from receipt of the reorganization plan notice to appeal to the Secretary of Labor to rescind or revise the plan.

Any local area that has a reorganization plan imposed by the State must implement the plan by the end of the program year in which the plan was issued. In addition, during that timeframe the local area will not be eligible for incentive funds, if incentive funds are available.

The reorganization plan may require the appointment and certification of a new local Workforce Investment Board, prohibit the use of service providers or One-Stop partners that have been identified as achieving poor levels of performance, or make such other changes as the State determines to be necessary to improve performance.

The Governor shall notify the Secretary of Labor and the local Workforce Investment Board of the failure, the reorganization plan and the technical assistance that will be provided.