

**WASHINGTON STATE
WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD
MEETING NO. 173
SEPTEMBER 26, 2013**

WORKFORCE INVESTMENT ACT INCENTIVE POLICY

The U.S. Department of Labor's (DOL) 2012 comprehensive review of Washington's Workforce Investment Act (WIA) Title I-B programs included a finding that the state had not been providing performance incentives to local workforce areas as required by WIA. In earlier years, the state had provided incentive awards to areas that met or exceeded their performance targets, but the state had ceased this practice due to reductions in federal funding (the elimination of funding for what is known as the Governor's Ten Percent Funds). Despite the budget reductions, DOL indicated that the state must implement an incentive awards policy or request a waiver. Conversations with the Workforce Development Councils concluded that even small incentive awards were better than requesting a DOL waiver of any incentive awards.

The Employment Security Department has managed to make available up to \$60,000 across all areas of the state for performance incentives for Program Years (PY) 2011 and 2012. DOL has indicated that the incentive awards for PY 2011 must be disbursed by the end of September 2013.

As stated in the performance accountability chapter of *High Skills, High Wages: Washington's Strategic Plan for Workforce Development*, and had been the practice during the years that the state did provide incentive awards:

For WIA Title I-B, the Governor may earmark a portion of the state set-aside to reward local areas that exceed 100 percent of the average of the expected levels of performance for the state and federal core measures. The Workforce Board establishes the policy for incentive awards, and the Employment Security Department (ESD) allocates these funds to local areas.

The following page includes a proposed policy for the allocation of incentive funds to local workforce development areas for PY 2011 performance, and a recommended motion for Board adoption.

Board Action Requested: Adoption of the Recommended Motion.

RECOMMENDED MOTION

WHEREAS, Title I-B of The Workforce Investment Act (WIA) indicates that states are to use funds reserved for statewide employment and training activities to provide incentive grants to local areas for exemplary performance on the local performance measures; and

WHEREAS, The U.S. Department of Labor has indicated that Washington must either provide such incentive grants or request a waiver from the Department even though Congress has not appropriated moneys for what is commonly referred to as the Governor's Ten Percent Funds; and

WHEREAS, The Workforce Development Councils have indicated they prefer that the state provides minimal incentive grants rather than request a waiver; and

WHEREAS, The Workforce Development Councils achieved an average of 114 percent of the performance targets for Program Year 2011 for the state and federal performance measures for WIA Title I-B and every Workforce Development Council exceeded an average of 100 percent; and

WHEREAS, Workforce Training and Education Coordinating Board staff have worked with staff from the Employment Security Department to identify an allocation policy to reward Workforce Development Councils for their performance; and

WHEREAS, "High Skills, High Wages: Washington's Strategic Plan for Workforce Development" indicates that the Workforce Board establishes the policy for incentive awards;

THEREFORE, BE IT RESOLVED, The Workforce Training and Education Coordinating Board adopts the following policy for the allocation of incentive awards to Workforce Development Councils for Program Year 2011 performance:

Each Workforce Development Council that exceeded an average of 110 percent of the performance targets for the state and federal performance measures for WIA Title I and did not fail to achieve at least 80 percent of target on any measure shall receive \$5,000;

Each Workforce Development Council that exceeded an average of 100 percent of the performance targets, but less than an average of 110 percent, for the state and federal performance measures for WIA Title I and did not fail to achieve at least 80 percent of target on any measure shall receive \$2,000;

A plaque shall be given to recognize the Workforce Development Council that had the highest average performance compared to its targets on the state and federal performance measures for WIA Title I;

A plaque shall be given to recognize the Workforce Development Council that exceeded an average of 100 percent of its targets on each and every state and federal performance measure for WIA Title I; and,

The Workforce Board shall send a letter to each Workforce Development Council congratulating them on a job well done for achieving more than an average of 100 percent of the performance targets for the state and federal WIA Title I-B performance measures.