

ALABAMA WORKFORCE INVESTMENT SYSTEM

Department of Commerce
Workforce Development Division
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October 29, 2018

GOVERNOR'S WORKFORCE INNOVATION DIRECTIVE NO. PY2015-16, Change 03

SUBJECT: Local Area Performance Management Policy

1. Purpose. This Directive transmits the updated Incentive Awards policy and gives guidance on the Sanctions Policy.

2. Discussion. The Workforce Innovation and Opportunity Act (WIOA) Section 134(a)(3)(A)(xi) provides for the awarding of incentive payments to local areas, which demonstrate exceptional WIOA program performance accountability measures described in WIOA Section 116(c). Local Workforce Development Areas that meet or exceed their negotiated performance goals are eligible to receive incentive awards. The policy previously stated that in order to be eligible to receive an incentive award in a category (i.e. Adult, Youth, or Dislocated Worker), a local area had to meet or exceed all five WIOA performance goals set for the area. For Program Year (PY) 2017, however, goals were not set for all five performance measures. For the Adult and Dislocated Worker categories, four performance goals were set: Employment Rate (2nd Quarter post-exit), Employment Rate (4th Quarter post-exit), Median Earnings (2nd Quarter post-exit), and Credential Rate (4th Quarter post-exit). A goal was not set for Measurable Skills Gains. For the Youth category, three performance goals were set: Placement in Employment/Training/Education (2nd Quarter post-exit), Placement in Employment/Training/Education (4th Quarter post-exit), and Credential Rate (4th Quarter post-exit). Goals were not set for Median Earnings (2nd Quarter post-exit) and Measurable Skill Gains.

Since goals were not set for all five measures in any category and since PY 2017 continued to be a transition year in collecting data for WIOA measures and the newly created seven local areas, the incentive awards policy is being changed. In order to be eligible to receive an


incentive award for the Adult or Dislocated Worker categories, local areas must meet or exceed three of the four performance goals for that category. In order to be eligible to receive an incentive award for the Youth category, local areas must meet or exceed two of the three performance goals for that category. Meeting a goal is defined as reaching ninety percent of the level at which a particular goal is set.

Please note that while meeting goals makes the local area eligible for award in a particular category, funds are awarded for the number of percentage points by which a goal is exceeded above the ninety percent threshold. For example, for Youth a local area could reach fifty percent of the Credential Rate (4th Quarter post-exit) goal, ninety percent of the Employment/Training/Education (2nd Quarter post-exit) goal, and ninety-five percent of the Employment/Training/Education (4th Quarter post-exit) goal. The local area would be eligible to receive an incentive award because it reached at least ninety percent for two of the three goals, but funds would only be awarded for the Employment/Training/Education (4th Quarter post-exit) goal since it was the only one that exceeded ninety percent.

WIOA also indicates in Section 116(g) that sanctions shall be levied against local areas that perform below their negotiated performance goals. Failing to meet a performance goal is defined as local area performance below ninety percent of the level at which a particular goal is set. All seven local areas did not meet at least one or more of their performance goals for PY 2017. Please refer to Attachment 2 for PY 2017 local area performance. According to the Sanctions Policy in effect issued through Governor's Workforce Innovation Directive PY2015-16, Change 02, technical assistance will be provided for the first year that local areas fail to meet any of the goals. PY 2017 was the first year of operation for all seven local areas and the first year performance levels were not met in each area. The local areas that did not meet one or more performance goals for PY 2017 have failed performance for those measures for the first year and will be provided technical assistance by state staff. Local areas will be contacted by state staff to arrange technical assistance.

3. Action. Please review the attached document and retain for future reference and ensure that all appropriate staff and local chief elected officials are aware of the updated policy for incentive awards as well as the upcoming technical assistance for failure to meet all performance goals.

4. Contact. Any questions should be referred to Bill Hornsby, Supervisor, State Programs, Planning, and Divisional Budget Management Section at (334) 242-5847 or via e-mail: bill.hornsby@commerce.alabama.gov.



**Steve Walkley, Division Director
Workforce Development Division
Alabama Department of Commerce**



Date

Attachments:

- Attachment 1 – Incentive Policy
- Attachment 2 – PY 2017 Local Area Performance

Workforce Innovation and Opportunity Act (WIOA) Incentive Policy

As was the policy under the Workforce Investment Act, a small percentage of the Governor's Set Aside 10 Percent funds will be made available under the Workforce Innovation and Opportunity Act (WIOA) per Section 134(a)(3)(A)(xi) for incentive awards. These awards will be based on the State's Incentive Award Policy.

Local Workforce Development Areas (LWDAs), which lose funds due to non-expenditure during the two program years allowed for the expenditure of local area funds, will not be eligible for an Incentive Award for the particular fund source (Adult, Dislocated Worker, or Youth) for which the LWDA lost funds due to non-expenditure. This policy also applies if there is a reallocation from a local workforce development area due to a failure to obligate funds at a minimum 80 percent level for the prior program year.

LWDAs, which meet or exceed three of the four WIOA Adult performance goals in effect for Program Year (PY) 2017, will be eligible to receive an Adult program Incentive Award. LWDAs, which meet or exceed three of the four WIOA Dislocated Worker performance goals in effect for PY 2017, will be eligible to receive a Dislocated Worker program Incentive Award. LWDAs, which meet or exceed two of the three WIOA Youth performance goals in effect for PY 2017, will be eligible to receive a Youth program Incentive Award. Qualifying for an incentive award requires compliance with the above-noted expenditure requirements and the obligation requirements. (The Employer Measures will not be considered in the awarding of Incentive funds as it does not relate to a particular fund source.)

The state defines "meeting a performance goal" as LWDA performance at ninety percent of the level at which a particular goal is set. "Exceeding a performance goal" is LWDA performance above ninety percent of the level at which a goal is set and "failing to meet a performance goal" is LWDA performance below ninety percent of the level at which a particular goal is set.

Incentive Awards will be distributed as follows:

An amount of available Adult, Dislocated Worker, and Youth Incentive Award funds corresponding to each eligible LWDA's adjusted performance year formula allocation share will be set aside.

The USDOL/ETA negotiated WIOA performance goals are effective for Program Year 2017, and the following process will apply:

Each eligible LWDA's Adult Incentive funds will be divided into four equal portions, or shares.

- ❖ One share is linked to the LWDA's Adult Employment Rate (2nd Quarter post-exit).
- ❖ One share is linked to the LWDA's Adult Employment Rate (4th Quarter post-exit).
- ❖ One share is linked to the LWDA's Adult Median Earnings (2nd Quarter post-exit).
- ❖ One share is linked to the LWDA's Adult Credential Rate (4th Quarter post-exit).

Note that no goal was established for "Adult Measurable Skills Gain (Current Quarter)" for PY 2017.

Each eligible LWDA's Dislocated Worker Incentive funds will be divided into four equal portions, or shares.

- ❖ One share is linked to the LWDA's Dislocated Worker Entered Employment Rate (2nd Quarter post-exit).
- ❖ One share is linked to the LWDA's Dislocated Worker Employment Rate (4th Quarter post-exit).
- ❖ One share is linked to the LWDA's Dislocated Worker Median Earnings (2nd Quarter post-exit).
- ❖ One share is linked to the LWDA's Dislocated Worker Credential Rate (4th Quarter post-exit).

Note that no goal was established for "Dislocated Worker Measurable Skills Gain (Current Quarter)" for PY 2017.

The proportion of each eligible LWDA's Youth Incentive funds will be divided into three equal portions, or shares.

- ❖ One share is linked to the LWDA's Youth Placement in Employment/Training/Education (2nd Quarter post-exit).

- ❖ One share is linked to the LWDA’s Youth Placement in Employment/Training/Education (4th Quarter post-exit).
- ❖ One share is linked to the LWDA’s Youth Credential Rate (4th Quarter post-exit).

Note that no goals were established for “Youth Median Earnings (2nd Quarter post-exit)” and “Measurable Skills Gain (Current Quarter)” for PY 2017.

NOTE: Incentive Award allocations will be made from the data as reported to the U.S. Department of Labor as the final performance results for the previous program year. The awards are based on current program year funds, but the calculations for those awards are based on the previous program year’s performance.

Each eligible LWDA whose actual Adult, Dislocated Worker, or Youth program performance **exceeds** corresponding performance goals will receive the portion of the Incentive funds set aside for that category as indicated below.

Percentage Measures Exceeded	Earnings (Change) Measures Exceeded	%
By up to 5 percent	By up to \$500	50%
Over 5, up to 10 percent	Over \$500, up to \$1,000	75%
By greater than 10 percent	By greater than \$1,000	100%

The procedure described above may well result in awarding the LWDA’s less than the full amount of Incentive funds set aside for a particular performance category. Following this initial distribution of Incentive funds associated with the various performance measures, the full amount of any funds not awarded will be distributed in accordance with each LWDA’s composite index of actual performance against performance goals, summed overall performance categories. These composite indices will weigh only those performance categories in which the LWDA has exceeded the associated goal, that is, have an actual/goal index greater than one. In the event that **all seven LWDA’s** performance in a particular category, i.e. Adult, Dislocated Worker or Youth, should fall below the index described in this paragraph for the second distribution method, it will result in **no** LWDA receiving the residual funds in the associated category.

Any funds remaining after the two distribution methods previously described will be reclassified (per approved change to the appropriate allocation Directive) as “Other WIOA Activities” and utilized in State-Level programs.

**North Alabama Works!
FINAL PY17 Performance**

MEASURES	GOAL	Final PY17 Performance	Numerator/Denominator
<u>ADULT</u>			
Entered Employment Rate 2 nd Quarter	75.3%	77.6%	333/429
Entered Employment Rate 4 th Quarter	73.4%	74.9%	173/231
Median Earnings 2 nd Quarter	\$5,550	\$4,927	
Credential Attainment w/in Yr. after Exit	53.8%	59.1%	114/193
Measurable Skill Gains	Goal not established	45.5%	275/605
<u>DISLOCATED WORKER</u>			
Entered Employment Rate 2 nd Quarter	78.0%	81.6%	111/136
Entered Employment Rate 4 th Quarter	75.0%	77.9%	67/86
Median Earnings 2 nd Quarter	\$6,300	\$6,733	
Credential Attainment w/in Yr. after Exit	55.5%	58.4%	45/77
Measurable Skill Gains	Goal not established	42.7%	53/124
<u>YOUTH</u>			
Placed in Employ/Education 2 nd Quarter	53.0%	65.0%	228/351
Retention Employ/Education 4 th Quarter	64.5%	66.7%	106/159
Median Earnings 2 nd Quarter	Goal not established	\$2,887	
Credential Attainment w/in Yr. after Exit	52.8%	21.9%	34/155
Measurable Skill Gains	Goal not established	42.6%	213/500

BOLD: Exceeded Goal
RED: Failed to Meet 90% Threshold

[as of 09/13/18]

East Alabama Works!
Final PY17 Performance

MEASURES	GOAL	Final PY17 Performance	Numerator/Denominator
<u>ADULT</u>			
Entered Employment Rate 2 nd Quarter	75.3%	76.7%	148/193
Entered Employment Rate 4 th Quarter	73.4%	68.0%	66/97
Median Earnings 2 nd Quarter	\$5,550	\$5,192	
Credential Attainment w/in Yr. after Exit	53.8%	50.6%	43/85
Measurable Skill Gains	Goal not established	57.5%	146/254
<u>DISLOCATED WORKER</u>			
Entered Employment Rate 2 nd Quarter	78.0%	82.8%	24/29
Entered Employment Rate 4 th Quarter	75.0%	75.0%	12/16
Median Earnings 2 nd Quarter	\$6,300	\$7,093	
Credential Attainment w/in Yr. after Exit	55.5%	76.9%	10/13
Measurable Skill Gains	Goal not established	47.8%	22/46
<u>YOUTH</u>			
Placed in Employ/Education 2 nd Quarter	53.0%	69.4%	77/111
Retention Employ/Education 4 th Quarter	64.5%	64.7%	33/51
Median Earnings 2 nd Quarter	Goal not established	\$2,733	
Credential Attainment w/in Yr. after Exit	52.8%	25.5%	13/51
Measurable Skill Gains	Goal not established	41.1%	53/129

BOLD: Exceeded Goal

RED: Failed to Meet 90% Threshold

[as of 09/13/18]

**West Alabama Works!
FINAL PY17 Performance**

MEASURES	GOAL	Final PY17 Performance	Numerator/Denominator
<u>ADULT</u>			
Entered Employment Rate 2 nd Quarter	75.3%	77.9%	180/231
Entered Employment Rate 4 th Quarter	73.4%	76.3%	87/114
Median Earnings 2 nd Quarter	\$5,550	\$4,849	
Credential Attainment w/in Yr. after Exit	53.8%	62.6%	62/99
Measurable Skill Gains	Goal not established	69.0%	236/342
<u>DISLOCATED WORKER</u>			
Entered Employment Rate 2 nd Quarter	78.0%	90.0%	27/30
Entered Employment Rate 4 th Quarter	75.0%	94.1%	16/17
Median Earnings 2 nd Quarter	\$6,300	\$8,412	
Credential Attainment w/in Yr. after Exit	55.5%	100%	9/9
Measurable Skill Gains	Goal not established	56.8%	25/44
<u>YOUTH</u>			
Placed in Employ/Education 2 nd Quarter	53.0%	62.4%	199/319
Retention Employ/Education 4 th Quarter	64.5%	65.5%	93/142
Median Earnings 2 nd Quarter	Goal not established	\$2,996	
Credential Attainment w/in Yr. after Exit	52.8%	15.2%	21/138
Measurable Skill Gains	Goal not established	54.8%	166/303

BOLD: Exceeded Goal
RED: Failed to Meet 90% Threshold

[as of 09/13/18]

**Central Alabama Partnership for Training and Employment
FINAL PY17 Performance**

MEASURES	GOAL	Final PY17 Performance	Numerator/Denominator
<u>ADULT</u>			
Entered Employment Rate 2 nd Quarter	75.3%	81.1%	308/380
Entered Employment Rate 4 th Quarter	73.4%	76.2%	138/181
Median Earnings 2 nd Quarter	\$5,550	\$6,115	
Credential Attainment w/in Yr. after Exit	53.8%	41.1%	67/163
Measurable Skill Gains	Goal not established	60.4%	189/313
<u>DISLOCATED WORKER</u>			
Entered Employment Rate 2 nd Quarter	78.0%	82.1%	69/84
Entered Employment Rate 4 th Quarter	75.0%	84.6%	33/39
Median Earnings 2 nd Quarter	\$6,300	\$9,710	
Credential Attainment w/in Yr. after Exit	55.5%	46.7%	14/30
Measurable Skill Gains	Goal not established	53.6%	37/69
<u>YOUTH</u>			
Placed in Employ/Education 2 nd Quarter	53.0%	68.7%	101/147
Retention Employ/Education 4 th Quarter	64.5%	72.2%	39/54
Median Earnings 2 nd Quarter	Goal not established	\$3,704	
Credential Attainment w/in Yr. after Exit	52.8%	31.4%	16/51
Measurable Skill Gains	Goal not established	88.8%	71/80

BOLD: Exceeded Goal

RED: Failed to Meet 90% Threshold

[as of 09/12/18]

Central Alabama Works!
FINAL PY17 Performance

MEASURES	GOAL	Final PY17 Performance	Numerator/Denominator
<u>ADULT</u>			
Entered Employment Rate 2 nd Quarter	75.3%	77.8%	273/351
Entered Employment Rate 4 th Quarter	73.4%	78.5%	153/195
Median Earnings 2 nd Quarter	\$5,550	\$5,344	
Credential Attainment w/in Yr. after Exit	53.8%	68.8%	119/173
Measurable Skill Gains	Goal not established	56.3%	224/398
<u>DISLOCATED WORKER</u>			
Entered Employment Rate 2 nd Quarter	78.0%	72.2%	13/18
Entered Employment Rate 4 th Quarter	75.0%	83.3%	10/12
Median Earnings 2 nd Quarter	\$6,300	\$6,532	
Credential Attainment w/in Yr. after Exit	55.5%	63.6%	7/11
Measurable Skill Gains	Goal not established	54.6%	18/33
<u>YOUTH</u>			
Placed in Employ/Education 2 nd Quarter	53.0%	56.2%	221/393
Retention Employ/Education 4 th Quarter	64.5%	59.4%	107/180
Median Earnings 2 nd Quarter	Goal not established	\$2,108	
Credential Attainment w/in Yr. after Exit	52.8%	6.8%	12/177
Measurable Skill Gains	Goal not established	41.2%	126/306

BOLD: Exceeded Goal

RED: Failed to Meet 90% Threshold

[as of 09/13/18]

**Southeast Alabama Works!
FINAL PY17 Performance**

MEASURES	GOAL	Final PY17 Performance	Numerator/Denominator
<u>ADULT</u>			
Entered Employment Rate 2 nd Quarter	75.3%	83.4%	282/338
Entered Employment Rate 4 th Quarter	73.4%	84.9%	196/231
Median Earnings 2 nd Quarter	\$5,550	\$5,455	
Credential Attainment w/in Yr. after Exit	53.8%	76.5%	163/213
Measurable Skill Gains	Goal not established	69.4%	213/307
<u>DISLOCATED WORKER</u>			
Entered Employment Rate 2 nd Quarter	78.0%	82.5%	33/40
Entered Employment Rate 4 th Quarter	75.0%	79.3%	23/29
Median Earnings 2 nd Quarter	\$6,300	\$6,372	
Credential Attainment w/in Yr. after Exit	55.5%	74.1%	20/27
Measurable Skill Gains	Goal not established	72.3%	34/47
<u>YOUTH</u>			
Placed in Employ/Education 2 nd Quarter	53.0%	60.9%	148/243
Retention Employ/Education 4 th Quarter	64.5%	65.2%	86/132
Median Earnings 2 nd Quarter	Goal not established	\$2,156	
Credential Attainment w/in Yr. after Exit	52.8%	29.0%	38/131
Measurable Skill Gains	Goal not established	58.7%	132/225

BOLD: Exceeded Goal

RED: Failed to Meet 90% Threshold

[as of 09/13/18]

**Southwest Alabama Partnership for Training and Employment
FINAL PY17 Performance**

MEASURES	GOAL	Final PY17 Performance	Numerator/Denominator
<u>ADULT</u>			
Entered Employment Rate 2 nd Quarter	75.3%	81.8%	588/719
Entered Employment Rate 4 th Quarter	73.4%	82.4%	360/437
Median Earnings 2 nd Quarter	\$5,550	\$6,025	
Credential Attainment w/in Yr. after Exit	53.8%	46.9%	172/367
Masurable Skill Gains	Goal not established	47.2%	411/871
<u>DISLOCATED WORKER</u>			
Entered Employment Rate 2 nd Quarter	78.0%	85.8%	97/113
Entered Employment Rate 4 th Quarter	75.0%	95.9%	71/74
Median Earnings 2 nd Quarter	\$6,300	\$8,487	
Credential Attainment w/in Yr. after Exit	55.5%	28.8%	17/59
Masurable Skill Gains	Goal not established	50.7%	38/75
<u>YOUTH</u>			
Placed in Employ/Education 2 nd Quarter	53.0%	63.6%	212/333
Retention Employ/Education 4 th Quarter	64.5%	71.5%	93/130
Median Earnings 2 nd Quarter	Goal not established	\$2,722	
Credential Attainment w/in Yr. after Exit	52.8%	12.4%	10/81
Masurable Skill Gains	Goal not established	43.3%	123/284

BOLD: Exceeded Goal

RED: Failed to Meet 90% Threshold

[as of 09/12/18]