

# Oklahoma Employment Security Commission



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## Oklahoma Employment and Training Issuance # 08-2007

**DATE:** December 14, 2007  
**TO:** Grant Recipients  
**FROM:** Richard Gilbertson  
**SUBJECT:** WIA Incentives Policy for Program Year 2006

**PURPOSE:** This policy addresses the criteria required to qualify for and receive monies reserved for annual incentive awards to local Workforce Investment Areas from the Governor's 15% Statewide Activities Fund.

**BACKGROUND:** The Workforce Investment Act of 1998, Section 136, established 15 core measures and two customer satisfaction standards of performance to demonstrate results of program activities, and two customer satisfaction indicators. On February 17, 2006, Department of Labor Technical Employment Guidance Letter (TEGL) 17-05 implemented a total of 9 additional common performance measures for the Adult, Dislocated Worker and Youth Programs. The State of Oklahoma requested and received a waiver of the 17 (15 core and two customer satisfaction) indicators of performance for employment and training activities authorized under Section 136(b) of the Workforce Investment Act; replacing them with the new common performance measures for program year 2006. Performance levels are negotiated annually for each of the performance measures with the expectation that continuous improvement will be realized. Numeric performance targets, agreed to by the State and the region, are passed to local boards and establish the performance threshold for the program year. Although attainment of performance levels 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 program 2006 was an exception. Regional performance negotiations for the Youth program was not completed until after the close of the program year; therefore performance for the Youth program will not be considered in performance incentive calculations for program year 2006. The Adult and Dislocated Worker program performance was negatively affected by the change in the Wage Record Interstate System which caused many states to initially drop participation in the interstate wage exchange. Section 128 (a)(1) of the Workforce Investment Act empowers the Governor to set aside up to 15% of

WIA program funds for statewide workforce investment activities. A portion of that set-aside is used to fund local area incentive awards for Adult and Dislocated Worker performance under this policy.

**MESSAGE:** 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. Incentive grants to states for “regional cooperation among local boards and for local coordination of activities carried out under the Act”, and referenced in WIA Section 134(a)(2)(B)(iii) are not addressed in this issuance.

**INCENTIVES POLICY:** It is the intent of the Governor 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 Governor’s 15% Statewide Activities Fund established pursuant to the Workforce Investment Act, Sec. 128(a)(1). 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 for each of the Adult and Dislocated Worker programs that meet or exceed 100% of the total negotiated program performance.

The eligibility for performance incentive will be calculated by program using the following process. After determining what percentage of the negotiated level for each individual measure was achieved, that percentage will be totaled and divided by the number of performance measure applicable to that program. Each program, Adult and Dislocated Worker, will receive its own averaged percentage score.

#### **Example**

Adult Program	Negotiated Level	Actual Achieved	Percentage of Level Achieved
Retention	85%	70%	82% (example: 70 divided by 85 = 82)
Enter Employment	86%	90%	104%
Average Earnings	10200	13437	132%

#### Percentage Achieved

82%

104%

132%

318% divided by 3 = 106%

Total Adult Program Performance is 106%

**Award Calculation**

The State will then identify, by Area, the total number of programs that met at 100% or greater. The State will then combine the total of all qualifying Area's results and divide the total number of programs met at 100% or higher into the total amount of available funds. The resulting amount will give each "met" or "exceeded" program a dollar value which can be easily calculated out for award.

**Award Distribution**

Once qualified to receive an incentive grant, the final approach to distributing incentive awards will include consideration of the available State incentive funding for performance incentives.

**ACTION REQUIRED:** This is official state policy and should be kept in your permanent policy issuance file. Share this information with your staff and anyone else who will benefit from knowing this policy.

**RESCISSIONS:** This policy rescinds Oklahoma Employment and Training Issuance #14-2004

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