



TWC LETTER

ID/NO: WD 57-97

DATE: July 11, 1997

To: Local Workforce Development Boards
Private Industry Councils
TWC Executive Staff
TWC Regional Directors

From: Director of Workforce Development, Alan D. Miller

Subject: PY97 JTPA Performance Standards and 5% Incentive Grant Policy

PURPOSE: To transmit to the Boards the Governor-approved revisions to the JTPA performance standards and incentive grant policy for PY97.

REFERENCE: Public Law 102-367, Sections 106 and 202; 20 Code of Federal Regulations for JTPA, Sections 627.325 and 627.470; and 40 TAC Sections 805.163 - 805.165

BACKGROUND: Section 106 of the Job Training Partnership Act authorizes the Governor to award funds to JTPA PICs that exceed the Secretary of Labor's performance standards. Section 202 of the Act sets aside five percent of the funds received for Title IIA and Title IIC to award incentive grants to PICs that exceed performance standards. The provisions of this policy were approved by the TCWEC Executive Committee at its June 30, 1997 session and approved by the Governor.

ACTION REQUIRED: The Texas Workforce Commission encourages local Boards to review the enclosed information and distribute it to the appropriate staff. Special attention to the effects of this policy on Board plans, contracts and local policies is suggested.

INQUIRIES: If you have questions or require further clarification, please contact your assigned Workforce Consultant.

EXPIRATION: Until rescinded by TWC Letter.

PY97 JTPA Performance Standards and 5% Incentive Grant Policy

Introduction

The Governor has approved the following revisions for the JTPA performance standards and incentive grant policy for PY97:

1. Increase the amount of JTPA incentive dollars set aside for the Adult Welfare Follow-up Employment Rate and the Adult Welfare Follow-up Weekly Earnings from ten percent of the incentive funds to twenty-five percent (each) of the incentive funds available.

JTPA incentive funds are divided into individual amounts for each performance standard, for each service delivery area. For PY96, there were ten standards each weighted at ten percent of the incentive funds available. A PIC receives incentive dollars for each standard exceeded, dependent also on exceeding four of the six DOL standards (See item number 2). For PY97, the Governor has approved increasing the weight (i.e., amount of incentive dollars available) for the two adult welfare standards. This change focuses more of the incentive funds on rewarding local workforce development boards and PICs that are successful in training, placing and retaining welfare recipients in jobs with appropriate wages, as determined by the Department of Labor performance standards regression models. Table I presents the performance measures and percentage of incentive funds assigned to each measure for PY96 (columns A and B), and as approved for PY97 (columns C and D).

2. Change the eligibility criteria needed to receive any JTPA incentive funds.

The current policy requires that a Board/PIC must exceed performance standards for at least four of the six DOL standards to be eligible for any incentive grant. The Governor has approved changing eligibility for JTPA incentive grants as follows:

For performance in PY97, a Board/PIC must exceed five of the six DOL performance standards to be eligible for an incentive award. In addition, the Board/PIC must exceed both the Adult Welfare Follow-up Employment Rate and the Adult Welfare Follow-up Weekly Earnings standard to be eligible for any incentive grant.

For performance in PY98 a Board/PIC must exceed all of the six DOL performance standards to be eligible for an incentive award.

3. Change the tiers for awarding JTPA incentive grants.

The incentive grant amount awarded to a PIC for each standard exceeded is adjusted based on the extent to which the standard was exceeded. The current policy sets two tiers of performance. To qualify for funds in a given tier, the DOL performance standard must be exceeded above the 50th percentile of national performance for Tier I, and above the 65th percentile of national performance for Tier II.

The Governor has approved rewarding higher achievement in JTPA outcomes by changing the manner in which incentive grant funds are calculated by decreasing the amount of funds to be granted for Tier I performance and increasing the amount of funds to be granted for exceeding Tier II performance levels. The PY96 policy made 85% of the funds for each standard available for Tier I performance, and 15%, or the balance of the funds, attained for Tier II performance. For PY97, the Governor has approved the following:

Set Tier I funding at 40% of the funds available for each standard. Set Tier II funding at 60% of the funds available for that standard.

Change to Funds Available by Tier

Previous PY96 Policy	Governor Approved PY97 Revision
PY96 Tier I 85% of the funds	PY97 Tier I 40% of the funds
PY96 Tier II 15% of the funds	PY97 Tier II 60% of the funds

4. Delete the Model Out-of -School Youth Program (MOOSYP) State measure.

This measure was originally introduced by DOL as an optional measure in PY94 and a required measure for granting incentives in PY95. DOL policy for PY96 and PY97 is to encourage, but not require, governors to include in their incentive policy criteria relating to programs successfully serving out-of-school youth.

As implemented by the State, the Model Out-of-School Youth Program measure is process-oriented, focusing on client activities over outcomes. As such, the measure has had little effect on improving services to youth participants. Only nine areas submitted applications to receive incentive funds for this standard in PY95. Therefore, the Governor has approved that this measure be deleted for PY97. The Youth Entered Employment Rate and the Youth Employability Enhancement Rate are sufficient measures of outcomes for JTPA youth participants.

5. Delete the Adult High Wage at Placement State measure.

This is an optional State measure. This is a measure of the number of placements at wages above the Family Hourly Wage as defined in the Smart Jobs Act, adjusted for State planning regions. Since there are already two measures for wage (Adult Follow-up Weekly Earnings and Adult Welfare Follow-up Weekly Earnings) this measure is redundant and can be deleted. The measure will continue to be tracked as a quality indicator, though no incentive funds will be awarded.

6. Delete the Adult Employer Assisted Benefits Rate.

The Adult Employer Assisted Benefits Rate was originally introduced by DOL as an optional measure in PY94 and a required measure for granting incentives in PY95. DOL policy for PY96 and PY97 is to encourage, but not require, governors to include in their incentive policy criteria relating to placements in jobs providing employer-assisted benefits. The Governor has approved deleting this measure to allow more incentive funds to be awarded for adult welfare performance measures. The measure will continue to be tracked as a quality indicator, though no incentive funds will be awarded.

7. Retain the Service to JOBS/TANF Participants in JTPA standard for PY97. Develop a replacement measure for PY98.

The levels of service to JOBS participants measure should be revised in light of the need for a broad strategy for all programs, not just JTPA, to enhance services to TANF participants. The Texas Workforce Commission in coordination with the Council, will develop performance standards and an incentive strategy beyond the JTPA measures to address moving clients from welfare to work. There are measures in place in the contract (such as the TANF participation rates, the percent of TANF participants entering employment after entry into workforce services, the average participant earnings gain based on previous earnings) which are more specific to services to TANF participants and could be used as State measures for rewarding service to such participants in JTPA.

State leaders also need to decide what behavior to reward in terms of serving welfare clients. Possible goals include increased numbers of TANF participants in JTPA and longer-term, more intensive training for TANF participants resulting in higher wage placements. Either of these goals requires a different approach to encouraging performance.

The Governor agrees with staff that additional discussion is needed to develop a state TANF measure for PY98. This measure or measures must be in place no later than December 1997 to allow for local planning decisions prior to the next planning cycle. This effort should be a part of an overall policy strategy for performance measures, incentives and sanctions which considers all programs. The current State measure for service to JOBS/TANF participants will be retained until a new measure is developed and implemented.

8. Consult with Boards about building a comprehensive capacity building strategy and a bonus measure rewarding significant improvement in performance.

The Texas Workforce Commission, in coordination with TCWEC, will consult with representatives of local workforce boards to develop a bonus incentive measure for improved JTPA performance and to develop new capacity building strategies for workforce programs.

TABLE I

Previous PY96 Criteria and Governor -Approved PY97 JTPA Performance Criteria and Incentive Grant Weights

A PY96 JTPA Performance Criteria	B PY96 Weight of Criteria (percent of incentive grant dollars)	C Approved PY97 JTPA Performance Criteria	D Approved PY97 Weight of Criteria
Adult Follow-up Employment Rate	10%	Adult Follow-up Employment Rate	10%
Adult Follow-up Weekly Earnings	10%	Adult Follow-up Weekly Earnings	10%
Adult Welfare Follow-up Employment Rate	10%	Adult Welfare Follow-up Employment Rate	25%
Adult Welfare Follow-up Weekly Earnings	10%	Adult Welfare Follow-up Weekly Earnings	25%
Youth Entered Employment Rate	10%	Youth Entered Employment Rate	10%
Youth Employability Enhancement Rate	10%	Youth Employability Enhancement Rate	10%
Model Out-of- School Youth Program	10%	N/A	N/A
Adult Employer- Assisted Benefits Rate	10%	N/A	N/A
Adult High Wage Placements *	10%	N/A	N/A
Service to JOBS Participants *	10%	Service to JOBS/TANF Participants*	10%

* optional State performance measure

OVERVIEW OF GOVERNOR-APPROVED CHANGES TO THE JTPA INCENTIVE GRANT POLICY

The Governor has approved the following changes to the JTPA incentive grant policy:

- 1. Increase the amount of JTPA incentive dollars set aside for the Adult Welfare Follow-up Employment Rate and the Adult Welfare Follow-up Weekly Earnings from ten percent of the incentive funds to twenty-five percent (each) of the incentive funds available.**
- 2. Change the eligibility criteria needed to receive any JTPA incentive funds to exceeding five of the six DOL standards for PY97 performance and six of six standards for PY98.**
- 3. Change the tiers for awarding JTPA incentive grants to 40 percent of the available amount for Tier I performance and 60 percent of the available amount for Tier II performance.**
- 4. Delete the Model Out-of-School Youth Program (MOOSYP) State measure.**
- 5. Delete the Adult High Wage at Placement State measure for JTPA incentive grant purposes, but retain the measure as a quality indicator.**
- 6. Delete the Adult Employer Assisted Benefits Rate for JTPA incentive grant purposes, but retain the measure as a quality indicator.**
- 7. Retain the Service to JOBS/TANF Participants in JTPA standard for PY97. Develop new TANF-related State measures for awarding JTPA incentive grants for performance in PY98.**

