



ADULT AND DISLOCATED WORKER INCENTIVE PAYMENTS POLICY

Workforce Innovation and Opportunity Act Policies and Procedures

EFFECTIVE DATE: 11/5/2021

POLICY #: P214

I. PURPOSE:

To provide clarification and guidance on incentive payments to eligible Adult, Dislocated Worker and Statewide Activity funded program participants under Title I of the Workforce Innovation and Opportunity Act (WIOA).

II. BACKGROUND:

There is no specific reference in the WIOA final rules regarding incentive payments to adults and dislocated workers in 20 CFR 681.640. Furthermore, although the WIOA final rules and WIOA operating guidance state that guidance in this area is forthcoming, the one-stop system is still awaiting such guidance. Therefore, to provide additional clarification to Washington's WorkSource (one-stop) system, the LWDB is issuing this policy to support comprehensive service delivery. If and when federal guidance is issued, ESD will review the state policy and make necessary and appropriate revisions and the LWDB will update this policy, accordingly.

III. POLICY

Incentive Payments to Adult and Dislocated Workers Policy and Procedures

- A.** Incentives may be provided to WIOA Title I-B Adult, Dislocated Worker and Statewide Activity funded program participants in the manner outlined in the Incentive Policy P214.
 1. Incentives must be directly related to WIOA training services or work experience (WEX), as defined in the WorkSource Services catalogue, or be directly related to entry into unsubsidized employment.
 2. Incentives must not be paid to maintain employment in the second and fourth quarters after exit.
 3. Incentives payments with WIOA and statewide activities funds must be connected to recognition of achievement of milestones in the program tied to work experience or training. Such incentives for achievement include improvements marked by credential attainment or other successful outcomes.

The following is the exclusive list of allowable incentive achievements allowed:

- WEX, Employment, and Training Progress based upon achievements and milestones
- Attainment of credential related to a training service
- Progress or completion of work experience or training services including obtainment of job skills as specified in the training plan, or specific training or WEX attendance or task completion as documented on IEP or WEX contracts.

- Unsubsidized Employment Retention during active participation
 - Positive Measurable Skills Gain
4. All incentives must be in compliance with 2 CFR part 200 (e.g., federal funds must not be spent on entertainment costs, such as movie or sporting event tickets, gift cards to movie theaters, or other venues whose sole purpose is entertainment) and found in local Support Service policy P212.
 5. The LWDB must request and receive approval from the state annually prior to expending any new WIOA Title I-B formula grants or statewide activities funds on incentives to WIOA Title I-B Adult, Dislocated Worker, or Statewide Activity funded program participants.
 6. Providers must also internally maintain appropriate and identifiable expenditure records of incentive payments for the purposes of local, state, and federal monitoring/audits.
 7. Provider agencies must safeguard cash and other similar items (e.g., gift cards) with internal controls.
 8. The LWDB does not limit the total amount of incentives payments an enrolled WIOA Title I-B Adult, Dislocated Worker, or Statewide Activity funded program participant may receive in a program year (July 1 through June 30).
 9. Providers must document (case note) the following in the case management system for each participant that receives an incentive payment(s):
 - 1) the business case for the incentive payment's contribution to the participant's success and
 - 2) how the incentive payment was calculated.

IV. REFERENCES:

- WIOA Final Regulations, 20 CFR 681.640 – Are incentive payments to youth permitted?
- WIOA Final Regulations, 20 CFR 683.200(b)(2) – Allowable Costs and Cost Principles
- OMB Uniform Guidance, 2 CFR 200.456 – Participant Support Costs
- OMB Uniform Guidance, 2 CFR 200.75 – Participant Support Costs
- OMB Uniform Guidance, 2 CFR 200.407(t) – Prior Written Approval
- Training and Employment Guidance Letter (TEGL) 21-16
- Training and Employment Guidance Letter (TEGL) 19-16