**Section 2625.60 Performance Standards System**

a) Establishment of Title III Performance Standards System – In accordance with the requirements of Section 106 of the Act and the revisions made to Title III by the Economic Dislocation and Worker Adjustment Assistance Act (EDWAA), the Department shall prescribe performance standards for the Title III dislocated worker program for Program Year (PY) 1990-1991 (July 1, 1990 - June 30, 1992). EDWAA funds are available in three categories from the U.S. DOL: State Allocated EDWAA Funds (IIIA), Governor's Reserve Funds (IIIG), or Secretary's Reserve Funds (IIIN). The performance standards specified in this Section apply only to State Allocated EDWAA Funds (IIIA). The Department, in developing Title III performance standards, used the U.S. DOL's directive on Title III performance standards requirements issued in the April 13, 1990 edition of the Federal Register (55 FR 14012-14018) and the "Guide for Setting JTPA Title II-A and Title III (EDWAA) Performance Standards for PY 1990", issued November 1990, by the U.S. DOL Office of Strategic Planning and Policy Development.

b) U.S. DOL has issued a single performance standard, the entered employment rate, for the Title III program as well as an optional wage at placement goal.

c) The Governor is required to set an entered employment rate standard for each substate grantee and has the option of setting an average wage at placement standard.

d) Although the governor is required to use the performance standards established by U.S. DOL, the governor is permitted, within guidelines established by U.S. DOL, to adjust the national standards in setting performance expectations for the substate grantees. In light of this flexibility the State of Illinois has developed performance standards models using State of Illinois data.

e) Performance standards are based on statistical planning models which use multiple regression techniques to predict expected performance of grantees for each measure. The models adjust for local economic conditions and the characteristics of the participants served by the grantee. The weighted values in the model have been based on prior performance under the JTPA. Application of the adjustment models results in a singular performance expectation (model adjusted value) for each of the performance measures. The Governor has developed the following two performance standards, in accordance with subsections (a) through (d), which will be used to compute the performance of each substate area:

1) Entered Employment Rate (EER) – Number of individuals who entered employment at termination (excluding those who were recalled or retained by the original employer after receipt of a layoff notice) as a percentage of total terminations (excluding those who were recalled or retained by the original employer after receipt of a layoff notice).

2) Average Wage at Placement (AWAP) – Average hourly wage for all persons who entered employment at the time of termination.

f) Title III Performance Standards Policy

1) Performance standards are to be applied to the following programs funded under Section 302 of the Act: All of section 302(c)(1) State activities; Sections 302(c)(2) and 302(d) substate area activities.

2) Entered employment rate and average wage at placement will be implemented as Title III performance measures in PY'90.

3) Illinois adjustment models will be used for PY'90.

4) To qualify as having met performance standards, a substate grantee must meet or exceed both of the U.S. DOL performance measures.

5) If a substate grantee fails to meet performance standards (as specified in subsections (e)(1) and (2)) for two consecutive years, the Department on behalf of the Governor may institute procedures pursuant to the Governor's by-pass authority in accordance with federal regulations (54 FR 39145, codified at 20 CFR 631.38 (April 1, 1990)) or require redesignation of the substate grantee in accordance with federal regulations (54 FR 39144-39145, codified at 20 CFR 631.35 (April 1, 1990)), as appropriate.

g) Award of Incentive Grants

1) Incentive bonus awards will be based entirely on the two measures of performance (Entered Employment Rate and Average Wage at Placement).

2) To qualify to receive an incentive bonus award a substate grantee must first meet two requirements, these are as follows:

A) A substate grantee must have expended a minimum of 85% of the total Title IIIA funds available for the program year.

B) A substate grantee must meet or exceed the local performance standard for both performance measures.

3) A qualifying substate grantee is then eligible for an incentive award if it exceeds either of the two performance measures based on the degree to which performance exceeded the standard. The incentive bonus funds will be divided equally into two portions with one portion associated with each measure. Each of the two shares is further divided into three levels. These levels are as follows:

|  |  |
| --- | --- |
| Degree to Which Performance Exceeded the Standard | Percentage of Incentive Grant Funds Available |
|   |  |
| >0% - 9.99% | 45% |
| 10% - 19.99% | 35% |
| 20% and above | 20% |

4) The allocation of funds at each level will be based on the qualifying substate grantee's relative share of the EDWAA Title IIIA allocation formula applied against each level of available funds for each measure exceeded.

5) Unallocated incentive bonus funds will be carried over into the next year and distributed to qualifying substate grantees based on the above methodology.

6) The sum of the awarded amounts distributed under subsections (g)(3) and (5) above will equal the total incentive bonus award for the substate grantee.

(Source: Added at 15 Ill. Reg. 10368, effective July 1, 1991)