

TITLE: WIOA Adult, Dislocated Worker, and Youth Incentive Payment Policy Policy # 3.1.1-R1

Type: Program Policy

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Effective Revision Date: 04/24/2025

Status: Final

Supersedes: PacMtn Policy #3.1.1

Purpose

This policy provides guidance and direction around Incentive Payments provided to individuals determined eligible and enrolled as participants in a WIOA Title I-B Adult, Dislocated Worker, Youth and/or Statewide Activity funded programs as allowable under Title I-B of the Workforce Innovation and Opportunity Act (WIOA).

Although there is specific reference in the WIOA final rules regarding incentive payments to youth at 20 CFR 681.640, there is no similar reference to incentive payments or stipends to adults and dislocated workers. Further, 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 needed clarification to Washington's WorkSource (One-Stop) system, PacMtn WDC has updated this policy to eliminate confusion and 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 WDC will update this policy.

Policy

PacMtn WDC contractors may provide incentive payments to WIOA Title I Adult, Dislocated Worker, Youth, and/or Statewide Activity participants when such payments are tied to completion of specific milestones directly related to training, work experience, or education goals as outlined in the participant's Individual Service Strategy (ISS) or employment plan. Incentive payments are **not entitlements** and are subject to availability of funds, prior written approval by the awarding agency (per 2 CFR 200.407[t]), and compliance with **federal cost principles** (2 CFR 200.75 and 2 CFR 200.456). All incentives must be documented in the participant's file and entered into the MIS, following the same internal control standards as supportive services.

Policy Guidelines

Incentive payments:

To be eligible to earn and incentive payments, individuals must:

- Have a program enrollment entered into the MIS system in a WIOA Title I-B Adult, Dislocated Worker, Youth, and/or Statewide Activity funded Program and provided incentives in the manner outlined in this policy.

- Be actively engaged in services offered through a WIOA Adult, Dislocated Worker, Youth or Statewide Activity funded program, in accordance with their individual participation plan and or Individual Service Strategy.

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).

Providers must also internally maintain appropriate and identifiable expenditure records of incentive payments for the purposes of local, state, and federal monitoring/audits.

Provider agencies must safeguard cash and other similar items (e.g., gift cards) with internal controls.

The total amount of incentive payments in a program year (July 1 through June 30) for WIOA Title I-B Adult, Dislocated Worker, and Youth participants will be stipulated in the PacMtn Incentive Payment Procedure #3.1.1-P.

However, as stated in State Policy 5621 (Rev5) Incentive Payments, the allowance for and limits on incentive payments to WIOA Title I youth participants in projects funded by WIOA Title I statewide activities discretionary funds will be set by PacMtn as outlined by the State in the contracts' special terms and conditions. Program contractors will be notified accordingly.

A. WIOA Youth

1. Incentive payments to WIOA Title 1 youth participants are permitted for recognition and achievement of milestones tied to work experience, education, and/or training. To that end, the allowable WIOA Title 1 youth program elements to which incentives may be tied can be found in **Attachment A**.
2. Incentive payments not supported through the WIOA Youth Individual Service Strategy (ISS) are not allowable.
3. Incentive payments are allowed to additionally include incentive payments for attainment of unsubsidized employment and /or employment retention resulting from participation in one or more program elements (outlined in Attachment A) for which incentive payments are allowed. See Attachment B for Eligible Program Elements and Incentive Payments.
4. Incentive structures and policies, which detail incentives tied to non-performance related activity or achievement, are not allowable.
5. Incentive payment outlines as designed, determined allowable and implemented during any program period (PY), are applicable to each individual PY specifically and must be applied equally for all eligible participants who have earned the incentive per policy.

6. Changes to the nature and incentives to be awarded during each individual PY must remain in effect throughout the PY and are not subject to change without PacMtn approval.
7. Contractors can issue incentive payments only when in accordance and fully compliant with PacMtn's Incentive Policy #3.1.1 and Incentive Payments Procedure #3.1.1-P.

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

- Progress tied to the allowable Youth Program Elements as outlined in **Attachment A**.
- Youth Program Incentive Payment Guidelines are outlined in **Attachment B**.
- WEX, Employment, and Training Progress based upon achievements and milestones in the program tied to education, work experience, or training marked by credential attainment or other successful outcomes 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 ISS or WEX contracts.
- Successful Measurable Skills Gain or Credential Attainment
- Unsubsidized Employment Attainment during active participation in alignment with youth program elements outlined in **Attachment A**.

Prior state approval is not required for incentive payments to WIOA Title I youth participants so long as the criteria outlined in this policy and the guidance within is adhered.

Documentation requirements are detailed in the Incentive Payments Procedure #3.1.1-P

B. WIOA Adult/DW

1. Incentive payments to WIOA Title I adult and dislocated worker participants are limited to achievement milestones directly tied to work experiences and the following WIOA-recognized training services – occupational skills training, registered apprenticeship, on-the-job training, increased capacity training, customized training, and entrepreneurial training.
2. Unlike Title I youth, this excludes incentive payments for attainment and retention of unsubsidized employment for adults and dislocated workers who complete work experience or training services.

The following is the exclusive list of allowable incentive achievements allowed for Adult & Dislocated Workers:

- Progress or completion of work experience including obtainment of job skills as specified in the training plan, or WEX attendance or task completion as documented on IPP or WEX contracts.

- Successful Measurable Skills Gain or Credential Attainment directly tied to the following WIOA recognized training services – occupational skill training, registered apprenticeship, on-the-job training, increased capacity training, customized training, and entrepreneurial training.

PacMtn 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.

- Refer to Incentive Payments Procedure #3.1.1-P to access Exhibit 3-700A WIOA Title 1-B Adult and Dislocated Worker Incentive Approval forms as required to request approval to pay WIOA Title 1-B Incentives to Adults and Dislocated Workers.
- Once approved, the state approvals are good for the life of those particular funds.

Documentation requirements are detailed in the Incentive Payments Procedure #3.1.1-P

C. Statewide Activities

Incentive Payments are allowable in accordance with the applicable grant guidelines for statewide activities under WIOA Title 1B. Incentive payments will be subject to availability of funding and in accordance with allowable cost principles under the applicable grant.

Any discrepancies arising between PacMtn policy and or procedures with federal and state provisions due to current or future revisions will default to the current minimum federal and state regulations and guidance available. PacMtn policy and or procedures may set forth stricter requirements than provided by federal and state guidance, but in no case will PacMtn policy and or procedures not meet minimum federal and state policy.

Definitions

NA

References

Workforce Innovation and Opportunity Act of 2014

WIOA Final Rule; 20 CFR Parts 676,677, and 678; Federal Register, Vol. 81, No. 161, August 19, 2016

WIOA Final Rule; 20 CFR Parts 603, 651, 652, et al; Federal Register, Vol. 81, No. 161, August 19, 2016

20 CFR Part 680

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

TEGL 19-16
TEGL 21-16
TEGL 12-23

WorkSource System Policy 1019 (Rev12) – Eligibility Policy and Handbook
WIOA Title I Policy 5401 (Rev3) - Fund Transfers Between Adult and Dislocated Worker
WIOA Title I Policy 5602 (Rev5) - Supportive Services and Need Related Payments
WIOA Title I Policy 5620 (Rev1) – Follow-Up Services
WIOA Title I Policy 5621 (Rev5) - Incentive Payments to WIOA Title I Participants

PacMtn Incentive Payment Procedures #3.1.1-P

Compliance with the state's eligibility policy will be based on the version of the handbook or state policy in effect at the time of the action or activity that may be at issue.

Direct Inquiries to:
Pacific Mountain Workforce Development Council
201 5th Ave SW Ste. 401
Olympia, WA 98501
Telephone: (360) 515-5134
Email: Info@pacmtn.org

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Attachment A

Youth Program Elements for which incentive payments are or are not allowed

No.	Program Element	Allowable
1	Tutoring, study skills training, instruction, and dropout prevention	Yes
2	Alternative secondary school services or dropout recovery services	Yes
3	Paid and unpaid work experience	Yes
4	Occupational skills training	Yes
5	Education offered concurrently with workforce preparation and training for a specific occupation	Yes
6	Leadership development opportunities	No
7	Supportive services	No
8	Adult mentoring	No
9	Follow-up services	No
10	Comprehensive guidance and counseling	No
11	Financial literacy education	Yes
12	Entrepreneurial skills training	Yes
13	Services that provide labor market information	No
14	Post-secondary preparation and transition activities	Yes

Note: Youth incentive payments are also allowed for attainment of unsubsidized employment and/or employment retention resulting from participation in one or more program elements for which incentive payments qualify.

Attachment B

Youth Program Incentive Payment Guidelines

Purpose:

To encourage and reward youth participants for successfully engaging in and completing specific program elements, as well as for attaining unsubsidized employment or employment retention.

Eligible Program Elements and Incentive Payments

1. **Tutoring, Study Skills Training, Instruction, and Dropout Prevention**
 - **Incentive:** \$50 upon completion of a tutoring program with 90% attendance and demonstrable progress.
2. **Alternative Secondary School Services or Dropout Recovery Services**
 - **Incentive:** \$75 for re-enrollment in an alternative school program and consistent attendance for 60 days.
3. **Paid and Unpaid Work Experience**
 - **Incentive:** \$100 upon completion of a work experience program with a satisfactory performance evaluation.
4. **Occupational Skills Training**
 - **Incentive:** \$75 upon earning an industry-recognized certificate or credential.
5. **Education Offered Concurrently with Workforce Preparation and Training for a Specific Occupation**
 - **Incentive:** \$75 for successful completion of both education and training components with a passing grade.
6. **Financial Literacy Education**
 - **Incentive:** \$50 for completing a financial literacy course and submitting a personal budget plan.
7. **Entrepreneurial Skills Training**
 - **Incentive:** \$75 upon completion of entrepreneurial training and presentation of a basic business plan.
8. **Post-Secondary Preparation and Transition Activities**
 - **Incentive:** \$100 for completing all required post-secondary preparation activities, such as FAFSA submission, college application, or apprenticeship enrollment.

No.	Program Element	Allowable for Incentives?	Incentive Amount
1	Tutoring, study skills training, instruction, and dropout prevention	Yes	\$50
2	Alternative secondary school services or dropout recovery services	Yes	\$75
3	Paid and unpaid work experience	Yes	\$100
4	Occupational skills training	Yes	\$75
5	Education offered concurrently with workforce preparation and training for a specific occupation	Yes	\$75
11	Financial literacy education	Yes	\$50
12	Entrepreneurial skills training	Yes	\$75
14	Post-secondary preparation and transition activities	Yes	\$100

Additional Guidelines:

1. **Annual Cap:** Youth participants are limited to a maximum of **\$800 per year** in total incentive payments.
2. **Retention Incentive:** Consider offering an additional **\$100 incentive** for job retention for three or six months after placement if the budget allows.
3. **Review and Documentation:** Incentive payments should be tied directly to participant achievements. Proper documentation (e.g., proof of completion or certificates) is required for each incentive disbursement.