**Nevada Department of Employment, Training and Rehabilitation**

**Employment Security Division**

**Workforce Innovation Support Services**

**Workforce Innovation and Opportunity Act (WIOA)**

**State Compliance Policy (SCP)**

**Policy Number: 5.6**

**Originating Office:** Department of Employment, Training and Rehabilitation **(**DETR); Workforce Innovation Support Services (WISS)

**Subject:** Sanctions and Resolution Process

**Approved:** revisingState Compliance Policy Section 5.6 ofWIA January 2008Ratified by the Governor’s Executive Committee May 14, 2025; Approved by the Governor’s Workforce Development Board June 18, 2025

**Purpose:** The purpose of the administrative sanctions policy is to ensure the accountability of entities that receive WIOA Title I funds from DETR in meeting the needs of the local workforce development system and ensure compliance with applicable federal and state laws, regulations, policies, guidance, and terms and conditions of applicable awards and contracts.This policy provides details of the State’s corrective action procedure should the local area fail to perform within the parameters of the Uniform Administrative Requirements for grants and agreements in Cost Principles ([2 CFR § 200](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200?toc=1)), Monitoring and Evaluations, as well as Program Performance and Accountability. The policy specifies the required steps Nevada will take to alleviate the non-compliant conduct by Local Workforce Development Boards (LWDBs), local subrecipients, fiscal agents, or contractors of a LWDB or local subrecipient/fiscal agent to include, Informal Resolution, Notice of Corrective Action, Sanction Process, Type of Sanctions, Level of Sanctions, Technical Assistance and Appeals.

State Imposed Requirements: This directive contains some state-imposed requirements. These requirements are printed in *bold, italicized* type.

**Authorities/References:** Workforce Innovation and Opportunity Act (WIOA) of 2014 (P.L. 113-128), 2 CFR § 200; 20 CFR §§ 677.210-677.235; 20 CFR § 679.230, 20 CFR §679.240; 20 CFR § 683.410; 20 CFR §§ 683.600-683.800; TEGL 11-19, Change 2; TEN 04-23; Nevada SCPs

**ACTION REQUIRED:** Upon issuance bring this guidance to the attention of all WIOA service providers, LWDB Board members and any other parties concerned. Any LWDB’s policies, procedures, and or contracts affected by this guidance are required to be updated accordingly.

**Background:** Section 184 of WIOA Public Law 113-128 requires each state to establish policies to ensure accountability regarding the proper disbursal and use of WIOA Title I funds. DETR, as the state administrative entity for WIOA Title I programs, is responsible for oversight and monitoring. The agency’s oversight and monitoring focus is on subrecipients, including but not limited to, LWDBs and Chief Elected Officials (CEO), to ensure acceptable standards for fiscal accountability, program administration, procurement, and service delivery are established and in practice. In addition to routine annual monitoring, DETR may investigate any matter(s) deemed necessary to determine compliance with all applicable laws, regulations, uniform administrative requirements, and State and locally established policies. This monitoring may be performed at any time. Entities that receive WIOA funds and that are found to be noncompliant with WIOA laws, regulations, and guidance and Uniform Administrative Guidance as well as applicable state policies are subject to state sanctions when it is documented that attempts to provide assistance to effect voluntary correction of violations have failed, or it is documented that entities failed or refused to correct violations.

**Policy and Procedure**

**WIOA Sec. 116(c)**

(c) LOCAL PERFORMANCE ACCOUNTABILITY MEASURES FOR SUBTITLE

B.—

(1) IN GENERAL.—For each local area in a State designated under section 106, the local performance accountability measures for each of the programs described in subclauses (I) through (III) of subsection (b)(3)(A)(ii) shall consist of—

(A)(i) the primary indicators of performance described in subsection (b)(2)(A) that are applicable to such programs; and

(ii) additional indicators of performance, if any, identified by the State for such programs under subsection (b)(2)(B); and

(B) the local level of performance for each indicator described in subparagraph (A).

(2) LOCAL LEVEL OF PERFORMANCE.—The local board, the chief elected official, and the Governor shall negotiate and reach agreement on local levels of performance based on the State adjusted levels of performance established under subsection (b)(3)(A).

(3) ADJUSTMENT FACTORS.—In negotiating the local levels of performance, the local board, the chief elected official, and the Governor shall make adjustments for the expected economic conditions and the expected characteristics of participants to be served in the local area, using the statistical adjustment model developed pursuant to subsection (b)(3)(A)(viii). In addition, the negotiated local levels of performance applicable to a program year shall be revised to reflect the actual economic conditions experienced and the characteristics of the populations served in the local area during such program year using the statistical adjustment model.

**20 CFR § 677.220**

(a) If a local area fails to meet the adjusted levels of performance agreed to under [20 CFR § 677.210](https://www.ecfr.gov/current/title-20/chapter-V/part-677) for the primary indicators of performance in the adult, dislocated worker, and youth programs authorized under WIOA Title I in any program year, technical assistance must be provided by the Governor or, upon the Governor's request, by the Secretary of Labor.

(1) A State must establish the threshold for failure to meet adjusted levels of performance for a local area before coming to an agreement on the negotiated levels of performance for the local area.

(i) A State must establish the adjusted level of performance for a local area, using the statistical adjustment model described in [§ 677.170(c)](https://www.ecfr.gov/current/title-20/chapter-V/part-677).

(ii) At least 2 years of complete data on any indicator for any local core program are required in order to establish adjusted levels of performance for a local area.

(2) The technical assistance may include:

(i) Assistance in the development of a performance improvement plan;

(ii) The development of a modified local or regional plan; or

(iii) Other actions designed to assist the local area in improving performance.

(b) If a local area fails to meet the adjusted levels of performance agreed to under [§ 677.210](https://www.ecfr.gov/current/title-20/chapter-V/part-677) for the same primary indicators of performance for the same core program authorized under WIOA Title I for a third consecutive program year, the Governor must take corrective actions. The corrective actions must include the development of a reorganization plan under which the Governor:

(1) Requires the appointment and certification of a new LWDB, consistent with the criteria established under [§ 679.350](https://www.ecfr.gov/current/title-20/section-679.350) of this chapter;

(2) Prohibits the use of eligible providers and one-stop partners that have been identified as achieving poor levels of performance; or

(3) Takes such other significant actions as the Governor determines are appropriate.

**Performance Indicators**

Per WIOA Sec. 116(b)(2)(A), there are six primary indicators of performance that each state’s core programs must negotiate targets for with its respective Federal agency. For WIOA Title I, that is the U.S. Department of Labor’s (USDOL) Employment and Training Administration (ETA).

1. The *percentage of program participants* who are in unsubsidized employment during the *second quarter after exit* from the program.
* For Title I Youth program, the indicator is the percentage of program participants in education or training activities, or unsubsidized employment during the second quarter after exit.
1. The *percentage of program participants* who are in unsubsidized employment during the *fourth quarter after exit* from the program.
* For Title I Youth program, the indicator is the percentage of program participants in education or training activities, or unsubsidized employment during the fourth quarter after exit.
1. The *median earnings of program participants* who are in unsubsidized employment during the *second quarter after exit* from the program.
2. The *percentage of program participants* who attain a *recognized postsecondary credential*, or a *secondary school diploma* or its recognized equivalent, during participation in or within one year after exit from the program, provided that a program participant who obtains a secondary school diploma or its recognized equivalent is included in the percentage of program participants who have attained a secondary school diploma or its recognized equivalent **only if** the participant also is employed or is enrolled in an education or training program leading to a recognized postsecondary credential within one year after exit from the program.
* This performance indicator **does not** apply to the Employment Service program authorized under the Wagner-Peyser Act, as amended by WIOA Title III.
1. The *percentage of program participants* who, during a program year, are in an *education or training program* that leads to a recognized postsecondary credential or employment and who are achieving measurable skill gains toward such a credential or employment.
* This performance indicator **does not** apply to the Employment Service program authorized under the Wagner-Peyser Act, as amended by WIOA Title III.
1. The *effectiveness in serving employers*. This performance indicator will be measured as a shared outcome across all six core programs within each state to ensure a holistic approach to serving employers.
	* This performance indicator will continue to be piloted for the first two years of Nevada’s PY 2020-2023 Unified State Plan.
	* Core programs are expected to collect data and select one agency to report joint results for this performance indicator for PY 2020 and PY 2021. The agency in Nevada that was selected for this is the Department of Employment, Training and Rehabilitation (DETR) Employment Security Division.

**Negotiation Factors**

Per WIOA Sec. 116(b)(3)(viii), an objective statistical adjustment model distributed by the USDOL will be used to reach an agreement on the state negotiated levels of performance. In addition to the factors required by WIOA, this model takes into consideration additional factors including actual economic conditions and characteristics of participants. Local areas are also required to use a statistical adjustment model to reach an agreement on the local negotiated levels of performance, which is also provided by USDOL.

***Local*** Levels of Performance – Negotiation Methods

**Requirements and Tools**

The Governor, through the designated state agency of DETR, must negotiate and reach an agreement with the chief elected official, through the designated LWDB, on the local levels of performance based on the state negotiated levels of performance by using the objective statistical adjustment model provided by USDOL no later than September 30th. The objective statistical adjustment model will be applied at the end of the program year to adjust negotiated ***local*** levels of performance in order to reflect the actual economic conditions experienced in the local area and the characteristics of participants consistent with WIOA Sec. 116.

In negotiating the ***local*** levels of performance, the following four factors of negotiation must be used at the state level:

1. **Comparison to other states:** Take into account how the levels involved compare with the negotiated levels of performance established for other states. WIOA Sec. 116(b)(3)(A)(v)(I)
2. **Statistical adjustment model:** This statistical adjustment model includes levels of performance, as estimated by USDOL, to be used to inform the negotiations process.
3. **Continuous improvement:** The negotiation process should take into account the extent proposed levels promote continuous improvement in performance accountability measures and ensure optimal return on the investment of Federal funds. WIOA Sec. 116(b)(3)(A)(v)(III)
	1. State and local areas must adhere to the priority of service requirements of WIOA Title I programs.
4. **Government Performance and Results Act (GPRA):** The negotiation process should take into account the extent to which the levels involved will assist the state in meeting the performance goals established by the Secretaries of Education and Labor in accordance with the Government Performance and Results Act of 1993 (GPRA). WIOA Sec. 116(b)(3)(A)(v)(IV)

**Negotiation Sequence**

1. DETR’s Workforce Investment Support Services (WISS) will schedule a formal meeting wherein local performance levels will be discussed and negotiated.
2. Not less than 30 days prior to the scheduled negotiation, each LWDB will submit to DETR-WISS a written proposed local performance levels and justification. Said justification must incorporate the above-referenced four factors and any additional factors not accounted for in the statistical adjustment model.
3. DETR-WISS will review the proposed local levels of performance and justification submitted by each of Nevada’s LWDBs. DETR-WISS will take into consideration:
	1. Past performance levels;
	2. DETR-WISS’ own review of the economic and demographic profile in the local area; Circumstances not accounted for in the statistical adjustment model;
	3. How the levels compare with other local areas;
	4. Information and analysis submitted by the local area; and
	5. The extent to which the levels will assist the state in meeting the state’s negotiated levels of performance.
4. Negotiations will occur throughout the month of September of the negotiation year; once local levels are agreed upon, DETR-WISS will report these local levels to USDOL no later than September 30th of said negotiation year.

**Evaluation/Adjustment/Sanctions**

At the end of the program year, DETR-WISS will apply the statistical adjustment model to each of the local areas to assess ***local*** levels of performance and establish adjusted levels of performance, if necessary.

There are three measurable performance success thresholds for performance established for Nevada, which are to be used at the local level:

* A threshold for performance failure is **90 percent** of the adjusted level of performance for the overall **state program score**. *Determined by an average of each indicator for each program.*
* A threshold for performance failure is **90 percent** of the adjusted level of performance for the overall **state indicator score**. *Determined by an average across the core programs for each indicator.*
* A threshold for performance failure is **50 percent** of the adjusted level of performance on any individual indicator of any individual program. *Determined by each individual measure.*

Each score will be determined based on the actual results achieved relative to the adjusted levels of performance. Following the end of the program year, the state will determine if corrective action is necessary and apply.

If a local area fails to meet the negotiated levels of performance for the core measures of performance for a program in any program year, technical assistance must be provided with funds reserved for the statewide workforce development activities pursuant to State Compliance Policy 1.16. Said technical assistance may include:

* Development of a performance improvement plan;
* A modified local plan; or
* Other actions designed to assist the local area in improving performance.

If a local area fails to meet the negotiated levels of performance for the core measures for a program for two consecutive years, corrective action must be taken which may include:

* Development of a reorganization and/or corrective action plan;
* De-designation sanctions;
* Prohibiting the use of particular service provider(s) or One Stop partners that have been identified as achieving poor levels of performance; or
* Other appropriate measures designed to improve the performance of the local area.

The LWDBs may appeal to the Governor to rescind or revise a reorganization plan and/or appeal any of the above-referenced sanctions not later than 30 days after receiving notice of the plan. The Governor has 30 days after receipt of the appeal to reach a final decision. In turn, LWDBs may appeal the Governor’s decision to the Secretary of Labor. The reorganization plan becomes effective on the date it is issued and remains in effect from that date unless the Secretary rescinds or revises the plan. Reference: 20 CFR § 666.420(c); [SCP 1.16](https://owinnepath-5850654c38-endpoint.azureedge.us/wp-content/uploads/2023/07/1-16.pdf)

**Determination of Sanctions** [(TEGL 11-19, Change 2)](https://www.dol.gov/agencies/eta/advisories/tegl-11-19-change-2)

There are two different types of failure that can lead to sanctions: failure to report and failure to meet adjusted levels of performance (section 116(f) of WIOA). A discussion of both circumstances is below.

**Sanctions for Failure to Report**

Sanctions will be applied when a state fails to submit the performance reports to the appropriate Federal agency, as required under WIOA section 116(d) (section 116(f)(1)(B) of WIOA). Consistent with [20 CFR § 677.185(a)](https://www.ecfr.gov/current/title-20/section-677.185) and [34 CFR §§ 361.185(a)](https://www.ecfr.gov/current/title-34/section-361.185) and [463.185(a)](https://www.ecfr.gov/current/title-34/section-463.185), the Departments consider a state as failing to submit the performance reports if the state either: (1) does not submit performance reports by 11:59 p.m. local time (***local state capital time zone***) on October 1 or the next business day if October 1 falls on a holiday or weekend or (2) submits performance reports by the date for timely submission, but the report is incomplete. Annual performance reports are complete when the state:

* Attests all reports are complete and accurate to the best of its knowledge;
* Submits a WIOA Statewide Performance Report (ETA-9169) for each of the six WIOA

core programs;

* Collects and reports all required elements of the WIOA Statewide Performance Reports

as applicable to the core program and uses appropriate data for the reporting period;

* Make available a mechanism of electronic access to local area performance reports for

WIOA Title I programs;

* Submits Effectiveness in Serving Employers performance results reflecting the combined performance of all six core programs as one performance indicator; and
* Makes available a mechanism of electronic access to a complete and accurate Eligible Training Provider (ETP) performance report for WIOA Title I programs. In accordance with section 116(d)(4) of WIOA and [20 CFR § 677.230(a)](https://www.ecfr.gov/current/title-20/section-677.230), an ETP performance report is complete and accurate when:
1. The ETP report includes all training programs on the state Eligible Training Provider List (ETPL) in the most recent program year.
2. The ETP report includes counts of all individuals (students) in a program of study which will typically be greater than the counts of WIOA participants in the same program of study, because it will include all students in that program, some of whom may not be WIOA participants. Reporting counts of all individuals (students) that are greater than WIOA participants is required for participant counts, exiter counts, completer counts, ERQ2 results, ERQ4 results, and CRED results for no less than 10% of training programs.
3. The submitted ETP report satisfies all data quality requirements established in ETA’s Workforce Integrated Performance System (WIPS) and does not intentionally subvert the required edit checks (for example, including filler words that do not provide meaningful program descriptions, entering $1.00 to bypass logical rules requiring reported earnings, or repeating a placeholder value for all programs to satisfy valid value requirements but in reality those data are missing or were not collected as required).

If the performance report submitted by the state does not meet all of the above requirements by the reporting deadline, it is incomplete.

Consistent with section 116(f)(1)(B) of WIOA and [20 CFR § 677.185(b)](https://www.ecfr.gov/current/title-20/section-677.185) and [34 CFR §§ 361.185(b)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-E/section-361.185) and 463.185(b), sanctions will not be applied in cases where failure to report is due to exceptional circumstances outside the state’s control as determined by the Departments. The Departments defined “exceptional circumstances” in [20 CFR § 677.185(b)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) and [34 CFR §§ 361.185(b)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-E/section-361.185) and [463.185(b)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463). Exceptional circumstances may include, but are not limited to:

* Natural disasters;
* Unexpected personnel transitions; and
* Unexpected technology-related issues.

**Sanctions for Failure to Meet Adjusted Levels of Performance** ([TEGL 11-19, Change 2](https://www.dol.gov/agencies/eta/advisories/tegl-11-19-change-2))

In accordance with [20 CFR § 677.190(d)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) and [34 CFR §§ 361.190(d)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-E/section-361.185) and [463.190(d)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463), a performance failure occurs if:

* Any single Individual Indicator Score for any single core program falls below 50 percent of the adjusted level of performance;
* The Overall State Program Score falls below 90 percent for that single core program; or
* The Overall State Indicator Score falls below 90 percent for that single measure.

Any state that fails to meet adjusted levels of performance for the primary indicators of performance for any year will receive technical assistance, including assistance in the development of a performance improvement plan provided by the Secretary of Labor or Secretary of Education ([20 CFR § 677.190(b)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) and [34 CFR §§ 361.190(b)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-E/section-361.185) and [463.190(b)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463)). However, if the state has the same performance failure occur in two consecutive program years, the Departments will apply sanctions. Further explanation of how technical assistance and sanctions will be applied is provided later in this section. A description of how this applies to assessing the Effectiveness in Serving Employers (ESE) performance indicator can be found in the next section.

**Extension Requests** ([TEGL 11-19, Change 2](https://www.dol.gov/agencies/eta/advisories/tegl-11-19-change-2))

In the event of exceptional circumstances as described in the preceding section, the state must notify the Secretary of Labor or Education, as appropriate, in writing of a potential impact on the state’s ability to submit its annual performance report, and request an extension, in order not to be considered failing to report ([20 CFR § 677.185(c)](https://www.ecfr.gov/current/title-20/section-677.185) and [34 CFR §§ 361.185(c)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-E/section-361.185) and [463.185(c)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463)). The state’s request for an extension should include a detailed account identifying the unexpected events precluding timely reporting sufficient for the Departments to make a determination. The following information should be included in an extension request:

* Sufficient detail of the unexpected circumstances that will lead to untimely or incomplete reporting to warrant an extension;
* A proposed extension, fitting of the circumstances causing the delay, which should not exceed 30 calendar days after the established annual reporting deadline;
* The names and contact information of each responsible state designee or designated point of contact who will ensure that any extended deadline will be met; and
* Any other information that the state deems relevant to help explain the need for an extension.

The state must submit the extension request as soon as possible, but not later than 30 calendar days prior to the established annual reporting deadline ([20 CFR § 677.185(c)(1)](https://www.ecfr.gov/current/title-20/section-677.185) and [34 CFR §§ 361.185(c)(1)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-E/section-361.185) and [463.185(c)(1)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463)). The annual reporting deadline is October 1 each year or the next business day if October 1 falls on a holiday or weekend. Therefore, states must submit reporting extension requests no later than September 1 (or the next business day if September 1 falls on a holiday or weekend).

In cases where unexpected, exceptional circumstances occur within 30 calendar days of the established annual reporting deadline, the state must submit an extension request to the Secretary of Labor or Education, as applicable, as soon as possible but not later than the established annual reporting deadline ([20 CFR § 677.185(c)(2)](https://www.ecfr.gov/current/title-20/section-677.185) and [34 CFR §§ 361.185(c)(2)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-E/section-361.185) and [463.185(c)(2)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463)). Under these circumstances, in addition to the information described above, the request should include sufficient explanation as to why notification of the delay could not be provided 30 calendar days prior to the established annual reporting deadline.

All extension requests will be reviewed by the Departments for completeness and a thorough explanation of exceptional circumstances. The Departments may grant extension requests as submitted, grant extension requests with revisions, or reject the extension requests. Proposed reporting extensions should not exceed 30 calendar days after the established annual reporting deadline and should be appropriate to and commensurate with the exceptional circumstance.

In the event of failure to report timely or completely, pursuant to section 116(f)(1)(B) of WIOA, the Governor’s discretionary funds provided under section 128(a) of WIOA will be reduced by five percent of the maximum available allotment in the immediately succeeding program year. The WIOA Joint Final Rule at [20 CFR § 677.195(a)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) and [34 CFR §§ 361.195(a)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361/subpart-E/section-361.185) and [463.195(a)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463) provide that the sanction is equal to five percent of the maximum allotment percentage that could be reserved by the Governor in the succeeding program year, and the preamble to the WIOA Joint Final Rule at 81 FR at 55863-55864 clarified that the sanction was not a five-percentage point reduction from the percentage that a Governor elected to reserve. This sanction will be enforced for each year in which a state fails to report timely or completely.

**Determining Performance Success or Failure** ([TEGL 11-19, Change 2](https://www.dol.gov/agencies/eta/advisories/tegl-11-19-change-2))

The Departments will determine state performance success or failure at the end of each program year. In order to make a determination of success or failure, the negotiated levels of performance for that year will be adjusted using the statistical adjustment model, which will factor in data on the actual economic conditions of the state and the actual characteristics of the populations served by the program during that year. This adjustment will be calculated using the adjustment factor to produce the adjusted levels of performance described in the “Terms” section (of TEGL 11-19, Change 2). A detailed explanation of this calculation is found in [Attachment II](https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2019/TEGL%2011-19%20Change%202/Attachment%20II%20%28Accessible%20PDF%29.pdf) “Calculation—Adjusted Level of Performance.” This will determine the adjusted levels of performance for the program year against which the state’s actual levels of performance will be evaluated through the calculation of the performance score. [Attachment IV](https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2019/TEGL%2011-19%20Change%202/Attachment%20IV%20%28Accessible%20PDF%29.pdf), “Determining Performance Success or Failure,” provides an overview of the entire process.

The individual indicator score is calculated by dividing the actual level of performance achieved by the adjusted level of performance. The adjusted level of performance is calculated by adding the adjustment factor to the negotiated level of performance. The individual indicator score will not be rounded; it will be truncated to the first decimal place. A detailed example can be found in [Attachment I](https://www.dol.gov/sites/dolgov/files/ETA/advisories/TEGL/2019/TEGL%2011-19%20Change%202/Attachment%20I%20%28Accessible%20PDF%29.pdf).

In accordance with [20 CFR § 677.190(c)(3)(ii)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) and [34 CFR §§ 361.190 (c)(3)(ii)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361?toc=1) and [463.190 (c)(3)(ii)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463), the Overall State Indicator Score for ESE, as reported by one core program on behalf of all six core programs in the state, is a statewide indicator that reflects the performance for all core programs. The Overall State Indicator Score for ESE is calculated by dividing the state’s 17 unduplicated, aggregated annual result for all six core programs by the state’s adjusted level of performance.

**Phasing in Sanctions for Performance Failure** ([TEGL 11-19, Change 2](https://www.dol.gov/agencies/eta/advisories/tegl-11-19-change-2))

The Departments used their transition authority under section 503(a) of WIOA to implement a phased-in approach to determine performance success or failure for each indicator or program, due to lack of available data, consistent with the requirements of [20 CFR § 677.190(c)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) and [34 CFR §§ 361.190(c)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361?toc=1) and [463.190(c)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463). Consistent with past practice, the Departments will continue to inform states when the assessment of any performance indicator is delayed. (See Training and Employment Notice 04-23 Workforce Innovation and Opportunity Act (WIOA) Core Program Performance Accountability Assessment for Program Years (PY) 2022)

If a performance failure occurs at the end of the program year, the respective Federal agency and the state agency will work to develop a performance improvement plan, and the Federal agency will provide technical assistance in accordance with section 116(f)(1)(A) of WIOA.

In this guidance, the Departments want to make clear that if the state has the same performance failure occur in two consecutive program years, the Departments will apply sanctions, pursuant to section 116(f)(1)(B) of WIOA. This applies regardless of where those program years fall within the negotiations cycle. That is, although state negotiated levels of performance are negotiated at two-year intervals, a failure in the second year of one negotiation cycle followed by the same failure in the first year of the subsequent negotiation cycle is considered a failure in two consecutive program years. For example, the Departments will establish negotiated levels of performance for PYs 2024 and 2025 in one negotiation cycle and negotiated levels of performance for PYs 2026 and 2027 in another negotiation cycle. A state will be sanctioned if it has a repeat performance failure in PYs 2025 and 2026.

Specifically, the Departments will reduce the Governor’s discretionary funds provided under section 128(a) of WIOA by five percent of the maximum available amount in the program year immediately succeeding the second consecutive performance failure. This sanction will be enforced each successive year in which the state continues to have the same performance failure.

**Sanctions for Failure to Report and Repeat Failure to Meet Adjusted Levels of Performance in the Same Program Year** ([TEGL 11-19, Change 2](https://www.dol.gov/agencies/eta/advisories/tegl-11-19-change-2))

If the state, in the same year, has both types of failure that would result in sanctions being applied as described in the sections above, meaning the state has both a failure to report and a failure to meet adjusted levels of performance for a second consecutive program year, then the Departments will apply sanctions for both types of failure. The WIOA Joint Final Rule at [20 CFR § 677.195(b)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) and [34 CFR §§ 361.195(b)](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-III/part-361?toc=1) and [463.195](https://www.ecfr.gov/current/title-34/subtitle-B/chapter-IV/part-463) provide that the sanction is equal to ten percent of the maximum allotment percentage that could be reserved by the Governor in the succeeding program year. The Departments will enforce this sanction each successive year in which the state continues to have the same reporting and performance failures.

**Local Performance and Negotiations under WIOA Title I** ([TEGL 11-19, Change 2](https://www.dol.gov/agencies/eta/advisories/tegl-11-19-change-2))

**Negotiations with Local Areas**

Section 116(c)(1)(A)(i) of WIOA requires that all of the primary indicators of performance, including the ESE indicator, must be applied at the local level for the WIOA Title I programs (Adult, Dislocated Worker, and Youth). Furthermore, [20 CFR § 677.205(a)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) provides that “[e]ach local area in a state under WIOA Title I is subject to the same primary indicators of performance for the core programs for WIOA Title I under [20 CFR § 677.155(a)(1) and (c)](https://www.ecfr.gov/current/title-20/chapter-V/part-677) that apply to the state.”

1. Local Performance and Negotiations for the ESE Indicator

The same methods described in the Negotiating Levels of Performance and Determining Performance Success or Failure sections of this guidance, for defining performance levels and assessing performance at the state level, also apply at the local level. For ESE, this means that states and local areas must agree to a single, shared level of performance for the WIOA Adult, Dislocated Worker, and Youth programs in the local area. This single, shared level will be used to assess the one shared ESE result for all WIOA Title I programs in the local area. For all other primary indicators of performance, each WIOA Title I program will have individual negotiated levels of performance and will be assessed as individual programs.

The state is required to negotiate the ESE indicator with all local areas in program years in which this measure is also negotiated between the state and DOL. For PYs 2024 and 2025, baseline data will be reported by states. This means that states should be collecting baseline 19 data for these two years from their local areas to incorporate in the state’s future local area statistical adjustment model as well.

1. Criteria for Complete Local Area Negotiations

In accordance with [20 CFR § 677.210(c)](https://www.ecfr.gov/current/title-20/chapter-V/part-677), states must incorporate the following criteria into the negotiations dialogue with each local area:

1. The local board, the Chief Elected Official, and the Governor must negotiate and reach agreement on local levels of performance based on each local area’s historical performance results and service capacity levels, and how each individual local area assists in/contributes to the aggregate attainment of the state negotiated levels of performance.
2. In negotiating the local levels of performance, the local board, the Chief Elected Official, and the Governor also must use the above-listed four factors of negotiation used at the state level.
3. In addition, the state’s statistical adjustment model that aligns with the framework of the state-level model must be used at the beginning of the program year to negotiate and at the end of the program year to adjust negotiated local levels of performance in order to reflect the actual economic conditions experienced in the local area and the characteristics of the actual individuals served according to the state’s established policies.

This means the negotiated levels of performance for a given local area will differentiate from the negotiated levels of the other local areas and the state for each program and performance indicator based on the characteristics of participants served, past performance, economic conditions of the local area, and the other required factors of negotiations listed above.

The Departments have developed the framework for an objective statistical adjustment model that satisfies the WIOA requirements at the state level. States must use this framework and develop a model that satisfies their needs at the local level, both in the performance negotiations and year-end adjustment of local levels of performance.

The local board, the Chief Elected Official, and the Governor must negotiate and reach agreement on local levels of performance for two program years at a time, based on the state’s negotiated levels of performance, no later than September 30 in each year in which state negotiations occur. The state must notify its DOL-ETA Regional Office that negotiations are complete and include in the notification the agreed-upon levels of performance for each local area.

***DETR Timeline for Negotiations Program Year:***

July: DETR-WISS provides notification to LWDBs of the negotiation process and schedules.

August 15: LWDBs submit their proposed local performance levels and justification to DETR-WISS.

September 1: DETR-WISS notifies LWDBs of acceptance or rejection of individual indicator goals.

September 10-21: Negotiation process with LWDBs, as needed.

September 30: DETR-WISS submits local performance negotiated levels due to USDOL.

**Local Performance Success and Failure**

States must use local performance goals for WIOA Title I programs for two required purposes:

1. to determine if a local area “performed successfully” for subsequent local area designation, and
2. to determine when a state must take corrective action when a local area fails to meet the adjusted levels of performance.

For the purpose of determining subsequent local area designation, the term “performed successfully” means that the local area met or exceeded the levels of performance the Governor negotiated with the local board and chief elected official for WIOA primary indicators of performance and that the local area has not failed any individual measure for the last two consecutive program years in accordance with a state-established definition, provided in the Unified or Combined State Plan, of “met or exceeded performance.” For subsequent designation determinations made at the conclusion of PY 2018, or at any point thereafter, states must base their findings of whether a local area performed successfully for the two most recently completed program years on all six of the WIOA primary indicators of performance where at least two years of data are available.

A state must establish the threshold for failure to meet adjusted levels of performance for a local area before coming to an agreement on the negotiated levels of performance for the local area. Following the conclusion of the program year, a state must establish the adjusted level of performance for a local area, using the statistical adjustment model described. At least two years of complete data on any indicator for any local core program are required in order to establish adjusted levels of performance for a local area. States must provide technical assistance if a local area fails to meet the adjusted levels of performance agreed to for the primary indicators of performance in WIOA Title I programs in any program year. Upon the state’s request to the Secretary of Labor, DOL may provide this technical assistance. The technical assistance may include:

* Assistance in the development of a performance improvement plan;
* The development of a modified local or regional plan; or
* Other actions designed to assist the local area in improving performance.

If a local area fails to meet the adjusted levels of performance agreed to for the same primary indicators of performance for the same core program authorized under WIOA Title I for a third consecutive program year, the Governor must take corrective actions. If the Governor takes corrective action against a local area for failing to meet the negotiated goals, the state workforce agency should advise its Federal Project Officer of this action. The corrective actions must include the development of a reorganization plan under which the Governor:

* Requires the appointment and certification of a new local board, consistent with the criteria in [20 CFR § 679.350](https://www.ecfr.gov/current/title-20/chapter-V/part-679/subpart-C/section-679.350);
* Prohibits the use of eligible providers and one-stop partners that have been identified as achieving poor levels of performance; or
* Takes such other significant actions as the Governor determines are appropriate, which may include local area redesignation without the support of the local area in accordance with section 116(g)(2)(A) of WIOA and [20 CFR § 677.220(b)](https://www.ecfr.gov/current/title-20/chapter-V/part-677).

**Informal Resolution**

Prior to issuing a formal notice of substantial violation, DETR may work with the LWDB, the CEO and/or fiscal agent or contractor of the LWDB or local subrecipient and/or fiscal agent to resolve issues informally using one or more actions for informal resolution. Examples of such informal resolutions efforts includes:

1. Training and technical assistance from DETR for the LWDB, local grant subrecipient/fiscal agent, or contractor of the LWDB or local grant subrecipient/fiscal agent to resolve the violation.
2. In matters regarding disallowed expenditures, agreement by the local grant subrecipient/fiscal to repay those expenditures found to be disallowed.
3. Additional oversight by DETR or the LWDB, local grant subrecipient, and/or fiscal agent to resolve the issue.
4. Other mitigation efforts agreed upon between DETR and the LWDB, grant subrecipient and/or fiscal agent.

**Substantial Violation** ([2 CFR § 200.208, 2 CFR §§ 200.339-200.341](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200))

A determination of a substantial violation occurs after a sanctionable act. A sanctionable act is a violation of federal, state, and local laws, regulations, contract provisions, grant agreements, or policies by a LWDB, local subrecipient and/or fiscal agent, or a contractor of the LWDB or local subrecipient and/or fiscal agent as determined by the USDOL or any other federal agency on behalf of DOL, or from the Governor, DETR, or any state agency on behalf of the Governor or DETR. This policy applies only to LWDBs, local subrecipient and/or fiscal agents or their contractors under Title I of WIOA. Such failures may occur during or after the program, grant, fiscal, contract, or calendar year. Routine findings identified and requiring action as a result of the regular monitoring process are not considered to be substantial violations. To the extent allowable, DETR will not proceed to make a determination of a substantial violation until the routine monitoring process has been exhausted.

Incidents of fraud, misfeasance, nonfeasance, malfeasance, misappropriation of funds, or other similar violations are examples of sanctionable acts which may lead to a determination of a substantial violation by DOL, the Governor, and/or DETR

**Required Corrective Action:**

***DETR will require prompt corrective action, as determined by DETR, and as provided in the written notice, to be taken for any determination of a substantial violation to ensure LWDB, local grant subrecipient, local fiscal agent, and contractor compliance with Title I of WIOA, Uniform Administrative Guidance, or state, and/or local laws, regulations, and policies.***

**Notice of Required Corrective Action**

1. Upon a determination of a substantial violation, DETR will issue a formal notice of required corrective action to the CEO of the LWDB with a copy to the Chair of the LWDB and the GWDB.
2. The notice will include the following information:
* Substantial Violation - The specific provision(s) of Title I of WIOA, Uniform Administrative Guidance, or federal, state, and/or local laws, regulations, and policies that the LWDB, local subrecipient and/or fiscal agent, and/or a contractor of the LWDB or local subrecipient and/or fiscal agent, determined to be out of compliance.
* Required Corrective Action – The specific corrective action requested, timeline for completing the corrective action, and timeframe for submission of corrective action plan, taking under advisement schedules for both LWDBs and CEOs if formal action from either is required.
* Possible Sanctions for Noncompliance - A statement that failure to come into compliance may result in the imposition of sanctions.

**Appeal of Notice of Corrective Action** (WIOA Sec.184(b)(2); [2 CFR § 200.342](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200))

1. Any party who has received a notice of corrective action may submit an appeal to DETR for a hearing within ten (10) days of the date of the notice of corrective action.
2. DETR must make a decision within 60 days of the date of the filing of the appeal of the notice of corrective action.
3. No action will be taken regarding the imposition of sanctions while the appeal is pending.
4. During the time of the appeal, DETR may continue to work with the LWDB, subrecipient, fiscal agent and/or contractor of the LWDB, grant recipient or fiscal agent to resolve the issues identified in the notice of corrective action.

**Compliance with Corrective Action**

1. The process leading to a sanction will stop if a party complies with all required actions within the time frames specified in the corrective action plan.
2. DETR will provide written notification to CEO of the LWDB with a copy to the Chair of the LWDB and the GWDB indicating resolution of the findings that were the subject of the corrective action plan.

**Noncompliance with Corrective Action**

1. DETR will provide written notification to the CEO of the LWDB, with a copy to the Chair of the LWDB and the GWDB, if there is a failure to comply with the requirements of the corrective action plan.
2. If there is partial compliance, DETR may recommend extending the time frame for completing the corrective action plan as an alternative to recommending the imposition of sanctions.

**Sanctions Imposition**

 **Types of Sanctions**

 The following non-exhaustive examples may be imposed, but do not supplant applicable civil and criminal actions under other pertinent federal, state, or local laws, regulations, policies, or terms and conditions of applicable awards and contracts.

1. Requiring repayment of disallowed costs.
2. Recapturing and reallocating WIOA Title I funds.
3. Withholding requests for reimbursements to DETR for any and all WIOA Title I funds requested.
4. Terminating the Agreement between DETR and the local grant subrecipient or fiscal agent.
5. Determining the LWDB or local grant subrecipient or fiscal agent is not eligible for discretionary funds or receipt of a voluntary reallocation.
6. Requiring submission of additional or more detailed financial or performance reports.
7. Providing targeted technical assistance through virtual and/or on-site visits to the LWDB, and/or the subrecipient/fiscal agent, and/or the contractor of the LWDB or the subrecipient/fiscal agent.
8. Requiring participation in technical and quality assurance activities.
9. Imposing a reorganization plan, which may include:
* Decertifying the LWDB;
	+ Prohibiting the use of eligible providers;
	+ Selecting an alternative entity to administer the program in the local area. The alternative entity may be any entity who demonstrates capability of complying with federal and state laws, regulations, policies and guidance;
	+ Designation of a new fiscal agent.
1. Recommending the initiation of suspension or debarment proceedings.
2. Imposing other remedies that may be legally available.

**Level of Sanctions**

DETR may recommend sanctions based on the following criteria as determined given the totality of the circumstances surrounding the substantial violation and sanctionable act or acts:

* Severity, nature, duration, and extent;
* Previous occurrences of substantial violations and sanctionable acts;
* Efforts by the LWDB and/or subrecipient/fiscal agent, and/or contractor of the LWDB and or subrecipient/fiscal agent to prevent the occurrence of the sanctionable act, including efforts to:
* Obtain technical assistance, training, or other assistance from DETR;
* Resolve monitoring findings; and
* Prevent potential substantial violations and sanctionable acts.

**Sanctions Process:**

**Determination of Sanction**

The Governor determines the sanction(s), after recommendation from DETR, in consultation with the Governor’s Workforce Development Board. The GWDB may also recommend imposition of a sanction based on their own policies.

**Notice of Sanction**

DETR will issue a notice of the sanction to the CEO of the LWDB with a copy to the Chair of the LWDB and the LWDB Director. The notice will include the following:

1. The substantial violation which prompted the sanction process.
2. Any requirements for corrective action imposed by DETR (including any efforts by DETR to informally resolve the finding) and details of how the LWDB and/or local grant subrecipient/fiscal agent failed to comply with the corrective action plan.
3. The specific sanction or sanctions imposed.
4. The process to appeal the imposition of the sanction.

**Appeal of Sanction** ([20 CFR § 677.225](https://www.ecfr.gov/current/title-20/chapter-V/part-677); [20 CFR §§ 683.630-683.650](https://www.ecfr.gov/current/title-20/chapter-V/part-683))

**Appeal of Sanction Reorganization Plan Due to Failure to Meet Performance Levels**

Appeal to the Governor’s Workforce Development Board:

1. Any LWDB and CEO which is subject to a reorganization plan due to failure to meet local performance accountability measures may appeal to the Governor to rescind or revise the reorganization plan not later than 30 days after receiving such notice.
2. Appeals to the GWDB must be submitted to the Chairperson and to the Liaison at following email address: gowinn-general@detr.nv.gov or via U.S. mail to:

 Governor’s Workforce Development Board

 555 East Washington Avenue, Suite 4900

 Las Vegas, Nevada 89101

1. The appeal must contain a specific declaration of the grounds upon which the appeal is sought.
2. The GWDB will review the appeal at its next scheduled meeting and make a recommendation to the Governor. The review will consider the information in the original request and supplemental information provided in the appeal to determine if the criteria set in this policy have been met.
3. The final decision and authority resides with the Governor, and shall be made within a timely manner.
4. Appeal to the Secretary of Labor:
5. The LWDB and CEO may appeal the decision of the Governor to the Secretary of the U.S. Dept. of Labor. This second level of appeal must be sent within 30 days to:

 Assistant Secretary of Employment and Training

 U.S. Department of Labor 200 Constitution Avenue

 N.W. Washington, DC 20210

 cc: ETA Regional Administrator, U.S. Department of Labor

 90 7th Street, Suite 17-300

 San Francisco CA 94103-1516

 Governor’s Workforce Development Board

 c/o State Board Liaison 555 East Washington Avenue, Suite 4900

 Las Vegas, Nevada 89101

1. The LWDB and CEO must jointly submit the appeal to the Secretary.
2. Appeals must be submitted to the Secretary by certified mail with return receipt requested.
3. The sanction becomes effective at the time the Governor issues a decision and remains effective unless the Secretary rescinds or revises the reorganization plan.

**Appeal of Sanction to Revoke all or Part of Local Plan or to Impose Reorganization Plan**

If the local workforce development area has been found to be in substantial violation of Title I and has received notice from DETR on behalf of the Governor that either all or part of the local plan will be revoked or that a reorganization will occur, the LWDB, local subrecipient/fiscal agent, and/or a contractor of the LWDB or subrecipient or fiscal agent may appeal the imposition of a sanction to the Secretary of the U.S. Department of Labor.

1. The appeal must be filed no later than 30 days after receipt of written notification of the intent to impose the sanction. Appeals must be submitted to the Secretary by certified mail, return receipt requested, and addressed as follows:

 Secretary, U.S. Department of Labor

 200 Constitution Ave. NW

 Washington, DC 20210

1. The Secretary will issue a decision within 45 days after receipt of the appeal and notify the State and the appellant in writing of the decision.
2. Effective Date of Sanction:
3. If there is no appeal, the sanction will be imposed 30 days after receipt of written notification of intent to impose the sanction.
4. If the Secretary confirms the decision to impose the sanction, the sanction will be imposed on the date of the decision by the Secretary.

**Appeals of Other Sanctions**

If the LWDBs, and/or subrecipients/fiscal agents, and/or contractors of subrecipients/fiscal agents are subject to a sanction which is not a revocation of all or part of the local plan or a reorganization, the LWDBs, and/or subrecipients/fiscal agents, and/or contractors of subrecipients/fiscal agents may submit an appeal to DETR.

**Continuity of Services After Decertification**

1. ***After imposition of the sanction to decertify the LWDB, DETR may terminate the Agreement with the subrecipient or fiscal agent if actions by the subrecipient/fiscal agent resulted in the substantial violation determination which led to the sanction.***
2. ***If DETR terminates the Agreement with the subrecipient or fiscal agent, the following may occur to ensure continuity of services in the impacted area:***
* ***DETR may require the CEO to designate a new fiscal agent; or***
* ***DETR may serve as the fiscal agent until a new grant recipient or fiscal agent is designated.***

***DETR, after consultation with the GWDB, will appoint an entity to act as the LWDB for the impacted geographic area until a new LWDB is formed by the CEO.***

**Reorganization and Redesignation**

**Reorganization Options**

If the imposed sanction is decertification of the LWDB, the Governor must certify a new LWDB. DETR, in consultation with the GWDB, will make reorganization recommendations to Governor, which may include one of the following scenarios:

* The geographic area of the LWDA will remain as is, but require the CEO(s) to appoint a new LWDB;
* Create multiple areas of one or more units of general of government from the area that is the subject of decertification; and
* Reconfiguring the local workforce development area (LWDA) by merging the general units of local government into other LWDAs, creating one or more new LWDAs.

**Redesignation Requirements**

The process for redesignation of any LWDA requires consultation with the following stakeholders:

* The GWDB;
* The CEO(s) in the impacted geographic area(s); and
* Representatives from LWDB(s) in the impacted geographic area(s).

There must be an opportunity for public comment by all stakeholders, which include representatives from the following:

* The CEO(s) in the impacted geographic area(s);
* LWDB(s) in the impacted geographic area(s);
* Institutions of higher education;
* Other primary stakeholders; and
* The general public.

DETR, in consultation with the GWDB, will recommend redesignation of LWDAs, which includes at a minimum, consideration of the following:

* Consistency with local labor market areas;
* Common economic development areas; and
* The availability of Federal and non-Federal resources, including appropriate training institutions, to administer activities under Title I, subtitle B of WIOA.

**Definitions**

Actual results:

The results reported for each primary indicator for each core program. Actual results will be compared to the adjusted levels of performance at the close of the program year to determine if an area failed to meet the adjusted levels of performance.

Adjusted levels of performance:

The negotiated levels of performance, after being revised at the end of the program year using the statistical adjustment model. The statistical adjustment model is run to account for actual economic conditions and characteristics of participants serve.

Actual level of performance:

The outcome reported by a state on the Statewide Performance Report (ETA-9169 OMB No. 1205-0526) for each primary indicator of performance for each core program (section 116(d)(2) of WIOA). The Departments will compare actual levels of performance to the adjusted levels of performance at the close of the program year to determine the state’s performance success or failure pursuant to section 116(b)(3)(A)(vii) of WIOA.

Adjusted levels of performance:

The levels of performance determined by adjusting the negotiated levels of performance at the end of the program year to reflect actual characteristics of participants served and the actual economic conditions experienced using the statistical adjustment model.

Adjustment factor:

A positive or negative difference that will be added to the negotiated level of performance to determine the adjusted level of performance. The adjustment factor is the difference between the estimated levels of performance predicted 5 by the statistical adjustment model based on pre-program year estimates of participant characteristics and economic conditions and the levels of performance re-estimated by the statistical adjustment model after the close of the program year based on the actual participant characteristics and economic conditions. This calculation will yield a positive or negative difference, which will be used as the adjustment factor for the program year.

Chief Elected Official (CEO):

The term “CEO” throughout this policy also refers to the Executive Director of the board.

Expected levels of performance:

The levels of performance proposed by the state in the initial submission of the Unified or Combined State Plan and in the required two-year modification of the Unified or Combined State Plan prior to negotiations (section 116(b)(3)(A)(iii) of WIOA) for each primary indicator of performance for each core program.

Negotiated levels of performance:

The levels of performance for each primary indicator of each core program agreed by the LWDBs and the state. These negotiated levels of performance must be incorporated into the approved Unified or Combined State Plan and the approved two-year modification of that Plan (section 116(b)(3)(A)(iv) of WIOA) for each primary indicator of performance for each core program.

Performed successfully:

The local area met or exceeded the levels of performance that the state negotiated with the LWDBs for WIOA primary indicators of performance, and that the respective local area has not failed any individual measure for the last two consecutive program years in accordance with a state-established definition, provided in the state plan, or met or exceeded performance.

Statistical adjustment model:

An objective regression model, developed pursuant to section 116(b)(3)(A)(viii) of WIOA, used to estimate levels of performance and derive the adjusted levels of performance based on participant characteristics and economic conditions. Economic conditions include differences in unemployment rates and job losses or gains in particular industries. Characteristics of participants include but are not limited to: indicators of poor work history, lack of work experience, lack of educational or occupational skills attainment, dislocation from high-wage and high-benefit employment, low levels of literacy or English proficiency, disability status, homelessness, ex-offender status, and welfare dependency.