

## POLICY

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<b>CATEGORY:</b>	<b>Workforce Programs-General</b>	<b>No:4.0.100.07</b>
<b>TITLE:</b>	<b>Incentives/Stipends</b>	
<b>SUPERSEDES:</b>	<b>4.0.100.06, dtd September 27, 2019</b>	
<b>EFFECTIVE:</b>	<b>May 23, 2024</b>	
<b>BOARD APPROVAL:</b>	<b>May 22, 2024</b>	
<b>DATE OF LAST REVIEW:</b>	<b>May 9, 2024</b>	

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### **I. PURPOSE:**

This policy clarifies disbursement of incentives or stipends to eligible customers participating in Workforce Programs.

### **II. DEFINITIONS:**

*Incentive* –A tangible award that inspires participants to work toward an achievement(s) to move toward self-sufficiency.

*Stipend* – A fixed non-cash or cash payment amount provided at regular intervals.

### **III. POLICY STATEMENT:**

#### General

Workforce Solutions Coastal Bend may provide incentives or stipends to participants in eligible programs as stipulated in this policy, special initiative contracts as defined by the Board, or other initiatives requested by the service provider with prior approval by the Board.

Incentive and stipend programs shall be fiscally sound and promote positive employment, training, and education outcomes. Sufficient funds must be budgeted from available resources to support this policy, particularly as it applies to participants who choose to target long-term achievements.

The service provider must implement a system to collect and analyze data that will demonstrate the effectiveness of an incentive program.

Incentives shall be disbursed only to individuals that exceed the minimum requirements of a program, employer, educational institution, or training provider.

A participant must be informed about the availability and requirements of an incentive *prior to* the participant completion of the achievement that the incentive is intended to encourage. A participant's goal to achieve an incentive will be evident in the individual's employment plan.

Incentives or stipends shall not be disbursed until the participant meets all stipulated requirements and verifies the attainment of the achievement.

Incentive payments will be awarded using nonmonetary incentives such as gift cards or pre-purchased items. Incentives offering cash or check incentives to eligible customers are prohibited.

A menu of available nonmonetary incentives must be outlined in writing. It is recommended at least three incentives are of comparable value from which the participant may select.

Internal control measures are required to track inventories of nonmonetary incentives. Incentives intended for a special initiative with a specific timeframe will be disbursed by the end of that timeframe.

The value of nonmonetary incentives must be:

- Connected to the size and nature of the achievement for which they are awarded; and
- Scaled to inspire participants to work toward the achievements.

Unless specified in a special initiative, contract stipend payments will be awarded using gift cards or pre-purchased items.

Incentive plans developed for each allowable program will be provided to the appropriate Board Contract Manager prior to implementation. At a minimum, the plan will include purpose of the incentives, participants eligible, incentives earned for each achievement, realistic minimum and maximum time frames to achieve the incentive and a start and end date. Notification will also be provided if an incentive ends prior to the planned end date and, if applicable, implemented again with a new start and end date. Approved Incentive plans will be effective for the current BCY as funds permit. At the beginning of each new Board Contract Year the appropriate Board Contract Manager will review and approve the Incentive plan before it is effective.

Participants must be advised that documented evidence of attainment of an incentive goal must be provided within thirty (30) days of the attainment to claim the incentive. Once documented evidence is received, staff have up to seven days to request the incentive.

Incentives/Stipends for customers are allowable as short-term, non-recurrent benefits and are not intended to meet recurrent or ongoing needs.

### **WorkInTexas.com**

Case Notes will reflect when a participant was notified of a possible eligibility for a nonmonetary incentive. Case Notes will be entered with the goals and objectives that must be met for the incentive payment to be made in the participant's WorkInTexas.com Individual Employment Plan (IEP)/Individual Service Strategy.

Once the participant has been determined eligible to receive a nonmonetary incentive, data entry of incentive/stipend disbursements shall be entered in WorkinTexas.com (WIT) or the Board approved Case Management System under the activity code 484 – Support Service – Incentives – Youth Funded for WIOA Youth and activity code 643 – Support Service – Incentives for Choices and NCP Choices, respectively.

Information entered under the appropriate incentive code will designate the following:

- Actual Begin Date is the date the participant received the nonmonetary incentive;
- Projected End Date is the same as the begin date;
- Total Enrollment Cost is the actual amount of the incentive payment;
- Last Activity Date is the same as the begin date;
- Completion Code selected is Successful Completion; and
- Case Note is created and contains:
  - ▶ The date the nonmonetary incentive payment (or voucher) was issued;
  - ▶ The type of payment (TOP); and
  - ▶ What the customer achieved.

### Eligible Programs

Service providers will follow incentive guidelines and strategies by the eligible programs below:

### Choices

All Choices Eligible participants, mandatory and exempt, will be eligible for incentives in any allowable participation activity as long as the incentive demonstrates achievements above minimum requirements. Incentives that encourage early engagement (applicants), quick entry into the workforce, retention of employment, job promotion, wage gains and successful completion of training services or attaining an education goal related to employment are achievement outcomes most beneficial to the goal of self-sufficiency.

Job Retention - In the case of an individual losing employment based on good reasons, retention will remain in effect as long as the individual regains employment within 4 weeks of job loss. Pattern of job loss may result in non-payment of incentives.

### Non-Custodial Parent (NCP) Choices

Employment, retention up to 6 months and wage gains will be the main achievements for incentives.

### WIOA Youth

Incentive disbursements may be made only to youth participating in a program tied directly to education, successful completion of either a work experience or training. Such incentives for achievement could include improvements marked by testing or other successful outcomes. WIOA youth funding is not used to fund incentives for completing job readiness training or classes.

Examples of activities or milestones completed that could result in the provision of an incentive for WIOA Youth, Choices, and NCP Choices participants are:

- attainment of a high school diploma or Texas Certificate of High School Equivalency;
- completion of an industry-recognized certificate or credential or completed occupational skills training;
- successful completion of training services, vocational educational training, or other educational services;
- attainment of unsubsidized employment directly related to the training program; and
- successful completion of a work experience program.

#### **IV. PROCEDURES:**

Service providers must develop internal procedures for the provision of incentives/stipends. Procedures must contain adequate controls for authorization of incentives.

#### **V. RELATED POLICY INFORMATION:**

Federal Register, 20CFR Part 652 and Parts 660 through 671; Workforce Investment Act of 1998;

40 TAC, Chapter 811 Choices

TWC Choices Guide revised March 2024 and all subsequent revisions.

Noncustodial Parent Choices: A Comprehensive Guide

National Archives and Records Administration (NPRM) Federal Register, Volume 81, Part 603, 651, 652 Workforce Investment Act: Final Rule August 19, 2016.

TWC WIOA Guidelines for Adults, Dislocated Workers and Youth March 18, 2024 and all subsequent revisions.

TWC WD Letter 15-19, Change 1 dated 03/18/2024. Guidelines for the Provision of Incentives for Workforce Innovation and Opportunity Act YOUTH and Choices, Including NCP Choices Participants – Update

#### **VI. RESPONSIBILITIES:**

Board Professionals shall ensure that all service provider staff are aware of and comply with this policy.

The Board Monitor shall provide oversight and evaluation of the service provider's disbursement of incentives and stipends to eligible customers.

Service providers shall ensure that appropriate procedures are implemented, and that relevant staff receive training regarding the requirements of this policy.

**VII. DISTRIBUTION:**

Board of Directors

Board Staff

Service Provider Staff

**VIII. SIGNATURES:**

Ricardo Muñoz  
Reviewed by EO Officer

5/23/2024  
Date

[Signature]  
President/CEO

6/7/2024  
Date