

**Alabama Workforce Investment System**

**Alabama Department of Economic and Community Affairs  
Workforce Development Division  
401 Adams Avenue  
Post Office Box 5690  
Montgomery, Alabama 36103-5690**

February 19, 2003

**GOVERNOR'S WORKFORCE DEVELOPMENT DIRECTIVE NO. PY2002-01, Chge. 7**

**SUBJECT:** Training and Employment Guidance Letter (TEGL)

1. **Purpose.** This transmits the following TEGL:

<u>Number</u>	<u>Date</u>	<u>Subject</u>
19-02	2/10/2003	Sanction Policy for Failure to Meet State Negotiated Performance Levels under Title I of the Workforce Investment Act

2. **Discussion.** TEGL No. 19-02 provides states guidance of the Employment and Training Administration's (ETA) policy related to application of sanctions for failure to meet the state negotiated levels of performance under Title I of the Workforce Investment Act.

The Workforce Investment Act provides the application of differing levels of sanctions to States which fail to meet a prescribed number of the Adult, Youth, and/or Dislocated Worker program negotiated performance goals. Performance at a level below eighty percent of an individual performance goal is considered "failing to meet" that particular performance goal. The attached State-Level Performance Sanction Analysis (7/1/01-6/30/02) indicates that, for Program Year 2001, Alabama performed at a level below eighty percent of the associated negotiated goals for two of the four Adult program measures and two of the four Older Youth program measures.

USDOL applies financial sanctions only following **two** consecutive years of States' failed performance. Alabama did fail two of four Adult measures and two of four Older Youth measures for PY 2001, but exceeded Adult, Older Youth/Younger Youth, and Dislocated Worker measures for the previous year, Program Year 2000. Therefore, Alabama is not currently subject to such financial sanctions.

Should Alabama exhibit Program Year 2002 performance below eighty percent of the associated performance goals for Adult Employment and Six Month Follow-up and Adult Earnings Change at Six Month Follow Up, the State would be subject to Program Year 2003 sanctions amounting to two percent of the Program Year 2003 Adult Program allotment. Should Alabama exhibit Program Year 2002 performance below eighty percent of the associated performance goals for Older Youth Employment and Six Month Follow-up and Older Youth Earnings Change at Six Month Follow Up, the State would be subject to Program Year 2003 sanctions amounting to one percent of the Program Year 2003 Youth Program allotment.

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It is therefore critical that Alabama posts significantly improved Program Year 2002 actual performance related to performance goal numbers, particularly in the Adult and Older Youth performance categories. The State is pursuing efforts to renegotiate **downward** several key Adult, Older Youth, Younger Youth, and Dislocated Worker Program Year 2002 performance goals. However, local areas should still strengthen their efforts to achieve improved Program Year performance, particularly in the Adult and Older Youth performance categories.

3. **Information**. Copies of TEG L No. 19-02 are provided for informational and action purposes.
4. **Contact**. Please direct any questions regarding this information to the USDOL Regional Office.



Steve Walkley, Division Director  
Workforce Development Division

Attachments