

May 29, 2003

VETERANS PROGRAM LETTER NO. 08-03

TO: ALL REGIONAL ADMINISTRATORS AND DIRECTORS FOR
VETERANS' EMPLOYMENT AND TRAINING (RAVETS)
ALL STATE WORKFORCE AGENCY (SWA) ADMINISTRATORS
ALL REGIONAL ADMINISTRATORS, EMPLOYMENT AND TRAINING
ADMINISTRATION INFORMATIONAL (INFO)

FROM: FREDERICO JUARBE JR. [SIGNED]

SUBJECT: State Employee Performance Incentive Awards

- I. Purpose: To provide guidance to States for planning and implementing a program of performance incentive awards, as established in the Jobs for Veterans Act, Public Law (P.L.) 107-288.
- II. References: Title 38, United States Code Section 4112, as amended by P.L. 107-288.
- III. Rescissions: No previous VPL has been issued on this subject.
- IV. Background: P.L. 107-288, The Jobs for Veterans Act (the Act) establishes the requirement for "performance incentive awards for quality employment training and placement services" to be administered by States. The Act stipulates that one percent of a State's total grant allocation shall be used for this purpose. The intent is to a) encourage the improvement and modernization of employment, training, and placement services for veterans, and b) recognize eligible employees for excellence in the provision of such services, or for having made demonstrable improvements in the provision of services to veterans. It is intended that awards be granted to individual recipients on a cash basis, however non-financial incentives may be awarded in lieu of, or in combination with cash awards as outlined in an approved State Veterans' Services Plan. (State Plan requirements are outlined in Enclosure I.)
- V. Eligibility and Awards Criteria: It is the expressed intent of Congress that eligibility and selection criteria for performance incentive awards be broad enough in scope to give States the maximum flexibility needed to recognize employees for providing excellent employment services to veterans or for improvements and modernization of their methods of service delivery. Eligibility for receipt of awards is defined broadly in order to accommodate the variances among States' service delivery systems. Eligibility should be interpreted to best recognize the individuals who put forth extraordinary and commendable efforts on behalf of veterans, to include those working in the various programs that serve veterans in each State. In

developing an incentive awards program, States are strongly encouraged to consider criteria that foster or strengthen partnerships at the State level. Particular emphasis should be placed on ensuring that Workforce Investment Act (WIA) funded staff are fully considered for awards. States will be required to address this component of proposed awards programs in the State Veterans' Services Plan.

- A. Eligibility: Eligible recipients of State Employee Performance Incentive Awards are Disabled Veterans' Outreach Program (DVOP) specialists, Local Veterans' Employment Representative (LVER) staff, and any other employee providing services to veterans under WIA and employment service delivery programs as defined in P.L. 107-288, Section 4112. Recipients of performance incentive awards must be individuals, and may be recognized in a format of the State's choosing. Ineligible recipients include entities and federal staff. Although entities are not eligible recipients, States are not restricted from awarding individuals in an office, unit, or area where performance warrants recognition under a State's incentive awards program.
 - B. Selection: Selection criteria for award recipients must be based on performance or activities during the program year for which the award is given. States are encouraged to involve both objective and subjective data in developing selection criteria. In particular, States should consider employees who demonstrate outstanding outreach on behalf of veterans who have barriers to employment, especially homeless veterans. States are discouraged from relying solely on performance data, in part because such data will likely represent performance prior to the current program year. Attitude, motivation, program improvement, positive feedback, and other indicators of outstanding performance should be given consideration over numerical data. (See Enclosure II for Sample Criteria for Nomination and Selection of Awardees.)
- VI. Planning and Reporting Requirements: States will be required to address plans for incentive awards programs and expenditure of such funds in the State Veterans' Services Plan. The Plan should include the objectives to be achieved through the State's incentive awards program, the planned selection process, and means of disbursement. If substantive changes are subsequently made to the program outlined in the State Plan, they must be explained in a modification request, to be submitted to the State Director for Veterans' Employment and Training (DVET) for approval by the Grant Officer.

Incentive award funds must be obligated by September 30 (end of fiscal year) and expended by December 31. Adjustments will be made to subsequent fiscal year funding for any portion of such funds that are not utilized in this time period and for the intended purpose. A Summary Report form to be used for detailing the expenditure of incentive award funds will be included in the State Plan. This form is to be submitted in conjunction with fourth quarter fiscal year reporting requirements. The Summary Report is required for VETS to fulfill its statutory reporting requirement to Congress.

- VII. States with Restrictions on Monetary Awards: States with laws, policies, or agreements that restrict or prohibit the award of monetary or other certain types of incentives should avail themselves of the flexibility provided in the Act to provide non-monetary awards in

combination with, or in lieu of cash awards. A program of awards should be developed by the State in accordance with its governing laws, rules, and agreements, bearing in mind that the intent is to recognize individuals with an award of personal benefit, and not to supplant other spending on training, supplies, or other expenditures ordinarily made at the State or program level. Congress has expressed its intent that States continue to use salary and expense (S&E) funds to pay for such items as employee recognition plaques and other modest forms of recognition as part of the non-financial incentive awards programs. Items such as plaques, certificates, trophies, etc., alone are not allowable expenditures of incentive funds. Such funds are intended for the provision of incentive awards above and beyond current practice. (See examples of non-monetary alternatives to cash awards provided in Enclosure III.)

VIII. Actions Required:

- A. SWA Administrators should consult with appropriate stakeholders to formulate a plan for developing the Statewide incentive award program.
- B. DVETs shall be available to provide technical assistance upon request.
- C. VETS will issue guidance on the development and submission of the State Veterans' Services Plan. This guidance will provide further direction on the inclusion of plans for the State's program of incentive awards.

IX. Inquiries: SWA questions should be addressed to the appropriate DVET. DVETs should address further inquiries through the appropriate RAVET as needed, to Miguel A. Hernandez in the VETS National Office at (202) 693-4708.

X. Expiration Date: This directive is valid until rescinded.

XI. Enclosures:

- I: Requirements for State Veterans' Services Plan
- II: Sample Criteria for Nomination and Selection of Awardees
- III: Sample Alternatives to be considered by States with Restrictions on Monetary Awards

ENCLOSURE I

State Veterans' Services Plan Requirements for Performance Awards and Incentives:

Background: The Jobs for Veterans Act Section 4112 establishes a program for "Performance incentive awards for quality employment, training and placement services" to be administered by States. The intent is to a) encourage the improvement and modernization of employment, training, and placement services for veterans and b) recognize eligible employees for excellence in the provision of such services, or for having made demonstrable improvements in the provision of such services to veterans. It is intended that such awards be granted to recipients on a cash basis, however, non-financial incentives may be awarded in lieu of or in combination with cash awards with the approval of the Secretary.

For States to be eligible to receive funds in Fiscal Year 2004, the State Veterans' Services Plan will:

A. Indicate the total amount of funds designated for performance incentive awards.

Criteria: To be considered acceptable, the State's narrative must indicate the designation of one percent of the total grant for use as performance incentive awards.

B. Address the objectives to be achieved through the State's incentive awards program.

Criteria: To be considered acceptable, the narrative must describe how State's incentive award program will encourage individuals to achieve excellence in the provision of services to veterans and/or to demonstrate improvements to the system for the delivery of such services.

C. Describe the planned selection and award process.

Criteria: To be considered acceptable, the State's narrative must describe how awardees will be selected and identify the general criteria to be considered. Describe how the award process will be inclusive of WIA funded staff.

D. Describe the planned disbursement of incentive award funds.

Criteria: To be considered acceptable, the State's narrative must identify the entity within the State that will administer funds, and should identify cash and/or non-cash award items representing the total amount of designated funding. (Example: \$5,000 to be distributed as ten \$500 cash awards, OR \$5,000 to be distributed as ten items of merchandise, etc.) If cash awards are not to be utilized, the narrative should explain the rationale.

ENCLOSURE II

Sample Criteria for Nomination and Selection of Awardees

Nominations Guidance

Solicitations for nominations should clearly indicate the broadness of awards eligibility and identify the intent and focus of the State's incentive awards program. Broad participation in the nominations process is encouraged, and may include clients and employers in addition to employees and management. Involvement of local Veterans' Services Organizations (VSOs) in promoting States' incentive awards programs is also encouraged, and State Regional Directors and Administrators should be involved collaboratively in the development of the nominations process. Required paperwork should be minimized to encourage broad participation and to facilitate selection, and the use of "bullet points" as opposed to extensive narrative is encouraged. Nominees should be approved at a designated level of management before final consideration for awards.

Selection Criteria

In designing a program of incentive awards, the guiding principle is that chosen criteria recognize and promote the improvement of services to veterans. The following is a partial list of sample criteria for individual achievements or efforts that States may wish to promote and reward:

- Development of a program, for which the impact may not be directly measurable (e.g., a resume skills building program)
- Promotion of entry into federal employment
- Outstanding case management
- Vocational rehabilitation marketing; direct marketing to employers—Note: This is an example of how awards criteria may foster partnerships, since vocational rehabilitation specialists often work with or rely upon assistance from DVOP or LVER staff.
- Exceptional performance beyond job requirements or outside of established performance goals
- Ideas that are implemented to improve the system, improve performance, reduce time or cost, or to promote collaboration
- Performance measures—Note: If used, must reflect the given performance period.
- Outreach/community-relations efforts, e.g. Chambers of Commerce, employers, etc.
- Generation of positive publicity for a local office; increasing awareness of relevant issues within the employer community
- Enhancement of on the job training, customized job training, or compensated work therapy
- Efforts to assist hard-to-place populations (homeless veterans, etc.)
- Collaborative success of individuals comprising an area, office, or unit, in providing all services to veterans; may include success in employer relations and "great customer service" to veteran clients—Note: Individuals from such an area, office, or unit may be awarded, although the entity itself is not itself eligible for award.
- Other pre-defined achievements or measures

ENCLOSURE III

Sample Alternatives to be Considered by States with Restrictions on Monetary Awards

The following is a partial list of non-monetary incentives that may be considered by States with restrictions on monetary awards. Awards may also be given in cash/non-cash combination. These examples are to assist States in developing the most appropriate format for their incentive awards program. States have the responsibility to work with their pertinent organizations and legal entities, ethics boards, etc. in selecting final award options.

- Trip to DC with families and/or Trip to Annual Veterans Salute, personal presentation by Assistant Secretary for Veterans Employment and Training Service (ASVET)
- Travel to Governor's inauguration
- Dinner or lunch with State Administrator or State Director
- Recognition at statewide DVOP/LVER conference
- Participation on advisory panel to national office, e.g. provide input on improving veterans programs; opportunity for interaction with ASVET on veterans issues
- Training/Academic/Conference/Seminar Scholarship— (e.g. management training, post-graduate study, certification, course of choice)—Note: Intent must be to benefit the individual recipient; such award must be above and beyond training typically provided.
- Membership dues (Better Business Bureau, etc.)
- Leave time/Flex time
- Merchandise (stereo, office supplies, TV, software, furnishings)—Note: Awarded "bonus points" could be redeemable from a "menu" of merchandise.
- Personal services (e.g. coffee, bottled water delivery, fruits/flowers of the month, health club membership, cell phone service, etc.)
- Gift certificates (e.g. restaurants, bed and breakfast, stores)
- Tickets to performing arts, sports, or other events
- Weekend getaway package
- Letter of commendation from the ASVET (for both cash and non-cash awards)
- Proclamation of Governor to individual, e.g. "Service to Veteran Award of the Year"
- Individual named "Honorary mentor" or "State Advisor" on veterans issues
- Travel expenses for conferences, award ceremonies, training, etc.
- Donation to favorite charity in individual's name
- Preferred or paid parking
- Car rental/reimbursement
- Recipient's choice of non-cash award options

Note: Inquiries have been made as to whether incentive awards may be items that will enhance office or individual job performance, such as software or training. Awards are intended to be of personal benefit to recipients, and not to supplant other expenditures ordinarily made at the State or program level. Bearing this intent in mind, there may be some cases where specialized training or performance-enhancing software not ordinarily purchased by State programs may be an approved use of incentive award funds, if it is clearly of personal benefit to the recipient.