

June 16, 1987

Dear Name\*:

This is in response to your letter requesting permission to use a form developed by Name\* in lieu of the "90-10" form which is recognized by the Wage and Hour Division.

The "90-10" form is used to measure the productivity of workers who are paid at hourly wage rates under certificates which authorize the payment of subminimum wage rates. This form was developed because of a persistent need among certified facilities for more objective guidelines which would insure that the wages of workers with disabilities were commensurate and thus satisfy the requirements of the Fair Labor Standards Act (FLSA). In 1972, the Advisory Committee on Sheltered Workshops conducted a demonstration study to test the reliability of a form typically used in many workshops to measure the productivity of workers paid on an hourly rate basis. The methods and findings of that study are detailed in the enclosure to this letter.

The demonstration study concluded that the factors of quantity and quality of production are the most valid factors for rating workers with disabilities paid on an hourly rate basis. The Advisory Committee recommended that a rating form utilizing the factors of quantity of production, weighted at 90 percent, and quality of production, weighted at 10 percent, be adopted.

The Wage and Hour Division developed the "90-10" form in response to the Advisory Committee recommendation. The Division has found that, as a general rule, the use of this form results in the payment of an objectively determined commensurate wage. However, while use of this form is accepted, it is not required.

The methodology employed in the form developed by Greenwood-Sutz has been reviewed. The preliminary conclusion of this review is that the commensurate wage derived by using this form appears to satisfy the requirements of FLSA. However, before giving final approval for the use of this form, we would like to be able to compare the results of its use with the use of the "90-10" form. In order to make such a comparison, we ask that you do the following:

This document was retyped from documents in the National Office files.

- 1) Please select a sample of the individuals with disabilities employed in your workshop who may have had recent evaluations using the "90-10" form. This sample should be large enough to insure that it is representative, and that it includes workers with a broad range of productive capacity.
- 2) As soon as the sample has been selected, please forward copies of the most recent "90-10" form to this office.
- 3) After a three-month period you should perform another evaluation using the Greenwood-Sutz form, and forward copies of that form to this office. In submitting these copies, please indicate how often you would plan to do an evaluation. When using the "90-10" form, an evaluation is recommended at least every three months.

We will make every effort to promptly evaluate the data you submit and provide you with a final response regarding use of the Greenwood-Sutz form. Please note that you may not base wage payments on this form until our evaluation has been completed. If you have any questions, please contact Corlis Sellers or Howard Ostmann at (202) 523-8727.

Sincerely,

Paula V. Smith  
Administrator

<p>Key Words: Ninety-Ten ("90-10") Productivity Rating Form Quality/Quality Rating; Hourly Performance Rating; Rating Systems/Formats</p>
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