U.S. Department of Labor

Assistant Secretary for
Veteran's Employment and Training
Washington, D.C. 20210

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VETERANS PROGRAM LETTER NO. 02-07

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: CHARLES S. CICCOLELLA

SUBJECT: Annual Performance Incentive Awards for State Employees and Employment Service Offices

I. **Purpose:** To provide guidance to States for planning, implementing and reporting performance incentive awards activities, as established in Title 38, United States Code (38 U.S.C.), Section 4112 and amended by Public Law (P.L.) 109-461 .

II. **References:** Title 38, U.S.C., Section 4112, as amended by P.L. 109-461 the Veterans Benefits, Health Care and Informational Technology Act of 2006, enacted December 22, 2006; Veterans' Program Letter (VPL) 06-06, The Modification Request Process for Adjustments to Jobs for Veterans State Grants for FYs 2007-2009, dated November 28, 2006; VPL 03-06, Jobs for Veterans State Grant Annual Funding Modification Requests for FYs 2007-2009, dated May 9, 2006; VPL 02-06, Jobs for Veterans State Grant Reporting, dated February 8, 2006; VPL 03-04, Issuance of Fiscal Year (FY) 2005-2009 Solicitation for Grant Applications, Jobs for Veterans State Grants, dated April 16, 2004.

III. **Rescission:** This VPL supersedes VPL 08-03, dated May 29, 2003 on the same subject.

IV. **Background:** Beginning in Fiscal Year (FY) 2004, States could designate up to one percent of their Jobs for Veterans State Grant allocation for incentive awards to present to eligible employees. The incentive awards program was established 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.

V. **Eligibility and Awards Criteria:** Recent legislation expanded recipient eligibility and broadened the selection criteria for performance incentive awards. This should allow States the maximum flexibility to recognize employees or offices that provide exemplary employment services to veterans or to effect improvements and modernization of their veterans' employment service delivery methods.

A. Eligibility: Eligible recipients for individual incentive awards are Disabled Veterans' Outreach Program (DVOP) specialists, Local Veterans' Employment Representative (LVER) staff, and any other individual who provides employment and training services to veterans under the Workforce Investment Act (WIA) of 1998, to include labor exchange staff funded by the Wagner-Peyser Act or staff of One-Stop partner agencies. States are not restricted from awarding individuals who collectively serve a specific function or work in an area where their performance warrants recognition under a State's incentive awards program. Volunteers, Veterans' Administration Work Studies, and Federal employees are not eligible recipients.

P. L. 109-461 expands the recipient eligibility for performance incentive awards to include "employment service offices." Offices that are eligible to be incentive award recipients include any service delivery point that provides exemplary public employment and training services to veterans, One-Stop Career Centers operated by State Workforce Agencies or offices that contract with State, Regional or Local Workforce Investment Boards, and other agencies identified in Section 121(b)(1)(B) of the WIA that provide services to veterans. Incentive awards may be used by recipient offices for any purpose.

States are strongly encouraged to use discretion when deciding whether an award should be presented to an entire office rather than select individuals serving a common function within an office. Awards to offices should be reserved for instances where most, if not all, employees in an office contribute in some way to improving employment or training services offered and provided to veterans.

B. Selection: In developing an incentive awards program, States are strongly encouraged to consider criteria that foster or strengthen partnerships at the State and local level, however, selection criteria for award recipients must be based on performance or activities during the fiscal 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 and/or offices that demonstrate outstanding outreach on behalf of veterans who have barriers to employment, especially homeless, incarcerated, disabled, and recently separated veterans. States may also wish to consider individual or office-wide programs that promote employment opportunities for veterans within the local community or enhance provider awareness of veterans' issues and resources. States are discouraged from relying solely on performance data, since such data will likely represent performance prior to the current fiscal year. Attitude, motivation, program improvement, positive feedback, and other indicators of outstanding performance should be given consideration over numerical data.

For individual awards, particular emphasis should be placed on ensuring that all staff who serve veterans through the full array of Department of Labor employment and training programs are considered for awards. States should also take extra care to recognize those individuals working in various specialized programs that serve certain target groups of veterans in each State. Attachment II provides suggested criteria for nominating and selecting awardees.

A variety of acceptable awards is defined broadly in order to accommodate the differences in State laws or union agreements. States with laws, policies, or agreements that restrict or prohibit recognizing individual staff with monetary awards or other certain types of incentives should avail themselves of the flexibility the law now provides to award offices or make 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 and/or offices with an award of personal or mutual benefit.

However, for non-monetary awards to individuals, items such as t-shirts, ball caps, plaques, certificates, or trophies are not sufficient for the expenditure of a State's incentive. Examples of acceptable, non-monetary alternatives to cash awards are provided in Attachment III.

VI. **Planning and Reporting Requirements:** States are required to address plans for incentive awards programs and expenditure of such funds in their Jobs for Veterans' State Plan. The Plan includes the objectives to be achieved through each State's incentive awards program, the planned selection process, and the means for disbursement. If substantive changes are subsequently made to the program outlined in the approved State Plan, they must be explained in a modification request, to be submitted to the Director for Veterans' Employment and Training (DVET) in the State for approval by the Grant Officer. Additionally, States that are still unable to provide incentive funds to individuals or to offices will be asked to provide the reasons that they are unable to utilize those funds in their next Jobs for Veterans' State Grant annual modification request.

The Veterans' Employment and Training Service (VETS) is required to provide detailed information on the expenditure of Incentive Award funds in its Annual Report to Congress by February 1st of each year. Therefore, States with approved Incentive Award plans must obligate incentive award funds by September 30th of each year and liquidate these obligations by December 31st of the same year. Adjustments will be made to subsequent fiscal year funding for any portion of such funds that are not utilized within the prescribed time period or are not used for the intended purpose.

States must provide an annual Incentive Award report in accordance with VETS' directives with the quarterly report due in mid-November. The report will detail all incentive awards made to individuals and to offices by:

- Identifying all individual staff award recipients by name and title;
- Identifying all office recipients by office name, location, type of office (e.g. One-Stop, One-Stop affiliate, Employment Service office, WIA partner agency, etc.) and;
- Including a description and value of each award.

States may submit a grant modification request with new or revised Incentive Award plans for the current FY. To allow time to review and process these requests, States must submit these modifications by May 15, 2007. All FY 2007 Incentive Award funding must be obligated by September 30, 2007 and liquidated by December 31, 2007. New or revised Incentive Award plans for future years may also be submitted with the State Plan or the Jobs for Veterans' State grant annual funding modification request.

VII. Actions Required:

A. DVETs from States that have not accepted incentive funds from VETS should meet with their State agency counterparts to determine if the State now wishes to submit by May 15, new or revised Incentive Award plans for FY 2007 given the newly expanded eligibility criteria..

B. New or revised Incentive Award plans for future years will be submitted with the State Plan, annual funding modification, or mid year modification, as applicable.

C. DVETs will provide technical assistance to States, upon request, regarding the process for seeking a grant modification or regarding the incentive award process.

VIII. Inquiries: Questions should be addressed to the appropriate DVET. DVETs should address further inquiries to the appropriate Regional Administrator for Veterans' Employment and Training (RAVET). RAVETs may refer questions to VETS' National Office Jobs for Veterans' State Grants Program Lead at (202) 693-4709.

IX. Expiration Date: This directive is valid until superseded or rescinded.

X. Enclosures:

I: State Plan Requirements for Performance Awards and Incentives
II: Suggested Criteria for Nomination and Selection of Awardees
III: Sample Alternatives to be Considered by States with Restrictions on Monetary Awards

Enclosure I

State Plan Requirements for Performance Awards and Incentives

For States to be eligible to receive incentive funds in any fiscal year, the State Plan will:

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

Criteria: To be considered acceptable, the State's narrative must designate no more than one percent of the initial grant allocation 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 and/or offices 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 award recipients will be selected, identify the general criteria to be considered, and describe how the award process will be inclusive of the full spectrum of Department of Labor employment and training-related programs and non-Federal partners.

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

Suggested Criteria for Nomination and Selection of Awardees

Nominations Guidance

It is recommended that solicitations for nominations 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 employment services to veterans. The following is a partial list of sample criteria for 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
- Achievements in TAP Employment Facilitation
- Exemplary Job Fair support
- Outstanding Hire-Vets-First campaign support
- Successful REALifelines support and accomplishments
- 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 in providing all services to veterans; may include success in employer relations and "great customer service" to veteran clients.
- 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, postgraduate 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 or corporate 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 recipients and, ultimately, the veterans they will serve.