



Subject: Discretionary Grant Management and Accountability
Colorado Policy Guidance Letter#: ADM-2016-01, <b>Change 1</b>
<u>Revise/Replace</u> PGL#: ADM-2016-01
Date: July 1, 2019
Distribution: CDLE Management, State/Local Workforce Directors & Staff, Partners

**JULY 2019 CHANGES HIGHLIGHTED**

**I. REFERENCE(S):**

- Colorado Revised Statutes (C.R.S.) 8-77-109, Establishment of the Employment Support Fund (ESF) for use by the Colorado Department of Labor and Employment – Division of Employment and Training
- The Workforce Innovation and Opportunity Act (WIOA) of 2014, Sec. 116.
- Other Federal and State funding appropriations for programs, such as the Jobs for Veterans State Grant (JVSG) Program, authorized by Title 38, United States Code Chapter 41 and Public Law 107-288 Jobs for Veterans Act of 2002, National Emergency Grants, State Incentive Grants, the State’s Displaced Homemaker Program, and other workforce development programs.
- Policy Guidance Letter (PGL) [ADM-2001-01](#), WIA Internal and Subcontractor Monitoring
- PGL ADM-2019-06, Performance Review Process

**II. PURPOSE:**

This Policy Guidance Letter (PGL) establishes policies and procedures to ensure successful performance outcomes, achievement of deliverables, and full expenditure of funds specifically for discretionary programs and grants by:

- Providing technical assistance to improve fiscal accountability, improve spending rates and reduce the amount of unspent funds at the end of a grant;
- Outlining a three-tiered schedule of interventions and actions to be taken based on level of concern;
- Identifying consistent consequences for under-performance or under-expenditure of grant funds;
- Presenting a proactive approach to local workforce areas’ performance to preclude program and fiscal compliance issues from developing; and
- Identifying promising practices and effective strategies to ensure that performance measures and deliverables are successfully met in all grants and projects.

**III. BACKGROUND**

Reductions in Federal funding for workforce investment activities and rapidly changing conditions in Colorado’s economy are impacting the successful performance outcomes of programs and initiatives operated by local workforce areas. The passage of the Workforce Innovation and Opportunity Act (WIOA) of 2014 presents an opportunity for improvements and innovations in performance management practices and technical

assistance. Section 116 of WIOA provides guidelines for a comprehensive performance accountability system to ensure positive outcomes for participants and to optimize the return on investment of Federal funds used in statewide and local activities. As WIOA is implemented, Colorado is committed to a proactive approach to continuous improvement in program performance and grant administration to ensure the effective uses of federal and state funds.

#### IV: POLICY/ACTION:

##### A. Tiered Grant Status Assessment

The Colorado Department of Labor and Employment (CDLE) has ongoing monitoring activities, as outlined in PGL ADM-2019-06, Performance Review Process, which includes a risk assessment and evaluation in the four areas monitored by CDLE's monitoring team. That risk assessment applies to the Adult, Youth, Dislocated Worker and Wagner Peyser programs. **The three-tiered status assessment presented in this PGL will be applied more specifically to individual discretionary programs and grants, and is intended to complement and inform CDLE's formal monitoring activities of the local workforce areas' ongoing programs.**

This tiered assessment includes the identification of best practices that demonstrate high levels of performance and successful strategies that can be replicated in local workforce areas. The tiered status assessment shall result in applying a level of concern to each discretionary program or grant, which will direct the next steps for actions and technical assistance.

The application of the tiered status assessment will begin at least 25% into the grant period of performance and will be updated each quarter thereafter, or sooner, depending on the requirements and guidelines of the specific grant as determined by the State grant coordinator.

The primary areas considered in a status assessment for a discretionary grant are **Program, Fiscal, Management Information Systems (MIS), and Performance**. The tiered status assessment shall consider the following factors that might be impacting grant performance and for which CDLE may provide extra technical assistance as needed to address the issues:

- Short duration of the grant
- Delays to grant start up
- Lack of options due to grant guidelines or legal restrictions (limited funding provisions, eligibility factors, etc.)
- Lack of need in local area, including no available population to serve
- Planning, budgeting and control of projected expenditures
- Tracking processes
- Internal monitoring
- Data management and reporting
- Program implementation
- Program or fiscal oversight
- Program versus fiscal discrepancies
- Staff turnover
- Partners lack of follow through or negative impacts on performance

- Delayed or insufficient guidance on implementation process, documentation for monitoring, grant requirements, funding provisions of the project, or reporting requirements
- Other factors identified by the **State grant** coordinator or Regional Liaison.

## **B. Grant Status Assessment Criteria and Next Steps**

CDLE identifies three levels of concern which provide thresholds for taking action steps and implementing appropriate strategies to enhance success in achieving performance standards. Discretionary programs and grants shall be assessed as **Low Concern, Moderate Concern, or High Concern** according to the status assessment criteria.

The criteria for the three levels of concern, next steps, and possible consequences of each level of concern are detailed below. Interventions will be initiated by the **State grant** coordinator, who will work closely with the Regional Liaison and local workforce area, proactively providing technical assistance and suggesting strategies to prevent under-performance, under-expenditures and other potential compliance issues. Performance includes enrollments and other required performance measures specified in the grant.

### **1. GREEN: Low Concern**

An individual grant or project may be designated in the Green category if it meets or exceeds expectations based on *all* of the following criteria:

- Meeting projected quarterly performance measures **as identified within workplan/project plan at the 85% level or above;**
- Achieving planned deliverables established in the scope of work; and
- Meeting projected quarterly expenditures (including obligations) **as identified within workplan/project plan** at the 85% level or above.

#### **Next Steps:**

- Promising practices and successful strategies for program implementation and grant administration are shared with other local workforce areas, and are identified in CDLE's annual report;
- Concern level is reassessed quarterly.

### **2. YELLOW: Moderate Concern**

An individual grant or project may be designated in the Yellow category if it does not meet expectations based on *any one* of the following criteria:

- Meeting projected quarterly performance measures **as identified within workplan/project plan at the 85% level or above;**
- Achieving planned deliverables established in the scope of work on schedule;
- Meeting projected quarterly expenditures (including obligations) **as identified within workplan/project plan** at the 85% level; or
- Anticipated or actual return of funds is 15% or more of **total grant award** (return of funds at the request of CDLE and for purposes approved by CDLE will not be considered in this assessment).

#### **Next Steps:**

- If the individual grant is beyond the start-up phase (at least 25% into the period of performance), a **Grant Assistance Plan** (see **Attachment 1**) is designed and implemented to address the specific issues in the project.

- Specific modifications to the local plan or **work plan** to better support positive outcomes and to align the grant with any changes related to the **Grant Assistance Plan** are executed.
- **Quarterly** (at a minimum) conference calls and/or site visits with state and local program/fiscal project staff are initiated to provide progress updates and brainstorm solutions. Timing of calls/visits will be aligned with the **Grant Assistance Plan** to utilize staff time effectively.
- Concern level is reassessed quarterly, at a minimum (and more frequently depending on how much time remains in the grant or project's period of performance).

**Potential Consequences:**

- Compliance issue(s) are cited if any of the following criteria are met at the conclusion of the grant period of performance: actual performance is less than **85%** of overall target, or **any funds are left unspent at the end of the grant period**.

**3. RED: High Concern**

An individual grant or project may be designated in the Red category if it does not meet expectations based on ***two or more*** of the following criteria:

- a. Meeting projected quarterly performance measures **as identified within workplan/project plan** at the **85%** level;
- b. Achieving planned deliverables established in the scope of work on schedule;
- c. Meeting projected quarterly expenditures (including obligations) **as identified within workplan/project plan** at the 85% level; and/or
- d. Anticipated or actual return of funds is 15% or more of **total grant award** (return of funds at the request of CDLE and for purposes approved by CDLE will not be considered in this assessment).

**Next Steps:**

- If the individual grant is beyond the start-up phase (at least 25% into the period of performance), a Performance Improvement Plan (see **Attachment 2**) is developed and designed to bring the local workforce area's performance into the negotiated range of performance and expenditure standards.
- Specific modifications to the local plan or **work plan** to align with any changes related to the Performance Improvement Plan are executed.
- **Monthly** (at a minimum) conference calls and/or site visits with the state and local program/fiscal project staff and Regional Liaison are implemented to provide progress updates and brainstorm solutions. Timing of calls/visits will be aligned with the Performance Improvement Plan to utilize staff time effectively.
- Concern level is reassessed monthly or quarterly, at a minimum (and more frequently depending on how much time remains in the grant or project's period of performance)
- CDLE will discuss proactive strategies with the local workforce area to prevent similar issues in other programs.

### **Consequences**

- Performance Improvement Plan will be noted within annual monitoring report.
- Compliance issue(s) will be cited if any of the following criteria are met at the conclusion of the grant period of performance: actual performance is less than 85% of overall target, or any funds are left unspent at the end of the grant period.
- Specific fund cash advances are held back by the CDLE for a specified period of time, or until performance issues have been corrected; and/or
- New/existing discretionary grant funds may be restricted, as determined by CDLE.

### **C. Grant Status Assessment Results**

A letter from the Director of Workforce Development Programs will be sent to the Local workforce areas outlining the grant status assessment results for discretionary grants and programs if a local workforce area falls into the moderate or high concern categories. This will continue to be reassessed on a quarterly basis.

### **D. Process and Timeline for Challenging Status Assessment**

In the case of a moderate or high concern level status assessment, CDLE shall make every effort to negotiate a Grant Assistance or Performance Improvement Plan in partnership with the local workforce area that is satisfactory to all parties. CDLE, the local grant coordinator, and the local workforce area director shall sign the plan to indicate their acceptance of the action steps. If a local workforce area disagrees with the concern level assessed or the consequences imposed, they may further negotiate the plan with CDLE.

Once the concern level is assessed as medium or high, a Grant Assistance or Performance Improvement Plan shall be jointly developed. If the local workforce area director challenges the assessment level, s/he must e-mail the appropriate Regional Liaison and State grant coordinator within 1 week of notification of status assessment results, stating an explanation of issues and to request further discussions for changes. If all parties are unable to come to agreement on the plan, the State reserves the right to move forward with the consequences listed for Moderate or High Concern in Section B.

<b>Process Steps</b>	<b>Timeline</b>
1. A moderate or high level of concern is assessed	Status assessment results are emailed to local workforce area director within 1 week of scheduled grant assessment
2. Local workforce area director challenges concern level OR agrees to develop appropriate plan (Grant-Assistance or Performance Improvement)	Local workforce area director must notify Regional Liaison and State grant coordinator within 1 week of receiving status assessment results. Based on additional information or data provided by the local area director, the concern level may be updated/revised.

3. <b>Grant Assistance</b> or Performance Improvement Plan is developed jointly by local workforce area director, Regional Liaison, local grant coordinator, and <b>State grant</b> coordinator	Completed within 1 month of agreeing to develop an appropriate plan (within 5 weeks of initial notification)
4. Plan is signed by all parties	Within 2 weeks of completing the plan

**V. TECHNICAL ASSISTANCE AND PROMISING PRACTICES:**

**A. Technical Assistance for Successful Grant Outcomes**

The State will provide the following technical assistance to support successful outcomes for discretionary grants.

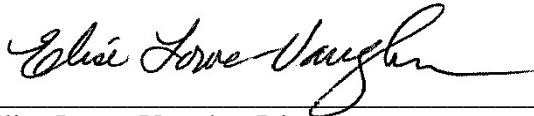
1. **Workgroup Meetings:** Structured, grant-specific workgroup meetings shall be implemented on a regular basis (monthly or quarterly, at a minimum) to share programmatic, operational, and fiscal information and to provide a forum for sharing promising practices among local workforce areas.
2. **Proactive Communication:** The required expenditure rates will be included in individual grant PGLs and in funding provisions for new NFAs **and work plans** for each individual grant. The local workforce area shall report program and grant implementation challenges to their Regional Liaison and/or the project coordinator as they occur. CDLE shall respond by providing appropriate technical assistance to preclude performance and fiscal problems.
3. **In-Person Monitoring Visits:** The **State grant** coordinator will make an on-site **or virtual** technical assistance visit within the first six months of the grant to ensure the grant is set up for success. The Regional Liaison or **State grant** coordinator may schedule in-person **or virtual** monitoring visits on an as-needed basis to provide program and grant administration support and to enhance clarity of the State's expectations for performance and spending outcomes. These may be in addition to regularly scheduled, mid-year, or annual compliance reviews.
4. **Quarterly reports:** Each grant provides its own guidance on quarterly reporting requirements, which should require an analysis of projected-to-actual quarterly expenditures by local workforce areas in each quarterly report for the duration of the grant. The Regional Liaison or **State grant** coordinator may request more frequent monthly expenditure projections and a plan to address any expenditure discrepancies depending on the specific grant.
5. **Monthly/Quarterly Performance Results by Local Areas:** At the appropriate regularly-scheduled workgroup meeting, the State shall present performance results and spending levels of all local workforce areas to the group. This is a promising practice for stimulating peer to peer problem solving and sharing of successful performance strategies among local areas. These results will also be shared with the State monitoring team.

**VI. IMPLEMENTATION DATE:**

Effective immediately for all new and existing grants.

**VII. INQUIRIES:**

Please direct all inquiries to your Regional Liaison at Workforce Development Programs.



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Elise Lowe-Vaughn, Director  
Workforce Programs, Policy, and Strategic Initiatives

**ATTACHMENTS:**

1. Elements of a Grant Assistance Plan
2. Elements of a Performance Improvement Plan