

# COWIB Policy on Stipend Payments and Incentives for Youth

March, 2008

Revised ... February 17, 2010

**PURPOSE:** To establish a local policy on the use of stipend payments and incentives as a service strategy in the WIA Youth program of the Central Oklahoma Workforce Investment Board.

**AUTHORITY:** The authority for this policy derives from Oklahoma Employment & Training Issuance #08-2003, ~~“WIA Youth Glossary,” dated April 25, 2003 #23-2009~~ **“WIA Youth Glossary,” dated December 8, 2009.**

OETI #08-2003 **#23-2009** provides a definition of the term, “Stipend,” as follows:

~~**STIPEND** – Monetary payment, used as an incentive to retain youth in a program, which may be given upon completion of established benchmarks or upon final program completion. The guidelines providing stipends to youth participants must be described in local policy.~~

**STIPEND** – A Stipend is a fixed regular monetary payment made to a WIA Youth participant during his/her enrollment to encourage the WIA youth to participate in certain activities (seat time payments). The stipend can be used for activities such as classroom instruction. Stipends may be paid based on actual hours of attendance. The guidelines providing stipend payments to youth participants must be described in local policy.

**And, the term “Incentive Payment” is defined like this:**

**INCENTIVE PAYMENT** – Monetary payment given to a WIA Youth participant for successful participation and achievement of expected outcomes as defined in the ISS upon completion of established benchmarks or upon final program completion. Incentives may be used to retain youth in a program and must be tied to training, education, or work readiness. Such achievements must be documented in the participants file as the basis for an incentive payment. Guidelines for the payment of incentives to youth participants must be described in local policy.

**BACKGROUND:** As described in Section 129 of the Workforce Investment Act, WIA Youth program resources are intended to be used for the following purposes:

- (1) To provide, to eligible youth seeking assistance in achieving academic and employment success, effective and comprehensive activities, which shall include a variety of options for improving educational and skill competencies and provide effective connections to employers;

- (2) To ensure on-going mentoring opportunities for eligible youth with adults committed to providing such opportunities;
- (3) To provide opportunities for training to eligible youth;
- (4) To provide continued supportive services for eligible youth;
- (5) To provide incentives for recognition and achievement to eligible youth; and**
- (6) To provide opportunities for eligible youth in activities related to leadership, development, decision-making, citizenship, and community service.

**Incentive Stipends and incentive** payments made to participants in the WIA Youth program are different from payments made as a supportive service. Supportive service payments may only be made when they are necessary to enable an individual to participate in program activities. **Incentive Stipends and incentive** payments, on the other hand, are designed to be used as a way of recognizing achievement and rewarding participation in a program activity.

**STATE & FEDERAL REQUIREMENTS:** In developing a policy for stipends and incentives, the Central Oklahoma Workforce Investment Board and its Youth Providers must be mindful of the requirements of our State and Federal funding sources.

**Federal Policy:** A search of the WIA law and federal regulations does not reveal any references to the terms, “Stipend” or “Incentive Payment.” However, the U.S. Department of Labor has addressed the topic of incentives in several guidance letters over the course of the last several years.

Training and Employment Guidance Letter (TEGL) #18-00 suggests that incentives may be used as part of an outreach and recruitment strategy for the WIA Youth program:

*“...It is important to make a positive connection with a young person from initial recruitment. This includes enabling youth who can talk positively about programs as peer advocates and recruiters; collaborating with community and faith-based organizations that already work with disadvantaged youth, especially out-of-school youth; and offering staff and youth incentives for recruiting new participants.”<sup>1</sup>*

Later in the same TEGL, the Department of Labor describes the use of non-monetary incentives including prizes, premiums, and bonuses:

*“The most effective youth programs promote a sense of membership and affiliation and a safe alternative to the streets. This includes strategies such as providing participants with membership cards, t-shirts, and opportunities to participate in planning activities, all of which contribute to retention. Programs that are co-located or connected to community centers that offer a range of recreational and cultural activities may be*

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<sup>1</sup> Training and Employment Guidance Letter No. 18-00, “Program Guidance for Implementation of Comprehensive Youth Services Under the Workforce Investment Act.” April 23, 2001. Available on the internet at ... [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1286](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1286). See Page 10, second paragraph.

*more successful in attracting and engaging young people, especially out-of-school youth....”<sup>2</sup>*

An attachment to the same TEGl describes “Model Practices,” including a program for 14-16 year olds:

*“Participants receive a stipend for their participation in the summer and incentives for year-round participation.”*

Training and Employment Guidance Letter (TEGL) #28-01 endorses the idea of using incentives in order to produce desired program results:

*“Other innovative strategies... that focus on out-of-school youth include: youth serving as outreach workers and recruiters (with incentives provided for recruiting friends into the program).....”<sup>3</sup>*

**State Policy:** As noted on Page 1 of this policy, Oklahoma Employment and Training Issuance #08-2003 **#23-2009** requires a local policy to be developed, including a description of guidelines for providing stipends to youth participants.

Additionally, Oklahoma Employment and Training Issuance #31-2000 has been published on the subject of, “WIA Participant Payments.” This policy provides the following guidance:

*“ALLOWANCES, EARNINGS, AND PAYMENTS — Any allowances, earnings, and payments to individuals participating in programs under this title shall not be considered as income for the purposes of determining eligibility for the amount of income transfer and in-kind aid furnished under any federal or federally assisted program based on need, other than as provided under the Social Security Act (42 U.S.C. 301 et seq.)”<sup>4</sup>*

## **LOCAL POLICY:**

It shall be the policy of the Central Oklahoma Workforce Investment Board (COWIB) and its Board of Local Elected Officials (LEO) that all Workforce Investment Act Title I-funded services shall be delivered in a manner that fully complies with the WIA law and regulations.

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<sup>2</sup> Training and Employment Guidance Letter No. 18-00, “Program Guidance for Implementation of Comprehensive Youth Services Under the Workforce Investment Act.” April 23, 2001. Available on the internet at ... [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1286](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1286). See Page 10, fourth paragraph.

<sup>3</sup> Training and Employment Guidance Letter No. 28-01, “Program Guidance For Implementation of Comprehensive Youth Services Under the Workforce Investment Act (WIA) of 1998.” May 20, 2002. Available on the internet at ... [http://wdr.doleta.gov/directives/corr\\_doc.cfm?DOCN=1391](http://wdr.doleta.gov/directives/corr_doc.cfm?DOCN=1391).

<sup>4</sup> Oklahoma Employment and Training Issuance #31-2000, “Oklahoma’s Interim Final Policy on WIA Participant Payments.” May 24, 2000. Available on the internet at ... [http://www.oesc.state.ok.us/Emp-Trng/OETI/PDFs/31-2000\\_WIA\\_Participant\\_Payments.pdf](http://www.oesc.state.ok.us/Emp-Trng/OETI/PDFs/31-2000_WIA_Participant_Payments.pdf).

A copy of this policy shall be distributed to managers and staff members of the COWIB’s Youth Providers who are responsible for implementing any aspect of a stipend payment system or an incentive reward strategy.

**(1) Guidelines for Providing Stipends Stipend Payments to Youth Participants**

When implementing a system of stipend payments for program participants, the COWIB’s Youth Providers must adhere to the following guidelines:

- (a) **PURPOSE.** Stipend payments must be used with the intention of influencing the behavior of the youth participant – specifically, to encourage their participation and retention in a WIA Youth program activity.<sup>5</sup>

- (b) LOCAL INTERPRETATIONS OF STATE POLICY. Whereas OETI #23-2009 describes a stipend as a “seat time payment” and uses classroom instruction as an example, COWIB interprets this guidance to mean that classroom instruction is one example of an activity for which a stipend payment may be made. Other allowable activities would be any activity associated with one of the Ten Program Elements described in Section 129(c)(2) of the Workforce Investment Act.**

**Whereas OETI #23-2009 says, “Stipend payments may be paid based on actual hours of attendance,” COWIB interprets this as a permissive (not restrictive) feature of state guidance. Therefore, other bases for the payment of stipends may also be established. The COWIB will outline these bases in an Approved Stipend Plan (described below) which is incorporated by reference into this policy.**

- (c) **APPROVED STIPEND PLANS.**
1. The COWIB will publish a Stipend Plan describing a standard system of ~~incentive~~ stipend payments to be used by the COWIB’s Youth Providers. The COWIB’s standard plan will include ~~the benchmark(s) to be achieved and the amount of the stipend that will be paid upon completion of each benchmark~~ a description of the factors upon which a stipend payment will be based.
  2. In addition to the COWIB’s standard Stipend Plan, a COWIB Youth Provider may create a plan for additional ~~stipend payment incentives~~ stipend payments *provided* that the proposed system has been pre-approved by the COWIB’s Chief Executive Officer. The Youth Provider’s additional stipend plan shall be approved if the CEO determines that:

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<sup>5</sup> Elements of the WIA Youth program are defined in Section 129(c)(2) of the Act. Activities include: Tutoring; Alternative secondary school services; Summer employment opportunities; Paid and unpaid work experiences, including internships and job shadowing; Occupational skill training, as appropriate; Leadership development opportunities; Adult mentoring; and More.

- The additional Stipend Plan incentivizes behavior that will reasonably lead to increased participation / retention in one or more WIA Youth program activities;
- The additional Stipend Plan complements and does not conflict with nor unnecessarily duplicate the COWIB’s standard system of incentive stipend payments;
- The amount of each stipend payment is set at a reasonable level; and
- The plan for additional stipend incentives stipend payments has the support of a majority of members of the COWIB’s Youth Council.

These Stipend Plans are incorporated by reference into this local policy.

(d) PAYMENTS.

1. Stipends shall only be given for participation in an approved activity, as documented in the participant’s Service and Training Plan or Individual Service Strategy.
2. Each stipend payment made to a Youth participant must be fully documented, including:
  - A record of the youth’s participation and basis for payment; benchmark that was achieved; and
  - A record of the participant’s receipt of the stipend payment, appropriately documented as documented by the signature of the participant.

- (e) EQUAL TREATMENT. Stipend payments shall be administered in a manner to assure that all participants receive equal rewards for equal achievements. To this end, Youth Providers must publish a summary of stipend payments that are available to WIA Youth Program participants, including a short description of the benchmark(s) that must be met and the amount of each incentive payment. This summary of available payments must be made reasonably available to each program participant (and, if the participant is a minor, to their parent or guardian) through methods such as pamphlets, brochures, videos, posters, websites, audio recordings, email messages, public announcements, etc.

**(2) Guidelines for Providing Incentive Payments to Youth Participants**

**When implementing a system of incentive payments for program participants, the COWIB’s Youth Providers must adhere to the following guidelines:**

- (a) **PURPOSE.** Like stipends, incentive payments must be used with the intention of influencing the behavior of the youth participant – specifically:

- **To encourage the participant’s successful participation in the WIA Youth program;**

- To incentivize the achievement of expected outcomes as defined in the participant’s ISS; or
- To recognize and reward the participant’s “final program completion.”

**(b) LOCAL INTERPRETATIONS OF STATE POLICY.** As provided in OETI #23-2009, incentive payments must be tied to training, education, or work readiness. Whereas the state’s policy provides that incentive payments must be “tied” to these activities, COWIB interprets this guidance to mean that an incentive payment may be made for activities that are related to any of the following program elements:

- Tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies;
- Alternative secondary school services, as appropriate;
- Summer employment opportunities that are directly linked to academic and occupational learning;
- As appropriate, paid and unpaid work experiences, including internships and job shadowing;
- Occupational skill training, as appropriate;
- Leadership development opportunities, which may include community service and peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours, as appropriate;
- Adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months; or
- Follow-up services, under the following circumstances—

- (i) If the participant’s Service and Training Plan included any of the other activities listed above; or
- (ii) If the services delivered during follow-up included any of the following:

- Leadership development;
- For youth who are employed during the follow-up period, assistance in addressing work-related problems that arise;
- Assistance in securing better paying jobs, career development and further education;
- Work-related peer support groups; or
- Adult mentoring.

In the OESC’s definition of “Incentive Payment,” OETI #23-2009 uses the phrase “completion of established benchmarks” as one way to describe a participant’s achievement of expected outcomes. The OETI does not further

define the meaning of the term “established benchmarks.” Therefore, the COWIB will interpret this term contextually in its Approved Incentive Payment Plan. (See item (c), below).

As another way to describe a participant’s achievement of expected outcomes, OETI #23-2009 uses the phrase “final program completion.” (An incentive payment may be given upon final program completion). The OETI does not further define the meaning of the term “final program completion.” Therefore, the COWIB will interpret this term contextually in its Approved Incentive Payment Plan. (See item (c), below).

**(c) APPROVED INCENTIVE PAYMENT PLAN.**

In order to provide guidelines for the payment of incentives to youth participants, the COWIB will publish an Incentive Payment Plan describing a standard system of incentive payments to be used by the COWIB’s Youth Providers. The COWIB’s Incentive Payment Plan will include the benchmark(s) or objective(s) to be achieved and the amount of the incentive that will be paid upon completion of each benchmark. The COWIB’s Incentive Payment Plan is incorporated by reference into this local policy.

**(d) PAYMENTS.**

- Incentives shall only be given upon completion of established benchmarks or upon final program completion.
- As provided in OETI #23-2009, the benchmark(s) and achievement(s) that are the basis for the payment must be documented in the participant’s file, including:
  - A record of the benchmark / outcome that was achieved; and
  - A record of the participant’s receipt of the incentive payment, appropriately documented.

**(e) EQUAL TREATMENT.** Incentive payments shall be administered in a manner to assure that all participants receive equal rewards for equal achievements. To this end, Youth Providers must publish a summary of incentive payments that are available to WIA Youth Program participants, including a short description of the benchmark(s) that must be met and the amount of each incentive payment. This summary of available payments must be made reasonably available to each program participant (and, if the participant is a minor, to their parent or guardian) through methods such as pamphlets, brochures, videos, posters, websites, audio recordings, email messages, public announcements, etc.

### (3) Guidelines for Providing Other (Non-Monetary) Incentives to Youth Program Participants and Eligible Youth

To comply with Section 129 of the Workforce Investment Act, the COWIB and its Youth Providers will design and implement suitable strategies “to provide incentives for recognition and achievement to eligible youth” and WIA Youth program participants.

For the purpose of this section of policy, the term “incentive” means an inducement (such as a prize, premium, or ‘perk’) that is designed to motivate a WIA Youth program participant or eligible youth to achievement in a phase or activity of the WIA Youth program.

Examples of non-monetary incentives include: T-Shirts, gift cards, membership cards, special activities<sup>6</sup>, prizes, etc.

Non-monetary incentives may be offered as a way to recognize the participation and/or achievement of a WIA Youth program participant or an eligible youth.

The term “Eligible Youth” is defined in the WIA Youth Glossary as follows:

***ELIGIBLE YOUTH – An individual who:***

***(A) Is not less than age 14 and not more than age 21;***

***(B) Is a low-income individual; and***

***(C) Is an individual who is one or more of the categories shown under ELIGIBILITY BARRIERS FOR INCOME ELIGIBLE YOUTH.***

An “Eligible Youth” is distinguished from a program *participant*<sup>7</sup> by the fact that an Eligible Youth may be a participant or a non-participant who has not yet started receiving Youth program services beyond intake.

Section 129(c)(3) of the Workforce Investment Act recognizes that not every young person who qualifies as an “Eligible Youth” will be found suitable for enrollment into the WIA Youth program. In the event that an Eligible Youth is *not* ultimately enrolled as a program participant, the COWIB’s Youth Providers will nevertheless make an attempt to serve the young person by referring them to appropriate training and educational programs that have the capacity to serve them.<sup>8</sup>

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<sup>6</sup> “Special activities” may include: Participating as a non-voting member of the COWIB’s Youth Council for a certain period of time, Permission to write an article for the COWIB’s website, A special summer employment opportunity with an identified company, Attendance at a special training / workshop, An opportunity to speak at a meeting of the Workforce Board meeting; Etc.

<sup>7</sup> **PARTICIPANT** – The term “participant” means any individual who has: (1) been determined eligible for participation upon intake; and (2) started receiving employment, training, or services (except post-termination/follow-up services) funded under WIA following intake. Participation shall begin on the first day, following determination of eligibility, in which the individual began receiving subsidized employment, training, or other services provided under WIA.

Source: [Oklahoma Employment and Training Issuance #08-2003, “WIA Youth Glossary.”](#)

<sup>8</sup> See WIA Section 129(c)(3)(B).

As stated in the WIA law:

***(A) Information and referrals.--Each local board shall ensure that each participant or applicant who meets the minimum income criteria to be considered an eligible youth shall be provided--***

***(i) information on the full array of applicable or appropriate services that are available through the local board or other eligible providers or one-stop partners, including those receiving funds under this subtitle; and***

***(ii) referral to appropriate training and educational programs that have the capacity to serve the participant or applicant either on a sequential or concurrent basis.***

It follows that the COWIB's Youth Providers are authorized to offer non-monetary incentives to "Eligible Youth" who complete the intake process – even if they do not continue on as a participant in the WIA Youth program. Therefore, non-monetary incentives may be offered as part of the intake process (whether or not an eligible youth becomes a program participant).

When implementing a system of non-monetary incentives for recognition and achievement, the COWIB's Youth Providers must adhere to the following guidelines:

- (a) **PURPOSE.** Non-monetary incentives must be used with the intention of influencing the behavior of an Eligible Youth – specifically, to encourage their achievement in a phase or activity of the WIA Youth program.
- (b) **APPROVED NON-MONETARY INCENTIVES.** A COWIB Youth Provider may create a plan for awarding Non-Monetary Incentives *provided* that the proposed system has been pre-approved by the COWIB's Chief Executive Officer. The Youth Provider's Non-Monetary Incentive Plan shall be approved if the CEO determines that:
  - The Non-Monetary Incentive Plan incentivizes desirable behavior and/or achievement in a phase or activity of the WIA Youth program;
  - The Non-Monetary Incentive Plan complements and does not conflict with nor unnecessarily duplicate an approved system of incentive payments;
  - Each benchmark is clearly defined;
  - Each non-monetary incentive is described, including its value<sup>9</sup> to the Eligible Youth;
  - Each incentive is reasonable in terms of the cost and benefit to the WIA Youth program;

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<sup>9</sup> The value of a non-monetary incentive may be described in terms of its cash equivalent value and/or in terms of its value to the Eligible Youth as a measure of recognition, experience, honor, etc.

- The nature of each incentive is consistent with the mission, vision, and values of the Central Oklahoma Workforce Investment Board; and
  - The Plan includes creative uses of incentives, including special activities.
- (c) **AWARDING NON-MONETARY INCENTIVES.**
- Incentives may be given upon completion of established benchmarks or upon final program completion.
  - Each incentive awarded to a Youth participant must be fully documented, including:
    - A record of the benchmark that was achieved; and
    - A record of the participant’s receipt of the prize, gift card, etc.
    - The receipt of a prize of more than nominal cash value must be documented by the signature of the participant or eligible youth.
- (d) **EQUAL TREATMENT.** Incentives should be designed to assure that all participants receive equal rewards for equal achievements.

**POLICY ADDITIONS AND CLARIFICATIONS:** The COWIB Chief Executive Officer is authorized to issue additional instructions, guidance, forms, etc., to further implement the requirements of this policy.

Inquiries about this policy should be directed to the COWIB’s Program Operations Manager at (405) 622-2030.

**Attachments** (incorporated by reference):

- *COWIB Standard Stipend Plan*
- *COWIB Incentive Payment Plan*