

**NORTEC
POLICY STATEMENT
CONTRACT COMPLIANCE**

Last Updated: October 11, 2016

PURPOSE

The purpose of this policy is provide information to the WIOA Service Providers (NoRTEC Contractors) on NoRTEC's procedures for managing performance under contracts written between NoRTEC and its Contractors.

CONTRACT DELIVERABLES AND EXPENDITURE RATES

Deliverables outlined in NoRTEC's contracts with its WIOA Service Providers include:

A. Adult Program

1. Average Cost per Enrollment
2. Employment Rate (Second Quarter After Exit)
3. Median Earnings (Second Quarter After Exit)
4. Employment Rate (Fourth Quarter After Exit)
5. Credential Attainment (Fourth Quarter After Exit)

B. Dislocated Worker Program

1. Average Cost per Enrollment
2. Employment Rate (Second Quarter After Exit)
3. Median Earnings (Second Quarter After Exit)
4. Employment Rate (Fourth Quarter After Exit)
5. Credential Attainment (Fourth Quarter After Exit)

C. Youth Program

1. Average Cost per Enrollment
2. Placement in Employment/Education Rate (Second Quarter After Exit)
3. Median Earnings (Second Quarter After Exit)
4. Placement in Employment/Education Rate (Fourth Quarter After Exit)
5. Credential Attainment (Fourth Quarter After Exit)

In addition, WIOA Service Providers must also be in compliance with the following expenditure requirements in the Adult, Dislocated Worker, and Youth programs, unless a written waiver of this requirement is received from NoRTEC:

1. Spend at least 80% of each year's allocated funding by the end of the program year.
2. Spend between 10%-35% of the year's allocated funding, in each title (Adult, Dislocated Worker, Youth) in the first quarter of the program year.
3. Spend between 30%-60% of each year's allocated funding, in each title (Adult, Dislocated Worker, Youth) by the end of the second quarter of the program year.

4. Spend between 50%-85% of each year's allocated funding, in each title (Adult, Dislocated Worker, Youth) by the end of the third quarter of the program year.
5. Spend a minimum of 30% of Youth allocated funding on Out-of-School Youth during the program year.

CONTRACT COMPLIANCE

NoRTEC will review compliance with contract deliverables and expenditure rates quarterly¹. If NoRTEC determines a WIOA Service Provider is not meeting one or more of the contract deliverables or is not meeting expenditure rates, the following process will be utilized:

- A. First Quarter – A written corrective plan, outlining how the WIA Service Provider will come into compliance with deliverables or expenditure rates, may be requested².
- B. Second Quarter – A written corrective plan, outlining how the WIA Service Provider will come into compliance with deliverables or expenditure rates, shall be requested.
- C. Third Quarter - A written corrective plan, outlining how the WIA Service Provider will come into compliance with deliverables or expenditure rates, shall be requested. A copy of this request will be sent to the Chair of the WIA Service Provider's Board of Directors.
- D. Fourth Quarter – A written corrective plan, outlining the WIA Service Provider's plan to meet performance in the following program year, which will be signed by Chair of the WIA Service Provider's Board of Directors, shall be requested.

WIOA Service Providers who miss one or more contract deliverable goals during the program year may be subject to contract termination, or contract non-renewal.

WIOA Service Providers who do not meet expenditure requirements may be subject to a recapture of funds, withholding of future funds, contract termination, or contract non-renewal.

POLICY EXCEPTIONS

WIOA Service Providers (NoRTEC Contractors) may make exceptions to this policy only with prior written authorization from the NoRTEC Administrative Entity.

¹ Quarterly reviews will be completed within 25 days of the end of the quarterly reporting period. NoRTEC reserves the right to conduct reviews more often than once a quarter, if WIOA Service Provider performance indicates a need for more frequent oversight.

² Corrective Action Plans must be submitted to NoRTEC no more than ten working days after it has been requested, unless an extension is granted, in writing, by NoRTEC.