§ 641.720 How will the Department and grantees initially determine and then adjust expected levels of performance for the core performance measures?

(a) Initial agreement. Before the beginning of each Program Year, the Department and each grantee will undertake to agree upon expected levels of performance for each core indicator, except as provided in paragraph (b) of §641.730.

1. As a first step in this process, the Department proposes a baseline performance level for each core indicator, taking into account any statutory performance requirements, the need to promote continuous improvement in the program overall and in each grantee, the grantee’s past performance, and the statutory adjustment factors articulated in paragraph (b) of this section.

2. A grantee may request a revision to the Department’s initial performance level goal determination. The request must be based on data that supports the revision request. The data supplied by the grantee at this stage may concern the statutory adjustment factors articulated in paragraph (b) of this section, but is not limited to those factors; it is permissible for a grantee to supply data on “other appropriate factors as determined by the Secretary,” Section 513(a)(2)(C) as amended by Pub. L. 109-365.

3. The Department may revise the performance level goal in response to the data provided. The Department then sets the expected levels of performance for the core indicators. Grantee may agree to the expected level of performance and thereby receive the grant. At this point, agreement is reached by the parties and funds may be awarded. If a grantee does not agree with the offered expected level of performance, agreement is not reached and no funds may be awarded. A grantee may submit comments to the Department regarding the grantee’s satisfaction with the expected levels of performance.

4. Funds may not be awarded under the grant until such agreement is reached.

5. At the conclusion of negotiations concerning the performance levels with
all grantees, the Department will make available for public review the final negotiated expected levels of performance for each grantee, including any comments submitted by the grantee regarding the grantee’s satisfaction with the negotiated levels.

6. The minimum percentage for the expected level of performance for the entry into unsubsidized employment core indicator is:
   (i) 21 percent for Program Year 2007;
   (ii) 22 percent for Program Year 2008;
   (iii) 23 percent for Program Year 2009;
   (iv) 24 percent for Program Year 2010; and
   (v) 25 percent for Program Year 2011.

(b) Adjustment during the Program Year. After the Department and grantees reach agreement on the core indicator levels, those levels may only be revised in response to a request from a grantee based on data supporting one or more of the following statutory adjustment factors:
   (1) High rates of unemployment or of poverty or of participation in the program of block grants to States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), in the areas served by a grantee, relative to other areas of the State involved or Nation.
   (2) Significant downturns in the areas served by the grantee or in the national economy.
   (3) Significant numbers or proportions of participants with one or more barriers to employment, including individuals described in subsection (a)(3)(B)(ii) or (b)(2) of section 518 as amended by Pub. L. 109-365 (most-in-need), served by a grantee relative to such numbers or proportions for grantees serving other areas of the State or Nation.
   (4) Changes in Federal, State, or local minimum wage requirements.
   (5) Limited economies of scale for the provision of community service employment and other authorized activities in the areas served by the grantee.

§ 641.740 How will the Department determine whether a grantee fails, meets, or exceeds the expected levels of performance for the core indicators and what will be the consequences of failing to meet expected levels of performance?

(a) Aggregate calculation of performance. Not later than 120 days after the end of each Program Year, the Department will determine if a national grantee has met the expected levels of performance (including any adjustments to such levels) by aggregating the grantee’s core indicators. The aggregate is calculated by combining the percentage of goal achieved on each of the individual core indicators to obtain an average score. A grantee will fail to meet its performance measures when it does not meet 80 percent of the agreed-upon level of performance for the aggregate of all the core indicators. Performance in the range of 80 to 100 percent constitutes meeting the level for the core performance measures. Performance in excess of 100 percent constitutes exceeding the level for the core performance measures.

(b) Consequences—(1) National grantees. (i) If the Department determines that a national grantee fails to meet the expected levels of performance in a Program Year, the Department, after each year of such failure, will provide...