



**TRI COUNTY WORKFORCE INVESTMENT BOARD
POLICY AND PROCEDURES**

ISSUANCE DATE:

December 12, 2013

To: Tri County Service Providers

From: Joanna Russell, Executive Director
Tri County Workforce Investment
Board

CC: MDOL, Bureau of Employment
Services

SUBJECT: Service Provider's Allocation for
Direct Occupational Training, OJT,
and Supportive Services Combined

BACKGROUND

Under the Workforce Investment Act (WIA), Title I-B training services for adults and dislocated workers will be provided through Occupational Training, OJT's, and Supportive Services combined. These training funds will be allocated using Individual Training Accounts (ITAs). Youth training activities are not subject to the policy governing the issuance of ITAs.

The intent of this Act is to allow individuals to take an active role in managing their employment future through the use of ITAs. Adults and dislocated workers receiving training under this approach will receive information they need (e.g., skills assessment, labor market conditions and trends, training vendor performance) to make a self-informed choice about their own employment future and the training to support their decision.

The WIA regulations allow the state or local workforce boards to impose limits and requirements on the dollar amount allocated to occupational training, OJT's, fringe costs, work experience and supportive services.

This policy clarifies the expectation that service providers will allocate no less than 40% of their **WIA Adult and Dislocated Worker formula funds** to direct training and supportive services. To begin July 1, 2014.

Policy

The goal of the Tri County Workforce Investment Board, Local Area 2 is to expend at least 40% of formula dollars for Direct Occupational Training, OJT and Supportive Services combined for the Adult and Dislocated Worker programs. At the beginning of each fiscal year, the Tri County Workforce Investment staff (i.e., TCWIB) negotiates with the local service provider(s) on the targeted direct training and supportive services expenditure goals for the WIA program. This Area has established an expenditure level for direct training services of 40%. Service provider(s) submit fiscal reports to the Workforce Board. The Board staff reviews these reports to ensure that expenditures are in alignment with the 40% requirement. From time to time, the Board will review this policy in light of available resources and other exigencies affecting service provision. This policy takes effect on July 1, 2014.

A minimum Training expenditure will be required for WIA Adult and Dislocated Worker programs, in Local Area 2. It will not be applied to WIA Youth funds, because of the different goals and program requirements.

Training expenditures for the purposes of this policy will include the following;

- Occupational Classroom Training (tuition assistance)
- Customized Training
- On The Job Training
- Support Services related to participants in the Training activities listed above

Classroom Training is defined as occupational skills training, including training for nontraditional employment, skill upgrading and retraining, The primary intent of training is to improve earnings potential and employability of workers.

Customized Training is defined as training (A) that is designed to meet the special requirements of an employer (including a group of employers); (B) that is conducted with a commitment by the employer to employ an individual on successful completion of the training; and (C) for which the employer pays for not less than 50 percent of the cost of the training.

On The Job Training is defined as training by an employer that is provided to a paid participant while engaged in productive work in a job that (A) provides knowledge or skills essential to the full and adequate performance of the job; (B) provides

reimbursement to the employer of up to 50 percent of the wage rate of the participant, for the extraordinary costs of providing the training and additional supervision related to the training; and (C) is limited in duration as appropriate to the occupation for which the participant is being trained, taking into account the content of the training, the prior work experience of the participant, and the service strategy of the participant, as appropriate.

Supportive Services include such things as transportation, child care, dependent care, and housing necessary to enable an individual to participate in WIA training services.

The methodology for calculating the Training Expenditure rate is as follows;

Using data reported quarterly by each Local Workforce Investment Board on the FR-40, the Training Sub-Total plus the Support Services Sub-Total divided by the Total One Year Availability amount equals the Training Expenditure rate, expressed as a percentage.

$$\frac{\text{Training Sub-Total} + \text{Support Services Sub-Total}}{\text{Total One Year Availability Award Amount}} = \text{Training Expenditure Rate}$$

PERFORMANCE GOALS:

The goal is to move the Training Expenditure statewide average up to 30% in PY13 and then to 40% by PY14.

In PY 14 the tri county service provider will be asked to meet or exceed the 40 % goal. The Minimum Training Expenditure Percentage will be reviewed for PY 15 to determine what the performance goal should be at that time.

Failure by the TCWIB service provider to meet the desired Minimum Training Expenditure percentage will result in that provider being ineligible for any WIA incentive awards for that program year, and will require a corrective action plan be developed to address the performance deficiency. Failure by the service provider to meet the required Minimum Training Expenditure Percentage performance goal two years in a row will result in corrective action.

Service Providers contracting with the Tri County Workforce Investment Board that do not meet the Training Expenditure percentage goal for a program year can submit a waiver request related to the statutory requirements of the Policy. The waiver request shall include a description of the programmatic activity undertaken to achieve the goal, the individuals impacted by non-compliance and any appropriate documentation to corroborate the statements made in the waiver request. Waivers will be reviewed and analyzed by the TCWIB executive committee. The TCWIB executive committee will make a recommendation to the full TCWIB, which will approve or deny the waiver request.

Key criteria to consider for waiver approval will be;

- Would the ability to provide required WIA services be in jeopardy?
- Would the ability to maintain a full service CareerCenter be in jeopardy?
- The training expenditure requirement is detrimental in another manner that has not been considered above.

Upon receipt of a waiver the service provider will work with the TCWIB to develop an agreed upon plan of action to ensure the situation does not occur again (i.e.: leverage from partners, diversify funding streams, ...).