



APPROVAL DATE: 08/02/12
APPROVED BY: Carl Dudley, WIB Chair

**COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF SOCIAL SERVICES**

POLICY NO: 39-08

TO: Service Providers

EFFECTIVE: July 1, 2012 (Revised August 13, 2014)

SUBJECT: WIA Training Expenditure Requirements

REFERENCES:

- WIA Sections 101(8), 101(31), 101(46), 134(a)(3)(A)(iv)(I), and 134(d)(4)(D)
- Title 29 United States Code (USC) Section 2864(d)(4)(D)
- Title 20 Code of Federal Regulations (CFR) Sections 663.300 and 663.508
- Title IV of the Higher Education Act of 1965 Section 401
- SB 734 (DeSaulnier), Chapter 498, Statutes of 2011
- Letter from DeSaulnier (author of SB 734) regarding intent for supportive services
- California Unemployment Insurance Code (CUIC) Section 14211
- Workforce Services Directive WSD12-3, Subject: Quarterly and Monthly Financial Reporting Requirements (July 18, 2012)
- WSD13-10, Subject: Eligible Training Provider List (ETPL) (April 4, 2014)
- WSD 14-1, Subject: WIA Training Expenditure Requirements (July 8, 2014)

PURPOSE:

The purpose of this policy is to provide guidance in complying with the EDD Directive WSD14-1, regarding Workforce Investment Act (WIA) training expenditure requirements imposed by Senate Bill (SB) 734.

BACKGROUND:

The SB 734 (Chapter 498, Statutes of 2011) added Section 14211 to the CUIC. This section imposes training expenditure requirements on local boards carrying out WIA funded programs and details the actions that must be taken in the event that a local board does not meet the specified requirements.

POLICY AND PROCEDURES:

Definition of Terms

To ensure a common understanding of the terminology associated with WIA requirements, the following set of definitions of critical terms are provided.

Note: These definitions apply only to this directive and the requirements of SB 734. They are independent of the definitions provided in WIA and Workforce Services Directive WSD12-3, Quarterly and Monthly Financial Reporting Requirements.

Cash Contributions - Federal and/or non-federal contributions of funds made available to the Subrecipient (SLO DSS) to be used for training services. Examples include federal and/or non-federal money received from employers, foundations, private entities, local governments, etc.

In-Kind Contributions - Federal and/or non-federal contributions of non-cash resources used for training services. Examples include donated personnel, services, or use of equipment or space.

Job Readiness Training - Job readiness training includes services that teach skills needed to be successful in the workplace, rather than skills needed to get into the workplace. Following Title 20 CFR Section 663.508, job readiness training should provide participants with specific occupational competencies needed to perform specific work tasks on the job. For example, job readiness training courses could teach WIA clients skills such as how to communicate in an office environment, how to function as part of a team, or how to work in a deadline driven workplace. In each of these instances, the focus of the training would be on competencies needed to succeed during the workday while on the job (rather than the skills needed to find and apply for a job). Job Readiness Training does not include skills needed to find and apply for a job, (e.g., job search, interview, or resume writing skills). Under WIA Section 134, services that teach skills necessary to find and apply for a job are classified either as core or intensive services. For example, job search assistance is defined as a core service, while group counseling or prevocational services focused on resume writing and interview skills are both classified as intensive services. These types of services do not qualify as training because they do not provide the client with competencies needed to perform specific tasks on the job. As such they do not qualify under the training program definition outlined in Title 20 CFR Section 663.508, and do not qualify as training expenditures under SB 734.

Leveraged Resources - All federal and non-federal resources (cash contributions and in-kind contributions) used by the Subrecipient (SLO DSS) and/or Subrecipient Contractor for training services. Leveraged resources must be allowable and auditable under the WIA program, and meet the requirements included in the "Leveraged Resources" section of this policy.

Match - Resources expended to support training services, if required as a condition of funding. Match resources can be cash match and/or in-kind contribution match. Match resources must meet the requirements included in the “Leveraged Resources” section of this directive.

Subrecipient - An organization funded directly by the State (SLO DSS).

Subrecipient Contractor - An organization funded by the Subrecipient.

Support Services – Services such as transportation, child care, dependent care, housing, medical expenses, financial counseling, and needs-related payments that are necessary to enable an individual to participate in WIA funded activities.

Training Services – See the “Qualifying Training Services” section of this policy.

Training Expenditure Requirements:

Program Year (PY) 2012-13 through 2015-16

At least 25 percent of the combined total of Adult and Dislocated Worker WIA formula fund allocations to the local area must be spend on training services.

PY 2016-17 and each PY thereafter:

At least 30 percent of the combined total of the Adult and Dislocated Worker WIA formula fund allocation to the local area must be spend on training services.

To meet the minimum training expenditure requirement, up to 10 percent of the required training expenditure can be obtained through leveraged resources. See “Leveraged Resources” section of this policy.

As of (PY) 2012-13, the SLO WIB allowed the use of leveraged resources as described above to meet the minimum training expenditure requirement. The SLO WIB will continue to evaluate the use on an annual basis.

These minimum training expenditure requirements do not apply to the WIA Youth formula fund allocations.

Qualifying Training Services

Training services must meet the following criteria in order to be applied toward the minimum training expenditure requirement:

1. Must be provided to San Luis Obispo County WIA adult or dislocated worker participants enrolled in a training activity in CalJOBS.
2. Must meet the definition of training services provided in WIA Section 134(d)(4)(D):

“Training services may include -

- Occupational skills training, including training for nontraditional employment;
 - On-the-job training;
 - Programs that combine workplace training with related instruction, which may include cooperative education programs;
 - Training programs operated by the private sector;
 - Skill upgrading and retraining;
 - Entrepreneurial training;
 - Job readiness training;
 - Adult education and literacy activities provided in combination with one or more of the other training services listed above; and
 - Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training.”
3. Must meet the definition of a training service as provided in Title 20 CFR Section 663.508:
 “A program of training services is one or more courses or classes, or a structured regimen that upon successful completion, leads to:
- A certificate, an associate degree, baccalaureate degree, or
 - The skills or competencies needed for a specific job or jobs, an occupation, occupational group, or generally, for many types of jobs or occupations, as recognized by employers and determined prior to training.”

The conceptual emphasis in Section 663.508 is on structured learning leading to the attainment of competencies needed on the job to perform one’s job duties. The goal of training is for workers to attain specific occupational skill-sets needed to perform work tasks during the workday.

4. Must pass the following three-pronged test:
- a. Is the service defined as a core, intensive, or supportive service under WIA? If so, the service *cannot* be counted toward the training minimum.
- Although supportive services can be counted as training under WIA, they cannot be counted toward the minimum training expenditure requirement under SB 734. Supportive service expenditures are reported separately from training expenditures in Section V of the WIA Summary of Expenditures Report. Specifically, training expenditures are recorded on line 4a, Training Payments, and supportive services are reported on line 5, Other (see WSD12-13, Quarterly and Monthly Financial Reporting Requirements, Attachment 1).
- b. Is the service defined as training under WIA section 134(d)(4)(D)? If so, the service *can* be counted toward the training minimum.
 - c. Is the service not listed under WIA section 134(d)(4)(D) but meets the definition of training in Title 20 CFR Section 663.508? If so, the service *can* be counted toward the training minimum. The determining factors are whether the services

are provided through a structured learning process and whether this learning process leads to the attainment of skills or competencies needed to perform work duties during the course of the workday. In summary, the service should lead to greater labor productivity on the job.

5. Must meet the requirements specified in Title 20 CFR Section 663.300:

This section establishes that the list of training services in WIA Section 134(d)(4)(D) is not exhaustive. Additional training services may be applied toward the minimum training expenditure requirement if they meet the five requirements below:

- a. Must be specific to the training the participant is receiving;
- b. Must be necessary in order to participate in and graduate from the training;
- c. Must be required for every student in the training;
- d. Must benefit the individual only if they are in the approved training; and
- e. Must be documented in writing by the training provider as required. (Acceptable documentation includes a supply list for the course, an email from the training provider, or any other documentation that verifies the items are required for the course.)

Services that meet this criteria include, but are not limited to, books, licenses, tools, equipment, safety gear, drug testing, testing fees, certification fees, student association fees, and uniforms.

Services that do not meet this criteria include, but are not limited to, groceries, child care, dependent care, transportation, parking, housing, clothing, health care, financial counseling, and needs-related payments.

Exceptional Circumstances

Under exceptional circumstances, local areas may apply services that don't meet the criteria for qualifying training services toward meeting the training expenditure requirement. These circumstances are rare and require prior approval from SLO DSS and the local area's EDD Regional Advisor. A Subrecipient contractor requesting an exceptional circumstance approval shall contact SLO DSS/Administrative Entity for the WIB at wibadmin@co.slo.ca.us to initiate the process. This request must be made at least 15 working days prior to the start of the training class to allow for proper consideration and determination of the request. At the discretion of SLO DSS, the request process will be sent to the EDD Regional Advisor who will consult with the State Board and respond to the request within five working days.

Leveraged Resources

The following is a listing of the *only* leveraged resources authorized by SB 734 to be used toward meeting the 10 percent maximum allowed leverage:

1. Federal Pell Grants established under Title IV of the Higher Education Act of 1965

2. Public programs authorized by the Workforce Investment Act of 1998 (e.g., Job Corps, Migrant Seasonal Farm Worker, Rapid Response, WIA Title II Adult Education and Literacy, national and state WIA discretionary grants, WIA youth program, etc.)

Local boards are permitted to apply youth formula funds expended on training for individuals ages 18-21 as a leveraged resource if: (1) the individuals are co-enrolled in either the WIA adult or dislocated worker program, and (2) the training meets all requirements set forth in this policy.

3. Trade adjustment assistance
4. Department of Labor National Emergency Grants
5. Match funds from employers, industry, and industry associations [including the employer paid portion of customized training, the wages of an apprentice during the apprenticeship period, and the employer paid portion of on-the-job training (OJT)]
Note: Match funds from the employer paid portion of OJT may only include the employer's cost attributed to the participant's training. See Attachment A for further details.
6. Match funds from joint labor-management trusts
7. Employment training panel grants

Local areas are not required to use leveraged resources toward meeting the minimum training expenditure requirement. The SLO WIB has chosen this option and all levered resources applied as part of the 10 percent leverage maximum must be reported on the Monthly Leveraged Resources Report and Fund Source Detail Report as described in the "Procedure" section below. SLO WIB considers the following a *partial* listing of documentation sufficient to satisfy reporting requirements.

- A commitment letter or written agreement from an employer or training provider
- A training agreement with an employer detailing the employer's contribution
- A copy of the Pell Grant award letter or relevant correspondence from the school
- An executed worksite agreement and participant time record
- A participant progress report and/or evidence of completion

Costs arising from the recordkeeping required to demonstrate compliance with leveraged resources requirements are the responsibility of the service provider.

Procedure:

Service Providers applying leveraged resources toward the minimum training requirement must submit, along with their monthly invoice, a signed copy of the Monthly Leveraged Resources Report and the Source Detail Report (report documents are provided by Administrative Entity to Service Providers as needed) with attached documentation that can be independently verified by the Administrative Entity/Fiscal Agent.

Corrective Action

Any local area that does not meet the minimum training expenditure requirement will be required to submit a corrective action plan to the EDD that provides reasons for not meeting the requirement and actions the local board will take to address the training expenditure deficiencies. All service providers will be required to participate in any corrective action plan

ACTION:

The Administrative Entity for the WIB and its WIA service providers shall follow this policy. This policy shall remain in effect until such time that a revision is required.

INQUIRIES:

Inquiries should be addressed to WIB Admin at wibadmin@co.slo.ca.us.

Attachment A: Match Funds from Employer of OJT

REVISION HISTORY:

DATE	DETAILS
02/03/14	1-Updated inquiry contact info. 2-Corrected formatting of items under Leveraged Resources section. 3-Updated attachments for current program year
08/13/14	2- Policy updated per EDD WSD14-1 and clarified SB-734 training expenditure requirements and reporting.