



TRAINING EXPENDITURE REQUIREMENT

PURPOSE

The purpose of this policy is to provide guidance to Workforce Alliance of the North Bay (Alliance) service providers on the Workforce Innovation and Opportunity Act (WIOA) training expenditure requirement imposed by Assembly Bill (AB) 1149.

SCOPE

Workforce Innovation and Opportunity Act Title I contracted Service Providers

RESPONSIBLE PARTY

Workforce Alliance of the North Bay
Regional Workforce Development Board

REFERENCES

- Workforce Services Directive WSD18-10, Subject: WIOA Training Expenditure Requirement (January 31, 2019)
- WIOA Sections 3(59), 3(60), 134(c)(3)(D), and 134(d)(2)-(3)
- Title 29 United States Code (USC) Section 3174(c)(3)(D)
- Title 20 Code of Federal Regulations (CFR) Sections 680.200 and 680.900-680.970
- Title IV of the Higher Education Act of 1965 Section 401
- California Unemployment Insurance Code (CUIC) Section 14211
- AB 1149 (Arambula), Chapter 324, Statutes of 2017
- Senate Bill (SB) 734 (DeSaulnier), Chapter 498, Statutes of 2011
- Workforce Services Directive WSD16-13, Subject: Quarterly and Monthly Financial Reporting Requirements (November 28, 2016)
- WSD15-07, Subject: WIOA Eligible Training Provider List – Policy and Procedures (November 10, 2015)
- Office of Management and Budget (OMB) M-07-16

DOCUMENTS

- Leveraged Resources Report

DEFINITIONS

Cash Contributions – Federal and/or non-federal contributions of funds made available to the

Workforce Alliance of the North Bay is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

subrecipient to be used for training or supportive 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 or supportive 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. It should provide participants with specific occupational competencies needed to perform specific work tasks on the job. For example, job readiness training courses could teach WIOA 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 WIOA Section 134, services that teach skills necessary to find and apply for a job are classified either as basic career services or individualized career services. For example, job search assistance is defined as a basic career service, while group counseling or prevocational services focused on resume writing and interview skills are classified as individualized career 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 as training expenditures under the CUIIC Section 14211.

Leveraged Resources – Federal and non-federal resources (cash contributions and in-kind contributions) used by the subrecipient and/or subrecipient contractor for training or supportive services. Leveraged resources must be allowable and auditable under the WIOA program, and meet the requirements included in the “Leveraged Resources” section of this policy.

Match – Resources expended to support training or supportive 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 policy.

Service Provider – WIOA Title I contracted service providers for One-Stop Operator, and Adult, Dislocated Worker, and Youth Services, as well as any other contracted entity providing WIOA services.

Subrecipient – An organization funded directly by the state.

Supportive Services – Services such as assistance with transportation, child care, dependent care, housing, uniforms, safety gear, testing fees, tools, books, school supplies, and needs-related payments that are necessary to enable an individual to participate in WIOA funded activities.

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

POLICY

I. Training Expenditure Requirement

Service providers contracting with the Alliance to provide Adult and Dislocated program services must expend, at a minimum, thirty percent (30%) of the Adult and Dislocated Worker formula fund allocation on training services annually. Up to ten percent (10%) of the training expenditure requirement may be met by applying designated leveraged resources used for training services (see “Leveraged Resources” section of this policy). This expenditure requirement applies to the total allocation of both the Adult and Dislocated Worker formula funded programs, not on each discrete funding source. The minimum training expenditure does not apply to the WIOA youth



formula fund allocation.

II. Qualifying Training Services - Adult and Dislocated Worker

In order to be applied toward the training expenditure requirement, training services must meet the following criteria:

- A. Must be provided to WIOA adult or dislocated worker participants enrolled in a training activity in CalJOBS.
- B. Must meet the definition of training services provided in WIOA Section 134(c)(3)(D). Training services may include:
 1. Occupational skills training, including training for nontraditional employment
 2. On-the-job training
 3. Incumbent worker training
 4. Programs that combine workplace training with related instruction, which may include cooperative education programs
 5. Training programs operated by the private sector
 6. Skill upgrading and retraining
 7. Entrepreneurial training
 8. Transitional jobs
 9. Job readiness training provided in combination with any of the services in 1 through 8 of this section
 10. Adult education and literacy activities provided concurrently or in combination with any of the services in 1 through 7 of this section
 11. Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training
- C. Must meet the definition of a training service as provided in Title 20 CFR Section 680.420. A program of training services is one or more courses or classes, or a structured regimen that provides the services in Title 20 CFR Section 680.200 and leads to one of the following:
 1. An industry-recognized certificate or certification, a certificate of completion of a registered apprenticeship, a license recognized by the state involved or the federal government, an associate or baccalaureate degree
 2. A secondary school diploma or its equivalent
 3. Employment
 4. Measurable skill gains toward a credential described in 1 or 2 of this section, or employment
- D. Must pass the following three-pronged test:
 1. Is the service defined as a basic or individualized career service under WIOA? If so, the service cannot be counted toward the training expenditure requirement.
 2. Is the service defined as training under WIOA section 134(c)(3)(D)? If so, the service can be counted toward the training expenditure requirement.



3. Is the service not listed under WIOA section 134(c)(3)(D) but meets the definition of training in Title 20 CFR Section 680.420? 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 services should lead to employment and/or greater labor productivity on the job.

III. Adult and Dislocated Worker Allowable Leveraged Resources

A. Leveraged Resources are allowable only from:

1. Federal Pell Grants established under Title IV of the Higher Education Act of 1965.
2. Public programs authorized by the Workforce Innovation and Opportunity Act of 2014 (e.g., Job Corps, Migrant and Seasonal Farm Worker, Rapid Response, WIOA Title II Adult Education and Literacy, national and state WIOA discretionary grants, WIOA youth program, etc.); This category of leveraged resources does not include WIOA adult and dislocated worker formula funds.
3. Youth formula funds may be expended on training for individuals ages 18-24 as a leveraged resource if: (1) the individuals are co-enrolled in either the WIOA adult or dislocated worker program, and (2) the training meets all requirements set forth in this policy.
4. Trade Adjustment Assistance.
5. Department of Labor National Dislocated Worker Grants.
6. 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).
Note - Match funds from the employer paid portion of on-the-job training may only include the employer's cost attributed to the participant's training.
7. Match funds from joint labor-management trusts.
8. Employment Training Panel grants.
9. Supportive services for individuals enrolled in and receiving training services through WIOA.
10. TANF funds spent on supportive services, for TANF enrolled individuals co-enrolled in and receiving training services through WIOA.
11. TANF funds spent on transitional and subsidized employment for TANF enrolled individuals co-enrolled in and receiving training services through WIOA.
12. Any other local, state, or federal funds spent on training or supportive services for individuals enrolled in training, provided the individuals are enrolled in WIOA for performance reporting and tracking purposes.
13. Any other public or private funds source approved by the State Board used to provide training or supportive services to individuals enrolled in training, provided the individuals are enrolled in WIOA for performance reporting and tracking purposes.

- B. The Alliance will request approval for funds in this category by submitting a letter to the State



Board.

IV. Shared Leveraged Resources Among Local Boards

- A. If the Alliance were to use leveraged resources to subcontract with another local board to obtain training services, those funds would not be counted by both parties toward meeting the training expenditure requirement. The Alliance will negotiate with the other local board to determine which will account for the expenditure towards meeting the training expenditure requirement.

V. Reporting Leveraged Resources

- A. Service providers will report all leveraged resources applied as part of the 10 percent credit to the Alliance quarterly. Leveraged resources shall be reported using the Leveraged Resources Report. Service providers shall submit two reports one for adult formula funding and one for dislocated worker formula funding. This report shall be submitted to the Alliance Fiscal Analyst by the 5th day of the month following the reporting quarter, i.e., January 5th, April 5th, July 5th, and October 5th.

VI. Recordkeeping Requirements for Leveraged Resources

Service providers must maintain sufficient records of the leveraged resources which can be verified. Examples of documentation that could qualify as sufficient records would include the following:

- A. A commitment letter or written agreement from an employer or training provider
- B. A training agreement with an employer detailing the employer's contribution (e.g. OJT contract)
- C. A copy of the Pell Grant award letter or relevant correspondence from the school or print out of school's financial aid records
- D. An executed worksite agreement and participant time record
- E. A participant progress report and/or evidence of completion

This list is not all inclusive. The Alliance has the discretion to determine what constitutes sufficient records.

VII. Monitoring Training Expenditures and Leverage

- A. The Alliance may include cases that have training expenditures and leveraged expenses in regular program monitoring wherein recordkeeping requirements for leveraged resources would be included in review.

VIII. Training Expenditure Requirement Oversight

- A. The Alliance will identify the amount that meets the 30% training expenditure requirement based on the Alliance's Adult and Dislocated Worker allocations for the program year.
- B. The Alliance will notify each service provider receiving Adult and Dislocated Worker allocations of the amount they must expend on training to meet the training expenditure requirement for the program year.
- C. The Alliance will review the amounts each service provider has reported as expended and leveraged towards their training requirement. Quarterly, training expenditure and leveraged amounts will be reported to the board. The following targets will be used for the Alliance to gauge attainment of the training requirement. If a service provider has not achieved a target,



they will be asked to make a presentation to the board explaining why the target hasn't been met and strategies to ensure successful attainment of the training expenditure by the next target and/or end of year.

1. First target - 50 percent of the total training expenditure shall be expended by December 31.
 2. Second target- 75 percent of the total training expenditure shall be expended by March 31.
- D. The board may impose consequences should a service provider not meet their training expenditure requirement, to include, but not be limited to, re-capture of training funds, placement on a corrective action plan, sanctions.
- E. Service providers that do not meet their training requirement two years in a row may be at risk for losing the training component of their contract.
- F. The Alliance will submit a corrective action plan to the EDD, if it does not meet the minimum training expenditure requirement, that includes reasons for not meeting the requirement and actions the Alliance will take to address the training expenditure deficiencies.

POLICY UPDATE HISTORY

February 13, 2019 – New Policy

INQUIRIES

Questions regarding this policy can be sent to the Alliance Operations Manager.

