

**NORTH CENTRAL COUNTIES CONSORTIUM (NCCC)
WIOA TRAINING EXPENDITURE REQUIREMENTS**

I. Purpose

The purpose of this procedure is to provide guidance to North Central Counties Consortium (NCCC) subrecipients on the Workforce Innovation and Opportunity Act (WIOA) training expenditure requirements imposed by the NCCC Local Workforce Development Board, Senate Bill (SB) 734 and EDD Directive WSD14-1 dated July 8, 2014.

II. Background

Senate Bill 734 approved by the Governor October 5, 2011 requires Local Workforce Development Boards (WDB) to spend a certain percentage of available funds for adults and dislocated workers on training programs. Local Boards may receive a credit of up to 10% of their adult and dislocated worker formula funds. The bill further requires the Employment Development Department (EDD) to write a corrective action plan for a WDB that does not meet the expenditure requirements.

III. References

- WIOA Section 134 Training Services
- Federal Register/Proposed Rules 680.200
- Senate Bill No. 734, State and Local Workforce Investment Boards: Funding
- EDD WSD14-1, WIA Training Expenditure Requirements

IV. Training Expenditure Requirements

NCCC WIOA Service Providers are required to spend at least 35% of the combined total of their adult and dislocated formula funds allocation on workforce training services (25% with 10% leveraged funds).

NCCC Local Board may adopt additional requirements on the minimum expenditure levels on workforce training services for formula funding (including youth program) and other WIOA funding contracted to subgrantees. Additional levels (if applicable) and SB 734 incremental increases will be discussed during contract negotiations each program year.

NCCC subgrantees will report their workforce training service expenditures on a monthly basis using the Cost Reimbursement Invoice.

V. Qualifying Training Service

For a training service¹ to be considered *allowable and count toward the minimum training expenditure requirement* the service must meet the following requirements.

1. Provided to WIOA adults or dislocated worker program participants enrolled in a training activity.
2. Must meet the definition of training services in WIOA Section 134(c)(3)(D)
 - Occupational skills training, including training for nontraditional employment;
 - On-the-job training;
 - Incumbent worker training (not more than 20% of allocated funds);
 - 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;
 - Transitional jobs;
 - Job readiness training (in combination with the above training services);
 - Adult education and literacy activities provided in combination with one or more of the other training services listed above;
 - Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training;
 - Contracts to institutions of higher education or eligible training providers to facilitate the training of multiple individuals in high-demand occupations.
3. Must meet the requirements specified in Federal Register Proposed Rules Section 680.200.

The training services listed in WIOA (see #2 of this section) are not exhaustive. Additional training services may be applied toward the minimum training expenditure requirement IF they meet all five requirements below:

- Must be specific to the training the participant is receiving;
- Must be necessary in order to participate in and graduate from the training;
- Must be required for every student in the training;
- 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 course².)

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

¹ Training provider must be listed on the Eligible Training Provider List; the exception is customized training and on-the-job training.

² This documentation must be kept in the participant file with other training documents.

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

EDD gives the following examples.

Example 1: A participant that is signed up for a phlebotomy course requires a bus pass to travel to the training.

In this scenario, the participant requires the bus pass in order to participate in the training. However, the bus pass is not specific to the phlebotomy training, required to graduate from the training, or required for every student in the training. Additionally, this individual could benefit from a bus pass even if they weren't attending the phlebotomy course. As a result, this service cannot be counted toward the training expenditure requirement.

Example 2: A participant that is signed up for a phlebotomy course requires latex gloves and a lab coat to participate in the training.

In this scenario, the participant requires latex gloves and a lab coat (i.e., safety gear) to participate in the training. These items are specific to the phlebotomy course, necessary to participate in the training, necessary to graduate from the training, and required for every student in the training. Additionally, the participant wouldn't benefit from having the lab coat or latex gloves if they weren't taking the course. As a result, these services can be counted toward the training expenditure requirement.

VI. Participant Enrollment

A participant whose training expenses will be counted toward the minimum training expenditure requirement and/or the maximum 10% leveraged funding must be enrolled in the appropriate training activity. The activity must be entered onto CalJOBS.

VII. Exceptional Circumstances

Under exceptional circumstances, service providers may apply services that don't meet the criteria for qualifying training services toward meeting the training expenditure requirement. EDD considers these circumstances as rare and require prior approval from the WDB's Regional Advisor.

Service providers requesting prior approval for an exceptional circumstance should contact the NCCC Administrative Office. This office will help complete an Exceptional Circumstances Prior Approval form. Please note that this office **MUST** submit the request to EDD at least 10 working days prior to the start of the training class to allow for proper consideration and determination of the request. The Regional Advisor will consult with the State Board and respond to the request within five working days.

EDD gives the following scenario: A participant needs a training that cannot be provided within a reasonable commuting distance (e.g., training only provided in a remote location, or

training that is highly specialized and only provided in certain locations within the United States).

Example: A participant has been approved to attend a week long welding course. This welding course is only offered in a remote location hundreds of miles away from the participant's home. The participant requires transportation to the training, and food and lodging during the week of the training.

In this scenario, the individual requires transportation, food and lodging. Although these services do not meet the criteria under section V.3, "Qualifying Training Services" of this procedure, BUT because the training is not provided within a reasonable commuting distance, these services would qualify under exceptional circumstances.

VIII. Leverage Resources

NCCC subgrantees may receive credit of up to 10% of the combined adult and dislocated formula funds as leveraged funds. Currently the Administrative Office uses information submitted on Cost Reimbursement Invoices for the leveraged amounts. In this procedure leveraged resources are limited to:

- Federal Pell Grants established under Title IV of the Higher Education Act of 1965;
- Public programs authorized by the WIOA (e.g., Job Corps, Migrant 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;
- WDBs 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 WIOA adult or dislocated worker program, and (2) the training meets all requirements set forth in this directive;
- Trade Adjustment Assistance;
- Department of Labor National Emergency Grants;
- Match funds from employers, industry, and industry associations (including the employer paid portion of on-the-job training and customized training, the wages of an apprentice during the apprenticeship period);
Note: Match funds from the employer paid portion of OJT may only include the employer's cost attributed to the participant's training.
- Match funds from joint labor-management trusts;
- Employment training panel grants.

If a subgrantee chooses to receive credit for 10% leveraged funding, but monthly invoicing does not equal 10% the NCCC Administrative Office will notify them of the shortfall and leveraged funds must be reported on the Summary of Leverage Resources form (Attachment I).

Sufficient Records of Leveraged Resources:

NCCC subgrantees must maintain sufficient records of leveraged resources they report towards the 10% maximum leveraged resource. Sufficient records include:

- Commitment letter or written agreement from an employer or training provider;
- Training agreement with an employer detailing the employer's contribution;
- Record of wages paid during an apprenticeship;
- A copy of the Pell Grant award letter or relevant correspondence from the school that includes the Pell amount;
- An executed worksite agreement³ and participant time records (this includes on-the-job training agreements);
- A participant progress report/or evidence of completion.

IX. Definition of Terms:

These definitions apply to this procedure only and should not be applied to any other NCCC administrative procedures or policies.

Cash Contributions – “Federal and/or non-federal contributions of funds made available to the subrecipients to be used for training services. Examples include federal and/or non-federal money received from employers, foundations, private entities, local governments, etc.”

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 Section 663.508 of Title 20 of the Code of Federal Regulations, 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 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 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.

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 procedure.”

³ This does NOT include Work Experience (WEX) Worksite Agreements. WEX is an Intensive activity and is not considered training.

Summary of Leveraged Resources

1. One Stop Name	
2. Date	
3. Year of Appropriation	

Program Year Funding and Training Expenditures	
	Amount
4. Adult and Dislocated Worker Formula Fund Allocations	
5. Training Expenditure Requirement	
6. Formula Fund Training Expenditures	
7. Leveraged resources used toward training expenditure requirement (10% maximum)	
8. Total amount spent on training (should equal or exceed Line 5)	

Leveraged Resources Detail	
9. Source*	Amount
Total (should be equal to Line 7 above)	

***Source** (Choose from the following):

- (a) Pell Grant
- (b) Programs authorized by the WIOA (specify)
- (c) Trade Adjustment Assistance
- (d) Department of Labor National Emergency Grants
- (e) Match funds from employers, industry, and industry associations (specify)
- (f) Match funds from joint labor-management trusts (specify)
- (g) Employment Training Panel grants

Comments
10.

Certification		
11. Name	12. Title	13. Phone Number
(print)		
(sign)		
14. Contact Name	15. Contact Title	16. Phone Number

**Line Item Instructions
For
Completing the Summary of Leveraged Resources**

1. WDB Name	Enter the name of the Local Workforce Development Area (LWDA)
2. Date	Enter the date the Summary of Leveraged Resources is submitted to the Employment Development Department
3. Year of Appropriation	Enter the year of appropriation

Program Year Funding and Training Expenditures	
4. Adult and Dislocated Worker Formula Fund Allocations	Enter the total amount of Adult and Dislocated Worker formula fund allocations for the year of the appropriation. Include both the July 1 and the October 1 WIOA allocations. Do not include the Youth formula fund allocation. The amount entered should reflect all reallocations, recaptures, rescissions, and any other involuntary deobligations.
5. Training Expenditure Requirement	Multiply the Adult and Dislocated Worker formula fund base allocation (Line 4) by the appropriate percentage (25 percent beginning program year 2012-13; 30 percent beginning program year 2016-17) to calculate the Local Workforce Development Board's (WDB) minimum training expenditure requirement.
6. Formula Fund Training Expenditures	Enter the total amount of Adult and Dislocated Worker formula funds spent on training services over the two year period of availability of the funds. (Note: This amount should be at least 15 percent of the total Adult and Dislocated Worker formula funds).
7. Leveraged Resources Used Toward Training Expenditure Requirement	Enter the total amount of leveraged resources (expended on training) used to meet the minimum training expenditure requirement. (Note: This amount should be no more than 10 percent of the total Adult and Dislocated Worker formula fund allocations (Line 4).
8. Total Amount Spent on Training	Enter the sum of Lines 6 and 7. This amount should equal or exceed Line 5.

Leveraged Resources Detail	
9. Source	<p>Complete the section titled Leveraged Resources Detail.</p> <p>Source: In the column on the left, enter the source of the leveraged resource (must be from the 7 options a-g given).</p> <p>Amount: In the column on the right, enter the amount leveraged (from that specific source).</p> <p><i>Example:</i> If a local area used \$10,000 in Trade Adjustment Assistance funds towards training services, they would enter "c" in the left column under source and \$10,000 in the right column under amount.</p> <p>Source options b, e, and f must be specified further. To include these leveraged resources, a local area would enter the appropriate letter and give an explanation of the specific source. For example, if a local area used \$10,000 in Rapid Response funds towards training services, they would enter "b (<i>Rapid Response Funds</i>)" in the left column under source, and \$10,000 in the right column under amount.</p> <p>All amounts entered in the right column should be added and the total should be placed in the bottom line. This amount should be equal to the amount listed in Line 7.</p>

Comments	
10. Comments	Enter any comments in this section.

Certification	
11. Name	Enter the name and signature of the authorized official who will be approving the Summary of Leveraged Resources form.
12. Title	Enter the title of the authorized individual.
13. Phone Number	Enter the phone number of the authorized individual.
14. Contact Name	Enter the name of the contact person to be reached in the event any questions should arise. The contact person will, in most cases, be the individual who prepares the report.
15. Contact Title	Enter the contact person's title.
16. Phone Number	Enter the contact person's phone number.