

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, Assembly Bill (AB) 1149 and EDD Directive WSD18-10 dated January 31, 2019.

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 leveraged funds for 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. AB1149 amended the CUIC Section 14211 to expand the types of services to which leveraged funds may be applied, and the types of leveraged funds that may be applied toward the 10 percent credit.

III. References

- WIOA Section 134 Training Services
- Federal Regulations Title 20 CFR Sections 680.200 & 680.420
- Senate Bill No. 734, State and Local Workforce Investment Boards: Funding
- Assembly Bill No. 1149, Chapter 324
- EDD WSD18-10, WIOA Training Expenditure Requirement
- WSD15-07, Subject: *WIOA Eligible Training Provider List – Policy and Procedures* (November 10, 2015)

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 adult or dislocated worker 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 that 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 (not more than 10% of allocated funds)
 - Job readiness training (in combination with the above training services)
 - Adult education and literacy activities provided concurrently or in combination with any 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
3. 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:

- 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.
 - A secondary school diploma or its equivalent.
 - Employment.
 - Measurable skill gains toward a credential or employment described above.¹
4. Must pass the following three-pronged test:
 - 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.
 - 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.
 - 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.

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

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 employment and/or greater labor productivity on the job.

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 into CalJOBS.

VII. Leveraged Resources

NCCC subgrantees may receive credit of up to 10% of the combined adult and dislocated formula funds as leveraged funds when the 25% formula fund requirement is met. 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
- AJCCs are permitted to apply youth formula funds 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 procedure
- 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, and 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
- Supportive services as defined by WIOA and the corresponding sections of the CFR, but only for those individuals enrolled in training services for occupations in demand by industry, as defined in Section 3174(c)(3)(D) of Title 29 of the United States Code and the corresponding sections of the CFR. Supportive services may include, but are not limited to, the costs of trainees' or students' books, safety and lab equipment, tools and any payment of costs permitted under WIOA rules and corresponding regulations pertaining to supportive services expenditures, including the rule that these supportive services costs are necessary for the individual to participate in training.
- TANF funds spent on supportive services as defined above for TANF enrolled individuals co-enrolled in and receiving training services for occupations in demand by industry through WIOA.

- TANF funds spent on transitional and subsidized employment for TANF enrolled individuals co-enrolled in and receiving training through WIOA.
- 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.

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 Leveraged 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 agreement² and participant time records (this includes on-the-job training agreements)
- A participant progress report and/or evidence of completion

VIII. Definition of Terms:

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

In-Kind Contributions – Federal and/or non-federal contributions of non-cash resources made available to the subrecipients to be 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

² This does NOT include Work Experience (WEX) Worksite Agreements. WEX is an Intensive activity and is not considered training.

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.

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 procedure.

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	
7a. Leveraged Resources used for Training	
7b. Leveraged Resources used for Supportive Services	
8. Total amount spent on Training and Supportive Services (should equal or exceed Line 5)	

Leveraged Resources Detail			
9. Source (See page 2)	Amount	Training	Supportive Services
Total (should be equal to Lines 7a + 7b, above)			

Comments
10.

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

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

- a) Federal Pell Grants established under Title IV of the *Higher Education Act* of 1965.
- b) Public programs authorized by the *Workforce Innovation and Opportunity Act* (WIOA) 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.

AJCCs are permitted to apply Youth formula funds 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 Directive.

- c) Trade Adjustment Assistance.
- d) Department of Labor National Dislocated Worker Grants.
- e) 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.

- f) Match funds from joint labor-management trusts.
- g) Employment Training Panel grants.
- h) Supportive services for individuals enrolled in and receiving training services through WIOA.
- i) Temporary Assistance for Needy Families (TANF) funds spent on supportive services, for TANF enrolled individuals co-enrolled in and receiving training services through WIOA.
- j) TANF funds spent on transitional and subsidized employment for TANF enrolled individuals co-enrolled in and receiving training services through WIOA.
- k) 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.

Line Item Instructions Summary of Leveraged Resources

1. One Stop Name	Enter the name of the One Stop.
2. Date	Enter the date the Summary of Leveraged Resources is submitted to North Central Counties Consortium.
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 35 percent to calculate the AJCCs 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 25 percent of the total Adult and Dislocated Worker formula funds).
7a. 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 plus the amount from Line 7b combined should be no more than 10 percent of the total Adult and Dislocated Worker formula fund allocations [Line 4]).
7b. Leveraged resources used toward training expenditure requirement	Enter the total amount of leveraged resources (expended on supportive services) used to meet the minimum training expenditure requirement. (Note: This amount plus the amount from Line 7a 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 and supportive services	Enter the sum of Lines 6, 7a, and 7b. 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 Source column on the left, enter the source of the leveraged resource (must be one of the 12 options given on page 2 [a-l]).</p> <p>Amount: In the Amount column, enter the amount leveraged (from that specific source).</p> <p>Place an “X” in either the Training or Supportive Services column to indicate whether the expenditure was a training expenditure or supportive services expenditure. The total amounts for training should be equal to line 7a above. The total amounts for supportive services should be equal to line 7b above.</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 Source column, \$10,000 in the Amount column, and place an “X” in the Training column.</p> <p>Source options b, e, f, k, and l 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 Source column, \$10,000 in the Amount column, and place an “X” in the Training column.</p> <p>All amounts entered in the Amount column should be added and the total should be placed in the bottom line. This amount should be equal to the combined amounts listed in lines 7a and 7b.</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.