



Bay Consortium Workforce Development Board

Policy Number: 16-01

Revised Date: February 2, 2022

Effective Date: July 1, 2016

Title: WIOA Minimum Training Expenditure Requirement Policy

PURPOSE

Provide guidance to implement the minimum Workforce Innovation and Opportunity Act (WIOA) Title I Adult and Dislocated Worker Local Workforce Development Area formula funds expenditure requirement, as established by Virginia Code effective July 1, 2015, for training leading to recognized in-demand postsecondary education and workforce credentials.

REFERENCE

- Workforce Innovation and Opportunity Act, Section 134
- Code of Virginia §2.2-2472.2
- Virginia Board of Workforce Development Policy 404-01: Identification of Eligible Training Providers of Occupational Skills Training

POLICY

The Virginia General Assembly amended the Code of Virginia by adding in Chapter 4.2 section 2.2-2472.2 establishing the following requirements:

A. Each provider of Adult and Dislocated Worker services shall expend a minimum of 40 percent of WIOA Adult and Dislocated Worker funds to training services as defined under § 134(c)(3)(D) of the WIOA that lead to recognize postsecondary education and workforce credentials aligned with in demand industry sectors or occupations in the local area or region, below is the definition of training which will count towards the 40 percent minimum training expenditure requirement.

Failure by a provider of Adult and Dislocated Worker services to meet the required minimum training expenditure percentage requirement shall result in sanctions, to increase in severity for each quarter of noncompliance. The Bay Consortium Workforce Development Board has established the following sanctions: for the *First* and *Second Quarter*, a corrective action plan;

for the *Third Quarter*, the recapturing and reallocation of a percentage of the providers Adult and Dislocated Worker funds to bring the provider into compliance with the 40 percent minimum training expenditure requirement; for the *Fourth Quarter*, for a provider with recurring noncompliance, the termination of the contract to provide Adult and Dislocated Worker services for the Bay Consortium Workforce Development Board, Inc.

A. Definition of Training

In order to encourage the recruitment and use of high-quality training providers and programs, all training providers must be WIOA-certified under the existing state eligible training provider system. The only exception to this requirement is when the employer is functioning as the training provider.

As defined within this policy, the services considered training, for which expenditures will accrue to the 40% requirement, include:

A. Occupational Classroom Training

- a. Occupational training is predominantly technical training, which prepares the student for entry into a particular occupation or set of occupations, and must be delivered in compliance with the VBWD Policy 404-01 Identification of Eligible Providers of Occupational Skills Training. Expenditures for occupational training (ITA and Non-ITA) include:
 - i. Occupational Classroom Training-ITA: All payments made to a training institution or training provider for occupational classroom training authorized pursuant to an Individual Training Account (ITA).
 - ii. Occupational Classroom Training-Non-ITA: All payments made to a training institution or training provider, including community based organizations, or other public or private organizations of demonstrated effectiveness, for occupational classroom training authorized pursuant to a contract for training services, or other contractual arrangement that constitutes an exception to the use of an ITA (29 CFR Part 663.430).

B. On-The-Job Training (OJT)

- a. OJT payments are payments made to public, not-for-profit, and private sector employers for training costs authorized pursuant to an OJT contract.

C. Work Experience

- a. Payments made to participants that represent hours worked in work-based training, including internships. WIOA defines Adult and Dislocated Work Experience as an Individualized Career Service; the state does allow this expense to be considered a Training Expenditure solely for the purpose of inclusion to meet the 40% training requirement under this VWL.

D. Customized Training

- a. Customized training is training designed to meet the special requirements of an employer or group of employers. To accrue to the 40% minimum requirement, the customized training:
 - i. May not be more than 50% of the total training cost; and
 - ii. Must be delivered under a contract with an employer who:
 1. Agrees to hire WIOA participants upon completion of the customized training; or
 2. Is training employed workers who:
 - a. Do not earn wages at a self-sufficiency level and to whom the employer commits to continue to employ; and
 - b. Are being trained in new technologies, new production or service procedures, or who require additional skills or workplace literacy required for retention and progression in employment.

E. Class-Size Training Contracts

- a. Class-Size Training Contracts may be entered into and may accrue to the 40% minimum requirement when there is a need to place multiple WIOA-registered students in the same training program with one educational institution or eligible training provider. Congressional authority authorizes the use of WIOA formula funds to purchase contracts for class size training. The costs associated with these contracts are an allowable training expenditure when the following criteria are in place:
 - i. The contract will lead to placement in a demand occupation and is in place with an institution of higher education or other eligible training provider.

- ii. Training services include a full range of occupational skills training or customized training as described in WIOA section 134.
- iii. When an arrangement is made under which WIOA registrants may occupy only a portion of a class-size training contract, a method is developed to allocate the costs of the class associated with the percentage of WIOA-registered students to the contract. (ALL costs associated with the class-size training contract must be allocated in proportion to the number of WIOA registered students compared to the overall number of students.)
- iv. The contract is in compliance with the provisions of the existing class size training policy.

F. Transitional Jobs

- a. Transitional jobs are a type of work-experience local WDBs may provide under WIOA. Payments made for wages to an employer that represent hours worked in a work experience accrue to the 40% minimum training requirement.

G. Registered Apprenticeship (RA)

- a. The following are items that may be used as expenses for Registered Apprenticeships: Individual Training Accounts, OJT, Contracted classes

H. Incumbent Worker Training

- a. Incumbent Worker Training involves development with an employer or employer association to upgrade skills training of a particular workforce. Training may occur in the workplace or an off-site location during or after work hours. Only those costs that are associated with training of incumbent workers can be included. For the purposes of this policy those costs are:
 - i. Training development
 - ii. Instructor wages
 - iii. Tuition
 - iv. Training materials and supplies
 - v. Fees; and
 - vi. Travel for incumbent workers from the workplace to the training location, as needed and if training is off-site

I. Remedial Training/Pre-Vocational Services

- a. Payments made to a training institution for classroom instruction in academic remediation for a postsecondary education or workforce program or for short-term prevocational services or for education for high school equivalency:
 - i. These services would be limited to no more than nine months in duration, unless provided in conjunction with occupational training services.

J. Books, Fees, Travel, Materials and Related

- a. These expenses include those paid to a training institution, training provider or individual participant for books, training materials, required uniforms and other workplace attire, and tools or equipment required for training. All costs of training related licenses, permits or fees may also accrue to the 40% minimum requirement. These costs are considered a Supportive Service cost under WIOA; the state does allow this expense to be considered a Training Expenditure solely for the purpose of inclusion to meet the 40% training requirement under VWL 14-17 Change 3.
- b. Travel for participants in any type of WIOA supported training, in accordance with local policy, to and from training location may accrue to the 40% minimum expenditure requirement. These costs are considered a Supportive Service cost by WIOA; the state does allow this expense to be considered a Training Expenditure solely for the purpose of inclusion to meet the 40% training requirement under VWL 14-17 Change 3.

K. Certification Tests

- a. All examinations and testing costs, including practice tests, associated with participant attainment of an in-demand industry certification or occupational license. These costs are considered a Supportive Service cost by WIOA; the state does allow this expense to be considered a Training Expenditure solely for the purpose of inclusion to meet the 40% training requirement under VWL 14-17 Change 3.

L. Case Management

- a. Allowable case management costs include:
 1. Case Manager time working directly with participants enrolled in training (not participants seeking training) including time spent researching, creating, monitoring, providing supportive services, ITA development, and closing out an Adult or Dislocated Worker jobseeker training account.



2. Case Manager time working to identify and or develop training opportunities, including time spent working with employers and/or training providers to identify and develop training opportunities.
 3. Case Manager time working with employers to ensure a successful training experience, including time spent managing and evaluating the work experience.
 4. Case Manager costs are limited to salaries and benefits.
- b. Case management costs that contribute to the Training Expenditure requirement do not include costs associated with providing basic career services, individualized career services, or follow-up career services. The supervision of case managers is excluded from consideration for inclusion in meeting the 40% training expenditure requirement.

Formula for Calculation of Case Management

The formula for calculating the staff salary and staff fringe benefits to include in monthly WIOA Minimum Training Expenditure Reports will be calculated as follows:

Example:

Staff Expenses	Total
Staff Salary	\$1,000.00
Staff Fringe Benefits	\$500.00
Grand Total	\$1,500.00

WIOA Program Participants	
Enrolled in Training	10
Total Participants	100
Percentage of Billable Case Management Time	10%

Formula for Total Case Management Expense	
Staff Expenses Total (Salary + Fringe Benefits)	\$1,500.00
Percentage of Billable Case Management Time	10%
Total Case Management Expense	\$150.00

Staff Expenses Total (Salary + Fringe Benefits) / Percentage of Billable Case Management Time = Total Case Management Expense Amount Allowable (\$1,500.00 / 10 = \$150.00)