



Bay Consortium Workforce Development Board

Policy Number: 16-01

Revised Date: May 5, 2017

Effective Date: July 1, 2016

Title: WIOA Minimum Training Expenditure Requirement Policy

PURPOSE

To implement, in accordance with state code effective July 1, 2015, the minimum Workforce Innovation & Opportunity Act (WIOA) Title I Adult and Dislocated Worker expenditure for training leading to recognized postsecondary education and workforce credentials aligned with in-demand industry sectors or occupations in the local area or region.

REFERENCE

Virginia Workforce Letter, Minimum Training Expenditure Requirement Policy 14-17 Change 1
Code of Virginia §2.2-2472.2

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

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

1. Occupational Classroom Training

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 Commonwealth of Virginia Occupational Skills Training Policy 13-02. Expenditures for occupational training (ITA and Non-ITA) include:

a. 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).

b. 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).

2. Customized Training

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:
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- a. May not be more than 50% of the total training cost; and
- b. 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.

3. Incumbent Worker Training

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:

- a. training development;
- b. instructor wages;
- c. tuition;
- d. training materials and supplies;
- e. fees; and
- f. travel for incumbent workers from the workplace to the training location, as needed and if training is off-site

4. Class-Size Training Contracts

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:

- a. The contract will lead to placement in an in demand occupation and is in place with an institution of higher education or other eligible training provider.
- b. Training services include a full range of occupational skills training or customized training as described in WIOA section 134.
- c. 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.)
- d. The contract is in compliance with the provisions of the existing class size training policy.



5. On-the-Job Training (OJT)

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

6. Work Experience

Payments made to participants that represent hours worked in work-based training, including internships.

7. Remedial Training/Pre-vocational Services

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:

- a. These services would be limited to no more than nine months in duration, unless provided in conjunction with occupational training services.

8. Books, Fees, Travel, Materials and Related

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. 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. 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.

9. Certification Tests

All examinations and testing costs, including practice tests, associated with participant attainment of an in-demand industry certification or occupational license. This will also include the Career Readiness Certificate.