



Illinois Workforce Innovation Board

Bruce Rauner, Governor

John Rico, Co-Chair
Sean McCarthy, Co-Chair

Request to Approve

Request

The IWIB Workgroup on the Minimum Training Expenditure Policy is requesting approval to move forward on a revised WIOA policy to incorporate the following three recommendations:

1. An increase in the combined WIOA Title I Adult and Dislocated Worker direct training expenditures from forty percent (40%) to fifty percent (50%).
2. Implement a conditional Hold Harmless Provision to be implemented until further notice
3. The Hold Harmless Provision would allow a local workforce innovation board (LWIB) to present verifiable, quantitative data and information as to reasonable for failure to meet the minimum training expenditure rate. This presentation will be made to the IWIB Evaluation and Accountability Committee (EAC), and if determined as sufficient reasoning for failure to meet, would not impose sanctions on receipt of earned performance incentive bonus.

Additionally, the Work Group is recommending that the Evaluation and Accountability Committee come up with an evaluation method including a return on investment to determine specific data indicators both qualitative and quantitative on expenditures for training services as part of continuous improvement for the workforce system.

Background

At the December 2016 IWIB meeting, the board approved significant revisions to the Minimum Training Expenditure (MTE) policy letter to include new types of training services that could be included in the calculation of the MTE rate. These revisions did not address the MTE rate because additional data and discussion needed to occur before there was a final decision on raising or maintaining the current forty percent (40%) level. This discussion would include the strong emphasis at the National and State level to ensure public workforce dollars result in skill and credential attainment that meet the business needs for workers as well as the mandate for continuous improvement of the system.

WIOA (Sec. 101(d)) tasks state workforce boards with several functions, including: the review of statewide policies, of statewide programs, and of recommendations on actions that should be taken by the State to align workforce development programs in a manner that supports a comprehensive and streamlined workforce development system, and the development of continuous improvement of the system in the State such as the development of strategies to improve access and meet the needs of employers, workers and jobseekers.

The Illinois workNet Center System, an American Job Center is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities. All voice telephone numbers on this website may be reached by persons using TTY/TDD equipment by calling TTY (800) 526-0844 or 711.

On the National level, in an effort to demonstrate the importance of training, President Donald Trump signed an executive order on June 15, 2017 designed to expand apprenticeships and job-training programs to address the shortage of qualified individuals. Furthermore, on June 7, 2017 in a speech to the Committee on Appropriations, Acting Secretary of the United States Department of Labor, Alexander Acosta stressed the importance of training programs that meet the needs of our employers.

This is all an effort to make existing spending more efficient. The WIOA, and its Final Rules and subsequent guidance are designed to improve services to employers and promote work-based training models.

In Illinois, during a recent meeting of the Cabinet on Children and Youth, Governor Rauner highlighted that the employment rate increased from 57% to 70% for those receiving training versus those that do not through work-based models such as apprenticeships.

As the unemployment rate drops across the country, and in Illinois, employers increasingly struggle to find qualified applicants to fill their vacancies. These factors together led to the recommendation that revisions to this policy letter would promote more spending on the training models that address this demand.

Findings

There is a need for a formalized method with both qualitative and quantitative data indicators to inform future adjustments to the training expenditure rate. The continued pursuit through research of Illinois and other state performance results will lead to defined measures that focus on training programs in conjunction with career services compared to the provision of only career services. Implementing a Hold Harmless Provision during the development of the evaluation criteria lessens the burden on local boards in instances where they are unable to meet the minimum rate when justifiable.

The above recommendations being made to the Minimum Training Expenditure (MTE) policy balance the need to provide more participants with the training that meet business needs with a provision that gives local boards an opportunity for relief as they implement an increased rate.

Considerations

WIOA strongly promotes training services as the preferred method of providing the WIOA customer population with the services, programs and activities necessary for them to succeed in their employment goals. Further, WIOA outlines a method of services provisions in which the WIOA Title III Administrator provides career services when a customer is not interested in entering into training services and the Title I Adult and Dislocated Worker programs providing an appropriate package of career services in instances where the customer is entering into a training program. This critical distinction in WIOA allows the Title I Administrators to focus their resources on customers entering training programs.

Motion

“I move that the IWIB approve the three recommendations as outlined in the request above related to 1) an increase in the minimum training expenditure rate to fifty percent (50%), implementation of a Hold Harmless Provision, and 3) relaxation of the sanctions for failure to meet the rate in instances where the local board has provided justifiable reasoning to the Evaluation and Accountability Committee.”

Terry Wilkerson, Chair, IWIB Policy Work Group