



Illinois Workforce Innovation Board

Bruce Rauner, Governor

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

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WIOA Policy 15-WIOA-8.4

TRAINING EXPENDITURE REQUIREMENT

I. POLICY

8.4 Training Expenditure Requirement

The workforce innovation system plays an integral role in the revitalization of Illinois' economy. Under the Workforce Innovation and Opportunity Act, a heightened emphasis has been placed on providing trained job seekers for demand occupations to meet the needs of employers in key sectors. To support this role, the Illinois Workforce Innovation Board (IWIB) approved the Illinois' Unified State Plan for Title I of the Workforce Innovation and Opportunity Act (WIOA) and the Wagner-Peyser Act that focuses on economic growth, job creation, and the need to develop a skilled, trained workforce throughout the state.

Illinois' Unified State Plan builds on a history of a demand-driven system that places an emphasis on the training of job seekers and workers. In 2006 the Illinois Workforce Board developed the minimum training expenditure policy that required each local workforce investment area to expend at least forty percent (40%) of the formula Workforce Investment Act funds on the training activities outlined in the policy.

In 2016, the IWIB approved the creation of a workgroup to review and update this policy. The first change approved by the IWIB was the change of the formula from independent calculations for the Adult and Dislocated Worker Programs. The workgroup has been working to identify the training-related services that can be included as "calculable" in the formula. This policy outlines that list of training services that will count toward the minimum training expenditure level.

Also, the IWIB approved the need to conduct an analysis of the workforce system, especially all of the fiscal factors that are associated with the Adult and Dislocated Worker funding streams. Upon completion of that analysis, this policy will be further updated to reflect any approved recommendations related to include the minimum allowable expenditure level, incentives and sanctions.

All local workforce innovation boards (LWIBs) are required to ensure that at least forty percent (40%) of their formula-allocated program expenditures in a program year are an allowable training cost in the WIOA Title I Adult and Dislocated Worker programs.

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.

8.4.1 Allowable Costs Towards Training Expenditure

As defined within this policy, only certain WIOA-funded services will be considered as “calculable” LWIB expenditures toward the minimum training calculation. For purposes of this policy, the calculable services include:

1. Occupational Skills Training

An organized program of study that provides specific vocational skills that lead to proficiency in performing actual tasks and technical functions required by certain occupational fields at entry, intermediate, or advanced levels.

- a. Occupational skills training includes training programs that lead to recognized post-secondary credentials that align with in-demand industry sectors or occupations in the local area. Occupational skills training must:
 - 1) Be outcome-oriented and focused on an occupational goal specified in the individual service strategy;
 - 2) Be of sufficient duration to impart the skills needed to meet the occupational goal; and
 - 3) Result in attainment of a recognized post-secondary credential.
- b. Occupational Skills Training costs that are calculable include:
 - 1) Occupational Skills Training Individual Training Accounts (ITAs): Payments made to a training institution or training provider for occupational classroom training authorized pursuant to an Individual Training Account (ITA).
 - 2) Occupational Skills Training – Non-ITA: Payments made to a training institution, training provider, including community based organizations, or other private organization 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 680.320).
 - 3) Class-Size Training: Class-Size Training Contracts can occur when there is a need to place multiple WIOA-registered students in the same training program with one educational institution or eligible training provider.
 - 4) Pay-for-Performance Contract: Contracted training service that provides payment structure funding only when agreed upon measures are achieved within a specific timeframe. Note: USDOL has indicated that further guidance on this new type of training is forthcoming.

2. Work-Based Learning

Includes on-the-job, customized training, incumbent worker training, work experience and transitional jobs as outlined in the WIOA and the final rule

- a. On-the-Job Training (OJT): Contract(s) with an employer(s) in the public, private non-profit, or private sector. Through the OJT contract, occupational training is provided for the WIOA participant in exchange for the reimbursement for the extraordinary costs of providing the

training and supervision related to the training. (Defined at WIOA Section 3(44) and 20 CFR § 680.700-730)

- b. Customized Training: Costs associated with training that is used to meet the special requirements of an employer or group of employers, conducted with a commitment by the employer to employ all individuals upon successful completion of training. (20 CFR § 680.760)
- c. Incumbent Worker Training: Training to workers that have an established employment history with the employer for six (6) months or more. The training must be conducted with a commitment by the employer to retain or avert the layoffs of the incumbent worker(s) trained. (Proposed 20 CFR 680.820)
- d. Work Experience/Internships: Cost associated with a planned, structured, time-limited learning experience that takes places in a workplace as a work experience, internship or job shadowing. This also includes the wages and staff costs for the development and management of the training program. (20 CFR § 680.190)
- e. Transitional Jobs: Cost associated with a limited work experience, that is subsidized in the public, private, or non-profit sectors for those individuals with barriers to employment because of chronic unemployment or inconsistent work history; these jobs are designed to enable an individual to establish a work history, demonstrate work success, and develop the skills that lead to unsubsidized employment. (WIOA Section 134 (d)(5) and 20 CFR § 680.190)
- f. Apprenticeships: Costs associated with administering an Apprenticeship Program as outlined in WIOA Policy Letter 15-WIOA-5.2.1.1.

Note that apprenticeships in Illinois are being reviewed by an IWIB Standing Committee to create flexibility in the use of this type of training, be innovative in the types of apprenticeships utilized in Illinois and expand apprenticeships beyond traditional sectors and industries. Until further information is available on all types of apprenticeship programs, only registered apprenticeships will be calculable. This is in part because the other three apprenticeship models being discussed are either only for youth participants or can be captured in the Customized Training category in this policy. Calculable expenses would include all payments made to the public, not-for-profit or private training provider, including a host employer, for the cost of the training program.

3. Occupational Bridge Programs

Bridge programs prepare adults with limited academic or limited English skills to enter and succeed in credit-bearing post-secondary education and training leading to career-path employment in high-demand, middle- and high-skilled occupations. The goal of bridge programs is to sequentially bridge the gap between the initial skills of individuals and what they need to enter and succeed in post-secondary education and career-path employment.

- a. This training blends workplace competencies, career exploration, and basic literacy and math skills in an occupational context. It provides accelerated advancement through short, intensive classroom components, and offers academic and personal support services to help balance work, family, and school responsibilities.
- b. The participant's individual employment plan must document the career-path and the bridge program training approach.
- c. A bridge program must target one or more of the following for consideration as an allowable training expenditure:
 - 1) Low-skilled, low-income adults unprepared to enter post-secondary occupational programs in high growth fields;
 - 2) Adult education students who still do not score high enough to enter post-secondary occupational programs; or
 - 3) Employability and career development content, if the major focus of the program is on academic remediation and occupational skills preparation.

4. Other Forms of Training-Related Services Not Otherwise Detailed Above

For all other types of allowable training-related services not mentioned above, the local workforce innovation board or staff should request clarification from the Department of Commerce, Office of Employment and Training prior to incurring the cost to ensure the training service is allowable and to determine if the costs can be included in the calculable services.

- a. This category is intended to address any new or innovative type of training-related service that directly prepares a participant for unsubsidized employment or which could be calculable as part of a combined strategy with another calculable training service.
- b. These may include other types of training services such as programs that combine workplace training and related instructions which may include cooperative education programs, training programs operated by the private sector, or skill upgrading and retraining.

5. Allowable Training and Educational Services Provided in Conjunction with Occupational Skills or Work-Based Training Programs

Certain types of training or education services may benefit a participant in reaching their education and employment goals.

- a. While these are typically considered a career service, they may be calculable when provided in conjunction or combination with other allowable training program types listed above.
- b. They are not calculable if provided by local workforce innovation board or area staff.
- c. This type of service might include the following:
 - 1) English Language Acquisition and Integrated Education and Training Programs

- a) The term “adult education and literacy activities” means programs, activities, and services that include adult education, literacy, workplace adult education and literacy activities, family literacy activities, English language acquisition activities, integrated English literacy and civics education, workforce preparation activities, or integrated education and training.
- 2) Remedial Training/Pre-Vocational Services
 - a) All payments made to a training institution or training provider for classroom instruction in academic remediation or short-term pre-vocational services which would normally be classified as an intensive service.
 - b) These services would be limited to no more than six (6) months in duration, unless provided in conjunction with occupational training services.
 - c) This also includes costs associated with basic literacy training, including but not limited to, adult basic education, high school equivalency education, and English as a second language.
- 3) Job Readiness Training
 - a) Job readiness training programs prepare participants to get, keep and excel at a new job and may include basic employability skills including:
 - i) effective communication, problem solving, resume building, and interviewing; and
 - ii) programs that help participants develop good work habits that facilitate their ongoing success.

6. Books, Materials and Related Materials

These are costs paid to a training institution, training provider or individual participant for books, training materials, required uniforms and other workplace attire, tools or equipment required for training and training-related licenses, permits or fees. This includes assistive devices for individuals with disabilities that are necessary to ensure the individuals are able to participate in, and/or complete training.

7. Participant Support

These are supportive services paid to or on behalf of a participant enrolled in training or in the twelve-month follow-up period subsequent to placement, such as transportation, childcare, tutoring, and mentoring. Includes support services to participants who receive training from a source other than WIOA funds, e.g., Pell Grants. This category also includes needs related payments to WIOA participants in training.

8.4.2 Eligible Training Providers

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

8.4.3 Staff Costs

1. Staff costs may only be included in the allowable training expenditure calculation under the following conditions:
 - a. Costs included as part of tuition in an Individual Training Account (ITA) with a WIOA-eligible training provider.
 - b. Costs that are included as part of a training contract other than an ITA (i.e., class-size training contract). For example, the Title I administrator can contract with a community college to provide a package of training services to WIOA participants that includes assessment and case management.
 - c. Costs incurred by staff that are directly associated with the establishment and monitoring of work-based training activities.
 - d. Costs incurred by staff on behalf of WIOA participants enrolled in Bridge Training Programs when:
 - 1) Those activities are conducted at the site of the training provider or location of the training program; and
 - 2) Staff are instructing participants, case managing participants, or observing a class.
2. Staff costs by an eligible training provider on behalf of WIOA participants shall only be for assessment, career planning and job placement.
3. Staff costs must be reasonable and necessary to the provision of training to these participants, and documented via timesheets or other appropriate cost allocation methods.
4. Subcontracting the administration of a Title I program is not considered a training contract and thus these costs would not be considered calculable for inclusion in the training expenditure calculation.
5. Staff costs that are not included in the forty percent (40%) training expenditure calculation may still be an allowable WIOA activity.

8.4.4 Minimum Expenditure Level

1. The minimum expenditure level for the combined calculation of Adult and Dislocated Worker funding streams is forty percent (40%).
2. The calculation below determines whether the LWIB is meeting the minimum training expenditure annually:

Combined Training Program Costs Incurred of the Adult and Dislocated Programs
(as defined in the Allowable Costs Towards Training Expenditure section)

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Total Program combined (training and non-training) Costs Incurred of the Adult and Dislocated Worker Programs

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Annual Training Program Expenditure

Below is an example of the calculation:

LWIB Example	Expenditures Reported Against Prior Year Carry-in	Current Year Expenditures	Total	% Expended
Training Expense	40,000.00	98,000.00	138,000.00	20.88%
Program Expense	65,000.00	458,000.00	523,000.00	79.12%
Total	105,000.00	556,000.00	661,000.00	100.00%

3. The total training expenditures incurred and total cost incurred for the program year are regardless of the program year charged. Other sources of training funds will not be included in the calculation.

8.4.5 Technical Assistance

1. Technical assistance will be provided to those LWIBs that:
 - a. Fail to meet the required expenditure level in any year;
 - b. Wish to improve their ability to provide training services, including improvements in training provider selection for ITAs and use of non-ITA contracting mechanisms; or
 - c. Need assistance on the use of non-ITA procurement methods, including quality control and management of class-size training contracts.

8.4.6 Incentives for Meeting the Required Expenditure Level

1. LWIBs that meet or exceed the forty percent (40%) expenditure rate are eligible to receive an incentive award if:
 - a. Participants completed a training program that was intended to lead to employment in a demand occupation; or
 - b. Participants received employment in a high-demand occupation that resulted from the completion of a training program that was intended to lead to such employment in a demand occupation.
2. The total incentive available for meeting the required expenditure level is part of the annual performance incentive award and will be distributed in accordance with WIA Policy Letter No.

10-PL-62 Workforce Investment Act (WIA) Title I Incentives and Sanctions for Performance and subsequent changes.

8.4.7 Enforcement of the Required Expenditure Level

1. Any LWIB that fails to meet the minimum expenditure level will not receive any earned performance incentive bonus for that program year.
2. LWIBs may be placed on “high-risk” status for failure to meet the minimum expenditure level.
 - a. If a grantee or subgrantee is placed on “high-risk” status, special conditions or restrictions may include:
 - 1) Payment on a reimbursement basis;
 - 2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
 - 3) Requiring additional, more detailed financial reports;
 - 4) Additional project monitoring;
 - 5) Requiring the grantee or sub-grantee to obtain technical or management assistance; or
 - 6) Establishing additional prior approvals.