

Appendix

Training Expenditure Requirement under WIOA

Guidance for Policy Implementation

Background

Under WIOA sec. 134(c)(3)(A) training services may be made available to employed and unemployed adults and dislocated workers who:

- (a) A one-stop operator or one-stop partner determines, after an interview, evaluation, or assessment, and career planning, are:
 - (1) Unlikely or unable to obtain or retain employment that leads to economic self-sufficiency or wages comparable to or higher than wages from previous employment through career services;
 - (2) In need of training services to obtain or retain employment leading to economic self-sufficiency or wages comparable to or higher than wages from previous employment; and
 - (3) Have the skills and qualifications to participate successfully in training services;
- (b) Have selected a program of training services that is directly linked to the employment opportunities in the local area or the planning region, or in another area to which the individuals are willing to commute or relocate;
- (c) Are unable to obtain grant assistance from other sources to pay the costs of such training, including such resources as State-funded training funds, Trade Adjustment Assistance, and Federal Pell Grants established under title IV of the Higher Education Act of 1965, or require WIOA assistance in addition to other sources of grant assistance, including Federal Pell Grants; and
- (d) If training services are provided through the adult funding stream, are determined eligible in accordance with the State and local priority system, if any, in effect for adults under WIOA sec. 134(c)(3)(E) and § 680.600. (680.210)

Massachusetts implements a minimum training expenditure policy with a goal of increasing high-quality job placements for individuals. Research shows that individuals who complete certificates and degrees have higher job placement rates compared to similarly situated individuals without such credentials. In addition, the public workforce system must increase investments in training and align training services with critical skill shortages facing the state.

Policy

MassHire Workforce Workforce Boards and Career Centers are required to ensure that at least thirty percent of formula-allocated program expenditures in a fiscal year are made on allowable training costs for the WIOA Adult and Dislocated Worker programs, combined, non-inclusive of administrative expenditures.

Implementation

A. Calculation of the required 30%

1. The 30% training budget is calculated against the program portion (90%) of the local area allocation.
2. The 30% requirement will be the calculated dollar amount for Adult and Dislocated Worker (DW) funds, combined.
3. Local areas will have flexibility to determine apportionment between Adult and DW programs.
4. The 30% calculation will be based upon the total of Adult/Dislocated Worker training funds actually expended during the reporting year whether from the new allocation or from unexpended funds carried into the reporting year from the prior year.
5. Transfers will not affect the calculation, as it is based upon the Adult and Dislocated Worker funding streams, combined
6. MDCS will manage the policy based upon the total dollar requirement between the two Adult and DW funding streams. Spending analysis will be conducted against third and fourth quarter Fiscal Status Reports.

B. Training Services (WIOA 134(c) and CFR §680.200-680.230)

This list is not all-inclusive and additional training services may be provided:

- a. Occupational skills training, including training for nontraditional employment;
- b. On-the-job training (OJT) (see §§680.700-680.730);
- c. Incumbent worker training, in accordance with WIOA sec. 134(d)(4) and §§680.780-680.820.
- d. Programs that combine workplace training with related instruction, which may include cooperative education programs;
- e. Training programs operated by the private sector;
- f. Skills upgrading and retraining;
- g. Entrepreneurial training;
- h. Transitional jobs in accordance with WIOA sec. 134(d)(5) and §§680.190 and 680.195 (allowing a local area to use up to 10% of their combined total of adult and dislocated worker allocations for transitional jobs as described in 680.190). Transitional jobs must be

combined with comprehensive career services (see §680.150) and supportive services (see §680.900);

- i. Job readiness training provided in combination with services listed in (a) through (h) above;
- j. Adult education and literacy activities, including activities of English language acquisition and integrated education and training programs, provided concurrently or in combination with training services listed in (a) through (g) above; and
- k. Customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training (see §§680.760 and 680.770).

Career Center “In-House” Training may also be included. All of the following criteria must be met to include a program of instruction that is provided by the Career Center as a training cost:

- a. The training program must be listed on the Eligible Training Provider List (ETPL) and as such, meet all of the requirements thereof. Please refer to MA ETPL Policy, 100 DCS 14.100.3.
- b. As is applicable to all training:
 - Referral to the program is based upon a documented academic and/or occupational skills assessment.
 - The customer’s selection of the program is based upon informed consumer choice.
- c. Student progress is assessed via pre and post testing and documented in MOSES. Documentation demonstrates successful completion of an examination or assessment, which indicates mastery of competencies as measured against a defensible set of standards.
- d. Successful program completion results in an industry-recognized credential that is in demand in the local labor market.
 - An industry-recognized credential is one that either is developed and offered by, or endorsed by a nationally recognized industry association or organization representing a sizeable portion of the industry sector, or a credential that is sought or accepted by companies within the industry sector for purposes of hiring, recruitment or advancement.
- e. Documentation demonstrates that the skills attained are currently in demand in the local labor market to achieve employment or advancement; or documentation demonstrates that the skills attained are required by a specific employer working with the customer to achieve employment or advancement.

C. Training Threshold Calculation Exclusions

1. Staffing costs may not be budgeted for training. Staffing costs related to training (e.g. Career Planning, development of ITA, OJT, Apprenticeship training, etc.) are considered to be career services.
2. New curriculum development by a vendor for a specialized ITA cannot be added into the training budget; rather, it must be built into the vendor's ITA cost.
3. Support services can be a valuable contributing component toward a participant's success in a training program; however, funds provided for these services are not countable toward the training threshold.
4. This policy applies to the use of WIOA Title I Adult and Dislocated Worker formula funds for training. Therefore, if a local area benefits from the distribution of Trade, National Dislocated Worker Grant or Rapid Response Set-Aside funds, these funds will not be considered toward the satisfaction of the 30% requirement.

D. Training Program Reminders:

The Local Annual Operating Plan shall include a description of the strategies and services that will be used in the local area that may include the implementation of initiatives such as incumbent worker training programs, on-the-job training programs, customized training programs, industry and sector strategies, career pathways initiatives, utilization of effective business intermediaries, and other business services and strategies, designed to meet the needs of employers in the corresponding region in support of the strategy described in paragraph (1)(F). (WIOA Sec. 108 (b)(4)(B)).

Training, including exceptions to the use of ITAs, must be described in the local annual operating plan

- i. If a local area plans to implement training that has not been described in the service mix in a prior plan, please use Local Annual Operating Plan Guidance Attachment B "Notification of Local Workforce System Changes" to describe the training, including the inclusion of an in-house instructional program as a training activity.
- ii. If such training activities are developed at a later point during the fiscal year, please submit a revised Attachment B to MDCS, which will be incorporated within the local plan package on file at MDCS.

The Fiscal Status Report includes a non-add training line; this information will be used in the analysis of training expenditures during the fiscal year.

It is the responsibility of the local area to meet the 30% training threshold requirement utilizing the definitions provided herein. Compliance will be verified using Fiscal Status Reports.

Failure to achieve the mandated training expenditure percentage can affect the release of future discretionary funding.

Should the MassHire Board determine that there are factors that may impact the local area's ability to meet this training threshold, the board can apply for a variance. Please use the Training Threshold Variance Request on the next page to do so.



DEPARTMENT OF
CAREER SERVICES

TRAINING THRESHOLD VARIANCE REQUEST

Local Workforce Board Name: _____

Reason for requesting variance: _____

Target training % requested: _____

How will this affect your local area population:

Positive impact of the threshold variance (*e.g. how will the lower training threshold help?*):

Was a full Board vote taken: Yes ☐ No ☐ if yes, Date ____/____/____

MassHire Board Director: _____/____/____
Signature Date

Please submit completed form to **Lisa Caissie**: Lisa.J.Caissie@detma.org