

Mass Workforce Issuance

Workforce Issuance No. 09-23

☒ **Policy** ☐ **Information**

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Title I Administrators
Career Center Directors
Title I Fiscal Officers
DCS Regional Managers

cc: WIA State Partners

From: Michael Taylor, Director
Department of Workforce Development

Date: April 9, 2009

Subject: **Training Expenditure Threshold Requirement for Additional Adult and Dislocated Worker Funding under the American Recovery and Reinvestment Act (ARRA)**

Purpose: To notify Chief Elected Officials, Local Workforce Investment Boards, One-Stop Career Center Operators and other local workforce investment partners of the implementation of a minimum level of expenditure for training services that must be applied to additional Adult and Dislocated Worker funds allocated to each local area under the American Recovery and Reinvestment Act of 2009.

Background: Communication from the U.S. Department of Labor (Employment and Training Administration (ETA) is clear that Congress, in passing the American Recovery and Reinvestment Act of 2009 (ARRA) intended that a significant portion of additional funding allocated for adults and dislocated workers be utilized for training services. To that end, the Commonwealth's plan for utilization of the additional funds provided under the ARRA calls for empowering disenfranchised workers to re-establish viable career paths through an expanded level of skill training.

National data clearly indicates that adults who obtain training, benefit to a far greater degree with regard to earnings levels and earnings increases than do adults who receive only job search and related services.

During the current economic climate, it is therefore incumbent upon the Commonwealth to encourage the expansion of training services to a level that benefits the widest number of Massachusetts workers.

Policy: To expand opportunities for the acquisition of skills that will best assure viable and long term economic opportunity for Massachusetts workers, it is the policy of the Commonwealth that no less than sixty (60) percent of the program funds allocated to the local areas under the ARRA for adults and dislocated workers be expended on training services (as defined herein). All such funds must be expended no later than June 30, 2011.

The sixty percent standard will be applied to the balance of local Recovery Act adult and dislocated worker funds after the amount utilized by the local area to cover administration expenses has been accounted for. A maximum of ten (10) per cent of the local Recovery Act adult and dislocated worker allocations may be used for administration.

Allowable Training Activities Applicable to the Sixty Percent Requirement

1. Occupational skills training – as approved for ITAs

Includes tuition, fees, books and other materials and equipment required for a course of occupational skills training

2. Occupational skills training – group contracts

Includes tuition, fees, books and other materials and equipment required for occupational skills training courses

Includes development of curriculum by institutions of higher education, if the curriculum is new and is developed in the context of providing training to WIA participants

3. On-the-job training

Payments made to both public, not-for-profit, and for profit employers for training costs authorized pursuant to an OJT contract.

4. Skill upgrading and retraining, including Apprenticeship

5. Adult education

Includes basic or English language education, as delivered through community colleges and other high quality public programs and community organizations that provide such services, as long as they are provided in connection with occupational skill training leading to a job or career for which the individual is preparing.

6. Customized training

Conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training. To be considered a countable training expenditure:

- A. The Employer must cover 50% or more of the total training cost
- B. The customized training must be with an employer that:
 - i. agrees to hire WIA participants upon completion of the customized training, and

- ii. is training workers who:
 - a. do not earn wages at a level of self-sufficiency and to whom the employer commits to continue to employ; and
 - b. is training workers in new technologies, new production or service procedures, who require additional skills or workplace literacy required for employment, or for other appropriate purposes identified by local boards.

7. Supportive Services

Supportive services as defined at WIA §101 (46) such as transportation, child care, dependent care, housing, and needs-related payments are considered allowable training costs with regard to the training threshold. However, not more than **10 %** of the 60% ARRA funds threshold amount for the local adult and dislocated worker allocations may be expended for supportive services. The cost of any needed supportive services in excess of the 10% level must be covered by non-training ARRA funds or the local area's regular formula allocation of adult and/or dislocated worker funds.

Staffing Costs

Staff costs *are not allowable* training activities with only two exceptions:

1. All costs included in an Individual Training Account (ITA) for a WIA eligible training provider.
2. Costs for assessment, case management and job placement incurred by an eligible training provider on behalf of WIA customers enrolled in training with that provider pursuant to a training contract other than an ITA.

Action

Required: Please assure that all staff, as appropriate, are knowledgeable of the content of this policy issuance and that the policy is adhered to in both planning for as well as the actual delivery of training services for adults and dislocated workers utilizing local area ARRA funds.

Effective: Immediately

Inquiries: Please email all questions to PolicyQA@detma.org. Also, indicate Issuance number and description.