

**SOUTH CENTRAL OKLAHOMA WORKFORCE BOARD, INC.**

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**SUBJECT:** Adult and Dislocated Worker 40% Minimum Training Expenditure Rate Policy

**PURPOSE:** To establish South Central Oklahoma Workforce Board's (SCOWB) policy for Adult and Dislocated Worker 40% Minimum Training Expenditure Rate to comply with Oklahoma Workforce Development Issuance (OWDI) #08-2019.

**BACKGROUND:** Oklahoma set a benchmark in PY17 that required each local workforce development board (LWDB) to expend no less than 40% of their Adult and Dislocated Worker (DLW) funds on training that leads to a recognized postsecondary education and/or workforce credential directly linked to an in-demand industry or occupation. The requirement remains part of an ongoing effort to address the skills gap, i.e., the number of people trained and educated versus the number of jobs that are open, which was identified as one of the biggest challenges facing the State.

**REFERENCES:**

- The Workforce Innovation and Opportunity Act (WIOA) Section 134
- Training and Employment Guidance Letter (TEGL) No. 10-16
- Training and Employment Guidance Letter (TEGL) No. 19-16
- 20 CFR 680.180, 20 CFR 680.190, 20 CFR 680.200-230, 20 CFR 680.300-350  
20 CFR 680.700-730, 20 CFR 680.760, 20 CFR 680.790

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**POLICY:**

This policy reinforces the requirement for SCOWB to expend a minimum of 40% of their formula-allocated Adult and DLW expenditures in a program year (excluding Administrative costs) on allowable training costs. Guidance is provided on the allowable costs and calculations for meeting the required 40% minimum training expenditure rate. The definition of Other Costs Directly Related to Training has

been expanded to include additional supportive services that may be necessary to help ensure successful training completion. The requirement to deduct the cost of incomplete training already paid by WIOA Adult and DLW formula funds has been removed.

### **Coordination of Training Funds**

WIOA funding for training is limited to participants (1) who are unable to obtain grant assistance from other sources to pay the cost of training or (2) who require assistance beyond that available from other sources to pay the costs of such training. The availability of other sources of funds to pay for training costs must be considered prior to the use of WIOA funds. Title I funds are intended to supplement other sources of funding, including Tribal funds, Temporary Assistance for Needy Families (TANF), State-funded training funds, and Federal Pell Grants. SCOWB must also ensure that supportive services and resources within the local area are coordinated with other available funds for training and supportive services. The Individual Employment Plan (IEP) and supporting documentation should clearly illustrate that allowable training costs are WIOA-funded only when these services are not funded or available through other agencies.

### **Allowable Training Expenditure Costs**

Allowable costs used to calculate compliance with the 40% minimum training expenditure rate must be of direct benefit to the participant, and may include:

- Training Services as defined in WIOA section 134(c)(3)(D)
  - a. Occupational skills training, including training for nontraditional employment.
  - b. On-the-job training.
  - c. Incumbent worker training in accordance with WIOA section 134(d)(4).
  - d. Programs that combine workplace training with related instruction, which may include cooperative education programs.
  - e. Training programs operated by the private sector.
  - f. Skill upgrading and retraining.
  - g. Entrepreneurial training.
  - h. Transitional jobs in accordance with WIOA section (d)(5).
  - i. Work experience (WEX), internships, and job shadowing.
  - j. Work based learning combined with related instruction, including apprenticeships.
  - k. Job readiness training provided in combination with any of the services in (a)-(i).
  - l. Adult education and literacy activities provided concurrently or in combination with any of the services in (a)-(g) and (i).
  - m. Tutoring, when necessary to ensure the successful completion of a class or course of study within an approved training program.
  - n. Prerequisite training, such as costs associated with ITA-funded zero-level or remedial courses that prepare students for college level classes.



### Costs Not Allowed Toward 40% Calculation

Although the cost of training must be coordinated to the extent possible with other sources of assistance, leveraged funds must not be included in the 40% training rate calculation. This includes funds and services available through other workforce partners and other grant assistance, such as State-funded training funds or Federal Pell Grants. Additionally, the following costs may not be included when calculating the local Training Expenditure Rate:

- Costs associated with workforce staff time, materials, supplies, or overhead
- Needs related payments
- Rent or mortgage payments
- Utility bills
- Initial assessments of skill levels (including literacy, numeracy, and English language proficiency), aptitudes, abilities (including skills gaps), and supportive service needs
- Incentives (for example, gift cards for completing milestones or training).

### Calculation of Expenditure Rate

The 40% training expenditure rate is calculated separately for Adult formula funds and DLW formula funds. The following formulas determine whether SCOWB is expending 40% of their allocated Adult program dollars on training, and whether 40% of allocated DLW are expended on training. The total qualifying expenditures from each program must be divided by the respective WIOA program's allocation, minus a maximum of 10% local administrative cost.

### Adult Program Training Expenditure Calculation

$$\text{Yearly Adult Training Expenditure Rate} = \frac{\text{Total Qualifying Training Expenditures from the WIOA Adult Allocation}}{\text{WIOA Adult Allocation} - \text{Local Administrative Cost (capped at 10\% of Adult Allocation)}}$$

### Dislocated Worker Program Training Expenditure Calculation

$$\text{Yearly DLW Training Expenditure Rate} = \frac{\text{Total Qualifying Training Expenditures from the WIOA DLW Allocation}}{\text{WIOA DLW Allocation} - \text{Local Administrative Cost (capped at 10\% of DLW Allocation)}}$$

Local 40% training expenditures must be reported quarterly via the State-issued 9130 Form. SCOWB will work with their service provider and fiscal agent to monitor performance related to the 40% training expenditure requirement.

#### **ENFORCEMENT OF THE REQUIRED EXPENDITURE RATE**

OOWD will provide ongoing technical assistance as needed to all local areas to support implementation and achievement of the 40% minimum training expenditure rate.

1. After one year of non-compliance to the 40% minimum training expenditure rate, SCOWB must submit to OOWD an action plan with achievable strategies and a realistic timeline that will ensure that SCOWB meets the expenditure rate in the following program year. A successful action plan typically consists of the following elements, at a minimum:
  - a. The total training expenditure level for the non-compliant program (or programs) for the first year the minimum 40% rate was not attained.
  - b. A detailed plan to meet the 40% minimum training requirement for the current program year.
  - c. Strategies for leveraging resources from training and supportive services.
  - d. Define processes and forms that will be used to monitor and track training and supportive service expenditures.
  - e. List any technical assistance needs that must be addressed to meet the 40% minimum training expenditure requirement.
2. After two consecutive years of non-compliance, the Governor will mandate the minimum expenditure to be addressed as a component of the WIOA local plan.
3. Failure to comply with this policy for 3 consecutive years may result in the State recapturing and reallocating a percentage of SCOWB's Adult and Dislocated Worker funds and/or development of a reorganization plan through which the Governor would appoint and certify a new local board.

**EQUAL OPPORTUNITY AND NONDISCRIMINATION STATEMENT:** All Recipients, including Sub-recipients/Sub-grantees, must comply with WIOA's Equal Opportunity and Nondiscrimination provisions which prohibit discrimination on the basis of race, color, religion, sex (including pregnancy, childbirth, and related medical conditions, transgender status, and gender identity), national origin (including limited English proficiency), age, disability, political affiliation or belief, or, for beneficiaries, applicants, and participants only, on the basis of citizenship status or participation in a WIOA Title-I financially assisted program or activity.

**ACTION REQUIRED:** SCOWB will disseminate the Adult and Dislocated Worker 40% Minimum Training Expenditure Rate Policy to all SCOWB contractors. All Contractors will be responsible for following this policy and budgets approved by SCOWB.

**APPROVED: Full Board 01/11/18**

**REVISED: 11/04/2019**

**APPROVED: Executive Comm 11/13/19**

**Full Board Approval: 1/9/2020**

