

DEPARTMENT OF WORKFORCE DEVELOPMENT
 DIVISION OF EMPLOYMENT AND TRAINING
 ADMINISTRATOR'S MEMO SERIES

ACTION
 X NOTICE 09-06

ISSUE DATE: 10-28-2009
 DISPOSAL DATE: Ongoing

*PROGRAM CATEGORIES:

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| X | FM | X | WIA |
| X | JC | X | TA |

To: Workforce Development Board (WDB) Directors

From: Ron Danowski /s/
 Division Administrator

RE: Workforce Investment Act (WIA) 35% Expenditure Requirement for Training

PURPOSE: To announce changes to the 35% expenditure requirement for training for the WIA Program

BACKGROUND:

Nationwide, local workforce boards used an estimated 40% of the WIA funds they had available in Program Year (PY) 2003 to obtain training services for WIA customers. An informal survey in PY2003 of Wisconsin's WDBs put that figure in the range of 12-54%. In 2006, DWD issued its requirements on training expenditures for high wage occupations (Administrator's Memo 06-11, 07/07/2006). Based on experiences from 2006 and 2007, as well as changes in the national and state economies, DWD is revising its expenditure requirements for training.

Training is a vital component to preparing Wisconsin's workforce for current and future jobs. The United States Department of Labor and DWD have also been emphasizing the need to focus WIA Title 1B funds on training. In recognition of this, the Department began a dialogue with WDB Directors and others regarding the importance of training and the need to make a greater effort towards moving people being served through our Job Center System into better jobs than we have in the past. The 2009 WIA State Plan submitted to the Department of Labor in April of 2009 reflects this commitment.

With the loss of over 79,700 manufacturing jobs in the state since December 2007, many of which were unskilled, training and re-training for the workers who lost their jobs is essential. To ensure that critical resources are being focused on preparing more people for higher wage jobs, and recognizing the strong connection of training to a "ready" workforce, the Department has set

* PROGRAM CATEGORIES:

AS--Apprenticeship FM--Financial Management ML--Migrant Labor TR--Transportation
 NA--Native American Services FL--Foreign Labor Certification, WIA--Workforce Investment Act
 TC--Tax Credit Programs JC--Job Center TA--Trade Assistance CR--Civil Rights LM--Labor Market Information

a goal of spending 35% of formula allocated WIA funds for the Adult and Dislocated Worker and Special Response programs, less the 10% for administration, for training and training supports.

POLICY:

Costs that can be attributed to this goal include any costs or support services relating to a verifiable expectation that at the end of training the participant will have the skills needed to qualify for a job. Costs such as assessment, case management and basic skills services will not count toward meeting the 35% requirement.

Allowances are made for a "Career Ladder" if a customer is low skilled, but strongly motivated to get a higher skill, better paying job through a series of steps. The first step training will count towards the 35% goal if the following conditions are met:

- a) The WDA determines, through assessment and counseling, that the customer is a good candidate for a long-range plan leading to a higher skill, better paying job;
- b) The *Employability Plan* outlines the various steps and goals in the career ladder;
- c) The WDB is willing to follow the customer and support their efforts to reach the long-term career goal.

An example of this "Career Ladder" would be a customer who wants to become a Licensed Practical Nurse (LPN). One of the pre-qualifications is a Certified Nursing Assistant (CNA) certificate. If the job of LPN meets the WDB definition of a high demand occupation, and the WDB determines that the customer is a good risk for the long term goal and develops an *Employability Plan* to reflect that goal, and the WDB is willing to follow the customer through the long-term goal, then the CNA training and associated education and training could be counted towards the 35% goal.

Once the training has qualified for the 35% goal, then the WDB may also count the following related costs toward the goal as well: tuition, fees, books, essential equipment, specialized clothing, and costs related to cohort training for WIA eligible participants.

Costs can be counted towards the 35% goal from the time they are incurred. In other words, a customer does not have to successfully complete the training in order to count the costs toward this goal. CORE expenditure codes 2091 for the Adult program, 2092 for the Dislocated Worker program and 2093 for the Special Response program have been established to report the costs that apply to these training goals. These codes are memo-only. 100% of the costs relating to the Adult and Dislocated Worker program will continue to be reported on the codes 2018, 2022 and 2023 respectively, and costs relating to the 35% goal will be repeated on these two new line codes.

To evaluate program compliance, the amounts reported on 2091 will be compared to the expenditures-to-date for the Adult program reported on 2018. The amounts on 2092 and 2093 will be combined and compared to the total expenditures for the local Dislocated Worker and Special Response reported on 2022 and 2023.

ACTION SUMMARY STATEMENT:

WDBs need to maintain accounting records to appropriately identify and account for the 35% training costs, and report the amounts on the new CORE line codes beginning with the PY09 funds on July 1, 2009.

CONTACT: If you have any questions about this memo, please contact Nancy Eilks at 608-267-2985 or nancy.eilks@dwd.wisconsin.gov or Dianne Reynolds at 608-266-0988 or dianne.reynolds@dwd.wisconsin.gov.