

## INSTRUCTION LETTER

**INSTRUCTION NUMBER:** WIOA # 17-07, Change 1

**TO:** Upstate Workforce Area Contractors

**SUBJECT:** Participation Cost Rate Policy

| DATE                                  | DATE                                 | DATE                                |
|---------------------------------------|--------------------------------------|-------------------------------------|
| <b>ISSUED:</b> <u>August 28, 2018</u> | <b>EFFECTIVE:</b> <u>Immediately</u> | <b>EXPIRES:</b> <u>Indefinitely</u> |

**PURPOSE:** This guidance further clarifies policy issued in December 2017 regarding Workforce Innovation and Opportunity Act (WIOA) participant cost rates for local area Adult and Dislocated Worker programs.

**REFERENCES:** Workforce Innovation and Opportunity Act, Public Law 113-128, Sections 101(d)(2), Section 101(d)(12), Section 102(b)(2)(D) (i)(I), Section 116(b)(2)(B); 20 CFR Part 679.130(b), Part 679.130(I), Part 679.110, Part 677.165

**BACKGROUND:** An analysis of WIA/WIOA Local area expenditures was initiated in Program Year 2012 and continued through Program Year 2016. On average, a majority of the twelve local workforce areas expended less than 30 percent of their allocated Adult and Dislocated Worker funds, including any Rapid Response for additional assistance funding received, on participant costs, such as training and related services. In response, The State Workforce Development Board (SWDB) issued a policy on December 5, 2017 (effective July 1, 2018), which established a minimum participant cost rate to more effectively focus WIOA resources on serving individuals and addressing skill shortages to meet employer needs. Setting such a policy also places more emphasis on ensuring financial integrity of taxpayer dollars.

**POLICY:** Per WIOA Public Law 113-128, Section 116(b)(2)(B), a minimum participant cost rate policy is established as an additional State performance accountability indicator. Effective July 1, 2018, each local workforce development board shall ensure that WIA Adult and Dislocated Worker expenditures, including Rapid Response for additional assistance funds, meet a minimum participant cost rate of 30 percent.

- The participant cost rate will be evaluated annually, and will include expenditures of both carry-in and new funds.
- Only program cost category expenditures will be used. Administration expenditures will not be included in the calculation.
- The participation cost rate will be calculated using combined local Adult and Dislocated Worker program expenditures, including Rapid Response for additional assistance funds. The fund streams will not be evaluated separately.

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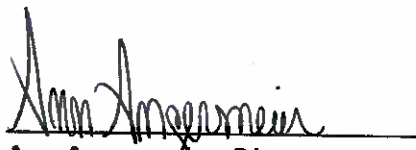
- Participation cost includes expenditures for all types of training (classroom, OJT, apprenticeship, locally-funded IWT, customized training, etc.), basic skills upgrading and GED preparation, supportive services necessary (and not otherwise available) to enable and individual to participate in WIOA activities (such as transportation, child care, books, supplies, uniforms, tools, and fees, assessments, testing, and work-based learning wages and/or stipends.
- Participant costs do not include staff salaries, fringe benefits, operating expenses, or indirect cost.
- June Financial Status Reports (FSRs) submitted by each local workforce area will be used to determine total program expenditures and participant costs.
- As an additional State performance accountability indicator, the actual participant cost rates for each local area will be included in the WIOA Annual Report.

Any workforce area that falls below the 30 percent participant cost rate must submit a local board approved Corrective Action Plan that includes:

- A detailed analysis of the inability to attain a minimum of 30 percent participant cost rate;
- Actions steps to meet the minimum required rate;
- Any measureable benchmarks or indicators that will ensure the local area is on track to meet the expected outcome; and
- Other information the local board may want to include in the Corrective Action Plan that will be beneficial for state level review and comment.

**ACTION:** Ensure that all appropriate staff receive and understand this policy.

**INQUIRIES:** Questions may be directed to Dana Wood [wood@upstateworkforceboard.org](mailto:wood@upstateworkforceboard.org) or 864-596-2028 TTY:711.

  
Ann Angermeyer, Director

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**Source:** State Instruction Letter 17-04, Change 1, DEW Memo dated August 3, 2018

## Participant Cost Rate Tool

**Purpose:**

To calculate the participant cost rate as of the latest Financial Status Reports (FSRs).

**Instructions:**

Enter the applicable amounts in the blue shaded areas from the previous June FSRs and current FSRs. Using these figures, the participant cost rate will be calculated.

|                       |                |
|-----------------------|----------------|
| Participant Cost Rate | <b>#DIV/0!</b> |
|-----------------------|----------------|

| June 2018 FSRs - Program Year 2017 Adult and DW |       |    |    |    |           |    |       |
|---|-------|----|----|----|-----------|----|-------|
|   | Adult |    | DW |    | RRA Grant | PY | Total |
|   | PY    | FY | PY | FY |           |    |       |
| Total Participant costs (17f)                   |       |    |    |    |           |    | \$ -  |
| Total Program Costs (18)                        |       |    |    |    |           |    | \$ -  |

| Most Recent FSRs - Program Year 2017 Adult and DW |       |    |    |    |           |    |       |
|---|-------|----|----|----|-----------|----|-------|
|   | Adult |    | DW |    | RRA Grant | PY | Total |
|   | PY    | FY | PY | FY |           |    |       |
| Total Participant costs (17f)                     |       |    |    |    |           |    | \$ -  |
| Total Program Costs (18)                          |       |    |    |    |           |    | \$ -  |

| Most Recent FSRs - Program Year 2018 Adult and DW |       |    |    |    |           |    |       |
|---|-------|----|----|----|-----------|----|-------|
|   | Adult |    | DW |    | RRA Grant | PY | Total |
|   | PY    | FY | PY | FY |           |    |       |
| Total Participant costs (17f)                     |       |    |    |    |           |    | \$ -  |
| Total Program Costs (18)                          |       |    |    |    |           |    | \$ -  |