



Oklahoma Office of Workforce Development
900 N. Portland Ave.
Oklahoma City, OK 73107

OKLAHOMA WORKFORCE DEVELOPMENT ISSUANCE #12-2017, CHANGE 1

TO: Workforce Development Board Chairs
Workforce Development Board Staff
Workforce Development Fiscal Agents

FROM: Erin E. Risley-Baird, Executive Director

DATE: October 27, 2017

SUBJECT: Adult and Dislocated Worker 40% Minimum Training Expenditure Rate, Change 1

PURPOSE: The Oklahoma Office of Workforce Development (OOWD), as the Governor's chosen Workforce Innovation and Opportunity Act (WIOA) administrative entity, provides this issuance as guidance for the required 40% minimum training expenditure rate of Title I Adult and Dislocated Worker funds for each program year, beginning in 2017.

This issuance is to clarify the Adult training expenditure rate and the Dislocated Worker training expenditure rate are calculated separately; address training and services that are not calculable toward the 40% minimum training expenditure rate; and remove the reference to the transfer of formula funds between the Adult and Dislocated Worker Programs.

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
- OWDI #12-2017, Adult and Dislocated Worker 40% Minimum Training Expenditure Rate
- TA-05-2017, 40% Minimum Training Expenditure Rate Technical Assistance

MESSAGE:

All Local Workforce Development Areas (LDWAs) are required to expend at least 40% of their formula-allocated Adult and Dislocated Worker funds in each program year on allowable

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training costs. Expenditure reports and monitoring must reflect how the 40% minimum training expenditure of both Adult and Dislocated Worker (DLW) program funds have been utilized toward the training expenditure cost categories listed in OWDI 12-2017.

Calculation of Expenditure Rate

The following formulas determine if the LWDA is expending 40% of their budgeted program dollars on training, meeting the minimum requirement each program year. The expenditures used to calculate the training expenditure rate do not include the amount of funding each LWDA budgets for use on administrative expenditures (10% maximum allowable).

Adult Funds

Yearly Adult Training Expenditure Rate =	$\frac{\text{WIOA Adult Program Training Expenditures}}{\text{Total Adult Total Funds Authorized minus 10\% Administrative Costs}}$
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Dislocated Worker Funds

Yearly DLW Training Expenditure Rate =	$\frac{\text{WIOA DLW Program Training Expenditures}}{\text{Total DLW Total Funds Authorized minus 10\% Administrative Costs}}$
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The following table is an example calculation of the Yearly Adult Expenditure Rate. The same process must be utilized to determine the Yearly Dislocated Worker Expenditure Rate.

Example Calculation of the Yearly Expenditure Rate

PY17 Adult Award	\$900,000.00	
Minus 10% Administrative Costs	\$90,000.00	
Equals Total Adult Program Funding	\$810,000.00	
To Calculate the Adult Training Expenditure Minimum: Multiply the Total Program Funding by 0.4 (40%)	\$324,000.00	Training Expenditures Must Meet or Exceed 40% Minimum In Order to be in Compliance with the Oklahoma Office of Workforce Development OWDI 12-2017

Training Expenditures Allowable Toward the 40% Minimum Training Requirement

Allowable costs used in calculating compliance with the 40% minimum training expenditure rate must be of direct benefit to the participant and includes the cost categories outlined in OWDI 12-2017, issued August 18, 2017. Training Services costs that are calculable include occupational skills training; adult education and literacy services when provided concurrently or in combination with occupational skills training; on-the-job training (OJT); work-based training; and job readiness training. The complete list is outlined in OWDI 12-2017.

Training Expenditures Not Allowable Toward the 40% Minimum Training Requirement

The cost for incomplete or unfinished training is not calculable toward the 40% minimum training expenditure rate.

More WIOA Adult and Dislocated Worker funding directed towards quality training and education programs that lead to recognized postsecondary credentials and workforce certifications is critical for the employment success of many adults and dislocated workers. Training and education should, therefore, be identified and evaluated based on performance indicators including completion, employment and wages after exit.

It is imperative to provide comprehensive career planning services prior to placing an individual in a training program as a means of determining if an individual is ready to enter and be successful in training. WIOA 134(c)(3) requires an interview, evaluation, or assessment, and career planning services, to determine if an individual has the skills and qualifications to successfully participate in the selected program of training services. These tools and services must be utilized to help the case manager make an informed decision as to the individual's likelihood of training completion and success; or conversely, whether there are barriers that must be addressed prior to entering training. The right combination of individualized career services, such as a comprehensive assessment and an in-depth interview better prepares the case manager to make a decision as to the individual's readiness for training.

Training is not considered incomplete or unfinished when the participant has made arrangements, in coordination with the training provider and case manager, for a planned break in training due to extenuating circumstances, such as the birth of a child or an unforeseen emergency, provided the participant has the capability of training program completion without additional costs to the WIOA grant.

Transportation and child care are examples of supportive services that are not considered Other Costs Directly Related to Training, and therefore are not calculable toward the 40% minimum training expenditure rate.

ACTION REQUIRED: This Oklahoma Workforce Development Issuance (OWDI) is to become a part of your permanent records and made available to appropriate staff and sub-recipients. LWDBs must proceed with the actions outlined in OWDI #12-2017, except as instructed by this Change 1.

INQUIRIES: If you have any questions about this issuance, please contact policy and program staff in the Oklahoma Office of Workforce Development. Contact information can be found at <http://www.oklahomaworks.gov/about/>.